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FOLLOWING THE APPLICATION OF COMPUTERIZED ACCOUNTING INFORMATION SYSTEMS TO THE QUALITY OF AUDITING THE FINANCIAL INFORMATION OF IRAQI BANKS

(An Analytical Study in a Sample of Iraqi Banks Applying the Computerized System)

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ABSTRACT

The research aims to know the importance of computerized accounting systems in meeting the audit quality requirements in the financial statements of banks by knowing the most important technological assets and knowledge that can be employed to apply the computerized accounting system, and to achieve this goal the research was conducted on a sample of Iraqi banks represented by (Bank of Baghdad, Bank of Al-Mansour, Investment Bank), which presents its statements in the Iraqi Stock Exchange through studying its statements for the financial period extending from (2019-2021). The results are obtained through the answers obtained from the employees of the research sample companies.The most important finding of the researcher is that there is a weakness in the procedures of Iraqi banks in the process of switching to computerized accounting systems despite the presence of many diverse knowledge they have.

I. INTRODUCTION

As a result of the development in the industrial business environment, the increase in competition among international companies, especially industrial ones, the emergence of the element of technology as one of the tools used by companies in developing their performance and improving their products, increasing the need of users of accounting financial statements of information necessary to make decisions, and the emergence of calls by many parties urging companies to submit more disclosures about the intellectual items they own to express their real financial position at the end of the financial period. As a result of the importance of audit quality in the development of the company's foundations in a way that contributes to accuracy and speed in accounting and administrative work and in order to achieve compatibility with advanced accounting and administrative systems that are based on modern information technology, the research provides a theoretical and analytical study on manual and computerized accounting systems and the procedures for their application in Iraqi banks and how banks develop in a way that achieves compatibility with the foundations and procedures related to measuring the quality of auditing. To achieve this, this research was divided into three main sections, the first section included the research methodology, and the second section clarified a theoretical framework on the concept and importance of manual and electronic accounting systems, how to manage them and the procedures for their application, and the section also included explaining a theoretical framework for the application of a set of computerized systems in banks in order to develop the quality of audit. The third section dealt with an analytical study of a sample of ethnic banks that are eligible to apply the computerized system, as well as an analysis of the percentage of spending on electronic systems, as well as knowing the opinions of auditors and the percentage of audit risks and conducting analysis between them, through which the objectives of the research were achieved, which was summarized into a set of conclusions and recommendations.

II. RESEARCH METHODOLOGY

First: The Search Problem

Most Iraqi banks follow traditional systems in the reporting process in the financial statements submitted to external parties in a way that exposes them to manipulation and falsification, which weakens the quality of auditing of financial

information, and recently many external banks have applied computerized information systems, which has raised the quality of auditing as well as the speed of providing banking service to the customer. Through this, the problem of research is represented by the following questions:

1. Is there a capacity to apply computerized accounting systems in Iraqi banks?
2. Can modern accounting systems be employed in achieving the quality of auditing of the financial information of Iraqi banks?
3. Does computerized accounting provide banking information and services to customers better than traditional systems?

Second: The importance of research

The importance of the research comes through the provision of a framework proposed by the researcher to Iraqi banks from the application of computerized information systems in the Iraqi environment that help in achieving the following:

1. Computerized systems cancel out many steps of accounting work in a way that reduces the financial spending of employees and maintenance as well as the speed and accuracy of the service provided to the customer.
2. Computerized accounting helps to achieve the quality of internal audit of Iraqi banks in a way that reduces cases of fraud and corruption in credit institutions.
3. The process of applying modern accounting systems reflects the extent to which banking institutions in the country are presented, which encourages investment and attracting foreign capital.

Third: Research Objectives

The research aims to achieve the following:

1. Provide a theoretical framework on the concept and importance of computerized accounting systems applied in Iraqi banks and the importance of quality auditing related to financial information.
2. Know the accounting procedures carried out by Iraqi banks in order to move to modern accounting systems and their impact on the quality of internal audit.
3. Provide a proposed framework showing how the bank approaches computerized accounting in a way that summarizes many of the steps of accounting work.

Fourth: Research Hypotheses

The hypothesis of the research is as follows:

(Computerized accounting systems play an active role in achieving the quality of internal audit of Iraqi banks' financial statements and information.)

III. LITERATURE REVIEW

Accounting Information Systems and Information Technology

As a result of the advances in information technology and the emergence of the calculator as one of the assets in the company, it has become necessary for corporate systems to adapt to these changes in order to enable them to keep pace with the changes taking place in the world (Al-Rawi, 1997:43). It is known that the use of computer-based systems in the development of accounting information systems reduced routine work and reduced administrative errors in the manual accounting system, it has made the computer-based accounting system the process of registration, migration and balance is done very quickly and with high accuracy, and it has even become possible for the company to obtain information about previous activities quickly and at any time it deems appropriate as the systems reduce the costs of registration and migration processes, which saves financial amounts For the company (Yahya, 24:2006).

Through the foregoing, the system is generally defined as a set of physical inputs that are processed in an organized manner in a manner that produces outputs consistent with the predetermined objectives of the company, while the computerized accounting system is defined as a set of financial and accounting operations that are processed by the computer in the company in an organized manner, and through this definition it is possible to know the components of the computerized accounting system as shown in the following figure (Reza, 15:2009):

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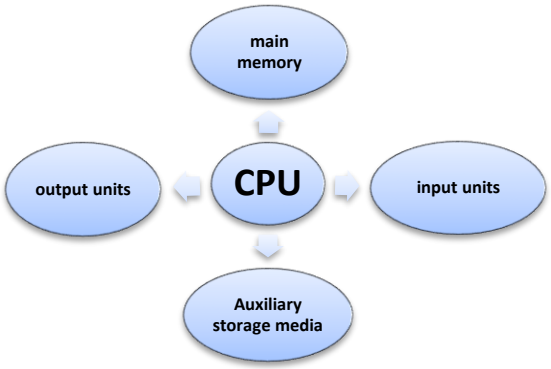
Figure (1) Components of the computerized accounting system



These components can be illustrated as follows (Kamath, 2015:72).): -

1. **Input modules:** It includes a set of physical components that are used to enter data into the computerized system**.**
2. **CPUs**: They are the internal part of the system and are responsible for all activities related to the management of the system internally and which contains electronic circuits and that are responsible for policies and software and consist of the following: -
   a. **Unit of arithmetic and logic:** It is a software that performs mathematical logical calculations.
   b. **Control Unit**: It is the unit responsible for the software for controlling the operations of the account, which supervises and directs the means of entry, output and storage and in turn resembles the nervous system to the human being.
3. **Main memory**: In this partition the data and programs that are entered by the input media are stored and the results are stored in this memory before being sent to the cache or to the printer god**.**
4. **Auxiliary storage media**: It includes all other storage media that works on storage in non-main memory module**.**
5. **Output modules**: It includes all the means by which the results are output in the computerized system and includes printers, speakers and monitor.

The basic difference between a manual and computerized accounting system

The main difference between the manual accounting system and the computerized system is represented in the executing entity of accounting operations, according to the manual system, financial operations go through a set of records that are recorded, credited and posted before preparing the final accounts and giving the result of the works represented by profit or loss, which constitutes a long and expensive process for the company through the time and effort exerted by the employees working on the manual system, while the computerized system is used electronic mind in the management of financial operations very quickly so that Recording, posting and crediting of all elements of the financial statements are carried out at the same time, which reduces the effort and increases the accuracy in the work, which reduces costs and facilitates the daily administrative work of the company (Ali and Salima, 27:2011).

The mechanism of work in the computerized accounting system

There is no difference in the mechanism of work carried out by the computerized system in terms of the people in charge of it, the accountant is the one who gives orders to the computer to enter the financial data of economic events and the computer ensures that the computer follows the other steps, and the accountant who enters the data must coordinate with the programmer of the computer who follows the following steps (Marston, 2010:71):

1. The mechanism shall be suitable for encoding the elements of the computerized system, as is the case with the manual system, for the purpose of distinguishing the system from others.
2. Create automated daily logs to record daily events.
3. Create professor records and scales of monthly review programmed to work in cartoon form.
4. Establishing a mechanism for the programmed posting of accounts and financial operations.
5. Establishing programmed final financial statements that give accurate financial results.

Design of a computerized accounting system

When designing a computerized system, the company must follow a set of steps, the most important of which is :(Ghen,2004:54)

1. Assign a team of a group of professional programmers to manage the computerized system.
2. Provide the necessary equipment to carry out the use of the system and conduct training courses on it.
3. Hire expert programmers from third parties when needed.
4. It is necessary for the company to carry out the parallel operation of the computerized system with the manual system for a period of time, unless the appropriate evidence is available for the success of the computerized system in the company, thus completely dispensing with the manual system.

Duties of accounting and programmer staff

Before operating the computerized system, the people in charge of it are required to do the following steps, which will be explained in detail and as it is:

1. **Mapping illustrative flows**

It means the formulation of the policy that must be followed by the management of the company before the application of the computerized system starting from the inputs to the processes and then to the outputs to include all the activities of the company (Ashour and Naima, 46:2011). To clarify to you, let's say that a company that deals in commercial activities such as the sale and purchase of goods and decides to implement a computerized system must design detailed maps and records that include the following (Abdullah and Sanhoun, 57:2011):

A. revenue cycle (sales and debtors).
B. The payments cycle (purchases, inventory, creditors).
C. c. Salary cycle and periodic expenses.
D. Financial reporting cycle and final financial statements.

2. Initiation of the design of the system

In this step comes the role of specialized programmers to implement the cycles of application of the computerized system and in coordination with accountants, and it is worth noting that in many cases the accountant does not have enough skill to carry out the software operations to implement the steps of the accounting cycle in the computerized system and as in recent periods appeared cartoon accounting programs that can be worked on by people who have nothing to do with accounting and give quick and accurate results (Hiras, 2012:63).

3. System Scan

After the completion of the design of the computerized system comes the role of the programmers specialized in examining the accuracy of the system and the extent of its ability to achieve the objectives desired by the company, and it is the most important thing for accountants is to ensure the extent to which the computerized system is able to provide important things, most notably accounting policies and procedures compatible with international standards and rules, as it is necessary to ensure that the computerized system provides the requirements of external control in terms of high confidentiality accuracy up to the quality of accounting information provided by the system It must be recognized that the skill of the accountant in the company plays a prominent role in examining the work of the system and its compatibility with the procedures set in advance, but sometimes it requires the use of specialists or programmers to audit computers on computers (Marston, 2010:67).

4. **Matching the results of the system with the manual system**

It was also pointed out earlier that the computerized system could not rely on its results in the first periods because it is under trial so it is preferable to continue working together with the manual accounting system, after which the results of the two systems are matched together in order to compare and address the apparent deviations in the computerized system and know the defects in it, their causes and ways not to repeat them in the future (Taliyang, 2008:11).

Proposed framework for the implementation of the computerized accounting system in banks

In order to apply the computerized accounting system, the researcher used a variety of programs proposed for application in Iraqi banks in order to reach the ideal quality in the financial audit of financial statements, and these programs were represented by the following:

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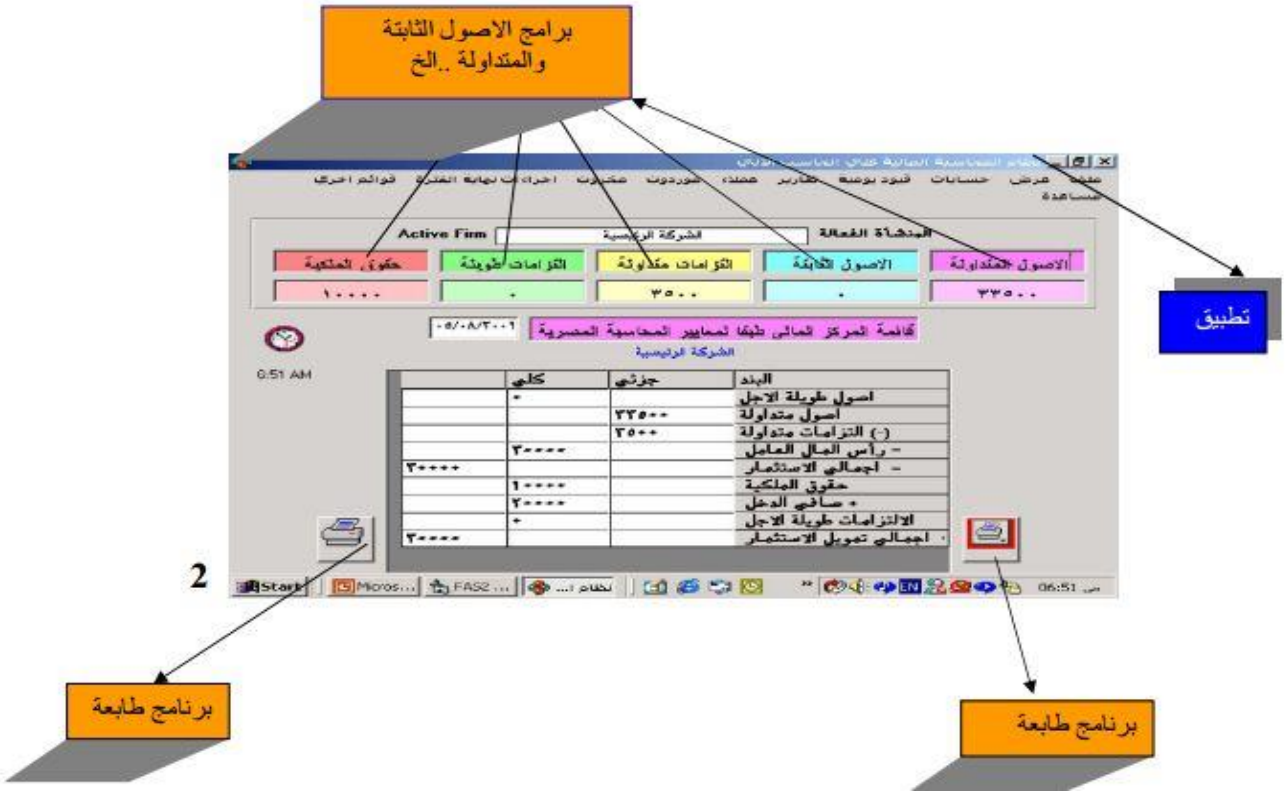
1. **Automated Financial Accounting System**: It is represented by an interface on the computer machine through which accounting data including financial transactions of sale, purchase or other transactions are entered and the balance and preparation of monthly, quarterly and annual accounts is carried out automatically by orders from the user and thus will obtain accurate, fast and infallible results as shown in the following form:

Figure (2) Automated Financial Accounting System



Source (Financial Accounting Program)

2. **Application of the system (QUAREZMY):** It is represented by its application can be used by the accountant and rotate the calculations easily, which was developed by a group of Syrian researchers and deals in the work of that application all computers related to assets, liabilities and property rights and the window of the program is as follows:

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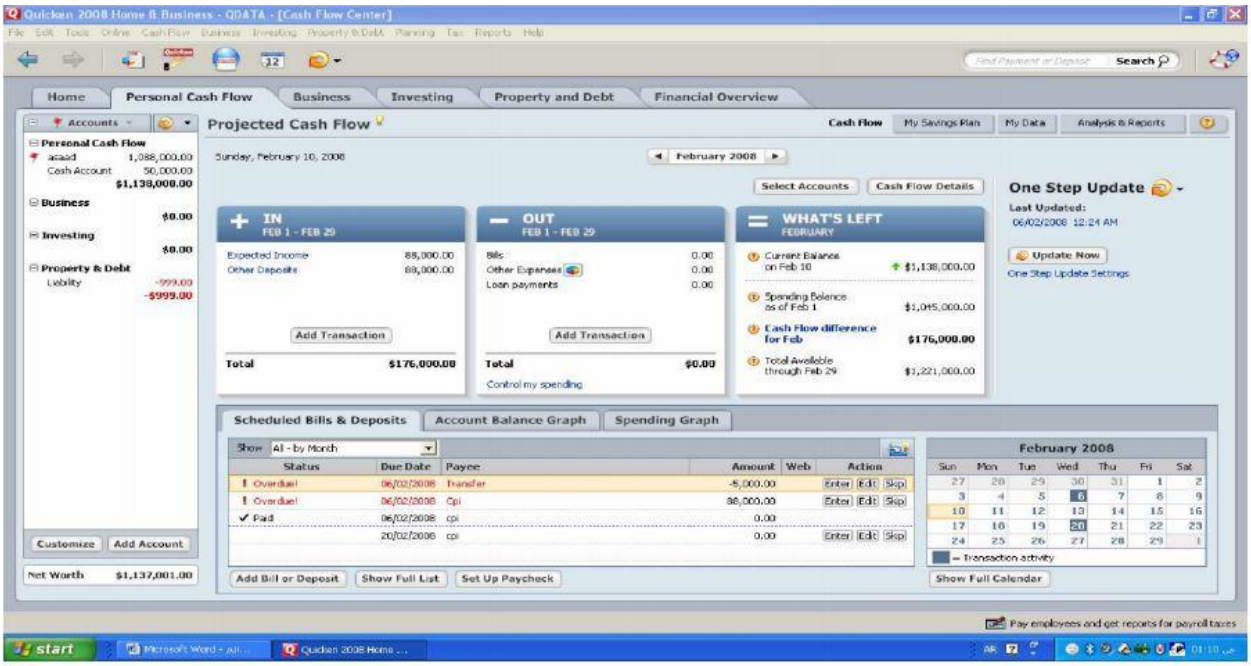
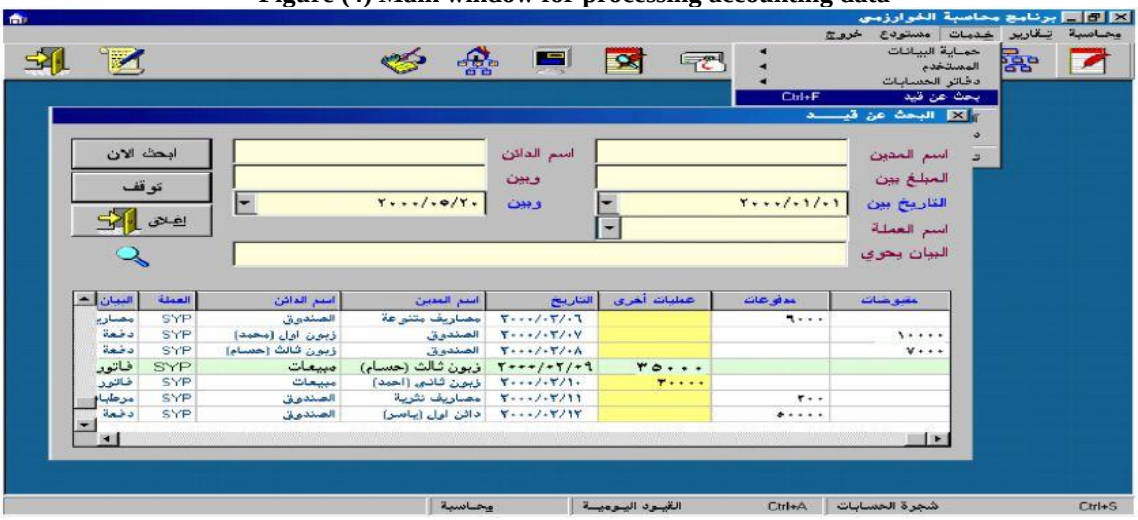
Figure (3) QUAREZMY Program Window)



Source (Quicken 2008)

While the use of the program in the processing of accounting data gives another form represented by the following:

Figure (4) Main window for processing accounting data



Source (algorithmic software)

The concept of audit quality

The management of any establishment depends mainly on accounting statements in the development of plans, performance control and evaluation, hence it is keen that those statements are audited by an impartial technical body, and the category of investors depends on the audited financial statements when making any decision in directing investments as it achieves the greatest possible return for them taking into account the element of possible protection, and the financial statements are supposed to show the efficiency in the exploitation of economic resources. The same applies to commercial and industrial banks that rely on financial statements audited by an impartial technical body when examining the financial centers of projects from which they apply for loans and credit facilities, while

government agencies and state agencies rely on audited financial statements for many purposes, including planning, control, taxation, price setting and reporting subsidies for certain industries (Abdullah, 2004:16). Since the audit profession faces criticism in the quality and credibility of the work it carries out, the methods of its control and the policies and procedures governing its work, the professional level and the systems and procedures followed by the financial control bodies should be highlighted in order to raise the efficiency and quality of the profession. The first thing that quality was used in the industry, which means fitness for use, because of the importance of quality in design and productivity, as quality can be conforming to the requirements (Conformity with the Requirement) means that the achievement of quality is done if the product or service satisfies all the requirements specified with customers, whether specified in the purchase contract, determined by the specifications announced and specified, determined by law or otherwise, and quality may be customer focus, meaning the set of holistic characteristics and services that affect the fulfillment of the customer's apparent and implicit needs (Al-Azzawi, 2002:18).

As for the quality according to the standard specifications (ISO 9000) 2000 is the set of distinctive qualities of the product, activity, process, establishment or person, which makes it meet the stated and expected needs or able to be able to meet the needs and expectations and then meet the specifications of buying or selling and in the field of our research, conformity with the requirements is the concept closest to the mind, whether inside or outside the facility and all are mobilized Efforts in it to achieve this .Based on the above, quality means adhering to specifications and diagnosing defects and removing them by following the activity of measurement and investigation .The concept of quality changed after the development of management science, the emergence of the industrial revolution and the major enterprise and the increase in competition as a result of the large production of goods and services, which led to the need to think deeply about a new approach to face these challenges and to realize and absorb the concept of quality for each stage and to adopt the latest systems in the management and organization of its activities .The quality of the audit was defined as the possibility that the financial statements do not contain material distortions of fraud and errors and linked the quality of the audit to the level of certainty, the high level to ensure that the financial statements do not contain material distortions is offset by a higher level of audit quality.

It was defined as the probability by which the auditor would detect and report weaknesses or gaps in the client's accounting system (Al. Dhalai, 2004:10). From the previous definitions, it is clear that no specific definition of audit quality has been agreed upon, but two conditions have been identified as a criterion to highlight the problem of audit quality.

Condition I: Material misrepresentations of fraud and errors in the financial statements should be detected.
Second condition: Reporting material misrepresentations.

The first condition depends on the capabilities of the auditor as the one who has better experience and is well trained is more able than others to detect errors.

The second condition depends on the independence of the auditor, since the one who enjoys the most independence has a greater ability to report errors discovered (Watheq, 2009: 66).The detection of errors is also influenced by how the team carries out the audit process, which is affected by the quality control system .The two previous conditions for audit quality have a direct relationship and impact on the quality control system in the flour offices, as offices with effective quality control systems have a high ability to detect distortions in the financial statements .Thus, the quality of the audit is linked to the expectations of the users of the financial statements in a special relationship and from many angles (Mufdaf, 2004: 118). The auditor performs audit tasks under uncertain conditions that culminate in different levels, whether high or low, and this is a different perception that involves a risk called audit risk. It is clear from the previous presentation that there is a difference in the concept of audit quality and there is also difficulty in it and that there is a link to the quality control system in the audit offices can be inferred from the level of quality of the audit in them and this is done mainly through the proper methods and procedures followed by the office to organize its work and control the quality of the audit as the strong quality control system results in high audit quality (Al-Dhali,2004:11).

Audit Quality Control

The concept of quality control means that audit offices must carry out the necessary control that gives them the conviction that they are committed to their responsibilities to their clients and to society (Circassian, 1987: 339).

The International Federation of Accountants defined it as follows (the policies and procedures adopted by the Office to provide reasonable confidence that all audit procedures carried out by the Office were conducted in accordance with the basic objectives and principles governing the auditing process set forth in the International Standards on Auditing) (International Federation of Accountants, 1998: 44) and the relevant regulations governing their professional performance when providing professional services to the clients of the Office, including the Code

of Conduct and Ethics of the Office and the Bureau's compliance with the regulations governing the practice of the profession) GCC Accounting and Auditing Authority, 2003: 27(.

Quality control includes the means that are used to ensure that audit firms meet their professional responsibilities vis-à-vis clients and these include the organizational structure of the audit office and the procedures it performs (Arens and Lubeck, 2003: 44).

Quality control has been defined more broadly as "the means by which the Office can reasonably ascertain that the opinions it expresses in its audits always reflect its observance of recognized audit standards, any legal or contractual requirements, or any professional standards established by the Office itself (Arab Society of Certified Public Accountants, 2001: 69). Therefore, the audit profession provides its services to many parties with conflicting interests, so the need to gain the trust of these parties appears and this comes through the commitment of the members of the profession individually or collectively to provide high quality services, which proves to these parties, especially the public, that the members of the profession are qualified and are keen to adhere to the standards set by the professional organizations that regulate the work of the profession, which in turn gives credibility to the outputs of the profession, which enhances its status and justifies its continued existence (Watheeq, 2009:68). Through the foregoing, the concept of quality control is a comprehensive set of policies and procedures that should be developed by the Audit Office in order to ensure compliance with and compliance with the quality control standards of the accounting profession and the previously defined requirements of the Office, its employees and clients (Goldstein & Rosenfield, 1992: 13).

The Asian Organization of Financial Audit Institutions AsosAl also referred to quality control in the audit process as policies, systems and procedures that will encourage actions leading to high quality, as quality control represents the technical methods and operational activities used during audits, planning and implementation, and that quality control is a process that the Supreme Regulatory Authority looks forward to achieving quality requirements during its course. That is, the unit under audit requires a high level of quality as the auditor's report has reactions in the market, which may affect the prices of shares, and therefore it can be said that the quality of the audit is to ensure that the auditor performs his work in a way that achieves for the relevant parties such as users of financial statements, audit offices, professional organizations, government agencies and the entity under audit the expected objectives of the audit process .Based on the foregoing, and despite the multiplicity of concepts related to the quality of professional performance, each of which focuses on a specific aspect of audit quality, the lesson when judging the quality of the audit process is not only the extent to which the auditor adheres to professional standards and guidelines but extends to providing protection to the many parties that depend on the auditor's report (Mahdi, 2008: 20). The U.S. Auditing Standards Board has identified five elements of quality control, with Table 1 showing these elements with a brief explanation of the requirements of each element and an example of a quality procedure that meets these requirements.

Audit quality requirements

The growing social awareness of the importance of the role of the auditor can create the appropriate climate for the events of the required development in the profession and accelerate the advancement of development directly and indirectly through the development of laws, regulations and standards governing the profession and the provision of the necessary conditions and requirements for the numbers of its members in cases of education and training with a clear and elaborate definition of their professional obligations and the consequent responsibilities towards the client and towards the users of financial reports .Improving the effectiveness of the audit profession (Mashhadani, 2000:3). The requirements to raise the audit quality process can be classified as follows (International Federation of Accountants, 2001: 161):

First - Personal requirements and classified into: -

1. Professional requirements: - These are the principles that must be adhered to by the employees of the auditor's office, namely (independence, impartiality, objective honesty, confidentiality, and professional behavior).
2. Skill and competence :The Office should use individuals who have obtained and maintained the technical standards and professional competence required to carry out their tasks with the necessary care.
3. Prepare programs as needed to meet the needs of the office for highly experienced individuals in specialized fields and sectors.

Planning requirements and classified into:

1. Distribution of tasks: - Assign audit work to individuals who possess the required levels of technical training and professional competence.

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2. Supervision: - There should be guidance, supervision and follow-up of the work at all levels to provide a reasonable conviction that the work performed meets the appropriate quality standards.
3. Consultation: - Consultation within the office, when necessary, with appropriate experts and must take into account the specialized areas that need consultation.

Requirements for monitoring and follow-up of policies and procedures for the quality control of the audit process and classified into

1. Determine the scope and specialization of the monitoring program.
2. Take measures to communicate the results of the control to the appropriate administrative levels by imposing control of the measures taken or planned and the comprehensive follow-up of the quality control system.

(INTOSAI has developed the necessary regulatory standards to ensure) necessary auditing quality by following appropriate standards to ensure that the work is carried out with a high degree of quality, as it should impose the objectives of a particular type of work or a particular task to be followed, and each organ should set in its policy INTOSAI standards or other special standards in the implementation of the different types of work it performs .The device to ensure high quality work and the quality of audit work can be ensured through the following (INTOSAI, 1991: 8):

1- The Supreme Audit Organization shall pay special attention to the audit program for quality assurance aimed at improving the implementation of the control process and its results, given the importance of ensuring a high level of work of the Supreme Audit Organization.

2- The Supreme Audit Organization shall establish systems and procedures with a view to:
   A. Ensure that processes aimed at ensuring full quality have been satisfactorily applied.
   B. Ensuring the quality of the supervisory report.
   C. Ensure improvements and avoid recurrence of shortages.

3- As an additional means of ensuring the quality of performance, in addition to auditing the control activity by auditors who are responsible for the designated control processes, the establishment by SAIs of their own arrangements related to quality assurance is desirable, i.e. auditors with appropriate qualifications from the Supreme Audit Organization and not participating in these control processes audit a sample of control processes in terms of planning, implementation and reporting thereon in consultation with the leaders appointed to this control in relation to the results of the Internal arrangements for quality assurance and periodic reports submitted by the Supreme Audit Authority to the senior leadership of the Supreme Audit Authority.

4- It is appropriate for SAIs to define a function of a broad nature for their internal control with a view to assisting them in achieving effective management of their own operations and enhancing the quality of their performance.

5- The quality of the work carried out by the Supreme Audit Organization can be supported by strengthening internal audit and possibly by means of an independent evaluation of its work.

6- Preventive control should be generally understood as censorship that avoids making a mistake at a time when the oversight body is still allowed to prevent an act that is considered to be contrary.

7- If the subsequent control reveals violations only after they occur and when it becomes difficult to correct them, the previous control on the contrary shall issue a direct penalty in the event that the Supreme Audit Authority proves accounting or legal irregularities.

8- Some SAIs help to develop or review accounting systems and certify them and then review the application of the same systems when operating at a later stage.

9- The Supreme Audit Organization shall ensure that the standards applied are followed in both previous and subsequent control processes and that deviations from the standards are appropriate and documented (International Federation of Accountants, 1988: 70).

Ethical requirements

The ethical requirements for audits and audits of historical financial information and other confirmations and services related to the Code of Ethics for Auditors of the International Federation of Accountants with national requirements that are more stringent These rules of the International Federation of Accountants define the main principles of professional ethics and include the following: -

1. Integrity.
2. Objectivity
2. Professional competence and necessary care
3. Confidentiality

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4. Professional Conduct

The IUC Code of Ethics for Auditors includes a method of independence concept for assurances that takes into account threats to independence, acceptable means of protection and the public interest, and these policies and procedures should allow the enterprise to do the following (Audit Management Systems Manuals, 2006: 24).

Following the computerized accounting system in the quality of auditing

Computerized accounting systems are one of the most important innovative new inventions that facilitate the process of accounting completion of banks as well as the preparation of financial statements accurately and quickly for external users, through computerized accounting systems the quality of auditing is achieved through the following (Ray Researcher):

1. Computerized systems contribute to reducing the percentage of accounting error by a very small percentage as a result of the use of computers depends on their users in the correct entry of data for the first time.
2. Computerized systems achieve high quality auditing in a way that reflects positively on the opinions of auditors, which reflects the ideal image of the bank for external parties.

VI. PRACTICAL ASPECT

For the purpose of achieving the objectives of the research, an analytical study will be conducted to know the role of computerized accounting information systems in enhancing the quality of auditing by testing the extent to which banks are able to apply the computerized system through the analysis of the level and size of expenditures, as well as conducting a comparison between the reports of external auditors and analyzing the audit risk ratio for the purpose of knowing the quality in banks and conducting statistical analysis between the ratios of application of the computerized accounting system and the percentage of audit quality according to the statistical program. (SPSS). For the purpose of achieving this, the characteristics of the sample of banks that facilitate credit should be identified as follows:

Description of the research sample

Table (1) Sample Description

Pronounced like t	Bank	Date of Establishment	Nominal Capital	Capital at the date of listing	Percentage of the private sector
1	Investment Bank	1962.	2.5M	90 million	96.56%
3	Al, Mansour Bank	1985.AD	8 million	240M	66.4%
5	Baghdad Bank	1989.AD	5 million	500 M	90.7%

(Source: Published bank data)

The table above shows the details of the banks that grant credit to individuals and whose credit level will be analyzed as well as the size of savings and liquidity.

First: The level of application of computerized accounting tools in banks research sample

The percentage of application of computerized accounting tools will be extracted by knowing the size of expenditure on those instruments compared to other expenses in one bank and these tools will be analyzed separately and according to the years as shown in the following tables:

Table (2) Level of expenditure on electronic and information systems in the research sample (amounts in thousands)

Bank	The volume of expenditure on the tools of electronic accounting systems			Average	Level of expenditure on electronic accounting systems tools			Average
	2019	2020	2021		2019	2020	2021	
Investment Bank	**90**	**45**	**48**	**47**	**9%**	**10%**	**11%**	**10%**
Al. Mansour Bank	**102**	**120**	**121**	**115**	**7%**	**8%**	**9%**	**8%**
Baghdad Bank	**85**	**95**	**96**	**90**	**4%**	**6%**	**8%**	**6%**

(Source: Published bank data)

The research sample notes from Table (2) above the size and level of expenditures on e-governance tools in Iraqi banks, as it notes the discrepancy in spending between banks, as Mansour Bank formed the highest percentage of

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spending in) (2021) with an average of (115) thousand dinars and an average percentage of (8%) compared to expenditures on other fields and a growth rate of (2%) for each year, which It indicates the increased desire of the bank to shift towards computerized and electronic systems in a way that reduces the cost of administrative and manufacturing processes and achieves the speed, accuracy and efficiency of work.

Table (3) Level of expenditure on website systems in the research sample (amounts in thousands)

Bank	Volume of spending on systems and websites			Average	Level of spending on systems and websites			Average
	2019	2020	2021		2019	2020	2021	
Investment Bank	10	9	5	7.9	3%	1%	2%	2%
Al. Mansour Bank	9	4	4	8	2%	2%	3%	2%
Baghdad Bank	3	8	9	6.8	6%	6%	4%	5%

(Source: Published bank data)

It is noted from Table (3) that the percentage of spending on the design of electronic systems, information sites and Internet networks was very small compared to other expenses in the banks of the research sample, as it is observed fluctuation in spending between banks in the year (2021) witnessed a decrease from the year (2019,2020).) the Investment Bank and Mansour Bank recorded a relative increase in expenditures, as the value of spending on websites reached its highest levels by (7.9) thousand and (2%) in the year (2019), despite that spending, but they are very weak attempts in the process of accuracy of published information and protection and protection of the privacy of customers and customers, meaning that banks have not yet been able to establish strong electronic networks on the Internet to disseminate their information and protect it from hacking and tampering .

Table (4) Averages of the shift towards the computerized system in the research sample (amounts in thousands)

Bank	The ability of banks to implement the computerized system			
	Average volume of spending on electronic tools	Average level of spending on electronic tools	Average expenditure on network systems	Average level of spending on websites
Investment Bank	47	10%	7.9	2%
Al. Mansour Bank	115	8%	8	2%
Baghdad Bank	90	6%	6.8	5%

It is noted from Table (4) the collection of the average volume of expenditure and the average level of expenditure of the banks of the research sample for the purpose of conducting comparison with the reports of the auditors of the banks of the research sample and measuring the level of audit risk for the purpose of knowing the level of quality of the audit of the research sample and as shown in the following table:

Table (5) Analysis of the opinion of external auditors and the level of audit risks in the research sample

Bank	2019		2020		2021	
	Opinion of the External Observer	Audit Risks	Opinion of the External Observer	Audit Risks	Opinion of the External Observer	Audit Risks
Investment Bank	Positive	33%	Positive	35%	Positive	37%
Al. Mansour Bank	Positive	25%	Positive	28%	Positive	29%
Baghdad Bank	Positive	32%	Positive	34%	Positive	33%

It is noted from Table (5) above that the opinion of the external auditors was positive for the years in which the research was carried out in all the research sample, while the percentage of audit risks varied between banks to examine the data presented and included in the process of calculating those risks according to the financial data in each year separately, which can be relied on to some extent in expressing the appropriate quality of audit in the banks of the research sample and for the purpose of testing the hypothesis The analysis will be conducted between the results of

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Table (4) and the results of Table (5) According to the statistical program in order to reach the final result and shown in the following table:

Table (6) Statistical Analysis Between Average Expenditure on the Computerized System and Audit Quality Indicators

Details	Indicators of statistical analysis
Views	3
Coefficient (T))	2.610
Coefficient (F)	4.741
B	1.140
Link size	0.785
Sig morale level	0.000

It is noted from Table (6) above that there is a strong correlation between the level of application of the computerized accounting system and the quality of auditing according to risk indicators and the opinions of auditors, as the value of the correlation (0.785) with a significant level (0.000) which is less than the size of the significance (5%) and the increase in interest in the transition to the computerized system by one criterion leads to an increase in the quality of auditing by (1.140), which can show the size of the relationship and the impact of the computerized accounting system in the development of financial systems in banks in the manner that Through it, it achieves the realization of the research hypothesis that" **(computerized accounting systems play an active role in achieving the quality of internal audit of financial statements and information of Iraqi banks**." **) .**

V. CONCLUSIONS

Through the practical side and analysis of the answers to the questionnaire form, the research reached the following:

1. The existence of weakness in the procedures of Iraqi banks in the process of switching to computerized accounting systems despite the presence of many diverse knowledge.
2. Computerized systems can serve to enhance the quality of audit related to financial statements more than manual systems by educating administrative cadres about their importance in the bank.
3. There are many electronic devices at Iraqi banks through which all paper documents can be converted into computerized systems to reduce red tape and increase accuracy and speed in work.
4. The existence of serious attempts and procedures by the Iraqi government to shift to e-governance by linking government institutions to each other and forming a unified information base.
5. There is a strong relationship between the level of transformation of Iraqi banks and the quality of audit in their financial statements and reports.

IV. RECOMMENDATIONS

From the above conclusions, the researcher recommends the following:

1. The need to activate the foundations and rules by the concerned authorities and the government in order to switch to computerized accounting systems in companies for the purpose of minimizing errors and achieving accuracy and speed of completion of accounting work as well as meeting the requirements related to the quality of auditing.
2. The need to prepare the electronic base by Iraqi banks for the purpose of supporting the process of transformation to computerized accounting systems in order to achieve attention to the quality of auditing.
3. Professional organizations should adopt the issuance of a set of measures to oblige Iraqi banks to switch to computerized systems in the form they are in international companies.
4. The need to achieve cooperation between Iraqi banks and state institutions with regard to e-government to which the Iraqi government has recently turned in order to achieve the transition to the computerized system.
5. The need to keep abreast of the changes in the external business environment in terms of the quality of audit in order to work to enhance it in the financial statements of Iraqi banks.

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