



THE EFFECT OF APPLYING THE COSO INTERNAL CONTROL SYSTEM ON IMPROVING THE PROFESSIONAL SPECIALIZATION OF THE INTERNAL AUDITOR IN IRAQI COMMERCIAL BANKS

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Article history:	Abstract:
Received: July 14 th 2022 Accepted: August 14 th 2022 Published: September 26 th 2022	The research aims to Measuring the effect of applying the updated COSO Internal Control System in developing the professional specialization of auditors in banks listed on the Iraq Stock Exchange. This research was conducted in 10 banks registered in the Iraq Stock Exchange; the analytical method was used by distributing a questionnaire to the study sample and then conducting the necessary statistical analysis to complete the current study using the Statistical Package for Social Sciences (SPSS). The research reached the most important conclusions; the research revealed that there is a high awareness of the concept of the professional specialization of the internal auditor in Iraqi commercial banks, where the arithmetic mean was (4.15) when applying the updated COSO system under the control environment. The research reached the most important recommendations; Applying the strategy of professional specialization when applying COSO to improve the performance of the internal auditor when using electronic techniques in the implementation of audits.

Keywords: (COSO, internal auditor, professional specialization, commercial banks)

INTRODUCTION

The American Institute of Certified Public Accountants (AICPA) was the first to issue a guide to the conduct and ethics of the profession of specialization for auditors in 1971. For these rules it was obligatory for international and local professional organizations to abide by these rules, as well as for the International Federation of Accountants (IFAC), which was concerned with the rules of professional specialization by issuing instructions in 1990 to enhance the quality of auditing profession reports while increasing confidence and credibility when conducting the audit process. The professional specialization of audit firms can be considered as one of the means that enables the auditor to maintain and improve the quality of the audit process in light of these developments in the use and application of information technology, which are associated with high risks and may be linked to the auditor's inability to detect material misstatements in the financial statements as a result of the natural difference. Data processing, information exchange, different means and methods of electronic internal control systems, especially data protection and confidentiality systems, and risks related to the ability of management to exploit electronic systems to accomplish essential definitions in data. Which increased the interest in the internal control system to achieve the best use of available resources

and prevent fraud and fraud in their accounting and administrative systems and financial statements, and this fact led to the interest of many international and local professional organizations in the concepts of the internal control system and its modern frameworks to increase its effectiveness, and among these frameworks is the updated COSO framework, which Issued by the Truday Committee, which was sponsored by five professional and financial organizations in the United States of America, which consists of five components (control environment, risk assessment, control activities, information and communication, monitoring).

RESEARCH METHODOLOGY

Research problem

There is weakness when applying international or local auditing standards, and the failure of economic units to keep pace with recent developments for the requirements of control systems. This reality is reflected in the performance of the internal audit profession. Hence, this research seeks to answer the following questions:

- What is the importance of the updated internal control system according to [COSO] in improving the professional specialization of the auditor in Iraqi commercial banks?



Does the updated internal control system according to [COSO] contribute to improving the professional specialization of the auditor in Iraqi commercial banks?

Does the updated internal control system according to [COSO] achieve the desired benefits in improving the professional specialization of the auditor in Iraqi commercial banks?

Research aims:

- Knowing the concept of the internal control system in accordance with the updated COSO framework, its systems, types, principles of management, evaluation mechanisms, and procedures followed in their application.
- Measuring the effect of applying the updated COSO Internal Control System in developing the professional specialization of auditors in banks listed on the Iraq Stock Exchange.
- Identifying the concept and definition of the auditor's professional specialization, the reasons for selecting the auditors and the approaches to its measurement.

Research importance:

Research hypothesis:

1-There is a statistically significant correlation between Control environment the internal control system COSO on the professional specialization of the internal auditor
2-There is a statistically significant correlation between Risk assessment the internal control system COSO on the professional specialization of the internal auditor
3-There is a statistically significant correlation between Control activities the internal control system COSO on the professional specialization of the internal auditor
4-There is a statistically significant correlation between Information and Communication the internal control system COSO on the professional specialization of the internal auditor
5-There is a statistically significant correlation between Monitoring the internal control system COSO on the professional specialization of the internal auditor

Study Population And SAMPLE

The study population consists of accountants and auditors in the commercial banks located in Baghdad city which are (10) commercial banks and an appropriate random sample of accountants and auditors will be selected with experience in accounting and auditing

Study Approach

The descriptive approach: by addressing the available references and literature related to the subject and proposed frameworks in this field and studying the

The importance of this research stems from the growing interest in Iraqi commercial banks in the updated COSO internal control systems with the aim of disclosure and transparency in financial statements and reports, and reducing the risks of negligence, errors, fraud and corruption, which impose on the higher managements of these units to adopt the updated COSO framework for internal control, to improve the performance of the professional specialization of auditors. The internal control system in order to increase the confidence of shareholders, investors and all users of the financial statements, which leads to supporting control in those units and enhances the credibility of the financial statements and reports issued by them, which enhances the internal control system in them and works to show the financial statements in a way that reflects the reality of economic conditions and financial transactions, and therefore Further enhancing its position in the financial market, which positively affects the value of these units and fulfills market requirements towards increasing transparency in the published financial statements, increasing community confidence in them and supporting economic trends.

actual reality.

- Analytical method: by distributing a questionnaire to the study sample, and then carrying out the necessary statistical analysis to complete the current study, using the Statistical Package for Social Sciences (SPSS).

**First: - Internal control system in accordance with the updated COSO framework
 1-Committee of Sponsoring Organizations of COSO)**

The COSO Tread Way Committee was established in 1985 by five professional, financial, accounting and auditing organizations in the United States of America.



Securities, external auditors and other organizations in an attempt to establish efficiency and effectiveness in operational processes and the extent of compliance with laws, instructions and standards when preparing financial statements reports and relying on these reports, and the organizations that formed the COSO Tread Way Committee are:-

- AICPA, American Institute of Certified Public Accountants.
- IIA - The Institute of Internal Auditors.
- AAA American Accounting Association.
- IMA Institute of Management Accountants.
- FET Institute of Financial Executives (Hardy, 2010; 15).

The Tread Way Committee studied the financial reports issued during the period from October 1985 to 1987, in light of which a report was issued on the results and recommendations of 1987 for the month of October, on the basis of which the COSO Committee was formed. COSO four reports under the title (Internal Control Integrated Framework) (Arens&loebbeck, 2000;378) and the title of these reports were (Executive summary, framework, report to external parties and evaluation tools), where the main objective of the COSO committee reports is (Jamil, 43 :2014):- Providing a standard that helps organizations evaluate their control systems.

Contribute to the definition of the internal control system to serve the internal and external parties. The credibility of financial reporting standards. Effectiveness and efficiency of operational processes. Compliance with laws and regulations.

2-Components of the updated internal control system in accordance with the decisions of the Committee (COSO)

In 1992, the Committee of Sponsoring Organizations of (COSO) issued a framework that defines the components of the internal control system, which are (controlling environment, risk assessment, control activities, information, and communication and control (Elyas, 10:2017). In 2013, COSO issued an updated framework in which the five components were addressed. The main feature of the framework of the internal control system, which remained as it is without change, but the advantage of the updated framework is that the terms and concepts of internal control in the original framework have become clearly classified into (17) principles included in the five components of the framework, and the change in the updated framework includes internal control in light of Technology such as

e-mail and the Internet, which was not clearly used at the time of the previous issue in 1992 (Al-Afandi, 70:2018), includes the components of the updated internal control system according to the COSO framework of five main components that are determined, designed and implemented by the administration to ensure the achievement of internal control objectives and these components She (Arens, et.al, 2013; 314):-

1- Control environment: which is the basis for the internal control system, because the appropriate structure is provided in setting strategies and objectives prepared by senior management in organizations? The control environment contains several principles that contribute to the effectiveness of the internal control system (COSO, 2019;6):-

- Demonstrates commitment to integrity and ethical values.
- The independence of the board of directors from the executive management and the supervision of the internal control system.
- Establishing the organizational structure, authority and responsibility.
- Expressing commitment to developing and maintaining employees' efficiency in line with the unit's objectives.
- Strengthening the accountability of individuals in their responsibilities within the internal control system in the follow-up and achievement of objectives.

The components of the internal control system exist whenever there is integrity and efficiency for employees. Scientific expertise and scientific qualification of employees through training and educating employees, as well as their distinction with integrity increases the effectiveness of the organization's economic work (Elder & Others, 2010; 296).

2- Risk assessment: which means identifying and analyzing risks related to achieving goals and determining how to manage these risks as a result of the continuous change in economic conditions, and one of the most important principles of risk assessment is (Robert, 18: 2015):-

- Clearly define goals to enable you to assess risks. Determining and analyzing the risks that face without achieving the goals.
- Assessment of potential fraud risks.



- Identifying and analyzing changes that have a significant impact on the internal control system.

Risk management in organizations is closely related to the design and implementation of the internal control system within the organization, so the internal control system is affected by a group of managers, management and other workers, and it is designed to provide sufficient confidence about achieving the goals of the organization through (effectiveness and efficiency of operations, reliability of financial statements and compliance with regulations and laws (Moeller, 2015; 12), the Committee of the Five Sponsoring Organizations of COSO has developed an acceptable and widely accepted internal control system model, which in turn has become the basis for the development of a wide range of project risk management (ERM) models, where these risks at the organization level allow impacts Potential on all operations, activities and services as well as stakeholders from internal or external parties, which is important for every organization to have a management to implement project risk management by referring to international accounting standards and international financial reporting standards, so the standards issued by COSO are among the most accepted standards widely (Wirawan, 2018; 63).

3- Control activities: They are the policies and procedures that help in ensuring the implementation of management procedures that are applied at various organizational or functional levels. Control activities consist of a number of factors (IFAC, 2016; 333):-

Performance appraisal: is the organization verifying the achievement of its objectives and identifying positive and negative deviations to be addressed according to specific frameworks.

Delegation: It is defining responsibilities and describing the nature of each of the knowledge and qualifications of individuals and their jobs, which are divided into two types: (special delegation and general delegation).

Data processing: It is a set of control processes for the purpose of ensuring the accuracy, completeness and delegation of powers, which are divided into application control and general control.

- Physical control: It is a set of operations that are carried out for the physical protection of assets from theft, manipulation and damage, as well as protection

from the entry of individuals who do not have permission to identify the assets of the organization.

Separation of duties: It is the independent performance of each protection process (fraud, fraud and manipulation risks) in the financial reports.

Control activities occur throughout the organization and at all levels and different functions, and it includes segregation of duties and tasks, verification and review of operational performance, etc., control failure may occur due to non-compliance of workers with laws and instructions that are out of their control, so they cannot achieve the goals of the organization Therefore, the risks must be under the control of the management, and the risk management function of small and medium organizations is subject to the management of the owner and is affected by the extent of the owner's awareness of the risks (Angeline & Teng, 2018; 87).

4- Information and Communication: The information and communication system generally consists of material, hardware, computer software and people managing the work, and it requires the use of internal and external sources in order to provide appropriate and sufficient information at the right time, any time it is needed, and related to the risks that enable workers to carry out their duties and responsibilities Very accurately, therefore, communications must be integrated into all administrative units of the organization in a simplified and consistent manner (Scannel&Vitek, 2013;78)

5- Monitoring: - It is the process of evaluating the quality of the internal control performance periodically and continuously. The monitoring process is carried out through the continuous monitoring process (Al-Tamimi and Hadab, 4:2018), and the continuous and periodic evaluation by the management on the effectiveness of the design and operation of the internal control structure system to determine whether It was according to what was planned in advance, and in the event of negative deviations, the matter requires adjusting its course, in other words determining whether the internal control process over financial reports is working effectively, where the follow-up process is designed to determine any failure in the control process (Moorthy & others, 2011; 65 The continuous follow-up of the activities of the internal control system sheds light on the effectiveness of the work of the components of the



internal control system, and knowing whether there are some workers who do not comply with the applicable controls, so it is necessary to look for the reasons that led to this and find out the cause of the problem and whether it is an action Control procedures or due to personnel, and the monitoring process is considered as the periodic maintenance of the components of the internal control system (Dawson, 2015;7).

Second: - the professional specialization of the auditor

1- The concept and definition of the professional specialization of the auditor(Jaber,2021:35):-

The concept of the auditor's professional specialization in auditing any activity is his possession of comprehensive knowledge in a particular economic activity or sector, through which he can identify in a broader and more accurate way the nature of his clients' activity and their characteristics (Khalat, 7: 2018), Errors and financial fraud compared to their counterparts from non-specialized companies because of their experience, knowledge and ability to deal with situations efficiently and effectively (Al-Taie and Salman, 2019: 579). It works to enhance his professional reputation (Abdul Wahed & thnoun, 66: 2021), and he is defined as a person who possesses technical knowledge and skill in a specific activity and acquires this skill through auditing a specific activity or indirectly through his participation in seminars, conferences and training courses (Al-Zuhairi, 35 2014), and they were defined as auditors who have acquired training and focused experience in a particular task and have long experience of how to apply accounting guidelines and understand the challenges and differences related to the professional specialization of organizations that they are checking(Sarwoko & Agoes,2014:272). The professional specialization in the accounting profession is one of the recent and important trends that have begun to increase at a high level in order to achieve quality in professional performance.

2-The importance of the auditor's professional specialization

Many researchers were interested in addressing the importance of the professional specialization of the auditor, including (Abdul Aziz, 2016: 46) (Al-Kawri, 2017: 30) (Abdul Wahed & thnoun, 66: 2021): -

A - Facing competition: The auditing standards that pertain to each economic sector vary with the increase in competition between auditors or auditing companies through increased knowledge of the customer's activity.

B - Disclosure of profit management solutions: - The professional specialization of the auditor and auditing companies contributes to reducing profit management cases by providing objective and transparent reports.

C- Planning for the audit process: The work and specialization of the auditor is to improve the audit planning process through his experience and skill in the activity of these audited organizations.

D- Reducing expert consultation: By relying on an auditor who has experience and thought in performing his work, and this dispenses with the services of other experts.

H - Supporting the independence of the auditor and audit firms.

P- Strengthening the audit service market.

While (Khalat) believes that there is an importance for the professional specialization of the auditor, including (Khalat, 7: 2018):

It helps the auditor build a structure of knowledge and experience for a particular activity.

- Professional specialization allows knowledge of the nature and characteristics of activities for each industry or sector.

- Acquisition of professional specialization and knowledge is one of the profession's axes that aim to improve the auditor's assessment of audit risks.

- Allows the auditor to carry out the audit process at a high level of efficiency

3-Reasons for choosing specialized auditors for professional work

The professional specialization of the auditor is the necessity for the auditor to obtain sufficient scientific and practical knowledge in a specific field through which he can perform a complex, diverse and distinct task that enables the institution to obtain the most shares of the audit clients market (Tawfiq, 2015: 239), so there are a number of reasons that affect customers when selecting auditors, and among these reasons are (Thnoun, 135: 2019): -

A- The size of the client's industry: The greater the size of the company for the customer, the greater the complexity of the operations and activities related to his work, and this requires the presence of auditors who have sufficient experience and skill about the performance of these companies.



B - If the client company is looking for additional financing from financiers or capital markets, it resorts to choosing audit firms specialized in a particular sector in order to convince investors and financiers of the quality of their financial returns.

C- The shareholders' board relies on the existing information disclosed in the financial statements. Therefore, they need to raise the quality and reliability of this information, and this is what strengthens the company to contract with auditing companies specialized in the sector.

4-Entries to measure the auditor's professional specialization:

It can be said that determining whether the audit institution is specialized in auditing certain industry companies or not is done through the following main criteria (Tawfiq, 240 2015) (Al-Taie and Salman, 2019: 581):

A- Entry (scale) of market share:- This measure is based on the assumption that the professional specialization of the auditing institution is to distinguish itself from competitors by maintaining a larger market share than companies operating in a particular industry. Activity,

The professional specialization of the auditing office = the total sales of the office ÷ the total sales of the activity

B- Entrance (scale) of the share in the portfolio :- This scale is based on the distinction between audit offices and different activities, where it is noted the relative distribution of audit services and the games associated with them and charged by the audit office between the different activities, and the specialization of the accounts payer is inferred in the high activities, whose share represents the largest share, and the largest share in the portfolio Reflects the large investments made by the audit office to develop auditing methods and related to this activity, and the market share is determined according to this approach as follows:

Professional specialization of the audit office = total office sales ÷ total sales of all clients

C- Identify industry professionals :- This scale is based on identifying the largest suppliers or service providers in each industry as well as the second or third largest suppliers, and if there are clear differences between the second and third or between the third and the rest of

the suppliers, this indicates the existence of specialization of auditors in that industry.

5-Code of professional conduct and ethics sources

A- Rules of professional conduct: It is defined as a set of foundations and rules that the auditor must abide by and work according to in order to be successful in performing his audit work (Aziz, Kazem, 240: 2019), and the sources of the rules of professional conduct can be clarified through the following (Abdel-Al). 2015:50):-

- The rules issued by the American Institute of Certified Public Accountants (AICPA) and include the principles, rules, conduct and interpretations thereof.
- The rules issued by the International Federation of Accountants (IFAC).

Rules issued by the Accounting and Auditing Organization of the Gulf Cooperation Council.

B- Sources of professional work ethics, which are as follows (Shela, 40: 2015):-

- Laws, legislation, regulations and instructions.
- Educational, social and religious instructions.
- The individual's personal belief and behavior.

Validity and stability of the field study tool:

Validity of the study tool: The questionnaire was presented to a group of specialized arbitrators in order to verify its credibility, and that the paragraphs it contains measure the ideas for which it was designed. The group of arbitrators consisted of academic professors specialized in the field of accounting and auditing at the University of Al-Muthanna, and academics specialized in the field of statistics. The stability of the field study tool: To test the credibility of the questionnaire results and the availability of internal stability between the answers to the questionnaire questions, the alpha reliability coefficient was used, and the statistically acceptable value of the Kornbach alpha coefficient is 60% or more. It was applied to each part of the questionnaire and to each field. , which was called the field of study, and we note from Table No. (1) below that the value of the alpha coefficient of the respondents' responses to all questions and for each field separately is greater than the minimum acceptable alpha coefficient, and this means the availability of a high degree of internal stability in the answers, which indicates The study tool has a high stability that justifies the adoption of its answers in achieving the objectives of the study, analyzing its results and reassurance of its



credibility. The following table shows the results of the alpha test for the questionnaire

Table (1): The stability coefficients extracted by Cronbach's alpha method for the research fields

Field	NO. of questions	alpha coefficient	Result
There is a statistically significant correlation between Control environment the internal control system COSO on the professional specialization of the internal auditor	10	87	acceptable
There is a statistically significant correlation between Risk assessment the internal control system COSO on the professional specialization of the internal auditor	9	72	acceptable
There is a statistically significant correlation between Control activities the internal control system COSO on the professional specialization of the internal auditor	8	97	acceptable
There is a statistically significant correlation between Information and Communication the internal control system COSO on the professional specialization of the internal auditor	7	86	acceptable
There is a statistically significant correlation between Monitoring the internal control system COSO on the professional specialization of the internal auditor	6	86	acceptable
	40	85.6	

Descriptive analysis of the answers of the study sample: In this section, respondents' answers to the questionnaire were analyzed using the SPSS statistical program. As for the descriptive analysis criteria for a questionnaire, the researcher named a field for each set of questions that reflects the study's hypotheses. For the purposes of describing the data and clarifying the

opinions of the study sample members about each paragraph of the study and the fields of study, each paragraph of each axis was divided according to the five-year Likert classification as follows.

Table (2)

classification	very big effect	Significant impact	medium	Very simple effect	Not effective at all
coding	5	4	3	2	1
	4.20-5	3.40-4.19	2.60-3.39	1.80-2.59	1-1.79

Data analysis and hypothesis testing: - In this part of the study, we will begin a descriptive analysis of the answers of the study sample about the impact of information technology on quality control in auditing offices. The following is the descriptive analysis for each field:

First hypothesis test:

To verify the validity of this hypothesis, the arithmetic averages and standard deviations were extracted to measure the relationship Control environment the internal control system COSO on the professional specialization of the internal auditor.

Table No. (3) Arithmetic mean and standard drift of the impact of Control environment the internal control system COSO on the professional specialization of the internal auditor

NO.	Questions	Arithmetic mean	standard deviation	answer direction
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1	The administration takes guiding measures that encourage adherence to integrity and ethical values and seeks to establish it as a method for the bank's management to improve the auditor's performance.	4.43	0.53	very big effect
2	The existence of a guide for standards of professional and ethical behavior adopted by the board of directors and executive management that enhances the behavioral values that individuals understand.	4.14	0.53	Significant impact
3	The administration undertakes a periodic evaluation process for individuals on the extent of their commitment to the rules of conduct, integrity and ethical values, and identifying deviations from the adopted standards, which is reflected in the performance of the auditor.	3.71	0.9	Significant impact
4	The administration's handling of deviations from the rules of conduct in a responsible manner by the administration and in a timely manner.	3.71	0.9	Significant impact
5	The members of the Board of Directors and the Audit Committee have sufficient experience to hold the management accountable and take appropriate measures	3.71	0.9	Significant impact
6	The presence of interest and interaction by the board of directors with internal and external auditors, which contributes to creating confidence and working with credibility and is reflected in the audit process.	4.43	0.9	very big effect
7	The auditor helps determine the audit path and facilitates the process of gathering appropriate evidence and assessing fraud.	4.14	0.49	Significant impact
8	Existence of an authorization of powers and responsibilities in line with the regulations, job description and work interest set by the administration	4.43	0.53	very big effect
9	For the board of directors and the executive management to clearly define the lines of authority and responsibility within the organizational structure, which helps in defining the audit path.	4.43	0.9	very big effect
10	The auditor assists in developing an audit plan that is streamlined and flexible and reduces the audit process fees.	4.43	0.96	very big effect
	Total	4.15	0.75	

The answers to the questions related to the improvement of the auditor's professional specialization show that the environmental control according to the COSO system has had a very positive impact, as the answers of the study sample indicated that it helped to maintain the improvement of the professional specialization, as the calculated total arithmetic mean

reached 4.15, which is higher than the hypothetical mean 3. To direct the answers of the study sample, it affected very significantly. The arithmetic mean of the items that make up the first hypothesis was compared with the standard mark (2) - the hypothesis acceptance criterion - using the "t" test as shown in Table (4).

Particular	No.	Arithmetic mean	standard deviation	T test	degrees of freedom	Statistical significance
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There is a statistically significant correlation between Control environment the internal control system COSO on the professional specialization of the internal auditor	50	4.15	.75	10.767	21	.000
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It is clear from the above table that there are statistically significant differences ($=0.05$) between the arithmetic mean and the standard mark (2), where the value of "t" was 10.767, with a statistical significance of 0.000, which indicates the rejection of the hypothesis which states that there is no significant correlation between Control environment the internal control system COSO on the professional specialization of the internal auditor, and acceptance of the alternative hypothesis There is a statistically

significant relationship between There is a statistically significant correlation between Control environment the internal control system COSO on the professional specialization of the internal auditor.

Second hypothesis test: To verify the validity of this hypothesis, the arithmetic averages and standard deviations were extracted to measure the relationship Risk assessment the internal control system COSO on the professional specialization of the internal auditor

Table (5) Arithmetic mean and standard drift of the impact of Risk assessment the internal control system COSO on the professional specialization of the internal auditor

NO.	Questions	Arithmet ic mean	standard deviation	answer direction
1	The administration's identification of general and subsidiary objectives and the link between them for the purpose of unifying risk assessment processes and taking corrective measures that enable the auditor to accurately identify risks.	3.71	0.49	Signific ant impact
2	The administration informs all the bank's employees of the objectives in a clear and written manner so that they have a basic understanding of those objectives and knowledge of the risks, enabling the auditor to benefit from the employees' observations and knowledge of the nature of those risks.	4.41	0.9	very big effect
3	The administration's endeavor to draw strategic plans that are coherent and consistent with the main objectives of the bank to avoid risks, and help the auditor from an initial evaluation of those plans.	4.71	0.49	very big effect
4	When the administration identifies, analyzes and studies business risks and how to manage them within the organizational structure, the auditor can determine the size of the audit risk that can be accepted and seek to reduce that risk.	4.71	0.49	very big effect
5	The administration puts in place mechanisms related to determining the internal and external risks affecting the achievement of the objectives, which help the auditor to determine the size of the audit risks and assess the continuity of the bank.	4.71	0.49	very big effect
6	The management determines the main risks for each department of the bank to achieve the main objectives at the level of work centers,	4.14	0.9	Signific ant impact
7	It helps the external auditor to easily reach the opinion that he will express in the fairness of the financial statements.	3.71	0.49	Signific ant impact
8	The management's sharing of risks by outsourcing such as insurance or carrying out hedging transactions, gives the auditor an indication of the viability and continuity of the activity.	4.43	0.98	very big effect



9	The management's assessment of risks as part of designing an effective internal control system to reduce violations and errors, which gives the auditor an indication of the management's awareness of risks and their containment.	4.29	0.49	very big effect
Total		4.31	0.64	

Through the previous answers, it was found that the arithmetic mean 4.31 is greater than the hypothetical mean 3, and this indicates that there is a tendency for the answers of the study sample about the effect of the internal control system according to COSO for risk assessment very significantly in improving the

professional specialization of auditors in Iraqi commercial banks. The arithmetic mean of the items that make up the fourth hypothesis was also compared with the standard mark (2) - the hypothesis acceptance criterion - using the T-test as shown in Table (6).

Particular	No.	Arithmetic mean	standard deviation	T test	degrees of freedom	Statistical significance
There is a statistically significant correlation between risk assessment the internal control system COSO on the professional specialization of the internal auditor	50	4.31	.64	10.535	21	.000

It is evident from the above table that there are statistically significant differences ($= 0.05$) between the arithmetic mean and the standard mark (3), where the value of "t" was 10.535, and with a statistical significance of 0.000, which indicates the rejection of this hypothesis and acceptance of the alternative hypothesis that states There is a statistically significant correlation between risk assessment the internal

control system COSO on the professional specialization of the internal auditor.

Third hypothesis test: To verify the validity of this hypothesis, the arithmetic averages and standard deviations were extracted to measure the relationship Control activities the internal control system COSO on the professional specialization of the internal auditor.

Table (7) Arithmetic mean and standard drift of the impact of Control activities the internal control system COSO on the professional specialization of the internal auditor

NO.	Questions	Arithmetic mean	standard deviation	answer direction
1	The management's vision is that in assessing risks, a prerequisite for determining and developing control activities, the auditor gives an indication of the relative importance of those risks.	4.14	1.25	Significant impact
2	Activating control activities on books and assets by making periodic settlements for those accounts, which help the auditor in determining the volume of evidence.	4.43	0.49	very big effect
3	The management's identification of the operational processes that require control activities, helps the auditor to choose the appropriate work team.	4.43	0.49	very big effect
4	Providing internal control means and procedures to reduce or reduce risks, the auditor gives an indication of the continuity of the bank's work.	3.71	0.49	Significant impact
5	The presence of a guide at the bank to regulate the use of systems, whether electronic or manual, helps the auditor to quickly understand these systems and facilitates his work.	4.29	0.82	very big effect
6	The management periodically reviews the control activities to ensure that they are still appropriate, giving the auditor a perception that the policies and procedures are commensurate with work developments and thus	3.86	0.16	Significant impact



	reduce the chances of fraud.			
7	The existence of policies and procedures that lead to ensuring compliance with administrative directives, giving the auditor confidence in the ease of detecting any possible deviation.	4.67	0.9	very big effect
8	The individuals charged with performing the supervisory activities have sufficient authority and exercise professional care, which gives the auditor an indication of the continuity of the bank.	4.58	0.9	very big effect
	Total	4.26	0.69	

Through the previous choices, we find that the arithmetic mean of the group 4.26 is greater than the hypothetical mean 3 because there is a tendency to the answers of the study sample about that the impact of the internal control system according to the updated COSO for supervisory activities is very large on the acceptance and continuing to improve the professional specialization of internal auditors in Iraqi commercial

banks and thus We reject the hypothesis that includes denying the effect Control activities the internal control system COSO on the professional specialization of the internal auditor. The arithmetic mean of the items that make up the third hypothesis was compared with the standard mark (2) - the hypothesis acceptance criterion - using the "t" test as shown in Table (8).

Particular	No.	Arithmetic mean	standard deviation	T test	degrees of freedom	Statistical significance
There is a statistically significant correlation between control activities the internal control system COSO on the professional specialization of the internal auditor	50	4.26	.69	9.753	21	.000

It is evident from the above table that there are statistically significant differences ($\alpha=0.05$) between the arithmetic mean and the standard mark (2), where the value of "t" was 9.753, with a statistical significance of 0.000, which indicates the acceptance of this hypothesis, which states that There is a statistically significant correlation between control activities

the internal control system COSO on the professional specialization of the internal auditor.
Fourth hypothesis test: To verify the validity of this hypothesis, the arithmetic averages and standard deviations were extracted to measure the relationship Information and Communication the internal control system COSO on the professional specialization of the internal auditor.

Table (9) Arithmetic mean and standard drift of the impact of Information and Communication the internal control system COSO on the professional specialization of the internal auditor

NO.	Questions	Arithmetic mean	standard deviation	answer direction
1	Information systems process data and transform it into appropriate and quality information, supporting internal control and facilitating the scope of the auditor's work.	4.43	0.53	very big effect
2	Determining the mechanisms for collecting information from internal and external data sources, which support the auditor in determining the validity and reliability of the information and its source.	4.14	0.9	Significant impact
3	Commitment to record financial transactions and important events that are processed immediately and in a timely manner, helps the auditor to track operations in an easy and short time.	4	0.9	Significant impact



4	The administration's provision of the material and human requirements for the development of information systems, assisting the auditor in reducing the scope of work, and selecting the work team.	3.71	0.49	Significant impact
5	Evaluation and development of information systems by specialized people who have experience and skill, and according to the development of plans, the auditor helps his reliability on that information.	4.29	0.49	very big effect
6	The presence of communication between the board of directors and management for each of them to fulfill their responsibilities to achieve the goals, gives the auditor an indication of the desire to develop the work and address the deficiencies.	3.71	0.49	Significant impact
7	The existence of mechanisms to inform employees of the controls and how to deal with and adhere to them and the implementation of internal control responsibilities, gives the auditor an indication of the individuals' awareness of their responsibilities and contributes to assessing the bank's continuity.	4.29	0.49	very big effect
Total		4.08	0.61	

Through the previous choices, we find that the arithmetic mean of the group 4.08 is greater than the hypothetical mean 3 because there is a tendency to the answers of the study sample about that the impact of the internal control system according to the updated COSO for supervisory activities is very large on the

acceptance and continuing to improve the professional specialization of internal auditors in Iraqi commercial banks. Was compared with the standard mark (2) - the hypothesis acceptance criterion - using the "t" test as shown in Table (9).

Particular	No.	Arithmetic mean	standard deviation	T value	degrees of freedom	Statistical significance
There is a statistically significant correlation between Information and Communication the internal control system COSO on the professional specialization of the internal auditor	50	4.08	.61	10.135	21	.000

It is evident from the above table that there are statistically significant differences ($=0.05$) between the arithmetic mean and the standard mark (2), where the value of "t" was 10.135, with a statistical significance of 0.000, which indicates the rejection of this hypothesis and the acceptance of the alternative hypothesis, There is a statistically significant correlation between Information and Communication the internal control system COSO on the professional specialization of the internal

auditor.

Fifth hypothesis test: To verify the validity of this hypothesis, the arithmetic averages and standard deviations were extracted to measure the relationship monitoring the internal control system COSO on the professional specialization of the internal auditor.

Table (10) Arithmetic mean and standard drift of the impact of monitoring the internal control system COSO on the professional specialization of the internal auditor

NO.	Questions	Arithmetic mean	standard deviation	answer direction
1	The administration's balancing of the evaluations of the ongoing activities represented in monitoring the regular recurring activities and the separate periodic evaluations, helps the auditor to read the current	4	0.49	Significant impact



	reality and the possibility of comparison for the subsequent periods and to identify the deviations.			
2	Having the knowledge and awareness of what is being evaluated helps the auditor realize that management is striving to survive in a changing environment.	4.14	0.49	Significant impact
3	The management's expansion of the scope of separate assessments according to the risks to which the bank is exposed, gives the auditor confidence about the strategies put in place by the management for the sake of continuity.	4.71	0.49	very big effect
4	Reviewing continuous evaluations, benefiting from them and adapting them to changing circumstances, gives the auditor a clear vision of the seriousness of striving to achieve goals and avoiding deviations.	4.71	0.49	very big effect
5	The internal auditor conducts separate and periodic evaluations to provide feedback. The auditor gives an assessment of the working individuals and their level of performance and helps in developing plans for the audit process.	4.39	0.45	very big effect
6	The board of directors and the executive management assessing the internal control system when there is a need to know the degree of separate and continuous assessments. The auditor helps in testing the strength of the internal control system and selecting the sample.	4	0.49	Significant impact
Total		4.33	0.48	

Through the previous choices, we find that the arithmetic mean of the group 4.33 is greater than the hypothetical mean 3 because there is a tendency to the answers of the study sample about that the impact of the internal control system according to the updated COSO for supervisory activities is very large on the

acceptance and continuing to improve the professional specialization of internal auditors in Iraqi commercial banks. Was compared with the standard mark (2) - the hypothesis acceptance criterion - using the "t" test as shown in Table (10).

Particular	No.	Arithmetic mean	standard deviation	T value	degrees of freedom	Statistical significance
There is a statistically significant correlation between monitoring the internal control system COSO on the professional specialization of the internal auditor	50	4.33	.48	10.212	21	.000

It is evident from the above table that there are statistically significant differences ($= 0.05$) between the arithmetic mean and the standard score (2), where the value of "t" was 10.212, with a statistical significance of 0.000, which indicates the rejection of the hypothesis and acceptance of the alternative hypothesis which states that there is a significant relationship statistic between **monitoring** the internal control system

COSO on the professional specialization of the internal auditor.

CONCLUSIONS

1. The research revealed that there is a high awareness of the concept of the professional specialization of the internal auditor in Iraqi commercial banks, where the arithmetic mean was (4.15) when applying the updated



COSO system under the control environment.

2. The research revealed that there is an awareness of the importance of professional specialization in assessing financial risks when performing audit services in Iraqi commercial banks in a high way, where the arithmetic average reached (4.31) when applying the updated COSO system under the risk assignment.

3. The study revealed that the professional specialization of the internal auditor in Iraqi commercial banks achieves the desired benefits at the level of supervisory activities at a high level, where the arithmetic average reached (4.26) when applying the updated COSO system under control activity.

4. The research revealed that the specialization of the internal auditor contributes to improving the quality of banking services in Iraqi commercial banks when using information and communication technology at a high level, where the arithmetic average reached (4.08) when applying the updated COSO system under the information and communication.

5- The study revealed that the professional specialization of the internal auditor in Iraqi commercial banks achieves the desired benefits in attracting customers at a high level, where the arithmetic average reached (4.33)

RECOMMENDATIONS

1- The importance of activating the quality of auditing in light of global developments and the recommendation of attention by researchers, scholars, organizations and bodies in Iraq to follow up the professional performance of the auditor.

2) Applying the strategy of professional specialization when applying COSO to improve the performance of the internal auditor when using electronic techniques in the implementation of audits.

3) We call on the educational bodies and the Iraqi Association of Accountants and Auditors to amend the audit plans so that, on the one hand, the interest in information technology appears in the audit process, and on the other hand, the change in the nature of the performance of the audit task and the documents and documents supporting operations in the information technology environment.

4- The need for the authorities responsible for the accounting and auditing professions to focus on finding mechanisms to enhance and raise the level of professional specialization of internal auditors when performing their profession and to avoid accounting practices.

5- The necessity of developing the professional performance of the auditor in the areas of benefiting from the application of the internal control system under the updated COSO in planning the audit process, collecting audit evidence and preparing the audit report through holding training courses.

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