

## The Role of the Auditor's Professional Qualification in Increasing the Efficiency and Quality of Audit Reports



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**Abstract:**

The study aims to show the role of professional qualification of auditors in increasing the efficiency and quality of audit reports by addressing in the theoretical aspect some of the requirements of standards and guides issued by the INTOSAI Organization of Supreme Audit Institutions, which identified a set of requirements at the level of the Supreme Audit Institution and requirements at the level of auditors and guidelines for application, in order to implement the audit tasks with high professionalism to ensure the efficiency and quality of their outputs.

To achieve the objectives of the study, the researcher used the descriptive analytical approach by designing a questionnaire divided into two parts, the first part contains the personal or demographic data of the members of the study sample, represented in (academic qualification, job title, job capacity, years of experience, management, professional certificates, professional courses, participation in the implementation of control tasks, participation in conferences, participation in workshops).

The second part includes a total number of 30 phrases covering the efficiency and quality of audit reports, which consists of five dimensions, each dimension contains 6 statements, and these dimensions are (competence requirements according to the 130\_ISSAI standard, requirements for the professional qualification of the employees of the Audit Bureau according to the INTOSAI Guide for Performance Improvement, requirements for the component of performing audit functions in accordance with the INTOSAI International Quality Control Standard 140\_ISSAI, requirements for the preparation of audit reports in accordance with the guide for the application of INTOSAI standards on financial audit, requirements for the human resources component of the INTOSAI standard. International Quality Control 140\_ISSAI to increase the efficiency and quality of audit reports, distributed to a simple random sample consisting of (90) financial auditors, (80) questionnaires were retrieved showing that there are (77) questionnaires valid for analysis, after it was confirmed that they are true, stable and consistent in their statements.

**The study reached the following results:**

Most of the auditors working at the Libyan Audit Bureau are financial auditors with an academic qualification (bachelor's) and have less than 5 years of work experience in the State Audit Bureau, and they also have a specialized professional diploma in the field of financial audit. The reason for this is due to the adoption of special employment policies by the State Audit Bureau to integrate new young blood through the SAI's initiative in the (Labbena) project to attract distinguished Libyan university graduates. The initiative achieved the transfer of knowledge and expertise between experienced auditors and newly recruited. Also, most of the auditors working at the Libyan Audit Bureau did not obtain some professional certificates or professional courses and did not participate in the implementation of audit tasks, scientific conferences or workshops. It was also found that the auditors of the Libyan Audit Bureau performed their work in accordance with the applicable standards, exercised professional due diligence, and enhanced and developed their knowledge and skills to keep pace with the developments of their professional environment in order to perform their jobs optimally and that they are committed to the rules of professional conduct. The results also showed that the Libyan Audit Bureau adopted initial and continuous strategies and programs in the main areas of the Audit Bureau's work to keep pace with developments in the work environment, as well as encouraging auditors to follow up on INTOSAI publications to keep abreast of developments. It was also found that all the work carried out at the Libyan Audit Bureau is subject to reviewing to ensure that all aspects of quality and legal aspects are met as a means to contribute to enhancing quality and also to promote learning, development and qualification of employees.

The study recommends several recommendations as follows: the necessity for the Audit Bureau to adopt policies that ensure that all auditors obtain adequate professional qualifications, by having them obtain certificates and professional courses in the field of control ( financial, compliance , performance , information technology), in addition to The necessity of their effective participation in implementing typical tasks to apply the control guide (financial, compliance,

performance, information technology) , which will lead to increasing the efficiency and quality of the reports and outputs of the Audit Bureau .

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## **Introductory chapter**

### **General framework of the research**

#### **introduction:**

In contemporary business world, professional qualification of auditors is a critical element in enhancing the efficiency and quality of reporting. It requires more than just an understanding of numbers and data, but also a deep knowledge of standards and regulatory frameworks, as well as the ability to think critically and analytically .

Therefore, the audit report is an essential tool to ensure the integrity and soundness of financial and administrative operations in institutions. One of the most important elements of the quality of audit reports is the presence of skilled and qualified auditors who have the knowledge and experience necessary to perform their tasks efficiently, as the professional qualification of the auditor plays a crucial role in increasing efficiency and improving the quality of audit reports.

This research will address the role of professional qualification of auditors in increasing the efficiency and quality of audit reports by reviewing the requirements of some standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). We will also review the experience of the Libyan Audit Bureau in adopting the Labbena project to attract and appoint the top students from Libyan universities .

Recognized professional training and certifications are powerful tools for developing auditor skills and knowledge. Through professional qualification, auditors acquire technical skills and theoretical knowledge that help them better understand and analyze financial statements. Consequently, they have the ability to effectively detect errors and irregularities and make appropriate recommendations to improve the quality of audit reports .

#### **Previous studies :**

There are many previous Arab and foreign studies that have addressed the subject of professional qualification of auditors , this is through presenting the objective of each study and the sample that was studied, and the study methodology , in addition to the most important results it reached .

1. A study by Lubna Ibrahim and Mohamed Sebti (2019) entitled "Auditor Qualifications and their Role in the Quality of Professional Performance

The study aimed to clarify the requirements of qualifying the external auditor in Iraq and the extent of their impact on the quality of professional performance of the audit process, and the research was based on the practical side on the analysis and presentation of the results of the questionnaire form prepared to find out the impact of the external auditor's qualifications on the quality of professional performance. The researcher has reached a set of conclusions, the most important of which is that an auditor who has high qualifications and does not meet ethical principles has a greater negative impact on the quality of professional performance than those with low qualifications. In light of the above, the most important recommendations of the research were the need to pay attention to scientific and professional qualification, especially the audit of modern systems that need special skills because of its effective impact on improving professional competence through modern sources and technologies and the latest publications of international professional organizations in teaching and keeping pace with the curricula of modern developments in the profession and the adoption of subjects taught in international institutes and the use of professors with practical experience.

The study aims to clarify the requirements for qualifying the external auditor in Iraq and the extent of its impact on the quality of professional performance of the auditing process. The research was based on the practical aspect of analyzing and presenting the results of the questionnaire form prepared to know the impact of the external auditor's qualifications on the quality of professional performance. The researcher reached a set of conclusions, the most important of which is that the auditor who has high qualifications and does not have ethical principles has a greater negative impact on the quality of professional performance than those who have low qualifications. In light of the above, the most important recommendations of the research were

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2. A study by labbena Ibrahim and Muhammad Sabti ( 2019 ) entitled “Evaluation of the qualifications of auditors in Iraq according to international requirements”

The study aims to determine the extent to which the qualifications of external auditors in Iraq conform to international requirements and to identify the necessary and priority requirements that the auditor must have in order to adapt to changes in society and the profession. The research focuses partly on comparing the requirements of the curricula of international institutes with the requirements of the curricula of local institutes. Moreover, it compares the exams of local students with the questions of these institutes and compares the requirements of these institutes for continuing professional education with local ones, as well as analyzes and presents the results of the questionnaire to identify the necessary and most priority skills. The researcher reached a number of conclusions, the most important of which is the lack of conformity of local requirements compared to international requirements. In light of the above, the most important recommendations of the research were the necessity of obligating auditors to follow continuing professional education and focusing on professional fellowships , in order to ensure the qualifications of auditors with appropriate scientific and professional qualifications. Quantitative methods, accounting information systems and professional organizations specify at least 120 hours of continuing professional education for at least three years in accordance with international requirements .

3. Nazem Al-Shraideh’s study ( 2019 ) entitled “The Impact of Applying International Auditing Standard 700 (Reporting) on Developing the Quality of the Jordanian External Auditor’s Report in Jordanian Commercial Banks”

The study aims to reveal the impact of applying International Auditing Standard 700 (Report Preparation) in its dimensions on raising the quality of the external auditor's report in its dimensions in Jordanian commercial banks.

To achieve the objectives of the study, the researcher used the descriptive analytical approach by designing a questionnaire consisting of (26) items distributed on four principles (the principle of clarity) (the principle of validity and accuracy, the principle of honesty, and the principle of achievement) distributed to a sample consisting of (80) external auditors, (70) questionnaires were retrieved showing that there are (63) questionnaires valid for analysis, after their validity and reliability were confirmed .

The results of the study showed the impact of the application of International Standard on Auditing 700 (preparation of the report) with its dimensions (auditor responsibilities, management responsibilities, scope and determinants of audit) in raising the quality of the Jordanian external auditor's report with its principles of clarity, achievement, honesty, and accuracy) in Jordanian commercial banks.

The absence of statistically significant differences at the significance level ( $\alpha = 0.05$ ) in the areas of clarity, brevity, honesty, integrity, accuracy and precision is attributed to the variables of age, professional certificate, academic qualification, and the number of training courses you have attended in the auditing profession .

In light of these results, the researcher presented several recommendations, the most important of which was to direct commercial banks that cannot tolerate International Auditing Standard No. ( 700 ) to apply it, due to its importance in improving the quality of the report on audited financial statements, and to implement training courses with the aim of educating auditors, managers and employees concerned in Jordanian commercial banks about the importance of International Auditing Standard No. ( 700 ), how to apply it and its impact on the quality of the external auditor's report.

4. A study by Qaliti Al-Akhdar and Dardouri Lahsen ( 2019 ) entitled "Scientific and Practical Qualification of the Auditor in Light of the Application of International Auditing Standards - An Analytical Study"

The research aims to study the work of the auditor, focusing on the professional and practical qualification standard as a general standard that contributes to adding confidence in expressing an opinion on the financial statements. The study also aimed to know the extent of the availability of the requirements of the scientific and practical qualification element in the international auditing standards. The study concluded that the international auditing standards did not specify a specific standard for the scientific and practical qualification of the auditor, but rather included in multiple paragraphs the rules that regulate it.

Second: Studies in a foreign language:

1. Afsaneh's study Soroushyar ( 2022 ) titled “ Auditor characteristics And the Financial Reporting Quality: the Moderating Role of The Client Business Strategy ”

This study aims to determine whether and how a client's business strategy can influence the relationship between auditor characteristics and financial reporting quality.

In this study, the auditor's industry specialization and tenure were used as proxies for auditor characteristics. The client's business strategy was measured using the resource allocation index method. Finally, the estimated accruals were used to assess the quality of financial reporting. This study includes 1,450 annual observations and 145 companies listed on the Tehran Stock Exchange ( TSE ) over a ten-year period from 2011 to 2020. The research hypotheses were analyzed using a multivariate regression model and panel data.

The results of the study showed that auditors' industry specialization increases the quality of financial reports. This relationship improves when the client's business strategy deviates from the normal industry strategy. The research results indicate that auditor tenure has a positive association with financial reporting quality, and this relationship is strengthened when the firm's business strategy deviates from the normal industry strategy.

2. Ali Kestane's ( 2022 ) study titled " auditor qualifications on independent audit quality: an implementation in hatay province "

This study aimed to determine the effect of the qualifications of independent auditors working in Hatay Province , Turkey in 2020 on the quality of audit activities. In the study, the data obtained with the help of the questionnaire were analyzed through the Statistical Package for Social Sciences 22.0 ( SPSS ) program .

Recent audit scandals have highlighted the characteristics of the auditing profession and auditors on the economies of countries. The fact that there are vulnerabilities arising from audit activities behind economic crises has shown the importance of auditors and the quality of audit activities that have aroused curiosity. In particular, the assurance provided by independent auditors regarding the audit activities undertaken has acquired an indispensable quality. There has also been a change in the way audit techniques are applied and new risks have emerged based on technology. In the face of the change in the nature of audit activities, the qualifications of auditors have begun to be questioned.

The results of the study showed that the ethical understanding, professional competence and experience of auditors have a statistically significant impact on the quality of auditing.

#### **Research problem:**

Audit reports are one of the main tools that contribute to increasing the transparency and credibility of financial and administrative operations in institutions. To ensure the quality of these reports, the role of professional qualification of the auditor comes as a fundamental factor in enhancing his efficiency and accuracy of his work. Professional qualification is considered a means of improving the skills and knowledge of the auditor, which is positively reflected in the quality of the audit reports he submits.

Wilf Henderson, Technical Advisor for the Development of Supreme Audit Institutions, in his notes on the ongoing challenges facing the development of Supreme Audit Institutions published in 2021 in the International Journal of

Government Auditing, most SAI staff do not have the necessary qualifications to audit according to international standards and that training and career development plans are essential and must be integrated into the performance management system.

In this context, I point out the importance of professional qualification of the auditor in improving the quality of audit reports. Professional qualification programs contribute to developing the auditor's skills and increasing his ability to analyze financial data and detect potential irregularities and risks, which enhances the accuracy and objectivity of the reports he submits.

Therefore, the problem of the study lies in answering the following two main questions :

**What is the role of professional qualification of auditors in increasing the efficiency and quality of audit reports?**

**"What are the statistically significant differences between the respondents' answers about the role of professional qualification of references in increasing the efficiency and quality of audit reports attributed to the variable (academic qualification, years of experience)**

To answer the main questions, the following sub-questions must be answered:

1. What is the role of the auditor's professional qualification in achieving the competency requirements according to the INTOSAI International Standard on Professional Ethics 130 \_ISSAI to increase the efficiency and quality of audit reports?
2. What is the role of professional qualification of auditors in achieving the professional qualification requirements of the employees of the Audit Bureau according to the INTOSAI Guide for Improving Performance to Increase the Efficiency and Quality of Audit Reports?
3. What is the role of the auditor's professional qualification in achieving the requirements of the element of performing auditing tasks according to the INTOSAI International Standard for Quality Control 140\_ISSAI to increase the efficiency and quality of auditing reports?



4. What is the role? Professional qualification of auditors in achieving the requirements of preparing audit reports according to the Guide to Implementing INTOSAI Standards on Financial Auditing to increase the efficiency and quality of audit reports ?
5. What is the role of professional qualification of auditors in achieving the requirements of the human resources element? INTOSAI International Standard on Quality Control 140\_ISSAI to increase the efficiency and quality of audit reports?

**Research objectives:**

The research objectives are:

1. Focusing on the role of professional qualification of the auditor in achieving the competency requirements according to the INTOSAI International Standard on Professional Conduct 130 \_ISSAI in increasing the efficiency and quality of audit reports.
2. Identification of statistically significant moral differences between sample respondents on the role of financial auditor's professional qualification in increasing the efficiency and quality of audit reports attributable to the variable (scientific qualification, years of experience)
3. Focusing on the role of professional qualification of auditors in achieving the professional qualification requirements of the employees of the Audit Bureau according to the INTOSAI Guide for Improving Performance in Increasing the Efficiency and Quality of Audit Reports .
4. Focusing on the role of professional qualification of the auditor in achieving the requirements of the element of performing auditing tasks according to the INTOSAI International Standard for Quality Control 40\_ISSAI 1 in increasing the efficiency and quality of auditing reports .
5. Focusing on the role Professional qualification of the auditor in achieving the requirements for preparing audit reports in accordance with the guide to applying

INTOSAI standards on financial auditing in increasing the efficiency and quality of audit reports .

6. Focusing on the role of professional qualification of auditors in achieving the requirements of the human resources component of the INTOSAI International Standard on Quality Control 140\_ISSAI In increasing the efficiency and quality of audit reports.

### **Importance of research:**

The importance of this research lies in several aspects, which are:

For science: The importance of research is highlighted in enriching academic knowledge in the field of professional qualification of auditors. It can also help in developing existing theories about professional qualification of auditors and its impact on the quality of reports, which leads to improving practices in this field.

For society: The importance of research is highlighted in enhancing confidence in financial systems by ensuring high quality of regulatory reports, as society can gain greater confidence in financial systems and institutions.

### **Research hypotheses:**

This research is based on two main hypotheses, namely: -

“ There is a role for the professional qualification of auditors in increasing the efficiency and quality of audit reports .”

" There are statistically significant differences between the answers of the sample members regarding the role of the auditor's professional qualification in increasing the efficiency and quality of audit reports, attributed to the variable (academic qualification, years of experience) "

Several sub-hypotheses emerge from them, as follows:

**a-** The first sub-hypothesis:

1. Is there a role for the professional qualification of auditors in achieving the requirements of competence in accordance with the INTOSAI International

Standard of Professional Conduct 30\_ISSAI1 in increasing the efficiency and quality of audit reports?

**b** - Second sub-hypothesis:

2. Is there a role for the professional qualification of the auditor in achieving the requirements of professional qualification of the employees of the State Audit Bureau in accordance with the INTOSAI guide to improve performance in increasing the efficiency and quality of audit reports?

**c** - Third sub-hypothesis:

3- Is there a role for the professional qualification of auditors in achieving the requirements of the element of performing control tasks in accordance with the INTOSAI International Standard for Quality Control 140\_ISSAI in increasing the efficiency and quality of audit reports?

**d**- Fourth sub-hypothesis:

4- Is there a role for the professional qualification of the auditor in achieving the requirements of preparing audit reports in accordance with the guide for the application of INTOSAI standards on financial control in increasing the efficiency and quality of audit reports?

**e** - Fifth sub-hypothesis:

5- Is there a role for the professional qualification of auditors in achieving the requirements of the human resources component of the INTOSAI International Standard on Quality Control 140\_ISSAI in increasing the efficiency and quality of audit reports?

### **Research methodology:**

This study aims to identify the role of professional qualification of auditors in increasing the efficiency and quality of audit reports . The methodology includes the use of the descriptive analytical approach to collect data from auditors of the Supreme Audit Institution in Libya (Libyan Audit Bureau), and the inductive approach to analyze international scientific literature related to the role of professional qualification of

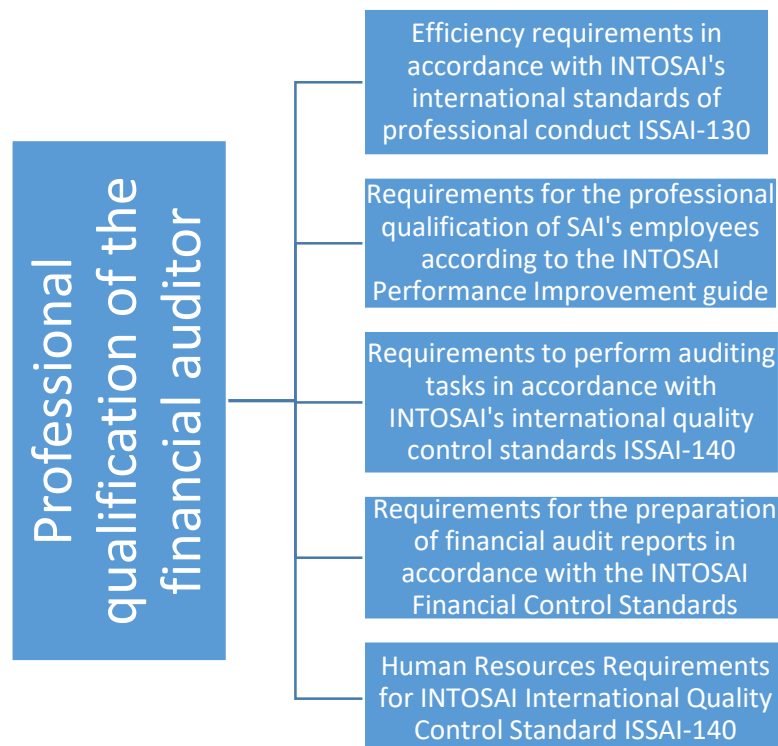
auditors in increasing the efficiency and quality of audit reports . The methodology also includes personal interviews with officials in the Libyan Audit Bureau, and content analysis of data related to the experience of the Libyan Audit Bureau (Labbena Project), in addition to distributing a questionnaire to the study sample to collect and analyze data using descriptive and statistical analysis SPSS.

#### **Research community and sample:**

The study community consists of auditors of the Libyan Audit Bureau, which represents the Supreme Audit Institution in Libya. Given that the study community is homogeneous in terms of specialization, a simple random sample of 90 was taken. 90 forms were distributed to them, after a period of time 80 of them were returned, and 3 of them were found to be invalid, so they were excluded, thus 77 forms were subject to study, with a response rate of 85.00%.

Study model:

Figure ( 1 ) Study model



#### **Limits and scope of research:**

- Spatial boundaries: The spatial boundaries of the research are represented by the General Directorate of the Libyan Audit Bureau, which represents the Supreme Audit Institution in Libya.
- Timeline: The research will be completed and the results will be submitted during June 2024 .
- Objective limits: The study is limited to identifying the role of professional qualification of auditors in increasing the efficiency and quality of audit reports through some requirements of the manuals and standards issued by INTOSAI, namely (INTOSAI International Standard for Professional Conduct 30\_ISSAI1, INTOSAI Performance Improvement Manual, INTOSAI International Quality Control Standard 140\_ISSAI, Guide to the Application of INTOSAI Standards on Financial Control).

#### **Research Divisions:**

The research is divided into four sections:

**1- The introductory chapter (the general framework of the research):** This section reviews the research plan and previous scientific literature on the professional qualification of auditors and their role in increasing the efficiency and quality of audit reports.

**2- Chapter One (Theoretical Framework of the Research) :** This chapter deals with the professional qualification of the auditor and its role in increasing the efficiency and quality of audit reports , by reviewing the requirements and principles of some INTOSAI standards related to the research topic and reviewing the experience of the Libyan Audit Bureau in adopting the Labina project.

**3-Chapter Two : The practical aspect of the study.**

**4- Findings and recommendations.**

# **Chapter One**

## **Theoretical Framework of the Research**

### **introduction:**

Professional qualification of auditors is one of the basic aspects that greatly affects the efficiency and quality of audit reports , as developing and improving the skills of auditors of audit bodies through professional qualification programs It is vital to ensure that audit services are provided with high quality and reliability . This step is of great importance in the context of the complex regulatory environment that requires auditors to keep up with modern developments to ensure that they perform tasks with a high degree of efficiency and quality .

The INTOSAI Capacity Building Committee indicated that the supervisory bodies have There is a growing desire to conduct their audits in accordance with international audit standards for the public sector. To conduct such audits, SAI staff need skills, knowledge and experience. Knowledge and experience can be acquired through formal training, and skills can be acquired through on-the-job training and support. Experience is strongly linked to the time and framework of learning . For SAIs that are still at the beginning of implementing international professional standards, this journey can be accelerated through external assistance and support from high-quality audits. But even then, it can take many years and many audit cycles before staff feel capable of auditing in accordance with international standards.

### **Professional qualification of auditors:**

The INCOSAI 2016 conference defined the professional qualification of the staff of the regulatory bodies as: “ The continuous process by which individuals and their organizations achieve high levels of independence, expertise, competence, ethical behavior, and quality based on professional standards ” (INTOSAI Performance Improvement Guide, 2018 : p. 62 ) .

qualification is considered an essential stage for the auditor to acquire the professional qualification necessary to practice the auditing profession . It is complementary to the educational process and should be closely related to it. Qualification helps the auditor to employ the knowledge he acquired through the professional qualification stage in practical reality and thus provides him with the experiences and skills necessary for effective professional practice (Sherif Omar, 2014 AD) .

The researcher believes that the professional qualification of the auditor is the auditor's acquisition of the necessary knowledge and skills in his field of auditing specialization (financial auditing, compliance auditing, performance auditing, information technology auditing) or the combination of two or more types; which qualifies him to carry out the tasks assigned to him with all professionalism and skill in accordance with the international or local professional standard and guides and the applicable laws and legislation.

As for the efficiency and quality of the audit reports, the researcher believes that it is the accomplishment of a specialized team consisting of a chairman and a number of members with a high level of professional qualifications to accomplish the task assigned to it and submit a final report on it according to professional standards and evidence or according to what is determined by the Supreme Audit Bureau, which determines the form and content of the audit report.

### **Core Values of Professional Conduct**

INTOSAI 130\_ISSAI is based on five core values of professional conduct, which are (INTOSAI Standard of Professional Conduct 130\_ISSAI , 2019 : pp . 6-7 ) :

- a- **Integrity** - acting honestly, with trust, in good faith and in the public interest
- b- **Independence and Objectivity** - to be free from conditions or influences that affect, or can affect To be seen to affect professional judgment, and to act in a neutral and unbiased manner.

c- **Competence** - obtaining and maintaining knowledge and skills appropriate to the role, and acting in accordance with standards applicable, and due diligence.

d- **Professional Conduct** - Comply with applicable laws, regulations and agreements, and avoid any conduct that It would cast doubt on the Court of Auditors.

e- **Confidentiality and Transparency** - Adequate protection of information and balance with the need for transparency and accountability.

The standards and guides issued by INTOSAI for Supreme Audit Institutions have defined a set of requirements at the level of the Supreme Audit Institution, requirements at the level of auditors, and guidelines for the implementation of audit tasks with high professionalism to ensure the efficiency and quality of their outputs, as follows:

- The INTOSAI Standard on Code of Professional Conduct 130\_ISSAI includes a number of requirements for achieving professional competence, which are :

#### **First: Requirements at the level of the Audit Bureau**

a- Audit Bureau adopts policies to ensure that the required tasks are carried out by employees who have the appropriate knowledge and skills to accomplish it successfully, including:

1. Develop competency-based recruitment and human resources policies .
2. Assign teams that have the necessary expertise for each task.
3. Provide staff with appropriate training, support and supervision .
4. Providing the tools necessary to enhance knowledge and exchange information, and encouraging employees to use these tools.
5. Addressing challenges arising from changes in the public sector environment.

#### **Second: Requirements at the level of the Audit Bureau employees**

a- The employees of the Audit Bureau shall perform their work in accordance with applicable standards, and with due diligence.



b- The employees of the State Audit Bureau should act in accordance with the requirements of the task, carefully and accurately in time.

c- The Audit Bureau must maintain and develop their knowledge and skills in line with developments in their professional environment in order to perform their jobs optimally.

C- The employees of the Audit Bureau should maintain and develop their knowledge and skills to keep pace with the developments of their professional environment in order to perform their jobs optimally.

### **Third: Guidelines for applying the standard**

#### **1. Standard implementation guidelines at the Audit Bureau level**

Stakeholders' confidence in the provisions issued by the Audit Bureau and its credibility These provisions and reliance on work that is done efficiently require the Audit Bureau to collect Appropriate competencies and support for continued professional development .

#### **2. Assemble the appropriate competencies**

In order to ensure that tasks are performed by competent staff, that resources are managed in an efficient and effective manner, and that staff perform tasks efficiently, the Audit Bureau must:

a- Identify the sufficient knowledge and skills needed to implement each type of required participation, and it involves forming multidisciplinary teams with the required knowledge and a working team with skills.

b- Assign employees specific tasks according to their qualifications that have been determined according to their abilities.

Some tasks, for example performance audits and special investigations, require specialized techniques, methods and skills not available within the Audit Bureau . In such cases, external experts may be used to provide knowledge or perform specific tasks.

### 3. Continuing Professional Development

Developing and maintaining professional competence is an essential means of keeping pace with technical, professional and commercial developments to respond to the changing environment and the increasing expectations of stakeholders . Examples of areas that may require the Audit Bureau to invest time and resources: Technology Information, development of public sector management and accounting frameworks.

- a- The continuous education environment to support auditors in applying and developing their competence is prepared through initial and ongoing strategies and programs in the main areas of the Audit Bureau's performance.
- b- Develop and update written booklets and guidelines.
- c- Training, supervision and feedback mechanisms .
- d- Personal development plans .
- e- Knowledge sharing tools, such as intranet and databases.

#### **Fourth: Guidance on the application of the standard at the level of the Audit Bureau's employees**

To achieve efficiency requirements, employees of the Audit Bureau must :

- a- Understand the role and tasks to be performed.
- b- Familiarity with the technical, professional and ethical standards that must be followed .
- c- Be able to work in a variety of contexts and situations, depending on requirements of the Job or task .
- d- Gain new knowledge and abilities and update and improve skills as needed.

In the event where the expertise is not suitable or sufficient to carry out a particular task, the employees of the State Audit Institution should train on this with their superiors or the responsible department.

- The INTOSAI Performance Improvement Guide includes a number of professional qualification requirements for the employees of the State Audit Bureau, namely:

This part of the guide examines the following issues:

1. International Standards Framework for Regulatory Bodies.
2. What are the key steps to produce better audits?
3. Translation of international standards into national languages .
4. Request a SWOT analysis » of the gap between existing and desired audit practices.
5. Pilot audits using international standards.
6. setting audit guides.
7. Assigning audit functions.
8. Developing reference skills.
9. Infrequent training is never enough.
10. Engagements.
11. Planning the Audit Programs: Organizational and resource-related implications.
12. Enhance quality.
13. Issues specific to SAIs with the authority to impose sanctions
14. Processing specialized control operations.
15. Knowledge exchange.

This research will be limited to nine issues from this part, which are as follows:

#### **First: Framework of International Standards for SAIs**

INTOSAI has adopted international standards for audit institutions, the core of which consists of standards for financial audit, compliance audit and performance audit. The international standards on financial audit are largely based on standards adopted by the private sector, with the addition of notes related to the specificities of the public sector. The financial audit standards adopt a comprehensive risk-based approach to financial auditing to prepare professional opinions on the reliability of the reports or financial statements issued by the audited entities and

whether the accounts are free from material misstatements, and receive appropriate parliamentary approval.

The standards for performance and compliance auditing have been developed and approved independently by members of the INTOSAI community , with the public sector being the only one that has access to these forms of public auditing.

The international standards framework consists of 4 levels:

- Level 1 - Foundational Principles (International Standard 1).
- Level 2 - Prerequisites for the operation of regulatory bodies International Standards (10-99) .
- Level 3 - Fundamental Control Principles (ISCR 100-999) .
- Level 4 - Regulatory Guidelines International Standards (1000 - 5999)

INTOSAI Development Initiative has developed a model for implementing international standards for the benefit of audit institutions (see Figure 2 below). This model has been developed to assist SAIs in planning the implementation of international standards, as it divides the process into three main stages: construction, implementation, and assurance.

## **Second: What are the main steps to produce better audit processes?**

There are many approaches that the SAI may wish to take to strengthen its audit approach, but whatever steps are taken, they will require a thorough analysis of the following aspects: the authority the SAI has to adopt new audit approaches ; the accounting environment in which it operates ; the gap between current audit practices and those required by international standards ; and the resources – both financial and human – needed to implement the necessary changes . As a result of this analysis, the SAI should develop a detailed multi-year plan that includes close audit by senior managers of the organizational development and change process. Although the order may vary, the following sections describe the main areas that need to be considered as the SAI seeks to successfully integrate new oversight approaches. The SAI may also need to consider whether it wants to strengthen all types of oversight – financial, compliance and performance – in parallel or in phases.

### **Third: Translating international standards into national languages**

Although international standards are available in key languages, they are more difficult to communicate to all staff in the organization and to key stakeholders if they are not available in the language of the SAI. By translating these standards, the SAI begins to understand the language of international auditing. This is also an important aspect of ensuring accountability to citizens. By sharing standards more widely in the national language(s), the SAI can demonstrate its openness and help engage citizens in understanding why it conducts audits in the way it does. The INTOSAI Professional Standards Committee is currently developing a section of its website that includes links to national translations ( although it should be noted that these are not official INTOSAI translations ). Ensuring that international standards are available in the best possible form is a priority for INTOSAI and the SAI Professional Standards Committee, so SAIs can translate the standards International as long as it respects the rules relating to the translation of these standards.

### **Fourth: Request for a SWOT analysis of the gap between existing and desirable regulatory practices**

SWOT analysis is an analytical method used to evaluate the "strengths," "weaknesses," "opportunities," and "threats" of an organization, plan, project, person, or business activity ( , 2023 Tinjauan ).

The SAI performance measurement framework and compliance measurement tools related to international standards provide useful tools for comparing existing practices with international standards, these tools include a thorough examination of audit files and studies that reveal what the State Audit Institution is doing rather than what it thinks or says it is doing, and the analysis of current practices should cover all existing evidence, technical support, control documents, quality control and assurance systems, as well as control tools. The SAI performance measurement framework is used more appropriately at the strategic level, while IFRS compliance measurement tools are better suited to the detailed review of the audit methodology at the operational planning level.

It is important that the SWOT analysis includes external perspectives, and the Audit Bureau should ensure that it has a legal mandate to implement international standards – otherwise it should look for opportunities to incorporate references to international standards into the law governing the Audit Bureau. In addition, the Audit Bureau should conduct a detailed review of the nature of the financial, regulatory and performance information received by the Ministry of Finance for inclusion in the national accounts and for Parliament. This review should include an examination of the functioning of internal controls and/or financial inspections, as well as discussions with key people in government on Improving financial monitoring and reporting: If a country intends to adopt a cumulative accounting system or introduce a new IT-based financial management system, for example, these steps have important implications for the work of the Audit Bureau and the skills it needs.

Part of this will also involve understanding how the country intends to strengthen public financial management skills more generally – if the government intends to establish a financial training institution, there may be scope for the Audit Bureau to become involved, eliminating the need to invest in a similar structure and/or programme

#### **Fifth: Developing the skills of the financial auditor**

In some cases, short training courses can be sufficient when employees have the appropriate professional qualifications and significant regulatory experience, but in many cases the adoption of international standards requires a significant investment in the development of employees' professional skills for many years, as there is no quick fix. To become a professional financial auditor in the private sector, an individual usually has to participate in a combination of in-service and off-duty training for 3 or 4 years. Although some can enter the profession with a university degree in accounting or economics, they nevertheless need to acquire practical skills and experience in the field of financial control, and the work of the auditor in the public sector is no less painstaking, as it requires a similar commitment to the professional development of employees.

Financial auditors need to have a sound understanding of the management of public funds along with a specialization in accounting and auditing, and in some regulatory bodies employees acquire the necessary knowledge and skills through study to obtain externally accredited professional qualifications in the field of accounting and enroll in an internship organized by the State Audit Bureau in audit operations in the public sector. Staff in other regulatory bodies acquire a similar set of skills and knowledge through a structured series of internally developed learning and development opportunities.

For performance auditors, the paths are more diverse, and many SAIs employ people to monitor performance from a wide range of backgrounds, especially those with basic skills related to statistics and research methods in the social sciences - quantitative and qualitative, and then these skills are supported by specific training and access to government work methods, especially those related to public funds, and some SAIs establish double teams to carry out performance audits that include experts in economics and statistics. As well as specialists in the subjects concerned with auditing.

INTOSAI has established an INTOSAI Auditor Professional Qualification Task Force that has proposed a set of comprehensive audit skills and skills for audit professionals at the Audit Bureau that can be used in recruitment, training, certification, staff management and continuous professional development.

The task team recommended the adoption of the following four broad sets of cross-cutting skills:

Group 1: The professional auditor in the organization is a role model for the team.

Group 2: The professional auditor in the Authority deals effectively with stakeholders;

Group 3: The professional auditor of the Authority acts in a professional manner;

Group 4: The professional auditor in the Authority contributes to the value and benefits of the Audit Bureau.

With regard to the aggregation of audit capabilities with a distinction between financial control, compliance control and performance control, the Task Force recommended the following five broad groups:

- The audit professional at the Audit Bureau adds value by carrying out compliance, financial and performance audit in compliance with international standards;
- The audit professional at the Audit Bureau demonstrates an understanding of the context, the environment and the audited body in a compliance, financial and performance audit process;
- The audit professionals at the Audit Bureau assess and manage risks in the process of auditing compliance, finance and performance;
- The audit professionals of the Audit Bureau perform and document the procedures related to the auditing of compliance, finance and performance in accordance with international standards;
- The audit professionals at the Audit Bureau communicate effectively and follow up on the results of compliance, financial and performance audit.

#### **Sixth: Non-repetitive training is never enough**

To develop and refine their skills, audit officers need access to a well-structured continuous learning and professional development program that includes a mix of formal courses, opportunities to gain a variety of professional experiences, technical recruitment processes, and time for private study, time for private study, and many professional accounting organizations expect employees to participate on a set number of days per year to maintain membership of their professional institutions. Staff could also be encouraged to follow INTOSAI publications to keep abreast of developments - including the INTOSAI [www.intosaicbc.org](http://www.intosaicbc.org) and the INTOSAI Capacity Building Committee website [www.intosaijournal.org](http://www.intosaijournal.org)). If Internet access is difficult for some SAIs, it may be important to download key resources by one staff member, upload them to flash drives or hard drives and make them available to all SAI employees.

Some regulatory bodies make learning and development mandatory for all employees or groups of employees. For example, to keep abreast of developments in international standards, the SAI could impose two days of technical training



prior to the start of a new cycle of audit operations. Another regulatory body that would like to make performance monitoring teams work more effectively may wait for all employees to attend a renewed series of short workshops. SAIs also often develop strong links with national accounting professional organizations and encourage financial audit officers to engage in these organizations and take advantage of the learning and development opportunities they provide. When seeking change in the State Audit Institution it is important to have a sufficient number of employees with the appropriate skills, experience and commitment necessary for change. Sending some employees abroad to participate in a training course is rarely enough, unless those employees return and train others in order to instill new skills and knowledge in the organization, which requires planning. Left to chance, employees may quickly immerse themselves in day-to-day work after they return, losing their new experience.

#### **Seventh: Creating Engagement**

Changing audit approaches is something that some adopt, others reject and others accept without enthusiasm, and in this regard the State Audit Bureau must have procedures in place to ensure that employees fully understand what is going on, why, and have the opportunity to express their concerns. While important learning and development opportunities can be provided for frontline auditors, executives rarely need the same level of exposure, but in implementing new approaches, they should be trained in leadership techniques for control teams, gain hands-on experience in ensuring the quality of audit processes, and have an opportunity to understand the implications of the new oversight approach in terms of resources.

End users such as audited bodies and parliament, for example, need to better understand the nature and reasons for the changes the Audit Bureau is making, how new products will look and what their role will be. Parliaments often favor traditional approaches to audit, because these approaches enable them to see a particular weakness or failure in the work of the administration, to identify someone who can be convicted, they may not want to pass on to some form of

report that looks at regulations and suggests improvements to controls, and they may need time to understand and see the benefits.

When planning audits, it is important that regulators are able to gather information to better target auditing processes. Once audits are completed, it is critical that key messages reach the right audiences in formats that they can understand and use. In addition, the State Audit Bureau needs effective internal means of communication so that employees are aware of relevant developments. The knowledge produced within the State Audit Bureau is exchanged and employees are encouraged to be active in the formation of the Authority and its broad community contribution.

### **Planning for the auditing programme: organizational and resource implications**

The implementation of international standards may require changes in the organization, not only in working methods and processes but also in the way auditing processes are grouped. If the implemented international standards are relevant to the new audit functions, there is likely to be a need to establish a new organizational unit or units. In cases where the implementation of IFRS does not involve the introduction of new oversight functions, IFRS may nevertheless have an impact on how the Court of Audit should be regulated. The reason for these changes may be new requirements related to quality control and assurance systems, stakeholder communication and reporting. When assessing the short- and long-term implications of the budget, the SAI needs to take into account indirect and alternative costs rather than the direct costs involved in implementing international standards only. Direct costs may include reviewing guides, translations, updating technical tools, and learning and development opportunities for reviewers and managers.

Indirect costs may include regulatory changes and updating other internal and external processes such as ensuring that the quality control system is in line with the requirements of international standards. If the SAI is not sure that it has the necessary skills to manage the project, it may need to hire these skills during the initial period of adoption of international standards.

Alternative costs may include, for example, the costs of time spent by managers and auditors on learning and development activities rather than auditing and the potential impact on delivery dates. There may be a need to deal with the expectations of key stakeholders during this process or to introduce changes over a longer period to avoid disrupting the regular reporting cycle.

The adoption of international standards often means a fundamental change in the way auditor time is allocated to different auditing processes, where more time should be spent on planning and documentation and perhaps less time on fieldwork. The State Audit Institution shall develop a comprehensive plan through which it will clarify how it will accomplish its audit mission, including indicating the resources in terms of personnel and other costs associated with each audit process, the risks facing the implementation of this plan, and how the expectations of stakeholders have been taken into account in developing the plan. In the event that the SAI lacks the resources to carry out the audit operations of all regulatory bodies each year, it should clarify how it has identified the priority audit operations it undertakes. In many SAIs, the situation is more complicated by the legal frameworks that make the annual oversight of all bodies compulsory, and this is very difficult for SAIs, whose task includes local administration, and even small NGOs, and can lead to a large accumulation of unfinished audits, knowing that SAIs are legally obliged to get rid of older audit processes before embarking on new audits. Sometimes this may mean that the agency is required to audit accounts dating back several years and therefore cannot process current accounts for which timely reporting may change. To address these backlogs, some regulatory bodies have sought to subsidize using funds provided by development partners. While this formula may yield positive results, it is also important for the Audit Bureau to clarify to its government and parliament the pressures placed on it and to establish a realistic framework for compliance with its legal mission, which could include additional resources as well as changes in laws also for flexibility when needed. After the Authority's audit plan is approved, it should be clarified who is responsible for monitoring the progress of audit operations in light of the comprehensive plan, and what actions should be taken in case of delays. While

SAIs take great care to ensure that auditors learn how to conduct compliance controls, attention is paid to the need to develop the audit plan and management skills of SAI managers. Twinning between groups of managers in an experienced regulatory body and a junior regulator in adopting international standards can be useful.

### **Ninth: Quality Enhancement**

Building the SAI's reputation as an honest and dependable organization to produce balanced and high-quality audit processes takes time. But one poor-quality auditing process is enough to damage that reputation. Final sessions with audited bodies that discuss auditing recommendations and opinions provide a valuable testing ground for validating conclusions and correcting any errors of fact. However, most SAIs have separate quality assurance arrangements in place to ensure that each audit process is subject to independent review and is determined prior to publication, that SAI standards, methodology and guidelines are applied correctly and regularly across the SAI, that learning and development needs are identified and addressed, and that standards are constantly improving.

To manage quality assurance, the Audit Bureau usually establishes a quality assurance unit or team, which may form part of a central audit support unit whose other responsibilities may include maintaining evidence, producing directives, handling specific queries, following up on auditing external developments in relation to regulatory standards and approaches, organizing learning and development activities, and providing specialized support to audit teams including statistical support, IT audit support and other systematic support.

- **The INTOSAI International Quality Control Standard 140\_ISSAI includes a number of requirements to achieve the performance of audit tasks, namely:**

#### **First: The main principle of the International Quality Control Standard 1**

The company should establish policies and procedures designed to provide it with reasonable assurance that the operations are performed in accordance with professional standards and applicable legal and regulatory requirements and that

the Company or the Operation Partner issues appropriate reports in the current circumstances.

Such policies and procedures should include:

- a- Issues relating to the promotion of consistency in the quality of work performed.
- b- Supervisory responsibilities.
- c. Audit responsibilities.

## **Second: Application Guidelines for Supreme Audit Institutions**

- SAIs should ensure that appropriate policies, procedures and tools, such as audit methodologies, are in place to conduct the set of work that is the responsibility of SAIs, including work contracted externally.

- SAIs should formulate policies and procedures that encourage high quality and discourage or prevent low quality, including the creation of a stimulating environment that encourages the appropriate use of professional recognition and supports quality improvements. All work should be subject to review as a way to contribute to quality and also to enhance learning and employee development.

- In the event of difficult or disputed matters, SAIs should ensure that appropriate resources (e.g. technical experts are used to deal with such matters).

- SAIs must ensure that the applicable standards are followed in all work carried out and that any deviation from them is appropriately documented and approved.

- SAIs should ensure that any differences of opinion within them are clearly documented and resolved before issuing reports.

- SAIs must ensure that appropriate quality control policies and procedures are in place, such as supervision and audit responsibilities and quality control audits of tasks in relation to all work performed (including financial audit, performance audit and compliance audit). SAIs should be aware of the importance of task quality audit reviews for their business, and if such audits are completed, the issues raised must be resolved satisfactorily before issuing reports.

- SAIs must ensure that the procedures authorizing the issuance of reports are in place. The functions of SAIs may include tasks that, given their high level of

importance and complexity, are subject to intensive quality control prior to the issuance of any report.

- SAIs must ensure that certain procedures related to the rules of evidence are consistently followed, such as that SAIs have a judicial role, when they are subject to such procedures.
- SAIs should aim to complete audit and other work in a timely manner, as they recognize that the value gained by stakeholders from the work of SAIs is weakened if work is not done in a timely manner.
- SAIs should ensure that all work done is documented in a timely manner (e.g. audit working papers after completing each work).
- SAIs must ensure that the documentation of work (e.g. audit worksheets) is their property regardless of whether the work is carried out internally by their employees or contracted externally.
- SAIs must ensure that appropriate procedures are followed to verify discoveries in order to ensure that parties directly affected by the work of SAIs have the opportunity to comment before the work in question is terminated, regardless of whether the reports are published or not.
- SAIs shall ensure that all documents are kept for the periods stipulated in laws, regulations, professional standards and guidelines.
- SAIs must balance confidentiality of documentation with the need for transparency and accountability. Supreme audit institutions must establish transparent procedures for dealing with requests for information that are in line with the legislation in their laws.

• **The Guide to the Application of INTOSAI Standards on Financial Audit includes a number of auditing reporting requirements, namely:**

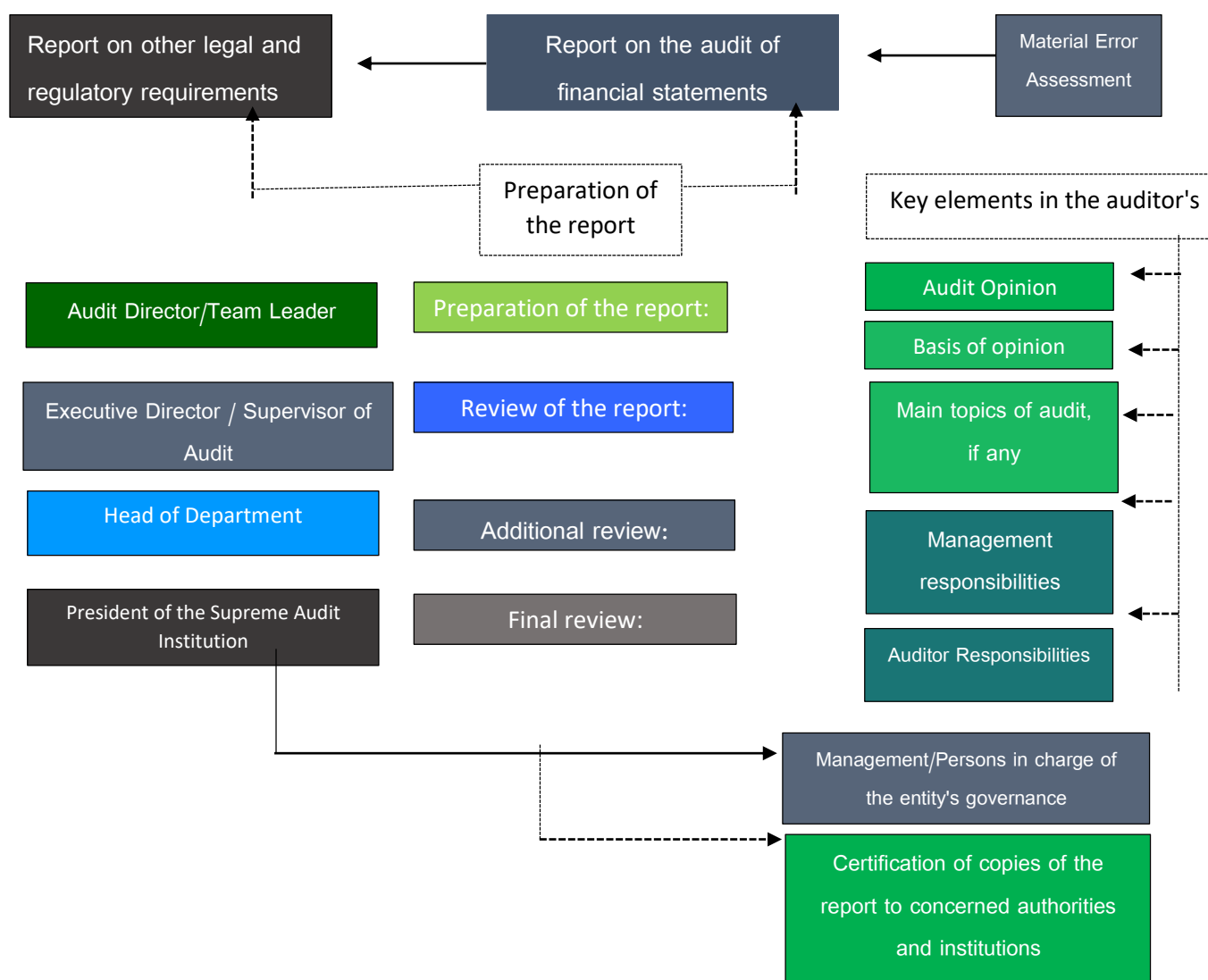
**First: Preparation of Audit Reports**

The audit report is the final product of the entire auditing process, which is prepared on the basis of adequate appropriate audit evidence collected by the auditors during the implementation of audit procedures. In this regard, and in

accordance with ISSAL 1700, the objectives of the auditor are to form an opinion on the financial statements based on the presentation of conclusions derived from the audit evidence obtained and to clearly express this opinion through a written report that also describes the basis of such an opinion.

Based on the assessment of the impact of findings from audit evidence, the auditors prepare and issue the audit report, Figure 2 below shows an example of the reporting process in the audit process, which can be adapted to the SAI organization and the responsibilities section.

Figure 3 Overview of Audit Reporting



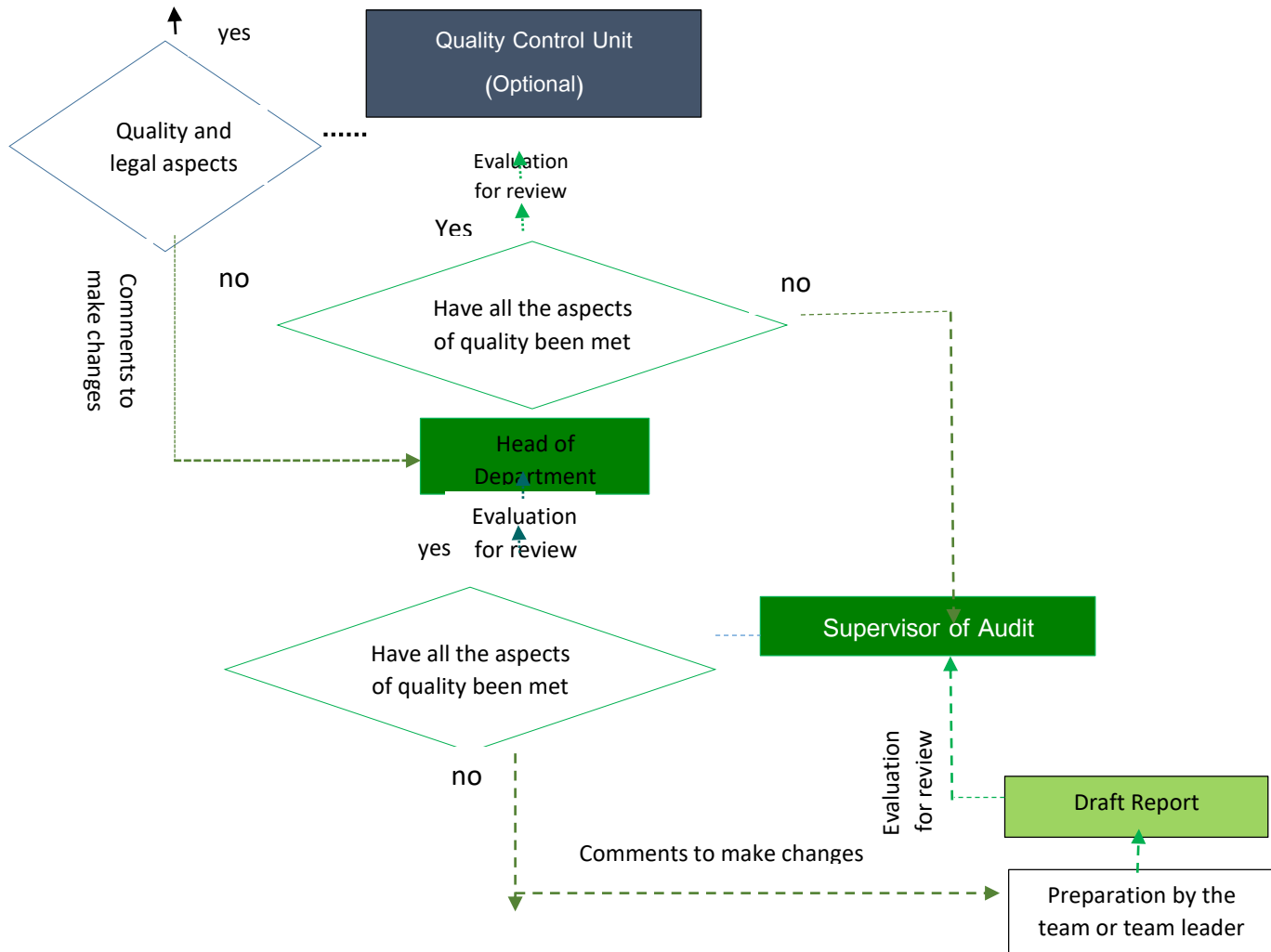
- Reporting requirements are included in ISAI 2700 (ISSAI) Opinion Formation and Reporting on Financial Statements", ISAI Standard (2701) (ISSAI)

"Reporting of key audit issues in the report of the independent auditor and ISSAI Standard (2705 ISSAI) "Adjustments of opinion in the report of the independent auditor", ISSAI Standard (2706) ISSAI) paragraphs on material confirmation and paragraphs on other materials in the report of the independent auditor", ISSAI Standard (2710) ISSA (Comparative information - appropriate figures and comparative financial statements) and ISSAI 2720 ISSAI) drawing attention and other subject paragraphs in the independent auditor's report." In addition to these requirements, SAIs may have additional reporting responsibilities specified in the law and regulations of the relevant jurisdictions. This is emphasized in the ISSAI Standards Practice Notes as well as the relevant international standard.

- To maintain consistency and prepare a high-quality audit report, the report must go through the SAI quality review process as shown in Figure 3 (this is an example that can be adapted to suit the organizational structure of the SAI). This format is clear, and the structure is based on the audit process developed at the SAI.



Figure 4: Quality Control Review Process for the Audit Report



- The formulation of the audit opinion is based on the financial reporting framework used in the preparation of financial statements interpreted by the ISSAI Standard (2200.13 ISSAI), which defines the format, content and structure of the financial statements in a broad manner.

## Second: Format and content of the auditor's report on the financial statements

o The auditor's report should include the following elements in accordance with ISAI 2700.20 to ISSAI 2700.49:

- Address
- Addressee
- Auditor's opinion
- Basis of opinion
- Imposition of continuity (if any)
- Key audit topics (relevant and where appropriate only)
- Other information if applied in accordance with ISSAL 2720
- Responsibilities of management and those responsible for the governance of financial statements
- Auditors' responsibilities regarding the audit of financial statements
- Other reporting responsibilities (if applicable) – will be reported as a "report on other legal and regulatory requirements"
- Name of supervisor of the audit task (name of the person authorized to sign the auditor's report - depending on SAI's policies)
- Auditor's signature The employees of the Supreme Audit Organization authorized - who oversees the supervisory task or may be a general hypocrite - rely on the policy of the Supreme Audit Organization)
- Auditor's Address
- Date of auditor's report
- The format and content of the auditor's report changes when there is an adjustment of opinion. The above contents are proposed if the auditor's opinion is not modified.

### **Third: Report on other legal and regulatory requirements**

- In the context of financial audits conducted by supreme audit institutions, which also take into account the environment in which the public sector operates, it may be necessary to: Supreme Audit Institutions have other reporting responsibilities to report on matters that are complementary to the auditor's responsibilities within the framework of ISAs. According to ISA 2700.43 (ISSAI), other reporting responsibilities may be addressed in a separate section of the auditor's report entitled " Report on Other Legal and Regulatory Requirements." If the report contains such a section, the

auditor's report on the financial statements should be with a clear title " Report on the Audit of Financial Statements" ( ISAI Standard 2700.45 ) ISSA ).

• **INTOSAI International Standard for Quality Control 140 \_ISSAI includes a number of requirements to achieve the human resources element, which are:**

**First: The main principle of the international standard of quality control 1**

The Company shall establish policies and procedures designed to provide reasonable assurance that it has a sufficient number of employees who have the competence, ability and ethical commitment necessary to:

a- Perform operations in accordance with professional standards and applicable legal and regulatory requirements .

b- Enable the company or process partners to issue appropriate reports under the circumstances .

**Second: Application Guidelines for Supreme Audit Institutions**

- Supreme Audit Institutions may rely on various sources to ensure that they have the necessary skills and experience to carry out their portfolio of work, whether internally or through external contractors.

- SAI's must ensure a clear allocation of responsibility for all actions carried out by the SAI.

- SAI's must ensure that employees and contracting parties to do business for SAI (e.g. chartered accounting firms or consulting firms) have the collective competencies necessary to carry out the business package.

- SAI's should be aware that under certain circumstances employees, contracting parties to do business for SAI, may have personal obligations to comply with the requirements of professional bodies in addition to those of SAI.

- SAI's must ensure that HR policies and procedures give appropriate emphasis on quality and adherence to the principles of ethical conduct of the SAI. Such policies and procedures on human resources matters are:

- Recruitment and qualifications of employees who are hired.

- Performance assessment.
- Professional development.
- Capabilities, including sufficient time to carry out tasks at the required level of quality.
- Competence (including technical competence).
- Career development.
- Promotion.
- Compensation.
- Estimating employee needs.
- SAIs should commit to developing learning and training for all employees to encourage their professional development and to help ensure that employees are trained on current developments in the profession.
- SAIs must ensure that employees and all contracting parties to do business have a good understanding of the public sector environment in which SAI operates, and a good understanding of the work they are required to do.
- SAIs shall ensure that the performance objectives and evaluations of employees and all contracting parties to do business reflect to the SAI that the quality and ethical conduct principles of SAI are the primary driver of performance assessment.

### **The experience of the Libyan Audit Bureau (Labbena Project) to attract distinguished graduates of Libyan universities for employment**

"Labbena" is the most prominent important project launched by the Libyan Audit Bureau for Employment, which is the first of its kind at the level of all Libyan institutions. It was launched on March 2, 2017 6 at the headquarters of the National Institute of Administration in Al-Farnaj to be the beginning of a sustainable and long-term strategic plan to support and develop the human resource at the LAB.

It is a pioneering initiative aimed at attracting and appointing distinguished graduates from Libyan universities from the faculties of accounting, business administration and law, and integrating them into a theoretical and practical training program for a year, where the trainee receives 9 months of theoretical training (definition of the tasks of the Audit Bureau, laws and regulations governing the work

of the Audit Bureau and its relationship with state institutions) and 3 months of practical training (participation in the examination and auditing work), during which the trainee undergoes evaluation tests.

The main objective of this initiative is to develop the staff of the Libyan Audit Bureau to make the SAI a model institution, thus achieving the desired regulatory impact.

In addition to opening the way for enhancing the knowledge aspect in the field of the profession for the Audit Bureau's employees by issuing approvals to complete their academic studies. The following detail is for clarification:

**Table No. (1)**

**Approvals issued to complete academic study**

<b>year</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Approvals to complete academic studies	15	18	20	20	20	19	17

**Here are details of the Labneh initiative:**

**Table No. (2)**

<b>Year</b>	<b>Initiative Title</b>	<b>Specialization</b>	<b>Number</b>
<b>2017</b>	<b>Labbena 1</b>	<b>Accounting</b>	<b>73</b>
<b>2018</b>	<b>Labbena 2</b>	<b>Accounting</b>	<b>63</b>
<b>2019</b>	<b>Labbena 3</b>	<b>Law</b>	<b>101</b>
<b>2020</b>	<b>Labbena 4</b>	<b>Accounting</b>	<b>45</b>
<b>2021</b>	<b>Labbena 5</b>	<b>Law</b>	<b>52</b>
<b>2022</b>	<b>Labbena 6</b>	<b>Business Administration</b>	<b>93</b>
	<b>Labbena 7</b>	<b>Accounting</b>	<b>63</b>

Source: Prepared by the researcher based on the reports issued by the Libyan Audit Bureau (2022,2021,2020,2019,2018,2017)

The most important results of the initiative:

1. The initiative achieved diversity among the age groups of the employees of the State Audit Institution by attracting young graduates.

2. The initiative achieved the transfer of knowledge and experience between experienced employees and new recruits.
3. The initiative achieved a balance between the auditing and administrative functions.
4. Through its training program, the initiative achieved bridging the need between the reality of education and the requirements of work at the LAB.
5. The initiative achieved an increase in the performance rate, which was evident in the results of the work and report of the LAB.
6. The initiative achieved an increase in the coverage rate of annual inspection and review tasks.
7. The initiative achieved the integration of new blood for supervisory work scientifically and professionally qualified capable of providing the best for decades.
8. The initiative achieved through the integration of new young blood with high qualification, capable of dealing with various electronic technology and programs, the speed of the LAB's response to the changes that occur in the surrounding environment and the adoption and application of digital transformation strategies towards an electronic institution by launching an internal electronic portal to automate a set of internal processes and procedures and other electronic works and services.

## **Chapter Two**

### **Practical aspect of the research**

## **Introduction**

This chapter deals with a detailed description of the procedures that were followed in the implementation of the study, including the definition of the study methodology, the description of the study population, the identification of the study sample, the preparation of the study tool for data collection (questionnaire), and the statistical methods used in processing the results, and the following is a description of these procedures.

### **First: Study Tool**

To address the applied aspects of the subject of the study, the primary data and information were collected through a questionnaire as a main tool designed specifically for the purpose of solving the study problem, and taking into account that its paragraphs are comprehensive for all aspects of the study problem. For this reason, the questionnaire model was divided into two main parts, which can be classified as follows:

**Part I:** This part contains the personal or demographic data of the members of the study sample, represented in (academic qualification, job title, job capacity, years of experience, management, professional certificates, professional courses, participation in the implementation of audit tasks, participation in conferences, participation in workshops).

**Part II:** This part includes a total number of 30 phrases covering the efficiency and quality of audit reports, which consists of the axis of competency requirements in accordance with the 130\_ISSAI standard to increase the efficiency and quality of audit reports and contains 6 phrases, the axis of professional qualification requirements for the employees of the Audit Bureau in accordance with the INTOSAI Performance Improvement Guide to increase the efficiency and quality of audit reports and contains 6 phrases, the axis of requirements for performing audit tasks in accordance with the INTOSAI International Quality Control Standard 140\_ISSAI to increase the efficiency and quality of reports Regulatory It contains 6 phrases, the axis of requirements for the preparation of audit reports in accordance with the manual for

the application of INTOSAI standards on financial control to increase the efficiency and quality of audit reports and contains 6 phrases, and the axis of requirements for the human resources component of the INTOSAI international standard on quality control 140\_ISSAI to increase the efficiency and quality of audit reports and contains 6 phrases.

### **Second: Population and Sample Study**

The study population consists of auditors of the Libyan Audit Bureau, which represents the Supreme Audit Institution in Libya. Due to the fact that the study population is homogeneous in terms of specialization, a simple random sample of 90 individuals was taken, and 90 questionnaires were distributed to them, of which 80 returned. Of these, 3 were invalid and were disqualified, leaving only 77 questionnaires under study, with a response rate of 85.00%.

### **Third: Statistical measures and tests used in data analysis**

A set of statistical measures and tests were used in this study to process the obtained data, as follows:

#### **(i) Descriptive statistics metrics**

In this study, descriptive statistics measures were relied upon to extract percentages, and the graphical representation of the demographic data of the respondents, and descriptive statistics related to the main axes of the questionnaire (arithmetic mean) were extracted to identify the general trends of the respondents' answers.

#### **(ii) Deductive Statistics Tests**

Deductive statistics tests (inferential) are concerned with analyzing and drawing conclusions based on a part (sample) of the community to reach decisions about the statistical population, and therefore deductive statistics deals with generalization, prediction and estimation, here the appropriate tests were chosen for the study were:



**a. Cronbach's Alpha test.**

The Cronbach alpha test is one of the important statistical tests for analyzing the questionnaire data, and it is a test that shows the stability of the responses of the sample items to the questionnaire questions.

**B. Pearson test:**

Used to measure the internal consistency of phrases.

**c. Kolmogoroff Smirnov test:**

Used to determine whether the data follows the normal distribution or not.

**d. T test per sample:**

It is used to test the scores of approval on the degree of impact of each of the study axes related to the average population from which the sample was drawn if the data follow the normal distribution.

**e. Variance Analysis Test:**

It is used to test the existence of differences between the responses of the respondents about the role of professional qualification of the auditor in increasing the efficiency and quality of audit reports attributed to variables with multiple alternatives.

**Fourth: Tests of the validity of the tool, its stability and consistency of its statements**

The truthfulness of the tool means the ability of the questionnaire to measure the variables that were developed to measure it, and honesty means the comprehensiveness of the questionnaire list for all the elements or paragraphs that must be included in the analysis on the one hand, and the clarity of its paragraphs and vocabulary on the other hand in a way that makes its characteristics simple and easy to understand. The stability of the tool means that the same results can be obtained if the study is repeated in similar conditions and using the same tool. As for its consistency, it means the extent to which each phrase relates to the dimension or measure to which it belongs.

**5.1- Apparent honesty (honesty of arbitrators)**

In this study, a number of procedures were carried out to ensure the validity and quality of the questionnaire for the purpose for which it was prepared, as it was

presented to a group of arbitrators with experience and competence in the field related to the research to express their opinion and submit their suggestions on the credibility and validity of these phrases and their formulation, and the extent of their belonging to the variable or scale listed under it, in addition to modifying or deleting what they deem appropriate. Based on the valuable feedback received from the arbitrators, all the required amendments were made to the questionnaire form to come out in its final form.

## 5.2- Stability of the questionnaire

The stability of the questionnaire means stability in the results and not significantly change if they are reapplied to the same sample several times during certain periods of time. The stability of the questionnaire can be verified through Cronbach's Alpha Coefficient, the results were as in Table (3):

Theme			Number of phrases	Alpha coefficient	decision
Efficiency and quality of audit reports		Achieving efficiency requirements	6	0.814	constant
		Achieving the requirements of professional qualification for the employees of the State Audit Institution	6	0.609	constant
		Achieving the requirements for performing the audit tasks	6	0.800	constant
		Achieve audit reporting requirements	6	0.849	constant
		Achieving HR requirements	6	0.839	constant
Total score	of the	Questionnaire	30	0.937	constant

It is clear from Table (3) that the alpha coefficient of Cronbach for each aspect of the questionnaire and the total degree of each axis and the total of the axes was greater than the assumed value (0.70), so the researcher has made sure of the sincerity and stability of the questionnaire and its validity for analysis and answer the questions of the study and the results necessary to test the hypotheses of the study for which the form was developed.

## 5.3- Honesty of internal consistency

Internal consistency honesty means the extent to which each statement of the questionnaire is consistent with the theme to which it belongs. The internal consistency was verified by the correlation coefficient between each statement and its axis, and the results were as they are in tables (4-8):

Table No. (4)

Internal consistency results for the competency axes

Para	Achieving efficiency requirements		Decision
	correlation coefficient	Significance level	
The LAB adopts policies that ensure that tasks are carried out by auditors who have the appropriate knowledge and skills.	0.661**	0.000	Internally consistent
The auditors of the LAB perform their work in accordance with the applicable standards, and exercise due diligence.	0.777**	0.000	Internally consistent
The auditors of the LAB enhance and develop their knowledge and skills to keep pace with the developments of their professional environment in order to perform their jobs optimally.	0.795**	0.000	Internally consistent
To gain stakeholders confidence in decisions it issues, the LAB gathers the appropriate competencies and provides them with support for continued professional development	0.638**	0.000	Internally consistent
The LAB adopts initial and continuous strategies and programs in the main areas of the LAB 's work to keep pace with developments in the work environment.	0.788**	0.000	Internally consistent
The auditors of the LAB shall conduct training with their superiors or the responsible department in case their resources are not suitable or insufficient to carry out a specific task.	0.688**	0.000	Internally consistent

Table (4) shows that the level of morale observed p-value for all statements was less than 0.01. This indicates the significance of the correlation between each

statement and the overall score of the axis of achieving competency requirements. Which indicates the consistency of phrases for the axis of achieving efficiency requirements internally.

The consistency of the axis of achieving the requirements of professional qualification for the employees of the Audit Bureau was also tested, as in Table 5:

Para	Achieving the Requirements of professional Qualification for the LAB's employees	Significance level	Decision
	correlation coefficient		
The adoption of international standards in many cases requires a significant investment in the development of auditors' professional skills for many years.	0.557**	0.000	Internally consistent
Financial auditors need to have a sound understanding of the management of public funds in addition to their competence in the field of accounting and auditing	0.501**	0.000	Internally consistent
The auditor adds value to the work of the LAB by carrying out audits on compliance, finance and performance in compliance with international standards	0.445**	0.000	Internally consistent
The auditors of the LAB need a well-structured continuous professional learning and development program that includes a diverse mix of knowledge to gain a variety of professional experiences.	0.525**	0.000	Internally consistent
The LAB encourages auditors to follow INTOSAI publications to keep abreast of developments	0.652**	0.000	Internally consistent
LAB auditors who have participated in a training course	0.627**	0.000	

abroad train other employees in order to inculcate new skills and knowledge in the organization			Internally consistent
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Table (5) shows that the level of morale observed p-value for all statements was less than 0.01. This indicates the significance of the correlation between each statement and the total score of the axis of achieving the requirements of professional qualification for the employees of the LAB. This indicates the consistency of the phrases of the axis of achieving the requirements of professional qualification for the employees of the LAB internally.

The consistency of the axis of achieving performing audit tasks requirements was also tested, as in Table 6:

Table No. (6)

Internal consistency Results of the axis of achieving the requirements for performing audit tasks.

Para	Achieving the requirements for performing the audit tasks	Significance level	Decision
	correlation coefficient		
The LAB formulates policies and procedures designed to perform its functions by relying on auditors with sufficient professional qualification in accordance with the relevant standards and the applicable legal and regulatory requirements.	0.799**	0.000	Internally consistent
The LAB formulates appropriate policies, procedures and tools that ensure the existence of audit methodologies and trains auditors on them to conduct a range of work.	0.687**	0.000	Internally consistent

The LAB formulates policies and procedures to carry out audit tasks, encouraging high quality and preventing low quality.	0.816**	0.000	Internally consistent
All work carried out is subject to review as a means of contributing to quality enhancement and also to enhance learning, development and qualification of employees.	0.768**	0.000	Internally consistent
The LAB shall ensure the quality of the tasks performed by following appropriate policies and procedures before issuing the report.	0.721**	0.000	Internally consistent
The LAB ensures that appropriate procedures are followed to verify violations by allowing parties directly affected by its actions to comment before the end of the examination work.	0.489**	0.000	Internally consistent

Table (6) shows that the level of morale observed p-value for all statements was less than 0.01. This indicates the significance of the correlation between each phrase and the total degree of the axis of achieving the performance requirements of the audit tasks, which indicates the phrases' consistency of the axis of achieving the of performing the audit tasks requirements internally.

The consistency of the axis of achieving the audit reporting requirements was also tested, as in Table 7:

Table No. (7)

Results of internal consistency of the axis of achieving audit reporting requirements

Para	Achieve reporting audit requirements	Decision
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	correlation coefficient	Significance level	
The team or committee chairman submits the draft report to the director of the department or supervisor for review	0.632**	0.000	Internally consistent
The department manager or supervisor reviews the report to ensure that all aspects of quality are met.	0.765**	0.000	Internally consistent
The Head of the Reporting Unit further reviews the report to ensure that all aspects of quality are met.	0.819**	0.000	Internally consistent
The Quality Control Unit reviews the report to ensure that all aspects of quality and legal aspects are met.	0.825**	0.000	Internally consistent
The auditors of the LAB prepare reports in accordance with ISSAI standards in form and content.	0.802**	0.000	Internally consistent
The auditors of the LAB prepare reports on other legal and regulatory requirements, separate from the main task report in accordance with ISSAI standards.	0.698**	0.000	Internally consistent

Table (7) shows that the level of morale observed p-value for all statements was less than 0.01. This indicates the significance of the correlation between each statement and the overall score of the axis of achieving the requirements of regulatory reporting. This indicates the consistency of the statements of the axis of achieving the requirements of internal reporting of the audit.

Finally, the consistency of the HR requirements axis was tested, as shown in Table 8:

Para	Achieving HR requirements	Decision
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	correlation coefficient	Significance level	
The LAB shall formulate appropriate policies and procedures to ensure that it has a sufficient number of auditors with sufficient professional qualification and that they are committed to the Code of Professional Conduct, and to carry out its tasks in accordance with the relevant standards and applicable legal and regulatory requirements.	0.757**	0.000	Internally consistent
The LAB shall formulate appropriate policies and procedures to ensure that it has a sufficient number of auditors with sufficient professional qualification and adherence to the Code of Professional Conduct, and to enable the State Audit Bureau to issue reports appropriate to the circumstances.	0.778**	0.000	Internally consistent
The LAB ensures that auditors have the collective competencies necessary to carry out its work	0.837**	0.000	Internally consistent
The Libyan State Audit Institution ensures that human resources policies and procedures (such as recruitment, vocational rehabilitation and professional development) give appropriate emphasis on quality and adherence to the principles of Professional conduct of the Audit Bureau.	0.763**	0.000	Internally consistent
The LAB trains all auditors and encourages them to keep	0.646**	0.000	Internally consistent



abreast of current developments in the profession			
The LAB ascertains that auditors have a good understanding of the public sector environment in which the Bureau operates and a good understanding of the work they are required to do.	0.707**	0.000	Internally consistent

Table (8) shows that the level of morale observed p-value for all statements was less than 0.01, which indicates the significance of the correlation between each statement and the total score of the axis of achieving human resources requirements. This indicates the consistency of the statements of the axis of achieving human resources requirements internally.

Through the results of tables (4-8), the consistency of the questionnaire statements and their homogeneity with their axes and aspects were verified.

#### **Fifth: Data Distribution:**

To find out if the data have a normal distribution or not, the Kolmogorov-Smirnov test was used.

The results were as shown in Table 9:

Theme	Test Statistic	p-value	Decision
Achieving efficiency requirements	0.113	0.170	following
Achieving the requirements of professional qualification for the LAB's employees	0.100	0.057	following
Achieving the requirements for performing the audit tasks	0.093	0.970	following

Achieving audit reporting requirements	0.096	0.770	following
Achieving HR requirements	0.041	0.200	following

The results in Table (9) show that the observed significance level (p-value) for all dimensions was greater than 5%. Which indicates that the data for these dimensions follow the normal distribution. Therefore, a parameter test represented by the T test is used.

#### **Sixth: Metadata analysis of the study**

In this study, the use of the Likert five-point scale was used to estimate the degree of answer of the study categories on the questionnaire questions, where the scores were from 1 to 5 starting from strongly disagree to strongly agree, as these numbers express the weight of each answer as follows: Strongly disagree = 1, disagree = 2, agree to some extent = 3, agree = 4, strongly agree = 5). Therefore, the average of these answers is equal to (3). If the average answer of statements is 3, this indicates that the answer to that statement was neutral. If the average of these answers is greater than 3, this indicates that the answer was OK. If the average answer is less than 3, it indicates that the answer was disagree. Thus, it is tested whether the average score of the answers differs from 3 or not. After the answers are codified, the study data is entered using the SPSS (Statistical Package for Social Science).

Then the frequency tables of personal information were found, as well as represented graphically using graphical columns, and the results were as follows:

Table No. (10)

Relative frequency of the academic qualification of the study sample

Qualification	Frequency	Relative Frequency	Trend
Higher Diploma	9	11.7	Bachelor
Master	12	15.6	
Bachelor	56	72.7	
Total	77	100.0	

Table (10) shows that 72.7% of the auditors of the Audit Bureau in question hold a bachelor's degree, 15.6% a master's degree, and 11.7% a higher diploma. In general, the majority hold a bachelor's degree or higher, which increases their scientific ability

to understand the subject of the research and accuracy in the answer to serve the credibility of the research. To further clarify, the results were represented as follows:

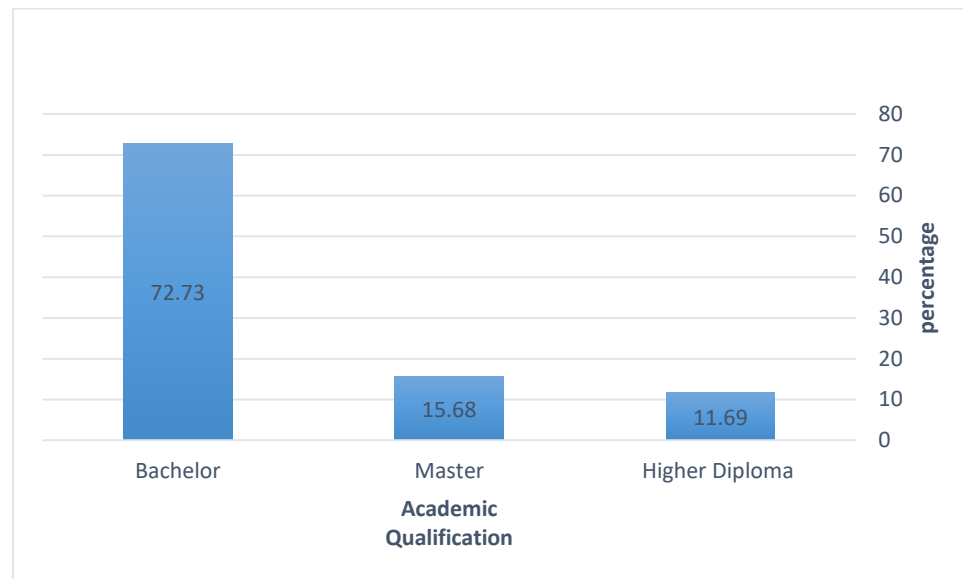


Figure 5 - Graphical representation of academic qualification

The job title factor was also analyzed, and the results were as shown in Table (11):

Table No. (11)

Relative frequency of job title

Job Title	Frequency	Relative Frequency	Trend
Director-General	1	1.3	Financial Auditor
Consultant	2	2.6	
Director of Sub-Department	6	7.8	
Financial Auditor	67	87.0	
Office Manager	1	1.3	
Total	77	100.0	

Table (11) shows that 87.0% of the respondents are financial auditors, 7.8% are sub-department directors, 1.3% are general directors, 2.6% are consultants, and 1.3% are office managers. In general, the majority fall under the job title of financial auditor, which increases their relationship to the research topic. To further clarify, the results were represented as follows

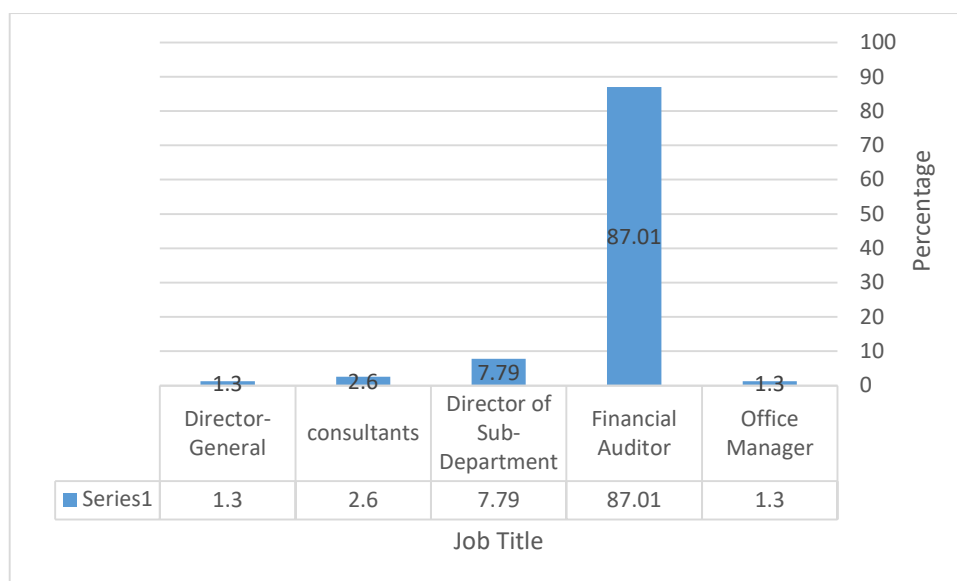


Figure 6 - Graphical representation of the job title

The job capacity factor was also analyzed, and the results were as shown in Table (12):

Table No. (12)  
Relative Frequency of Job Capacity

Job Capacity	Frequency	Relative Frequency	Trend
Technical Employee	17	22.1	Member
Member	60	77.9	
Total	77	100.0	

Table (12) shows that 22.1% of the respondents hold the status of technical employee, 77.9% hold the status of member. For further clarification, the results are represented as follows:

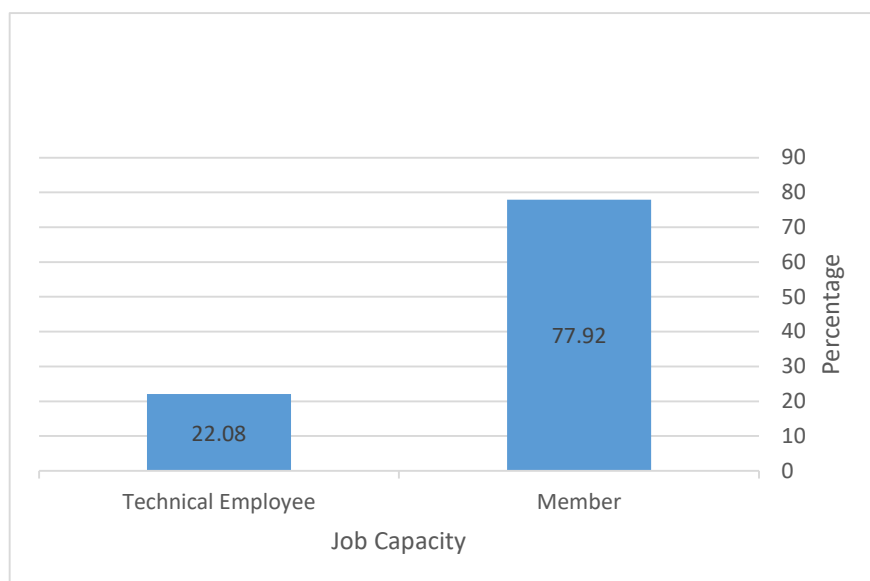


Figure 7: Graphical representation of job capacity

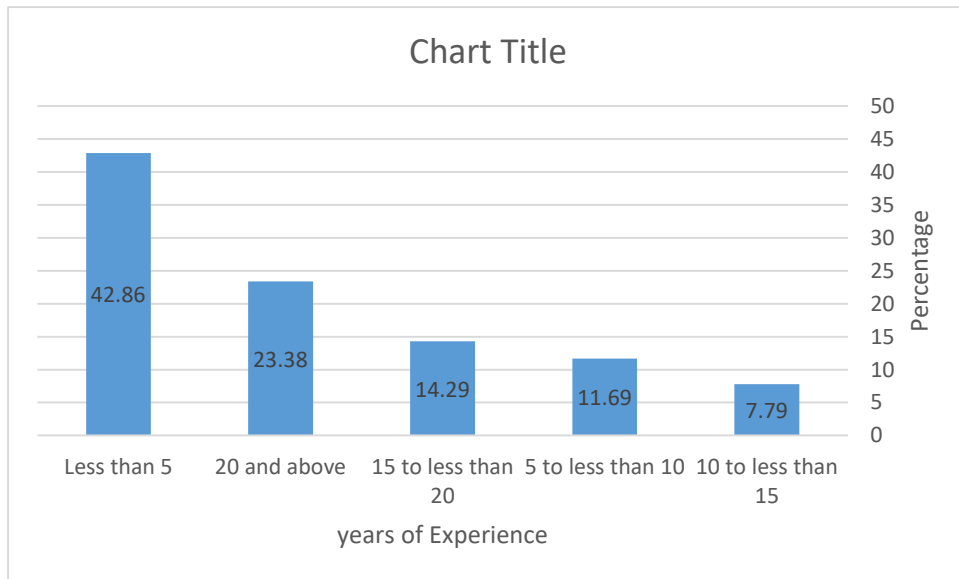
The years of experience factor was also analyzed, and the results were as shown in Table (13):

Table No. (13)

Relative frequency of years of experience

Years of Experience	Frequency	Relative Frequency	Trend
Less than 5	33	42.9	Less than 5
15 to less than 20	11	14.3	
5 to less than 10	9	11.7	
20 and above	18	23.4	
10 to less than 15	6	7.8	
Total	77	100.0	

Table (13) shows that 42.9% of the respondents have less than 5 years of experience, 11.7% have experience from 5 to less than 10 years, 7.8% have experience from 10 to less than 15 years, 14.3% have experience from 15 to less than 20 years, 23.4% have experience from 20 years and more. In general, 54.6% of the auditors of the Libyan Audit Bureau have less than 10 years of experience in the Audit Bureau, which is weak. For further clarification, the results are represented as follows:



The management factor was also analyzed, and the results were as shown in Table (14):

Management	Frequency	Relative Frequency	Trend
Senior Management of the Bureau	6	7.8	General Management of Audit of Service Sectors, Investments and Banks
Performance Audit Office	3	3.9	
General Management of Sovereign Sector Audit	8	10.4	
General Management of Service Sector Audit	16	20.8	
General Management of Local Government Sector Audit	10	13.0	
Office of Financial Statements and Reporting Audit	2	2.6	
General Management of Oil Sector and Public Companies Audit	13	16.9	
Report Office	1	1.3	

General Management of Investment and Banking Sectors Audit	16	20.8
General Management of Audit of Contracts and Development Plans	2	2.6
Total	77	100.0

Table (14) shows that 20.8% of the respondents are affiliated with the General Management of Audit of Service Sectors, 20.8% are affiliated with the General Management of Audit of Investment and Banking Sectors, 16.9% are affiliated with the General Management of Audit of the Oil and Public Companies Sectors, 13.0% are affiliated with the General Management of Audit of the Local Government Sector, 10.4% are affiliated with the General Management of Audit of the Sovereign Sector, and to lower percentages for the rest of the departments and offices. In general, there is a random distribution to all departments and offices. For further clarification, the results are represented as follows:

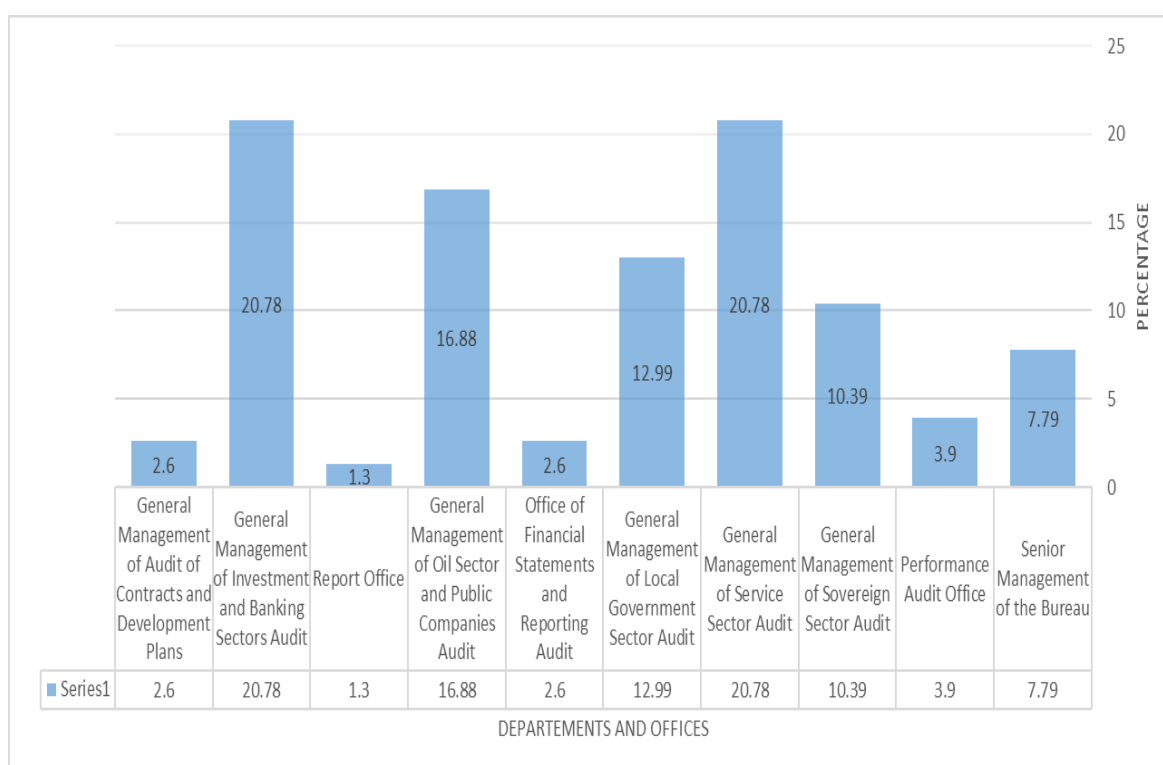


Figure 9 - Graphical representation of the department or office

The professional certification factor was also analyzed, and the results were as shown in Table (15):

Table No. (15)

Relative Frequency of professional certifications

professional certifications	Frequency	Relative Frequency	Trend
Professional Diploma in Financial Audit	30	39.0	Professional Diploma in Financial Audit
Professional certificate in financial Audit	4	5.2	
Professional certificate in compliance Audit	3	3.9	
Professional Diploma - Certified International Standards Expert	2	2.6	
Professional Certificate in Performance Audit	8	10.4	
Professional certificate in IT control	1	1.3	
None	29	37.7	
Total	77	100.0	

Table 15 shows that 39.0% of the respondents have a specialized professional diploma in financial audit, 10.4% have a professional certificate in performance audit, 5.2% have a professional certificate in financial audit, 3.9% have a professional certificate in compliance audit, 2.6% have a professional diploma - a certified international standards expert, and 37.7% do not hold any professional certificate. To further clarify, the results were represented as follows:



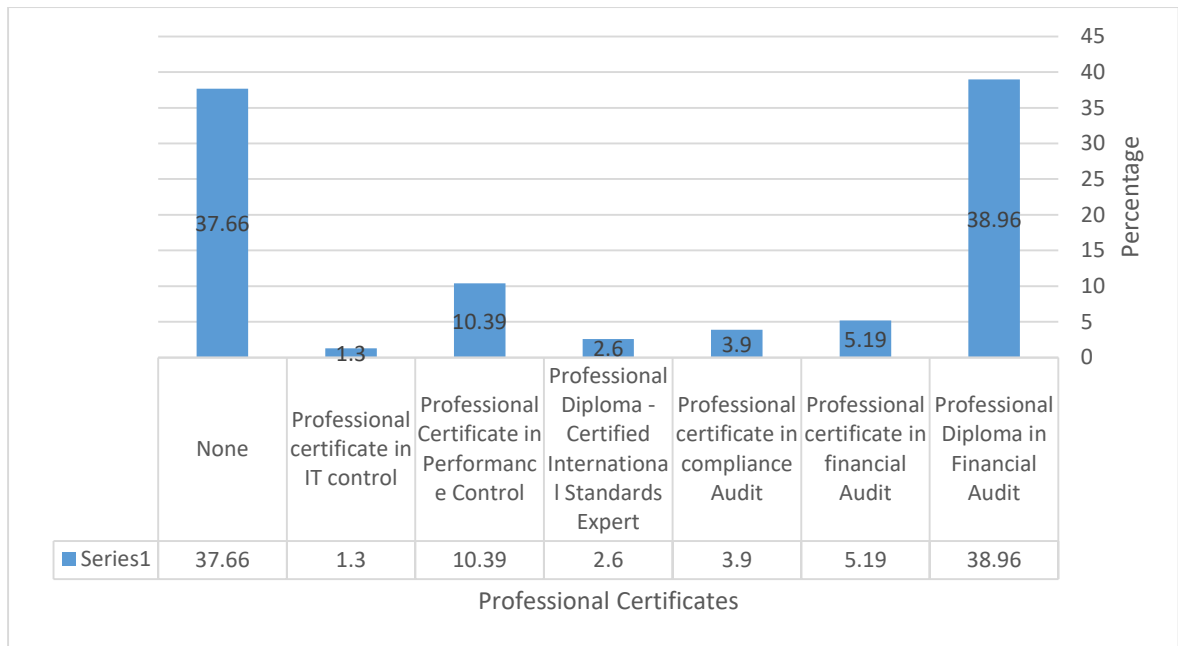


Figure 10: Graphical representation of Professional Certificates

The factor of professional courses was also analyzed, and the results were as shown in Table (16):

Table No. (16)

Relative Frequency of Professional Courses

Professional Courses	Frequency	Relative Frequency	Trend
Training course in the use of the Financial Audit Guide	15	19.5	
Training course in the use of the IT Audit Guide	12	15.6	
Training Course in the use of Compliance Audit Guide	8	10.4	
Training Course in the Use of Performance Audit Guide	6	7.8	
None	36	46.8	
Total	77	100.0	

Table (16) shows that 19.5% of the respondents received a training course in the use of the Financial Audit Guide, 15.6% received a training course in the use of the IT Control Guide, 10.4% received a training course in the use of the Compliance Audit Guide, 7.8% received a training course in the use of the Performance Audit Guide, and 46.8% did not receive any professional course. For further clarification, the results are represented as follows:

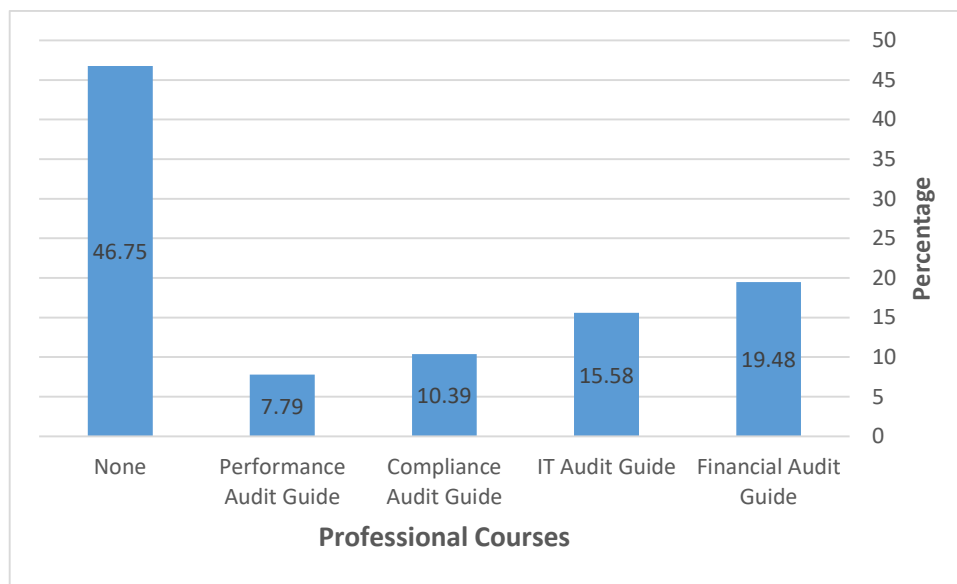


Figure 11: Graphical representation of professional courses

The factor of participation in the implementation of the audit tasks was also analyzed, and the results were as shown in Table (17):

Table No. (17)

Relative Frequency of Participation in the Implementation of Audit Tasks

Participation in the implementation of audit tasks	Frequency	Relative Frequency	Trend
Participation in the implementation of a model task for the application of the Financial Audit Guide	10	13.0	None
Participation in the implementation of a model task for the application of the IT Audit Guide	20	26.0	
Participation in the implementation of a model task for the application of the Compliance Audit Guide	5	6.5	
Participation in the implementation of a model task for the application of the performance Audit Guide	6	7.8	
None	36	46.8	
Total	77	100.0	

Table (17) shows that 13.0% of the respondents participated in the implementation of a model task for the application of the Financial Audit Guide, 26.0% participated in the implementation of a model task for the application of the IT Audit Guide, 6.5% participated in the implementation of a model task for the application of the Compliance Audit Guide, 7.8% participated in the implementation of a model task for the application of the Performance Audit Guide, and 46.8% did not participate in the implementation of the Audit tasks. For further clarification, the results are represented as follows:

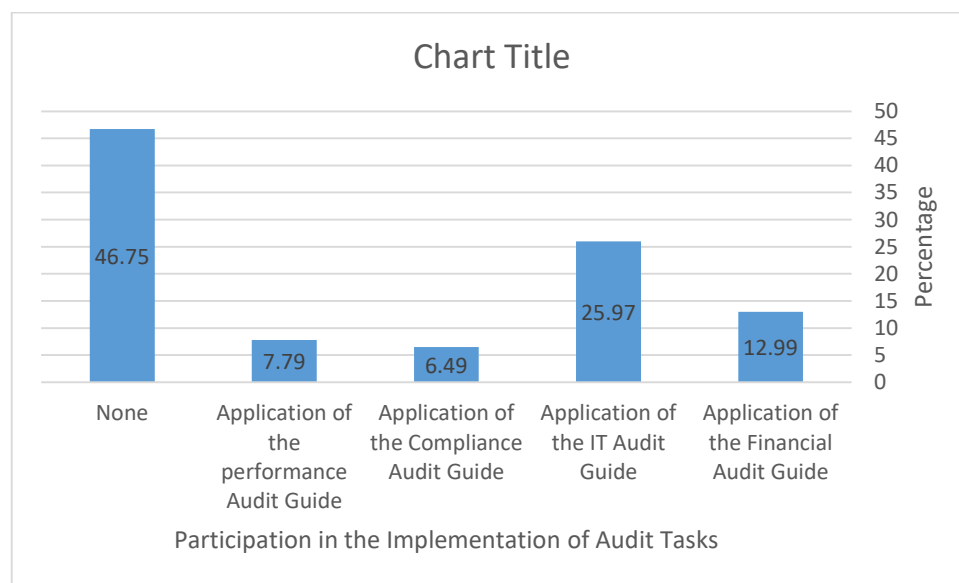


Figure 12: Graphical representation of participation in the implementation of Audit Tasks

The factor of participation in the conferences was also analyzed, and the results were

Table No. (18)

Relative frequency of participation in conferences

Participation in conferences	Frequency	Relative Frequency	Trend
In a scientific conference related to the performance of audit tasks	10	13.0	None
In a scientific conference related to the quality of audit reports	2	2.6	

None	65	84.4	
Total	77	100.0	

Table (16) shows that 13.0% of the respondents participated in a scientific conference related to the performance of supervisory tasks, 2.6% participated in a scientific conference related to the quality of audit reports, and 84.4% did not participate in conferences. For further clarification, the results are represented as follows:

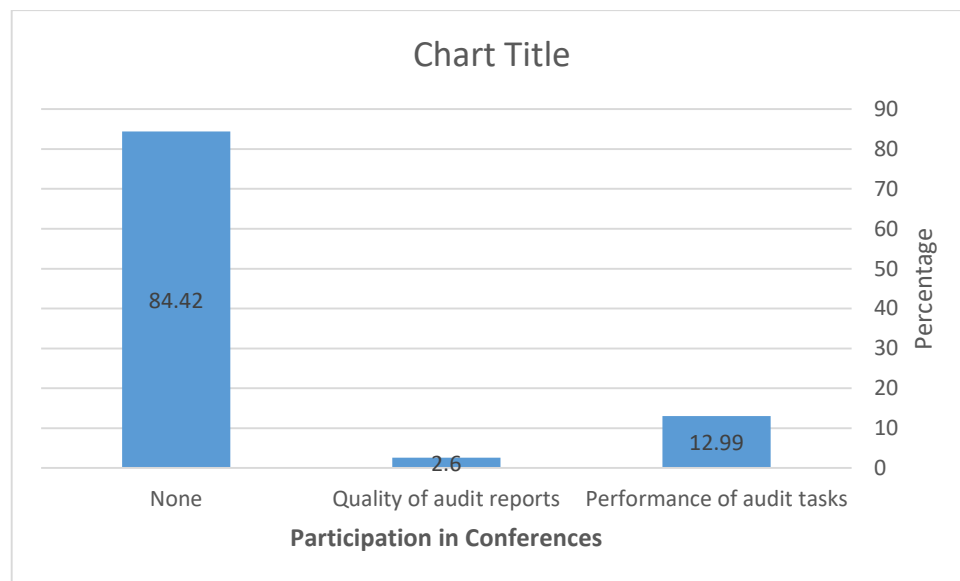


Figure 13: Graphical representation of participation in conferences

**Finally**, the factor of participation in the workshops was analyzed, and the results were as shown in Table (19):

Participation in workshops	Frequency	Relative Frequency	Trend
In a workshop related to the performance of audit tasks	16	20.8	None
In a workshop on the quality of audit reports	15	19.5	
None	46	59.7	
Total	77	100.0	

Table (19) shows that 20.8% of the respondents participated in a workshop related to performing audit tasks, 19.5% participated in a workshop related to the quality of

audit reports, and 59.7% did not participate in the workshops. For further clarification, the results are represented as follows:

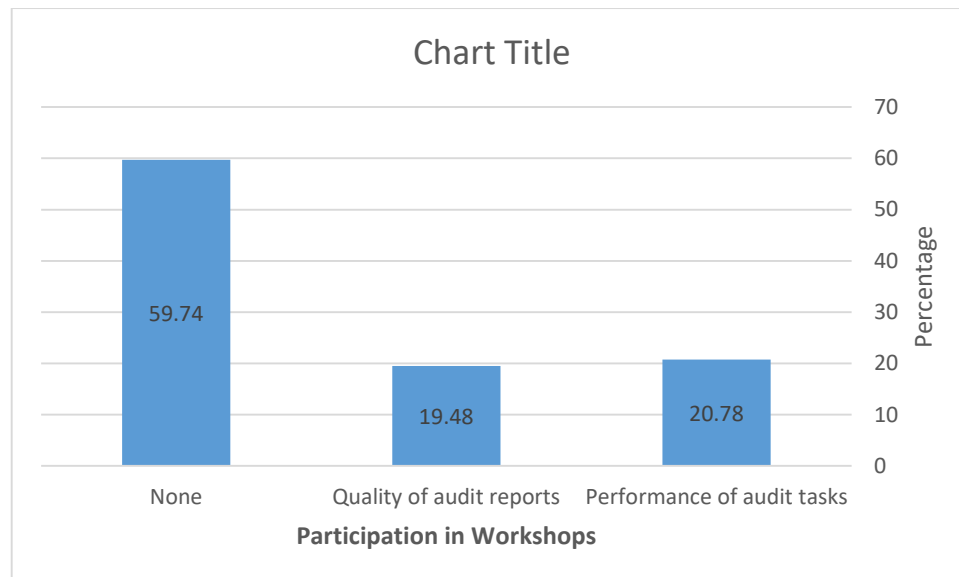


Figure 14: Graphical representation of participation in workshops

#### Seventh: Study hypotheses:

- The first main hypothesis: "There is a role for the professional qualification of auditors in increasing the efficiency and quality of audit reports."

To test this hypothesis, it was divided into five sub-hypotheses as follows:

- **The first sub-hypothesis:** "There is a role for the professional qualification of auditors in achieving the requirements of competence in accordance with the INTOSAI International Standard of Professional Conduct 30\_ISSAI1 in increasing the efficiency and quality of audit reports."

To find out whether the professional qualification of the auditor has a role in achieving the efficiency requirements in accordance with the INTOSAI International Standard for Professional Conduct 130\_ISSAI in increasing the efficiency and quality of control reports or not, the researcher calculated the arithmetic average for each statement, as well as using the T test about the hypothetical average for each

statement and the total score of the dimension of the competency requirements. The results were as in Table (20):

**Table No. (20)**

Results of the first sub-hypothesis test

	Efficiency Requirements	Arithmetic average	Test Statistics	P-value	Decision
1	The LAB adopts policies that ensure that tasks are carried out by auditors who have the appropriate knowledge and skills to accomplish them.	3.70	9.465	0.000	Consent
2	The auditors of the LAB perform their work in accordance with the applicable standards, and exercise due diligence.	3.75	8.656	0.000	Consent
3	The auditors of the LAB enhance and develop their knowledge and skills to keep pace with the developments of their professional environment in order to perform their jobs optimally.	3.69	7.720	0.000	Consent
4	To win the trust of stakeholders in the rulings it issues, the LAB attracts the right competencies and provides them with support for continued professional development.	3.74	8.865	0.000	Consent
5	The LAB adopts initial and continuous strategies and programs in the main areas of the LAB's work to keep pace with developments in the work environment.	3.73	9.113	0.000	Consent
6	The auditors of the LAB shall conduct training with their superiors or the responsible department in case their expertise is inappropriate or insufficient to carry out a particular task.	3.61	5.734	0.000	Consent
	Overall score for efficiency requirements	<b>3.70</b>	<b>11.199</b>	<b>0.000</b>	consent

Table (20) shows that the level of morale observed (value-P) for all statements was smaller than the level of morale specified  $\alpha = 0.05$ , and with arithmetic averages greater than 3, which indicates that the respondents answered in agreement about these statements. That is, the auditors working in the Libyan State Audit Bureau believe that the SAI adopts policies that ensure the implementation of tasks by auditors who have the appropriate knowledge and skills to accomplish them, its auditors perform their work in accordance with the applicable standards, and exercise due professional care, its auditors enhance and develop their knowledge and skills to keep pace with the developments of their professional environment in order to perform their functions optimally, to gain the confidence of stakeholders in the judgments it issues by gathering appropriate competencies and providing them with support for the continuation of professional development, By adopting initial and continuous strategies and programs in the main areas of the work of the LAB to keep pace with developments in the work environment, its auditors train with their superiors or the responsible management in the event that their expertise is inappropriate or insufficient to carry out a particular task.

From the above, through the level of morale observed (value – P) for the total degree of competence requirements, which was smaller than the level of morale specified 0.05 and an arithmetic average of 4.08, we reach a conclusion that the first sub-hypothesis is accepted, meaning that there is a role for the professional qualification of the auditor in achieving the requirements of competence in accordance with the INTOSAI International Standard for Code of Professional Conduct 130\_ISSAI in increasing the efficiency and quality of audit reports.

• **The second sub-hypothesis:** "The role of the professional qualification of the auditor in achieving the requirements of the professional qualification of the employees of the LAB in accordance with the INTOSAI Guide for Improving Performance in Increasing the Efficiency and Quality of Audit Reports".

To find out whether the professional qualification of the auditor has a role in achieving the requirements of professional qualification for the employees of the LAB in accordance with the INTOSAI Guide to improve performance in increasing the efficiency and quality of audit reports or not, the researcher calculated the arithmetic

average for each statement, as well as using the T test about the hypothetical average  $\mu_0$  of each statement and the total score after the requirements of professional qualification for the employees of the LAB. The results were as in Table (21):

**Table No. (21)**

Second sub-hypothesis test results

	Requirements for the professional qualification of the employees of the Audit Bureau	Arithmetic average	Test statistics	P-value	Decision
1	The adoption of international standards in many cases requires a significant investment in the development of auditors' professional skills for many years.	4.10	13.493	0.000	Consent
2	Financial auditors need to have a sound understanding of the management of public funds in addition to their competence in the field of accounting and auditing	4.27	17.995	0.000	Consent
3	The auditor adds value to the work of the LAB by carrying out audits on compliance, finance and performance in compliance with international standards	4.29	17.465	0.000	Consent
4	The auditors of the LAB need a well-structured continuous professional learning and development program that includes a diverse mix of knowledge to gain a variety of professional experiences.	4.18	13.124	0.000	Consent
5	The LAB encourages auditors to follow INTOSAI publications to keep abreast of developments	3.62	6.257	0.000	Consent
6	LAB auditors who have participated in a training course abroad train other employees in order to inculcate	3.36	3.740	0.000	Consent



	new skills and knowledge in the organization				
	The total score of professional qualification requirements for the employees of the LAB	<b>3.94</b>	<b>19.190</b>	<b>0.000</b>	consent

Table (21) shows that the level of morale observed (value-P) for all statements was smaller than the level of morale specified  $\alpha = 0,05$ , and with arithmetic averages greater than 3, which indicates that the respondents answered with agreement about these statements. That is, the auditors working at the Libyan Audit Bureau believe that the financial auditors working at the LAB need to have a sound understanding of the management of public funds in addition to their competence in the field of accounting and auditing, and to add value to the work of the LAB by carrying out audits on compliance, finance and performance committed to international standards, and they also need a well-structured continuous and professional development program that includes a diverse mix of knowledge to gain a variety of professional experience, and to be encouraged by The LAB to follow up on INTOSAI publications to keep abreast of developments, and those who have participated in a training course abroad should train other employees in order to inculcate new skills and knowledge in the institution). The adoption of international standards in many cases requires significant investment in the development of auditors' professional skills for many years.

According to the above, and through the level of morale observed (value-P) for the total degree after the requirements for the professional qualification of the employees of the LAB, which was smaller than the specified moral level 0.05 and with an arithmetic average of 3.94, we reach a conclusion that the second sub-hypothesis is accepted, meaning that there is a role for the professional qualification of the auditor in achieving the requirements of professional qualification for the employees of the LAB in accordance with the INTOSAI Guide for Improving Performance in increasing the efficiency and quality of audit reports.

- **The third sub-hypothesis:** "The role of the professional qualification of auditors in achieving the requirements of the element of performing audit tasks in accordance

with the INTOSAI International Standard for Quality Control 140\_ISSAI in increasing the efficiency and quality of audit reports."

To find out whether the professional qualification of the auditor has a role in achieving the requirements of the element of performing audit tasks in accordance with the INTOSAI International Standard for Quality Control 140\_ISSAI in increasing the efficiency and quality of audit reports or not, the researcher calculated the arithmetic average for each statement, as well as using the T test about the hypothetical average  $3 = u_0$  of each statement and the total degree of the requirements of the performing audit tasks element. The results were as in Table (22):

**Table No. (22)**

Results of the third sub-hypothesis test

	Requirements for the element of performing audit tasks	Arithmetic average	Test statistics	<b>P-Value</b>	Decision
1	The LAB formulates policies and procedures designed to provide assurance that it is performing its functions by relying on auditors who have sufficient professional qualification in accordance with the relevant standards and applicable legal and regulatory requirements.	3.56	7.222	0.000	Consent
2	The LAB formulates appropriate policies, procedures and tools that ensure the existence of audit methodologies and trains auditors to conduct a range of work.	3.61	8.481	0.000	Consent
3	The LAB formulates policies and procedures to carry out audit tasks that encourage high quality and prevent low quality	3.66	8.305	0.000	Consent
4	All work carried out is subject to review as a means of contributing to quality enhancement and also to promote learning, development and qualification of employees.	3.61	6.718	0.000	Consent

5	The LAB shall ensure the quality of the tasks performed by following appropriate policies and procedures before issuing the reports.	3.79	9.067	0.000	Consent
6	The LAB ensures that appropriate procedures are followed to verify violations by allowing parties directly affected by its actions to comment before the end of the examination work.	3.91	10.000	0.000	Consent
	Total score of requirements for performing audit tasks	<b>3.69</b>	<b>11.718</b>	<b>0.000</b>	consent

Table (22) shows that the level of morale observed (value–P) for all statements was smaller than the level of morale specified, and with arithmetic averages greater than 3, which indicates that the respondents answered in agreement about these statements. That is, the auditors working at the Libyan Audit Bureau believe that the LAB (formulates policies and procedures designed to provide it with confirmation that it performs its duties by relying on auditors who have sufficient professional qualification in accordance with the relevant standards and the applicable legal and regulatory requirements, and formulates appropriate policies, procedures and tools that ensure the existence of audit methodologies and trains auditors to conduct a set of work, as well as formulates policies and procedures to carry out audit tasks that encourage high quality and prevent low quality, and ensures the quality of Tasks accomplished by following appropriate policies and procedures prior to the release of the report. The LAB also ensures that it follows the appropriate procedures to verify violations by allowing parties directly affected by its work to comment before the end of the examination work).

All work carried out is subject to review as a means of contributing to quality enhancement and also to promote learning, development and qualification of employees.

Therefore, through the level of morale observed (value – P) of the requirements total degree of the performing audit tasks element, which was smaller than the level of morale specified 0.05 and an arithmetic average of 3.69, we reach a conclusion that

the third sub-hypothesis is accepted, meaning that there is a role for the professional qualification of the auditor in achieving the requirements of the performing audit tasks element in accordance with the INTOSAI International Standard for Quality Control 140\_ISSAI in increasing the efficiency and quality of audit reports.

- **Fourth sub-hypothesis:** "The role of the professional qualification of auditors in achieving the requirements of preparing audit reports in accordance with the INTOSAI Standards Application Guide on Financial Audit in increasing the efficiency and quality of audit reports".

To find out whether the professional qualification of the auditor has a role in achieving the requirements of preparing audit reports in accordance with the Guide for the application of INTOSAI standards on financial audit in increasing the efficiency and quality of audit reports or not, the researcher calculated the arithmetic average for each statement, as well as using the T test about the hypothetical average for each statement and the total score of the requirements of preparing audit reports. The results were as in Table (23):

**Table No. (23)**

Fourth sub-hypothesis test results

	Audit reporting requirements	Arithmetic average	Test statistics	P-Value	Decision
1	The team or committee chairman submits the draft report to the director of the department or supervisor for review.	3.88	9.966	0.000	Consent
2	The department manager or supervisor reviews the report to ensure that all aspects of quality are met.	3.86	11.016	0.000	Consent
3	The Head of the Reporting Unit further reviews the report to ensure that all aspects of quality are met.	3.82	8.561	0.000	Consent
4	The Quality Control Unit reviews the report to ensure that all	3.51	4.951	0.000	Consent

	aspects of quality and legal aspects are met.				
5	The auditors of the LAB prepare reports in accordance with ISSAI standards in form and content.	3.16	1.537	0.128	Relative consent
6	The auditors of the LAB prepare reports on other legal and regulatory requirements separate from the main mission report in accordance with ISAI standards.	3.30	2.853	0.006	Consent
	Total score of audit reporting requirements	<b>3.59</b>	<b>8.135</b>	<b>0.000</b>	Consent

Table (23) shows that:

1. The level of morale observed (value–P) for statements (1-4, 6) was smaller than the level of morale specified  $\alpha = 0.05$ , and with arithmetic averages greater than 3, which indicates that the respondents answered in agreement about these statements. That is, the auditors working in the LAB believe that (the team or the chairman of the committee submits the draft report to the director of the department or supervisor for review, and that the director of the department or supervisor reviews the report to ensure that all aspects of quality are met, and that the head of the reporting unit conducts an additional review of the report to ensure that all aspects of quality are met, and that the quality control unit reviews the report to ensure that all aspects of quality and legal aspects are met, and that the auditors of the LAB prepare reports on other legal and regulatory requirements are separate from the main task report according to ISSAI standards.
2. The level of morale observed (value – P) of the statement (5) was greater than the level of morale specified  $\alpha = 0.05$ , which indicates that the respondents answered with relative approval about this statement. That is, the auditors working at the LAB prepare reports relatively in accordance with ISSAI standards in form and content.

Therefore, through the level of morale observed (value–P) of the total degree of regulatory reporting requirements, which was smaller than the specified moral level of 0.05 and an arithmetic average of 3.59, we reach a conclusion that the fourth sub-

hypothesis is accepted, meaning that there is a role for the professional qualification of the auditor in achieving the requirements of preparing audit reports in accordance with the Guide for the application of INTOSAI standards on financial audit in increasing the efficiency and quality of audit reports.

- Fifth sub-hypothesis: "The role of the professional qualification of auditors in achieving the human resources element requirements of the INTOSAI International Standard on Quality Control 140\_ISSAI in increasing the efficiency and quality of audit reports".

To find out whether the professional qualification of the auditor has a role in achieving the requirements of the human resources element of the INTOSAI international standard on quality control 140\_ISSAI in increasing the efficiency and quality of audit reports or not, the researcher calculated the arithmetic average for each statement, as well as using the T test about the hypothetical average of each phrase and the total degree of requirements of the human resources element. The results were as in Table (24):

**Table No. (24)**

Fifth sub-hypothesis test results

	HR Requirements	Arithmetic average	Test statistics	P-Value	Decision
1	The Libyan Audit Bureau shall formulate appropriate policies and procedures to provide reasonable assurance that it has a sufficient number of auditors, with sufficient professional qualification and adherence to the Code of Professional Conduct, to carry out its duties in accordance with the relevant standards and applicable legal and regulatory requirements.	3.58	6.842	0.000	Consent
2	The LAB shall formulate appropriate policies and procedures to provide reasonable assurance that it has a sufficient number of auditors with sufficient professional qualification and	3.70	7.430	0.000	Consent

	adherence to the Code of Professional Conduct to enable it to issue reports appropriate to the circumstances.				
3	The LAB confirms that the auditors have the collective competencies required to carry out their work.	3.66	6.584	0.000	Consent
4	The LAB confirms that human resources policies and procedures (such as employment, vocational qualification and professional development) give appropriate emphasis on quality and adherence to the principles of ethical conduct of the LAB.	3.69	7.559	0.000	Consent
5	The LAB trains all auditors and encourages their professional development on current developments in the profession.	3.69	6.555	0.000	Consent
6	The LAB assures that auditors have a good understanding of the public sector environment in which they operate and a good understanding of the work they are required to do	3.69	7.004	0.000	Consent
	Total score for HR requirements	<b>3.67</b>	<b>9.354</b>	<b>0.000</b>	Consent

Table (24) shows that the level of morale observed (value-P) for all statements was smaller than the level of morale specified, and with arithmetic averages greater than 3, which indicates that the respondents answered in agreement about these statements. That is, the auditors working at the Libyan Audit Bureau consider that the LAB formulates appropriate policies and procedures to provide reasonable assurance that it has a sufficient number of auditors with sufficient professional qualification and adhering to the Code of Professional Conduct to carry out its duties in accordance with the relevant standards and applicable legal and regulatory requirements. It also formulates appropriate policies and procedures that provide reasonable assurance that it has a sufficient number of auditors with sufficient professional qualification and adherence to the rules of professional conduct. Enables the LAB to issue reports appropriate to the circumstances, Ensures that auditors have the collective competencies necessary to carry out the work group, Ensures that human resources policies and procedures such as recruitment, vocational qualification and professional

development give appropriate emphasis on quality and commitment to the principles of ethical conduct of the LAB, Trains all auditors and encourages their professional development on the current developments in Professionally, it is ensured that auditors have a good understanding of the public sector environment in which the LAB operates and a good understanding of the work they are required to do.

Therefore, through the level of morale observed (value – P) for the total degree of the requirements of the human resources element, which was smaller than the specified moral level 0.05 and an arithmetic average of 3.67, we reach a conclusion that the fifth sub-hypothesis is accepted, meaning that there is a role for the professional qualification of the auditor in achieving the requirements of the human resources element of the INTOSAI international standard on quality control 140\_ISSAI in increasing the efficiency and quality of audit reports.

Through the results of tables (20-24), and through the use of the T-test about the hypothetical average  $3 = u_0$  of the total score of the efficiency and quality of audit reports, it is possible to know whether the professional qualification of the auditor has a role in increasing the efficiency and quality of audit reports or not, according to the results of Table (25):

**Table No. (25)**

Test results of the first main hypothesis

Theme	Arithmetic average	Test statistics	<b>P– Value</b>	Decision
The professional qualification of auditors has a role in increasing the efficiency and quality of audit reports	3.72	13.510	0.000	Consent

Table (25) shows that the level of significance observed (value–P) for the total degree of the theme of increasing the efficiency and quality of audit reports is smaller than the specified level of morale 0.05 and with an arithmetic average of 3.72. Therefore, we reach the conclusion that the main hypothesis is accepted, i.e. the professional qualification of the auditor has a role in increasing the efficiency and quality of audit reports.



- **The second main hypothesis:** "There are statistically significant differences between the responses of the sample members about the role of the professional qualification of the financial auditor in increasing the efficiency and quality of audit reports attributed to the variable (academic qualification, years of experience)".

To find out if there were statistically significant differences between the responses of the sample members about the role of professional qualification of references in increasing the efficiency and quality of audit reports attributed to the variable (academic qualification, years of experience) or not, the analysis of the variance analysis test was used, the results were as in Table (26):

**Table ( 26 )**

Second main hypothesis test results

	Variable	Difference	Sum of squares	Degrees of freedom	Average squares	F- Value	P- Value	Decision
The role of professional qualification of auditors in increasing the efficiency and quality of audit reports	Qualification	Qualification	.287	2	0.143	0.6530	0.5230	no moral differences
		Error	16.230	74	.219			
		Total	16.517	76				
	Years of Experience	Experience	1.239	4	0.310	1.460	.2230	No moral differences
		Error	15.277	72	0.212			
		Total	16.517	76				

Table (26) shows that the level of morale observed (p-value) in both cases was greater than or equal to the level of morale specified 0.05, which indicates that there are no statistically significant differences between the responses of the sample members about the role of professional qualification of the financial auditor in increasing the efficiency and quality of audit reports attributed to the variable (academic qualification, years of experience).

## **Eighth: Results and recommendations of the study**

In this chapter, the most important findings of the study were presented, and a number of recommendations were made based on the results.

### **A. Results of the study**

This study reached a number of results that can be summarized as follows:

1. The results of the study showed that most of the auditors working in the Libyan Audit Bureau are financial auditors, hold a scientific qualification "bachelor's", have work experience in the LAB of less than 5 years, and have a specialized professional diploma in the field of financial audit. The reason for this is due to the LAB's adoption of policies to integrate new young blood through the LAB's initiative in Labbena project to attract distinguished graduates with the first ranks in Libyan universities and integrate them into a one-year training program. This initiative has resulted in the transfer of knowledge and experience between experts and new recruits.
2. Most of the auditors working at the LAB did not obtain some professional certificates, did not receive professional courses, did not participate in the implementation of audit tasks, scientific conferences or workshops.
3. The LAB shall adopt policies that ensure that tasks are carried out by auditors who have the appropriate knowledge and skills to accomplish them.
4. The auditors of the LAB perform their work in accordance with the applicable standards and exercise professional due diligence, and they also enhance and develop their knowledge and skills to keep pace with the developments of their professional environment in order to perform their jobs optimally.
5. The LAB adopts initial and continuous strategies and programs in the main areas of the Audit Bureau's work to keep pace with developments in the work environment.
6. The professional qualification of auditors has a role in increasing the efficiency and quality of audit reports by achieving efficiency requirements in accordance with the INTOSAI International Standard of Professional Conduct 130\_ISSAI.
7. Financial auditors working at the LAB need to have a sound understanding of the management of public funds in addition to their competence in the field of

accounting and auditing, by participating in a well-structured continuous and professional learning and development program that includes a diverse mix of knowledge to gain a variety of professional experience.

8. The adoption of international standards in many cases requires a significant investment in the development of auditors' professional skills for many years.
9. The LAB encourages auditors to follow INTOSAI's publications to keep abreast of developments.
10. The auditors of the LAB who participated in a training course abroad train other employees in order to consolidate new skills and knowledge in the institution.
11. The professional qualification of the auditor has a role in increasing the efficiency and quality of audit reports by achieving the requirements of professional qualification for the employees of the LAB in accordance with the INTOSAI Performance Improvement Guide.
12. The LAB shall formulate policies and procedures designed to ensure that it performs its duties by relying on auditors with sufficient professional qualification in accordance with the relevant standards and the applicable legal and regulatory requirements.
13. The LAB shall ensure that appropriate procedures are followed to verify violations by allowing the parties directly affected by its actions to comment before the end of the examination work.
14. All work carried out by the LAB is subject to review as a means of contributing to enhancing quality and also to promote learning, development and qualification of employees.
15. The professional qualification of the auditor has a role in increasing the efficiency and quality of audit reports by achieving the requirements of the element of performing audit tasks in accordance with the INTOSAI International Quality Control Standard 140\_ISSAI.
16. The team or the chairman of the committee submits the draft report to the director of the department or supervisor for review, who in turn reviews to ensure that all aspects of quality are met, then refers it to the head of the reporting unit to carry out an additional review to ensure that all aspects of

quality are met, and then referred to the Quality Control Unit to carry out the review to ensure that all aspects of quality and legal aspects are met.

17. Auditors working at the LAB prepare reports in accordance with ISSAI standards in form and content.
18. The auditors of the LAB shall prepare reports on other legal and regulatory requirements separate from the main mission report in accordance with ISAI standards.
19. The professional qualification of the auditor has a role in increasing the efficiency and quality of audit reports by achieving the requirements of preparing audit reports in accordance with the INTOSAI Standards Application Guide on Financial Audit.
20. The LAB shall formulate appropriate policies and procedures to ensure that it has a sufficient number of auditors with sufficient professional qualification and adherence to the Code of Professional Conduct to carry out its duties in accordance with the relevant standards and applicable legal and regulatory requirements, and enable it to issue reports appropriate to the circumstances.
21. The LAB shall ensure that the policies and procedures of human resources (such as recruitment, vocational rehabilitation and professional development) give appropriate emphasis on quality and adherence to the principles of ethical conduct of the LAB.
22. The LAB shall train auditors and encourage their professional development on current developments in the profession.
23. The professional qualification of auditors has a role in increasing the efficiency and quality of audit reports in achieving the requirements of the human resources element of the INTOSAI International Standard on Quality Control 140\_ISSAI.
24. There were no statistically moral differences between the answers of the auditors of the LAB about the role of professional qualification of the auditor in increasing the efficiency and quality of audit reports attributed to the variable (academic qualification, years of experience).

## **B. Study Recommendations**

Based on the study's findings, the researcher recommends the following:

1. The need for the LAB to adopt policies to ensure that all auditors obtain adequate professional qualification through obtaining certificates and professional courses in the field of control (finance, compliance, performance, information technology).
2. The need for the LAB to adopt policies that ensure the effective participation of auditors in the implementation of audit tasks, which are related to the implementation of model tasks for the application of the audit guide (finance, compliance, performance, information technology).
3. Work on the adoption of policies that ensure the effective participation of auditors in conferences and workshops related to the performance of audit tasks.
4. The LAB should adopt a well-structured continuous and professional development program targeting all auditors that includes a diverse mix of knowledge to gain a variety of professional experiences.
5. Motivating and encouraging auditors working at the LAB to prepare reports in accordance with ISSAI standards in form and content.
6. Conducting the same study on the LAB's branches to reach the highest application of ISSAI standards related to increasing the efficiency and quality of audit reports.

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<https://www.arabosai.org/fileadmin/Contenu/Publications/03-Guidelines/1557734834.pdf>
2. INTOSAI Quality Control Standard for Supreme Audit Institutions 140\_ISSAI, 2019, <https://www.issai.org/wp-content/uploads/2019/08/ISSAI-140-1.pdf>
3. Guide to the Application of International Standards of Supreme Audit Institutions on Financial Auditing, 2020, <https://www.idi.no/elibrary/professional-sais/issai-implementation-handbooks/handbooks-arabic/1168-financial-audit-issai-handbook-v1-idi-arabic/file>
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## Websites

1. Libyan Audit Bureau website [audit.gov.ly](http://audit.gov.ly)
2. INTOSAI Professional Regulatory Standards Committee website  
<http://www.issai.org>
3. International Journal of Government Financial Auditing  
(<https://intosaijournal.org/ar/author/wilf-henderson/>)

## Annexes

Mr. / Mrs. : Auditor of the Libyan Audit Bureau

Peace, mercy and blessings of Allah be upon you ...

The researcher prepares a study for the purpose of participating in the fourteenth scientific research competition of the Arab Organization of Supreme Audit Institutions (ARBOSAI) entitled ("The Role of Professional Qualification of Auditors in Increasing the Efficiency and Quality of Audit Reports").

The researcher hopes to kindly answer the paragraphs of the questionnaire, and in this context we emphasize that your response to us and your answer to the questionnaire will lead to reaching the objectives of the study, and that all the information that we will obtain will be treated confidentially and will only be used for scientific research purposes only.

Thank you for your cooperation in advance.

**Researcher: Ezzedine Ramadan Ezzedine**



### **Glossary of terms**

**Audit Methodologies:** It means an audit guide to carry out the task of financial control, compliance control, performance control or information technology control.

**Quality:** It means complying with appropriate professional, legislative and regulatory standards, and achieving the desired objectives of the audit process.

**Efficiency:** It means achieving the best possible results by optimizing the use of available resources (financial, human and technical).

**Stakeholders:** House of Representatives, Audited Entities, Public, Media, Private Sector.

# Questionnaire

The first section

## **First: Preliminary data:**

Please put a tick (✓) in the designated place as you see fit.

### **1. Qualification:**

- Higher Diploma (   )
- Bachelor (   )
- Master (   )
- PhD (   )

### **2- Job Title**

- General Manager (   )
- Sub-Department Manager (   )
- Office Manager (   )
- Consultant (   )
- Financial auditor (   )

### **3- Capacity:**

- technical staff (   )
- Member (   )

### **4- Years of experience in the LAB:**

- Less than 5 years (   )
- 5 years to less than 10 years (   )
- 10 years to less than 15 years (   )
- 15 years to less than 20 years (   )
- 20 years and over (   )

## **5- Directorate/ Office**

- Senior Management of the Bureau ( )
- General Directorate of Audit of the Sovereign Sector ( )
- General Directorate of Audit of Service Sectors ( )
- General Directorate of Audit of the Local Government Sector ( )
- General Directorate of Audit of the Oil Sectors and Public Companies ( )
- General Directorate of Audit of Investment and Banking Sectors ( )
- General Directorate of Audit of Contracts and Development Plans ( )
- Performance Audit Office ( )
- Inspection and Follow-up Office ( )
- Information Office ( )
- Office of Auditing of Financial Statements and Reports ( )
- Report Office ( )

## **6 - Professional certificates,**

courses and participation in the implementation of audit tasks, conferences and related workshops:

You can choose more than one of the following paragraphs

**First:** Professional Certificates:

- Professional Diploma in Financial Audit ( )
- IACPA Certificate ( )
- Professional Diploma – Certified International Standards Expert ( )
- Professional certificate in the field of information technology audit ( )
- Professional certificate in the field of financial audit ( )
- Professional certificate in the field of compliance audit ( )
- Professional certificate in the field of performance audit ( )

- Other(mention it).....
- None (   )

**Second:** Professional Courses:

- Training course in the use of the Financial Audit Guide (   )
- Training course in the use of the compliance Audit Guide (   )
- Training course in the use of the performance Audit Guide (   )
- Training course in the use of the IT Audit Guide (   )
- Other(mention it).....
- None (   )

**Third:** Participation in the implementation of audit tasks

- Participation in the implementation of a pilot task for the application of the Financial Audit Guide (   )
- Participation in the implementation of a pilot task for the application of the compliance Audit Guide (   )
- Participation in the implementation of a pilot task for the application of the Performance Audit Guide (   )
- Participation in the implementation of a pilot task for the application of the IT Audit Guide (   )
- None (   )

**Fourth:** Participation in Conferences:

- Participated in a scientific conference related to the performance of audit tasks (   )
- Participated in a scientific conference related to the quality of audit reports (   )
- None (   )

**Fifth:** Participation in workshops:

- Participated in a workshop related to the performance of audit tasks ( )
- Participated in a workshop on the quality of audit reports ( )
- None ( )

**Section II of the questionnaire paragraphs**

Please tick ( v ) the statements in the list that represent what is happening in practice.

**The first theme:** Statements related to the role of professional qualification of auditors in achieving the requirements of competence in accordance with the INTOSAI International Standard of Professional Conduct ISSAI\_130 in increasing the efficiency and quality of audit reports

	Statements	Responses				
		Strongly agree	Agree	Agree to some extent	Disagree	Strongly disagree
1	The LAB adopts policies that ensure that tasks are carried out by auditors who have the appropriate knowledge and skills to accomplish them.					
2	The auditors of the Libyan Audit Bureau perform their work in accordance with the applicable standards and exercise due diligence.					

3	The auditors of the LAB enhance and develop their knowledge and skills to keep pace with the developments of their professional environment in order to perform their jobs optimally.					
4	To gain the trust of stakeholders in the rulings it issues, the LAB gathers the appropriate competencies and provides them with support for continued professional development.					
5	The LAB adopts initial and continuous strategies and programs in the main areas of the Audit Bureau's work to keep pace with developments in the work environment.					
6	The auditors of the LAB shall conduct training with their superiors or the responsible department in case their resources are not suitable or insufficient to carry out a specific task.					

**The second theme:** Statements related to the role of professional qualification of auditors in achieving the requirements of professional qualification of the employees of the LAB in accordance with the INTOSAI guide for improving performance in increasing the efficiency and quality of audit reports

	Statements	Responses				
		Strongly agree	Agree	Agree to some extent	Disagree	Strongly disagree
1	The adoption of international standards in many cases requires a significant investment in the development of auditors' professional skills for many years.					
2	Financial auditors need to have a sound understanding of the management of public funds in addition to their competence in the field of accounting and auditing					
3	Auditors add value to the work of the LAB by carrying out audits on compliance, finance and performance compliant					

	with international standards.					
4	The auditors of the LAB need a well-structured continuous professional learning and development program that includes a diverse mix of knowledge to gain a variety of professional experiences.					
5	The LAB encourages auditors to follow INTOSAI publications to keep abreast of developments					
6	LAB auditors who have participated in a training course abroad train other employees in order to inculcate new skills and knowledge in the organization					

**Third Theme:** Statements related to the role of professional qualification of auditors in achieving the requirements of the element of performing audit tasks in accordance with the INTOSAI International Standard for Quality Control 140\_ISSAI in increasing the efficiency and quality of audit reports

	Statements	Responses
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		Strongly agree	Agree	Agree to some extent	Disagree	Strongly disagree
1	The LAB formulates policies and procedures designed to provide assurance that the Bureau is performing its functions by relying on auditors with sufficient professional qualification, in accordance with the relevant standards and applicable legal and regulatory requirements.					
2	The LAB formulates appropriate policies, procedures and tools that ensure the existence of control methodologies and trains auditors on them to conduct a range of work.					
3	The LAB formulates policies and procedures to carry out audit tasks that encourage high quality and prevent low quality					
4	All work carried out is subject to review as a means of contributing to					

	quality enhancement and also to enhance learning, development and qualification of employees.					
5	The LAB assures the quality of the tasks performed by following appropriate policies and procedures before issuing the report.					
6	The LAB ensures that appropriate procedures are followed to verify violations by allowing parties directly affected by its actions to comment before the end of the examination work.					

**Fourth Theme:** Statements related to the role of professional qualification of auditors in achieving the requirements of preparing audit reports in accordance with the INTOSAI Standards Application Guide on Financial Audit in increasing the efficiency and quality of audit reports

	Statements	Responses				
		Strongly agree	Agree	Agree to some extent	Disagree	Strongly disagree
1	The team or committee chairman submits the					

	draft report to the director of the department or supervisor for review					
2	The department manager or supervisor reviews the report to ensure that all aspects of quality are met.					
3	The Head of the Reporting Unit further reviews the report to ensure that all aspects of quality are met.					
4	The Quality Control Unit reviews the report to ensure that all aspects of quality and legal aspects are met.					
5	The auditors of the LAB prepare reports in accordance with ISSAI standards in form and content.					
6	The auditors of the LAB prepare reports on other legal and regulatory requirements separate from the main task report in accordance with ISSAI standards.					

**Fifth Theme:** The Role of Professional Qualification of Auditors in Achieving the Human Resources Requirements of the INTOSAI International Standard on Quality Control 140\_ISSAI in Increasing the Efficiency and Quality of Audit Reports

	Statements	Responses				
		Strongly agree	Agree	Agree to some extent	Disagree	Strongly disagree
1	The LAB shall formulate appropriate policies and procedures to provide reasonable assurance that it has a sufficient number of auditors with sufficient professional qualification and adherence to the Code of Professional Conduct to carry out its duties in accordance with the relevant standards and applicable legal and regulatory requirements.					
2	The LAB shall formulate appropriate policies and procedures to provide reasonable assurance that					

	it has a sufficient number of auditors with sufficient professional qualification and adherence to the Code of Professional Conduct, enabling the Bureau to issue reports appropriate to the circumstances.					
3	The LAB ensures that auditors have the collective competencies necessary to carry out the work					
4	The LAB confirms that human resources policies and procedures (such as employment, vocational qualification and professional development) give appropriate emphasis on quality and adherence to the principles of ethical conduct of the Bureau.					
5	The LAB trains all auditors and encourages their professional development on current developments in the profession					

6	The LAB ascertains that auditors have a good understanding of the public sector environment in which the Bureau operates and a good understanding of the work they are required to do.					
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