THE EFFECT OF THE EXTERNAL AUDITOR'S USE OF MODERN TECHNOLOGIES ON THE STAKEHOLDERS' DECISIONS

Asst. Prof. Dr. Faez Abdulhasan Jasim Allami
Department Business of Administration, college of Administration and Economics, University of Misan, Amarah, 62001, Misan, Iraq.
E-mail: Allamifaez67@uomisan.edu.iq
Lecturer. Sadeq Hussein Nabhan
Department Business of Administration, college of Administration and Economics, University of Misan, Amarah, 62001, Misan, Iraq.
E-mail: sadiq@uomisan.edu.iq

Lecturer.Dr Ali Khazaal Jabbar
Department Business of Administration, college of Administration and Economics, University of Misan, Amarah, 62001, Misan, Iraq.
E-mail: ali-khazaal@uomisan.edu.iq

Abstract:
The goal of the study is to show how important it is for external auditors to use modern technologies in the audit process in order to keep up with modern scientific developments in various fields, as well as their reliance on advanced and modern applications, methods, and technologies that can help reduce human errors, costs, and effort. The study also investigates if it can play a significant role in detecting mistakes, fraud, and other fraudulent practices that are difficult to detect using standard auditing methods in many circumstances, especially given the development and diversity of fraud ways. The relevance of the external auditor employing contemporary technology on the opinion that he presents, especially if we know that there will be numerous parties who will be reflected in this opinion and who will be called (stakeholders). They are the beneficiaries of the opinion of the external auditor in making various decisions, and to whom the external auditor will be legally responsible .

Keywords:

INTRODUCTION:

Via the advancement of economic life and the growth of commercial organizations, as well as the increase in financial crises and the ensuing economic issues, big economic entities and their links to auditing firms and the amount of dependence on their reports have been shaken. This resulted in a lack of trust in such findings, as well as the function of auditing firms as a safety valve for stakeholders through the reports they produce and the crucial choices made by beneficiaries as a result of those reports. This is what prompted many of those concerned with the audit profession to search for modern means and methods to advance the profession and advance it and take its natural role in economic life as a neutral technical profession whose reports can be relied on, take appropriate decisions, establish stability in the financial markets, prevent fluctuations, reduce risks, and detect fraudulent practices. This makes the detection of such practices not easy, but requires deep awareness and understanding by the auditor. This is something that

needs modern means and techniques to detect and limit its effects and to move from the traditional method of auditing to another more advanced type that relies on modern techniques to detect these practices. The current research seeks to show the importance of using modern techniques in the audit process to detect fraudulent practices and thus clean up the financial statements and the stakeholders' dependence on the results of those lists in the light of the external auditor's report and what this will leave on their various decisions by reviewing the advantages and benefits of modern technologies in auditing. The research also seeks to show the most important decisions of stakeholders that will be reflected in the audit using these technologies.

THE NATURE OF THE PROBLEM:

With the growth in financial crises and collapses, concerns have been raised concerning the role of the external auditor in these crises, the degree of his report's credibility, and the quality of the

conclusions he arrived in his work with the development of fraud that led to these disasters. This is what led to many people blaming external auditors for a lack of professional due diligence, lack of experience and failure to keep up with changes in the field, and reliance on traditional methods to detect fraudulent practices, or accusing them of colluding with management to carry out those practices. In contrast, various studies and research have increased to find successful solutions to reveal these acts in the financial reports, and to push the legal responsibility of the external auditor. The external auditor has a great responsibility in detecting fraud, error and misrepresentation in the financial statements, due to the dependence of many parties on his opinion and thus making important investment, economic and financial decisions. This requires the external auditor to make greater efforts in revealing these practices in the financial statements, avoiding legal liability that may occur between what stakeholders expect from his report and what he presents to them, which is known as the expectations gap, and exercise due professional care. The auditing process must also be carried out in light of the requirements of audit standards, prevailing laws, rules and regulations, and terms of contracting with the client. Based on what was mentioned, the research problem lies in answering the following questions:

1. Do modern technologies contribute to the development of the audit process?
2. Does the use of modern technologies contribute to detecting fraudulent practices in the financial statements?
3. Does the use of modern technologies in the audit process affect the decisions of stakeholders?

RESEARCH OBJECTIVES:
The research aims at:
1. Indicating the significance of modern technologies in developing the audit process.
2. Clarify the various advantages of modern technologies in the field of accounting and auditing.
3. Demonstrating the role of modern technologies in detecting fraudulent practices.

RESEARCH IMPORTANCE:
The importance of the research lies in explaining the necessity of keeping pace with the various scientific and technological developments that have entered into various fields. These technological developments should be used in the field of auditing

and what this will reflect on the performance of workers in that profession and the parties with interests who benefit from the auditor's report and thus take various decisions.

RESEARCH HYPOTHESES:
The research is centered on the main hypothesis:
(There is no statistically significant relation among the external auditor's use of modern technologies in detecting fraudulent practices and stakeholders' decisions).
The main hypothesis leads to the following sub-hypotheses:
1. There is no statistically significant relation among the external auditor's use of modern technologies in detecting fraudulent practices and shareholders' decisions.
2. There is no statistically significant relationship among the external auditor's use of modern technologies in detecting fraudulent practices and the creditors' decisions.
3. There is no statistically significant relation among the external auditor's use of modern technologies in detecting fraudulent practices and the decisions of the tax department.

USING MODERN TECHNOLOGIES IN AUDITING
Research and studies included the use of various models of modern technologies for the purpose of arriving at the best model to determine the opinion of the external auditor. Several types of these technologies were used to determine the opinion of the external auditor, as these technologies have the ability to predict the type of opinion as well as the accuracy of that prediction (Saif et al, 2012).
The advantages of using modern technologies to predict the opinion of the external auditor and help him determine his opinion have been identified. These advantages included the following (Pourheydari et al,):
1- Save time and money.
2- External auditors can predict the opinions of other auditors in similar circumstances when evaluating potential customers.
3- Reviewing the opinions of peers from the external auditors helps in controlling the quality of the audit work.
4- Develop a plan for the audit process to reach an acceptable level of audit risk.
5- This model is used as a tool to control the quality of the audit process.

This is in addition to defining the variables for the purpose of predicting the opinion of the external auditor, and they included the following:

1- Profitability indicators.
2- Liquidity indicators.
3- Indicators related to the activity.
4- Audit fees as a rate of the overall assets.
5- Indicators related to employee productivity

The external auditor ought to form an opinion as to whether the financial reports have been set in the entire significant respects in accord with the applicable financial modeling for reports. For forming that opinion, the external auditor has to conclude whether he attained reasonable assurance that the financial reports as a whole are free from material misstatement, whether due to fraud or error, taking into account his conclusions about obtaining sufficient and appropriate audit evidence. Using modern technologies is among the evidence that the external auditor can employ in his work to reach his opinion and write his report. Due to the importance of the external auditor's report and its impact on the beneficiaries' decisions, the use of modern technologies can assist the external auditor in preparing the final audit report on the extent to which the financial statements contain fraudulent practices through the following:

1- It contributes to supporting the external auditor in areas where there is a lack of experience or knowledge.
2- The ability to formulate and prepare an opinion on the financial statements as contained in the report of the traditional external auditor.
3- Assisting external auditors in reducing judgment and personal judgment in cases where there are no known or previously used solutions in order to provide data with a maximum degree of accuracy and professionalism.
4- Using it as a means of training and educating junior auditors and enhancing their abilities to make decisions and write an opinion on financial statements.
5- Increasing confidence in the external auditor's report.
6- It leads to submitting the report on the audit process on time.

Since the process of determining the opinion of the external auditor on the financial statements and preparing his report requires from the external auditor two main aspects:

The first aspect: it is a scientific aspect, which relates to the realization and understanding of the principles, foundations and assumptions that govern the registration and classification of financial operations, and their impact on the results of the financial position of the company.

The second aspect: it is practical, and it relates to professional practice, skill and ability to understand and apply accounting principles and assumptions, and the ability to detect fraudulent practices in financial statements. When designing or applying any modern technology, these two aspects should be taken into account.

The effect of the external auditor's use of modern technologies upon stakeholder's decisions

The external auditor's job does not finish with the completion of his final report and opinion on the financial accounts. Rather, this duty extends to numerous parties due to their reliance on the external auditor's report, which will be used to make various judgments. This function has grown in importance as the number of crises and collapses has increased, as has the external auditor's load as part of that obligation, prompting the external auditor to look for new tools and technology to improve his professional performance. These factors help to improve the quality of audits and, as a result, the quality of various stakeholders' decisions.

First: The main beneficiaries (stakeholders) of the auditor's report and decisions:

The importance of auditing is that it is a tool that serves a variety of parties that rely heavily on the accounting data of enterprises in the light of making decisions or formulating future policies. If the accounting data is approved by a neutral or independent entity from the project management, which supports confidence in it by those entities that are represented in the following:

A- Project management: The project management relies on accounting data that serves in control and planning for the future to achieve the objectives of the enterprise with high efficiency and decisions related to planning, as it depends mainly on the correct accounting data to draw up plans and policies in a tight and accurate manner. There is no guarantee of correctness and accuracy of accounting data except for being examined by an impartial body (Matrana, 2000).

B- Existing and potential investors: The basic information that this category needs are:

- Data which help the investors make a decision to buy or sell the company shares.
- Data which assist the investor to determine the level of past, current and future dividends and any change in the stock prices of company.

- Information that assists the investor in evaluating the efficiency of the organization management.
- Data that assist the investor in assessing the liquidity of company and future, and evaluating the institution's shares in comparison with the shares of other institutions. (Abu Nassar and Hemidat, 2008).

C- Suppliers and other creditors: They need to know whether the amounts owed will be paid to them at maturity and therefore they are interested in the information related to the credit position of the accounting unit.

D- The public: the economic institution influences the decision of the public, so they need information about the development of the institution and its activities. (Maurazka, 2011)

E- Banks and loan-granting agencies: they rely absolutely on the data included in the financial reports and on the opinion of the external auditor about the ability of those establishments to put their credit positions to repay and cover their loans granted by those donors (Asabai and Omer, 1991).

F- The government, its various departments, and the organizations regulating the work of institutions: these groups require data to assist them to verify the extent to which the institution complies with related laws like the Law of Companies and the Income Tax Law. It also requires data that help in estimating the many taxes on the institution, shaping the extent of its ability to pay such taxes, and the general contribution of the institution to the national economy.

G- Customers: Customers require data that help in predicting the company future position and its ability to pursue in the production and selling goods.

H- Employees: The employee in the organization requires data associated to the extent of job security, and the expected job enhancement in the future, in addition to data which assist in strengthening the demands of the employees to enhance their job settings (Warda, 2014).

I- Trade unions: they depend on the accounting data in the approved financial statements in their negotiations with the administration to draw up the general policy for wages and rights or to achieve the best practical advantages (International Federation of Accountants, 2003).

It is clear through the review of the most important beneficiaries (stakeholders) of the financial statements and supported by the opinion of the external auditor regarding their validity and credibility, that there are two types of entities:

- Internal parties.
- External parties.

The internal bodies represented by (the project management, current investors, shareholders and employees). As for the external parties, they are (potential investors, creditors, suppliers, banks and loan holders, customers, various government institutions, trade unions).

Consequently, there are a large number of important decisions that will be taken by these parties, whether from within or outside the company. The making of these decisions is not limited to non-governmental bodies only, but extends to various government agencies as well as other organizations concerned with the business sector and workers, such as labor unions and specialized professional unions.

Second: The impact of fraudulent practices on stakeholder's decisions:
The credibility of reports and financial statements has taken its place in accounting knowledge, due to its special importance in achieving benefit for users of reports and financial statements, and even more important for external groups who are in increasing need of informational content in reports and financial statements. This importance increases as a natural result of what could exist of a conflict of goals and interests between the preparers of financial reports and statements on the one hand, and their users on the other hand (Mohamed, 2012).

If the external auditor fails to spot fraudulent management activities in the reports and financial statements, it might lead to negative perceptions among people who are interested in the company. They make judgments based on these impressions, only to learn that they were inaccurate. This has a number of consequences for the external auditor, including the following:

- The auditor's loss of an important and strong justification for the demand for his services, which is his report on any fraud, fraud or deviation of an accident in the financial reports, and to give credibility to the information contained in the financial reports.
- Financial losses and damage to the reputation and reputation of the auditor as a result of his inability to detect fraudulent practices in financial reports.
- Loss of clients who resort to the external auditor for some professional advice, which is the focus of their decision-making.
- Increasing and widening the expectations gap as a result of the loss of confidence in the work of the external auditor, as the financial

community expects the external auditor to discover any fraudulent practices that affect the financial reports.

- Increasing cases of litigation against external auditors due to the damages caused to those interested in the company as a result of their reliance on audited financial statements and reports that contain fraudulent practices.

Fraudulent practices in the financial statements affect the users of those statements from the internal and external parties by influencing the decisions of those parties. (Saghier, 2016)

It is clear that fraudulent practices have clear effects on decision makers from the parties benefiting from the financial statements, in which the external auditor has given a neutral technical opinion, whether these parties are within the internal environment of the company or within its external environment, and whether those agencies are governmental or non-governmental. Everyone will be affected by it and that impact will be reflected on the nature of the decision if those statements and financial statements are free from fraudulent practices.

Third: The reflection of the use of modern technologies on the decisions of the beneficiaries:

By the advancement of technology and information systems, the decision-making process is no longer a personal process based on the opinions of people who may make mistakes or be wrong in any area of life, but rather it has become decisions based on information, data and systems that you process to give indications that lead the person making the decision to the most appropriate and accurate choice. Modern technologies had a great advantage in developing the performance of these systems and raising the performance and quality of decision making. It has been able to penetrate into thousands of data records to elicit inter- and non-linear relationships that cannot be expected traditionally, and when decisions are successful, the company is always on the right path (Siham, 2010).

Studies have shown that decision makers often receive incomplete or inappropriate information or correct information that may have arrived late. Therefore, it is useless information requiring the decision maker to harness his abilities to analyze the information. They wanted to use computer system and tools that are able to make predictions, and to resort to automated decisions, especially in modern accounting systems that have an amount of information that grows at the same time with the growth of the business itself. Sometimes they are very

complex, which requires diversity in the use and development of modern systems that help decision makers (Al-Jubouri, & Salman, 2015).

The use of modern technologies by the external auditor affects many decisions taken by the beneficiaries, according to the nature of their work, the categories of internal and external users, and the nature of the actions taken by the economic unit through the external auditor's use of these technologies in auditing and achieving the quality of those decisions.

The following are some of those decisions whose quality is reflected in the use of modern technologies:

1. Decisions of the evaluation of the financial performance of the company:

Financial performance constitutes a set of financial ways which whereby strengths could absolutely be recognized and supported, and weaknesses evaded and tackled. Financial performance is an attractive term that carries with it the flavor of work and the dynamism of purposeful effort. It is a proposal to separate and distinguish good work from bad, since the outputs of such performance may be damaging to the profits of companies or might be vital to their survival and continuity (Esbaka, 2010).

Modern technologies can predict and identify financially failing companies and departments from other healthy companies and departments. Thus, investment decisions or granting loans and credit can be taken in a proper manner and the rights of shareholders are preserved.

2- Decisions related to trading and forecasting operations in the financial markets:

Modern technologies can be used to predict stock prices based on historical financial data, which includes past prices of stocks and financial indicators as well as financial statistics. These networks are used in forecasting and trading in stocks, indices, options and other tradable securities. Also, it may be an aid in forecasting interest rates or other economic measures and indicators. Modern technologies also have their supporters among the managers of various investment portfolios, as well as in investment banks, and in securities facilities. Many investment banks have dedicated departments to implement artificial neural networks. It is also used in the classification of bonds and prediction of financial insolvency and is used in debt risk management as well (Januskevisios, 2003).

It is also clear that modern technologies have the ability to predict financial market indicators, stock prices and other economic indicators, which supports the decisions of managers of the trading and

investment departments in stocks and dealing with the stock markets.

3- Tax Decisions:

Some types of modern technologies have been used to identify the economic units that are most likely to evade taxes. Therefore, it becomes necessary to make an additional examination of its financial statements. It turns out that some modern technologies have the ability to predict the units that are likely to evade tax (Lim et al, 2003).

It is also clear to the researcher that government agencies specialized in tax collection and collection can, through some technologies, follow up and collect taxes from units that are late in paying or that are tax evasion, which will distinguish between companies that fulfill their tax obligations and companies that do not pay those obligations and thus take appropriate decisions against them. There are modern and advanced technical applications currently used in the field of taxation in the field of international tax planning, as in the oil and gas industry, the value-added tax system, the tax system on shares and investments, and tax evasion (investigations of tax crimes) (Al-Jubouri, & Salman, 2015).

The role of the external auditor does not end once he submits his final report on the audit process, but rather extends to internal and external bodies. It also extends to governmental and non-governmental parties that depend in making many decisions on the report of the external auditor, such as (decisions related to evaluating the financial performance of the company, decisions related to trading operations, or forecasting financial markets, and decisions related to taxes) through the multiple advantages enjoyed by some modern technologies.

The Practical Aspect

The practical side represents the preparation of a survey list of the study that was prepared by the researcher. The reason for the researcher's adoption of the survey list was due to the diversity of the research sample and thus the diversity of their opinions, as the sample represents (external auditors, shareholders, creditors, tax officials). They constitute the research sample. External auditors are the ones who have the role of detecting fraudulent practices using modern technologies. As for the other samples, they are the beneficiaries (internal and external) of the external auditor's report, to determine the nature of their decisions in light of the external auditor's use of modern technologies in auditing. In order to identify the respondents' opinions, their opinions accurately, and to clarify the questions and inquiries contained in the survey list and to respond to them, they were distributed directly and through a personal interview. The researcher also took into account the necessary assets in designing the survey list (clarity, comprehensiveness, brevity, focus, ease of understanding, objectivity, avoiding bias, as well as achieving implicit control) and giving weights to the answers according to importance according to the Likert Scale. The weights range between (5,1).

Statistical analysis and hypothesis tests:

In this topic, the statistical analysis of the received survey list will be addressed after ensuring its validity and coding, and giving weights to the answers according to the Likert Scale as follows:

Descriptive response	Strongly agree	Agree	Neutral	Disagree	Absolutely disagree
Digital probability	**5**	**4**	**3**	**2**	1

The Statistical Analysis Package (SPSS) program under the Windows operating system (SPSS WIN) is used to verify the validity of the research hypotheses, as follows:

First: Statistical analysis of the survey lists and testing the study hypotheses:

1- Relative distribution of the research sample:

The size of the research sample was 175 individuals, and the total relative distribution of the sample can be clarified through the following table:

Table No. (1) Relative distribution of the research sample

No	Percentage	No	Statement Rate
1	External Auditors	45	%26
2	Contributors	43	%24
3	Creditors	47	%27
4	Tax Officials	40	%23
5	Overall	175	%100

2- Distribution of survey lists and receiving responses:
Survey lists were distributed to the research sample and responses were received, as shown in the following table:

Table No. (2) Distribution of survey lists to the research sample

No	Statement	Received forms	No. distributed forms	Number of invalid and non-received forms	Percentage of response to valid forms for analysis
1	External auditors	39	45	6	%26
2	Contributors	39	43	4	%26
3	Creditors	37	47	10	%25
4	Tax officials	35	40	5	%23
	Total	150	175	25	%86

3- Statistical methods used in statistical analysis:
A- Correlation coefficient:
This scale is employed to measure the strength of the relationship among two variables, when the value of the correlation coefficient is between (0:0.5). This points out a weak relationship between them, if its value lies between (1:0.5). This states the strength of the relationship and the relationship between the two variables is non-existent inbetween the two variables if the correlation coefficient is zero, whereas if the value of the correlation coefficient is one, it shows the existence of a full relationship between the two variables.

b- Simple Regression:
It shows the form of the linear relationship between two variables, one of which is the independent variable, and the other is the dependent variable.

C- Coefficient of Determination:
This coefficient is used to determine the percentage of influence of the independent variable on the dependent variable.

D- Friedman Test:
It is used in the case of the presence of more than two non-independent samples, and through it we obtain the average ranks for each group, which are used to arrange the relative priorities in each group.

● **Testing the study hypotheses:**
Main hypothesis:
(There is no statistically significant relationship among the external auditor's use of modern technologies in detecting fraudulent practices and stakeholders' decisions).
The following sub-hypotheses is resulted from the main hypothesis:
- There is no statistically significant relationship among the external auditor's use of modern technologies in detecting fraudulent practices and shareholders' decisions.

- There is no statistically significant relation among the external auditor's use of modern technologies in detecting fraudulent practices and the creditors' decisions.
- There is no statistically significant relation among the external auditor's use of modern technologies in detecting fraudulent practices and the decisions of the tax department.

Independent variable: The external auditor's use of modern technologies in detecting fraudulent practices
Dependent variable: Based on the three sub-hypotheses, there are three dependent variables:
Shareholders' decisions, creditor's decisions, and decisions of the Tax Department.
First: The first sub-hypothesis: (there is no statistically significant relationship among the external auditor's use of modern technologies in detecting fraudulent practices and shareholders' decisions).
- Measuring the strong points of the relation among the independent and dependent variables (measuring the correlation coefficient):

The correlation coefficient shows the degree of correlation between the external auditor's use of modern technologies in detecting fraudulent practices (as an independent variable) and shareholders' decisions (as a dependent variable). The value of the correlation coefficient expresses the strong points of the relation among the independent and dependent variables. The SPSS program helps determine the significance level of the P-value if the P-value is less than 1%. This indicates that there is a significant relationship between the independent variable and the dependent variable and vice versa. As can be seen from the following table:
Measuring the relation among the independent and dependent variables

The independent variable (the auditor's use of modern technologies(	Pearson's coefficient correlation	Level of sig.
Dependent variable (shareholder decisions(	0.655	0.000

,
we conclude the following from the previous table:

- There is a correlation between the statements of the independent variable and the statements of the dependent variable, as the correlation coefficient = 0.655, and the level of significance is less than 1%. This also indicates a relationship among the independent and dependent variable.
- There is a direct positive correlation between the expressions of the independent variable and the expressions of the dependent variable, where the sign of the correlation coefficient is positive. This means a positive relationship.

2- Measuring the impact of the independent variable on the dependent one (simple regression):

Simple regression analysis indicates the form of the linear relationship between the independent variable and the dependent variable, and the percentage of the influence of the independent variable on the dependent variable. SPSS helps determine the significance or significance level (P-value). The following table shows simple regression analysis between the independent variable and the dependent variable:

Table No. (3) shows the regression relation among the independent variable and the dependent one separately

Indicator	Sig.	P-value	Test value)T(	Estimated value	The coefficient of determination R^2
Stability	Sig.	0.000	0.478	1.328	0.430
The auditor uses modern technologies	Sig.	0.000	10.557	0.714	
Test Value) F = (111.444 **Degree of Freedom) df = (1 ،149 Level of significance) Sig. = (0.000**					

It is evident from the previous table that:

- The sign of the regression coefficient is positive for the independent variable, which signifies that the relationship between the independent and the dependent variables is direct, meaning that an increase in the independent variable leads to an increase in the dependent variable.
- An increase in the independent variable by one unit leads to a direct change in the level of the dependent variable by approximately 0.714 units.
- The significance level of the T-test for the independent variable with the dependent variable is 0.000, that is less than the 1% of significance. This aids the validity of the first alternative hypothesis.
- The coefficient of determination R2 shows the percentage of interpretations that the independent variable could illustrate to the changes occurring on the dependent variable, as the independent variable could show the changes occurring in the dependent variable by 43.0%.
- The simple regression model for the independent variable can be formulated as follows:

The independent variable (x):

p1 = 1.328 + 0.714

Second: The second sub-hypothesis: the relationship between the independent variable (the external auditor's use of modern technologies in detecting fraudulent practices) and the dependent variable (creditors' decisions):

(1) Measuring the strong points of the relation among the independent and dependent variables (measuring the correlation coefficient)

Table No. (4) Measuring the correlation between the independent variable and the dependent variable

The auditor uses modern technologies	Pearson's correlation coefficient	Level of significance Sig.
Dependent variable (creditor's decisions)	0.593	0.000

Out of the previous table, we conclude the following:
- There is a correlation between the statements of the independent variable and the statements of the dependent variable, as the correlation coefficient = 0.593. The level of significance is less than 1%. This also indicates a relationship inbetween the independent and dependent variable.
- There is a direct (positive) correlation between the expressions of the independent variable and the expressions of the dependent variable, where the sign of the correlation coefficient is positive. This means a positive relationship.

Statement of the regression relation between the independent variable and the dependent variable separately

Indicator	Sig.	P-value	Test value)T(	Estimated value	The coefficient of determination R^2
Stability	Sig.	0.000	4.897	1.560	0.352
The auditor uses modern technologies	Sig.	0.000	8.959	0.651	
F - Test Value = (80.272)					
Degree of Freedom) df = (1 ،149 **Level of significance) Sig. = (**0.000					

It is evident from the previous table that:
- The sign of the regression coefficient is positive for the independent variable, which means that the relationship among the independent and dependent variables is direct. An increase in the independent variable causes an increase in the dependent variable.
- An increase in the independent variable by one unit leads to a direct change in the level of the dependent variable by approximately 0.651 units.
- The significance level of the T-test for the independent variable with the dependent variable is 0.000, that is less than the 1% of significance. This backs up the validity of the second alternative hypothesis.
- The coefficient of determination R2 shows the percentage of interpretations that the independent variable indicates the changes occurring in the dependent variable. The independent variable show the changes occurring in the dependent variable by 35.2%.
- The simple regression model for the independent variable can be formulated as follows:

The independent variable (x):
y2 = 1.560 + 0.651
Third: The third sub-hypothesis: the relationship between the independent variable (the external auditor's use of modern technologies in detecting fraudulent practices) and the dependent variable (tax department decisions):
1- Measuring the strong points of the relation among the independent and dependent variable (measuring the correlation coefficient)

Measuring the relation among the independent and the dependent variables

The auditor uses modern technologies	Pearson's correlation coefficient	Level of significance Sig.
Dependent variable (decisions by Tax directorate)	0.745	0.000

Via the previous table, we conclude the following:
- There is a correlation between the statements of the independent variable and the
statements of the dependent variable, as the correlation coefficient = 0.745 and the level of morale is less than 1%, and this also indicates

the existence of a relation among the independent and dependent variable.

- There is a direct (positive) correlation between the statements of the independent variable and the statements of the dependent variable

where the sign of the correlation coefficient is positive, and this means that there is a positive relationship.

2- Measuring the effect of the independent variable on the dependent variable (simple regression)

Table No. (5) shows the regression relation inbetween the independent and dependent variables separately

Indicator	Sig.	P-value	Test value)T(	Estimated value	The coefficient of determination R^2
Stability	Sig.	0.000	8.991	1.787	0.555
The auditor uses modern technologies	Sig.	0.000	13.590	0.616	
F - Test Value = (184.687)					
Degree of Freedom) df = (1 ، 149		**Level of significance) Sig. = (**0.000			

It is evident from the previous table that:

- The sign of the regression coefficient is positive for the independent variable, which indicates that the relationship among the independent and dependent variables is direct. An increase in the independent variable results in an increase in the dependent variable.
- An increase in the independent variable by one unit leads to a direct change in the level of the dependent variable by approximately 0.616 units.
- The significance level of the T-test for the independent variable with the dependent variable is 0.000, that is less than the 1% of significance. This assists the validity of the third alternative hypothesis.
- The coefficient of determination R2 shows the percentage of interpretations that the

independent variable show the changes occurring on the dependent variable, where the independent variable indicates the changes occurring in the dependent variable by 55.5%.

- The simple regression model for the independent variable can be formulated as follows:

The independent variable (x):

y3 = 1.787 + 0.616

Fourth: Test the main hypothesis: the relation among the independent variable (the external auditor's use of modern technologies in detecting fraudulent practices) and the dependent variable (stakeholder decisions) as a whole:

1- Measuring the strong points of the relation in between the independent and dependent variables (measuring the correlation coefficient)

Table No. (6) Measuring the Correlation between the Independent Variable and the Dependent Variable:

The auditor uses modern technologies	Pearson's correlation coefficient	Level of significance Sig.
Dependent variable (stakeholder's decisions)	0.721	0.000

From the previous table, we conclude the following:

- There is a correlation between the statements of the independent variable and the statements of the dependent variable, as the correlation coefficient = 0.721, and the level of significance is less than 1%. This also indicates a relation inbetween the independent and dependent variable.

- There is a direct positive correlation between the expressions of the independent variable and the expressions of the dependent variable, where the sign of the correlation coefficient is positive. This means a positive relationship.

3- Measuring the effect of the independent variable on the dependent variable (simple regression)

Table No. (7) shows the regression relationship between the independent variable and the dependent variable

Indicator	Sig.	P-value	Test value)T(	Estimated value	The coefficient of determination R^2
Stability	Sig.	0.000	6.816	1.558	0.520
The auditor uses modern technologies	Sig.	0.000	12.663	0.660	
F - Test Value = (160.346)					
Degree of Freedom) df = (1 ،149		**Level of significance) Sig. = (**0.000			

It is evident from the previous table that:

- The sign of the regression coefficient is positive for the independent variable, which means that the relationship between the independent variable and the dependent variable is direct. An increase in the independent variable results in an increase in the dependent variable.
- An increase in the independent variable by one unit leads to a direct change in the level of the dependent variable by approximately 0.660 units.
- The significance level of the T-test for the independent variable with the dependent variable is 0.000, that could be less than the 1% of significance. This supports the validity of the alternative main hypothesis.
- The coefficient of determination R2 shows the percentage of interpretations that the independent variable show the changes which occur in the dependent variable. The independent variable show the changes which occur in the dependent variable by 52.0%.
- The simple regression model for the independent variable can be formulated as follows:

The independent variable (x):
R4 = 1.558 + 0.660 C

Fifth topic: Findings and Recommendations
Results:
In light of the results of the research in the theoretical side and confirmed in the practical side, the results of the research can be presented as follows:

First: The theoretical aspect results:
1- Modern technologies can be used in the audit process as they contribute to solving various audit problems.
2- Modern technologies are distinguished by a set of features that make them an important tool in the hands of external auditors.
3- Modern technologies are characterized by accuracy, high speed of operation, flexibility, and the possibility of their application in various scientific fields.
4- There is a set of applications for modern technologies in the field of auditing, such as audit risk analysis, internal control system assessment, audit planning, determining the ability to continue, estimating the risk of fraud and manipulation of financial statements, writing reports, and supporting the opinion of the external auditor regarding fraudulent practices.
5- Artificial neural networks help in improving the part of the external auditor in revealing and reporting on earnings management practices.
6- New technologies contribute to improving the quality of the decisions of the various beneficiaries (internal and external).

Second: The results of the practical aspect:
1- There is a strong correlation between the external auditor's use of modern technologies and the shareholders' decisions as a beneficiary of the external auditor's report. This proves the validity of the first sub-hypothesis of the main hypothesis.
2- There is a strong correlation between the external auditor's use of modern technologies and the creditors' decisions as a beneficiary of the external auditor's report, which proves the validity of the second sub-hypothesis alternative to the main hypothesis.
3- There is a strong correlation between the external auditor's use of modern technologies and the decisions of the tax department as a beneficiary of the external auditor's report. This proves the validity of the third sub-hypothesis of the main hypothesis.

RECOMMENDATIONS:
The researcher recommends the following:
1- The competent professional and trade union authorities organize training courses for auditors to follow up on developments in international accounting and auditing

standards, especially with regard to modern auditing methods.

2- Using modern technologies in audit offices to solve various auditing problems, especially in dealing with big data.

3- Include the use of modern methods and techniques in the curricula in the accounting and auditing departments.

4- Include in the external auditor's report the modern means and methods he used in his work to give more confidence in his report.

5- Developing the audit standard to control the quality of audit firms, including commitment to continuing education programs and developing the performance of auditors.

6- Considering the external auditor's use of modern techniques in his work as one of the indicators for his due professional care.

REFERENCE

1. Abu Nassar, M.H. & Hemeidat, J. F. (2008) *International Accounting and Financial Reporting Standards: Theoretical and Practical Aspects*. Wael Publishing House, Amman.

2. Al-Jubouri, N. J. & Salman, F. Z. (2015) Expert systems and their impact on accounting information systems. *Journal of the University College of Heritage,* Issue 21, Iraq.

3. International Federation of Accountants, (2003) *Issues of International Standards for the Practice of Auditing, Assurance and Professional Ethics*.

4. International Federation of Accountants, (2009) *Handbook of International Standards on Auditing and Quality Control*", www.ifac.org.

5. Januskevicius, M. (2003) *Testing Stock Market Efficiency Using Neural Networks*. Case of Lithuania, Stockholm School of Economics in Riga, Working Papers.

6. Maurazka, S. B. (2017) *Financial Statements according to Islamic Financial Accounting Standards", First International Forum on Islamic Economics - Reality and Future Bets*, Institute of Economic, Commercial and Facilitation Sciences, University Center in Ghardaia.

7. Matarneh, G. F. (2000) *Contemporary Account Auditing: The Theory.* Dar Al Masirah for Publishing and Distribution, Jordan.

8. Moheeb Al-Sibai, and Wahbi Omar, (1991) *The Science of Auditing*", Dar Al-Fikr for Publishing and Distribution, Amman.

9. Osbeka, K. S.(2011) *A proposed model for comparing the financial performance of the Jumhouria Bank and the Sahara Bank in the Libyan Jamahiriya*. Ph.D. thesis in Banking and Insurance, Damascus University, Syria.

10. Pourheydari, O. & Nezamabadi – pour, H. & Azami, Z., (n.d) Identifying Qualified Audit Opinions by Artificial Neural networks", *African Journal of Business Management*, Vol.(96), No. (44).

11. Saif, M.S. & Sarikhani, M. & Ebrahimi, F., (2012) Finding Rules for Audit Opinions Prediction through Data Mining Methods. *European Online Journal of Natural and social sciences,* Vol. 51.

12. Siham, F, (2010) *The Impact of Management Information Systems on the Quality of Administrative Decisions*. An-Najah National University, Syria.

13. Warda, B. (2014) *The Contribution of External Audit to Improving the Quality of Accounting Information - Study of a Sample of Auditors and Accountants*. Master's Thesis in Accounting, Faculty of Economics, Commercial and Facilitation Sciences, University of M'sila, Algeria.