

# ATHRA FINANCIAL COLLAPSE IN BUSINESS COMPANIES ON THE ACCOUNTANT PROFESSION AND CHECKING-CASE STUDY THE STATE COMPANY FOR TEXTILE AND LEATHER INDUSTRIES (DURING THE PERIOD 2018-2021)

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## ABSTRACT

*Business companies are of great importance in the country's economy and their exposure to collapse leads to a weakening of the economy. This study aims to review the analysis of the reasons for the collapse of the State Company for Textile and Leather Industries (during the period 2018-2021), whose collapse led to losses and then to see the changes due to those collapses and knowing their impact on the accounting environment, as the topic is not somewhat new to the Iraqi environment due to the lack of government support for the local product. The researcher relied on obtaining his information until the completion of this research on everything he could obtain from the public company and to see its reality regarding this topic. To the following results, the main problem in the collapse of the public company in question was not related to the existence of shortcomings in accounting or auditing standards, but was limited to the decrease in government support.*

**Keywords:** Financial Collapses, Business Companies, The Accounting and Auditing Profession, The General Company for Leather and Textile Industries, The Public Sector.

## INTRODUCTION

The regulatory aspect is of great importance in ensuring the continuity of the company, especially the financial aspect. Financial reports have become the main measure for knowing the success or loss of companies, and since the business environment is characterized by continuous development in various financial operations, which has given it high levels of challenge and complexity. Sudden financial collapses and non-compliance with the standards and rules of professional conduct weaken confidence in accounting and accountants, especially accusing the accounting profession of being one of the causes of crises, which requires that the profession be organized to respond to changes in the business environment to give credibility to the financial statements (Al Jamal, 2014).

The external causes of the financial or economic collapse are those reasons that do not fall under the control of the administration, and their examples are competition, and economic fluctuations, And business cycles, lower demand for the product, or the instability of economic policies. As for the internal causes of financial failure, they are reasons that fall under the control of management, It is exemplified by weakness Accounting system and audit systems, weakness Marketing and financing policies, and lower production quality, and lower efficiency of operations, Low productivity, expansion of assumption, insufficient capital.

## Purpose of the Study

The main objective of the current study is to show the impact of financial collapse in business companies on the accounting and auditing profession, get to know factors that led to the loss of The State Company for Textile and Leather Industries (Dhi Qar Textile Factory) during the period (2018-2021).

## Study Plan

### Theoretical framework about the variables of the study

1. What is financial meltdowns in businesses.
2. What is the accountant and checking.
3. The relationship between financial collapse and the accounting and auditing profession.

### A case study

1. Analysis of the accounts of burdens and revenues for the General Company for Textile and Leather Industries.  
Expressing the opinion of the company's auditors on the company's annual accounts.
2. Statement of the impact of the accounting audit on the efficiency of disclosure in the company.

### Theoretical framework about the variables of the study

In this section, the theoretical framework around the study variables (financial collapses) will be addressed—Accounting and auditing profession—The relationship between financial collapse and auditing (Al-Amin, 2015).

## What is Financial Meltdowns in Businesses

No there is an agreed definition of the word collapse or failure of the company, but two types of failure can be distinguished and financial collapse, they are both economic failures, financial or legal failure (Al-Mashhadani & Al-Shamam, 2013).

This economic failure occurs when what is the return on money? For an investor less than the cost of funds, that is, when the return on trading in ownership in the company is a negative number. Economic failure does not result in declaring the company bankrupt, and if it requires liquidation, and it happens regardless of the company's ability to fulfill its obligations, meaning that the company may be economically unsuccessful, yet it does not stop on the company to pay the obligations owed by them when their due date comes, and then not declares bankruptcy.

As for financial or legal failure, it can take one of two forms, The first is the case of insufficient liquidity, It means the inability of the company to pay its debts or the interest payable, which may happen even if the value of Assets exceed the value of liabilities.

As for the second form of financial or legal failure, it may take two forms; the first is a case of insufficient liquidity, which means the company's inability to pay its debts or payable interests, which may happen even if the value of assets exceeds the value of liabilities. The financial or legal form is the case of financial insolvency. It means to increase the commitment due from the company to others the value of the company's assets, which occurs regardless of the level of liquidity, and therefore the company may be exposed to financial or legal failure without

that. This is related to economic failure.

### **What is the Accountant and Checking**

Since its inception, the auditing process has been linked to accounting, and its modern concept has evolved in accordance with the development of the modern concept of accounting. The accounting was naked until recently as a group of operations aimed at collecting, and summarize and tab, and display information about operations with financial values. It is thus financial accounting that focuses on the operations of financial value that have already taken place (historical transactions). Accounting is concerned with compiling, analyzing, summarizing, tabulating and recording basic data, until it reaches a statement of activity results, its financial position at a specific point in time.

The need for management has developed in measuring costs, profits, production and performance evaluation, which led to the development of managerial accounting, which has become one of the branches of accounting science that collects and derives the data it needs from financial accounting and the accountant analyzes it through the system followed in the company for the sake of planning integrity, and censorship, Increasing the effectiveness of management in making rational decisions.

With the emergence of management accounting as a new branch of accounting, It is concerned with data that pertains to a future period, which is used to prepare information useful in planning, control and decision-making. It is a process of distinguishing, measuring and communicating economic information to the worldly users of this information; To help them rationalize their judgments and decisions. The audit process has been affected by the modern concept of accounting, as IR. An audit is an organized process of collecting and evaluating evidence and evidence about assumptions about economic facts and events in an objective manner. It is clear from this definition that the concept of auditing has been linked to and affected by the modern concept of accounting. The audit process begins after the accounting processes are completed.

The accounting audit process is also. It is an organized process (checking) of information by a qualified technical person It is independent from the compilers and users of the information, with the intent of providing reliable evidence and communicating the result of the examination and investigation to the user of the information, and the (recently) audit process also includes evaluating the decisions taken only. In light of the information prepared in accordance with the internationally recognized standards of the auditing profession.

The longer the audit the functions closely related to and independent of accounting at the same time, where the audit measures the degree of confidence in the data and information to accounting, and communicating the measurement result in an appropriate manner to the users of this data and information. Accounting data and information have a greater degree of confidence and reliance on them (Soliman, 2006).

The main difference between the accountant and the auditor is that the accountant is an employee. The company is subject to a according to its management, its task is to record operations, categorize them and then present them in financial statements according to the will of those in charge company. As for the auditor, he is not linked to the company by a bond of dependency. Rather, he is an independent technical person and a neutral professional expert, who is not subject to the authority of the company's management, and his task is limited to examining what is contained in the financial statements. From data to verify its accuracy, and to express its

opinion as to whether these financial statements honestly show the results of the company's business for the relevant financial period, and show fairly the reality of its financial position at the end of that period.

### **The relationship between financial collapse and the accounting and auditing profession**

The main objective of the accounting audit is to give confidence to the information contained in the financial statements, and this information serves as a green light for decision makers in their investments, knowing the expected returns, costs and risks, which contribute to enhancing investments, whether at the corporate or sectoral level. The adherence of those belonging to the auditing profession to the rules of conduct and ethics of the profession is an acknowledgment of the responsibility of the accounting and auditing profession. The financial collapse is an opportunity to re-evaluate the situation, for both the financial controller and the users of the financial statements, and it results in more legalization of the legal accounting profession, legislation, and the issuance of new accounting policies to control the administration more than the previous one; To ensure that the manipulation of accounting data is not repeated, which subsequently leads to the lowest level of financial collapse or loss and the stability of the financial position of companies (Massad & Al-Khatib, 2009).

The importance of auditing accounts in contemporary accounting, financial and legal circles, so when the opinion presented by the auditor is not accurate. A, and it affects the results of the decisions of some of its beneficiaries in a negative and shady way, making it a subject of responsibility, causing some of the parties using these lists to suffer damages as a result.

Hence, what we are witnessing today of major collapses as a result of accounting errors, or other events that lead to a continuous and permanent change to some accounting standards, Demonstrating new standards that meet the purposes assigned to them, which leads to a reduction in cases of manipulation and fraud, and limit its spread to protect the interests of the people and the interests of states and achieve economic well-being and social to its members and lead. The financial problems faced by many of the largest companies in the world in recent years have led to the demand for a set of controls, and customs, and ethical and professional principles to achieve confidence and credibility in the information contained in the financial statements, which many users of financial statements need, especially investors dealing in the stock market. Hand Other there is a role a governmental to audit the accounts in assessing the company's ability to continue for a year following the date of preparing the financial statements; This is in accordance with American and international professional standards. There is no doubt that the financial collapse of the company is preceded by financial insolvency,It deterioration in financial ratios and indicators, The company's inability to pay its debts, which affects the company's stock price in the stock market; Therefore, the auditor's failure to refer to the inability of the company To continue means audit inefficiency, and the absence of a governmental role for it, and consequently the absence of important information for shareholders, investors and stakeholders in the project, and thus causing harm to them (Hussainy, 2009).

The American Accounting Standards Board is reviewing accounting standards to address this matter, and not only that, some American accounting standards have been amended to overcome financial meltdowns in companies, as follows:

1. It is not allowed to hide intangible assets (before fame) over certain years, but their cost remains in the balance sheet with any decrease. In its value in the income statement.

2. Inviting the setters of American accounting standards to respond to the needs of investors and other concerned parties, and in terms of preparing high-level financial statements of transparency, facilitating the achievement of financial statement objectives, which is to make information useful for making decisions about economic facts, and to prepare Financial statements according to the best accounting conventions and not according to the minimum of these conventions.

## Case Study

In practice, there are many financial indicators that carry with them a risk that the imposition of continuity will become irrelevant appropriate, and one of the most important of these indicators is what follow:

1. Deterioration of net working capital.
2. Growing and accumulating long-term loans.
3. Financing of fixed assets with short-term liabilities.
4. Deteriorating financial ratios.
5. The realization of the project to material operating losses.
6. Diminishing of dividends to shareholders, or non-continuation of distribution.
7. Failure to pay obligations and interest.
8. Non-compliance with the terms of the agreement and borrowing.
9. Shift from forward purchase to cash purchase.
10. Inability to finance new investments, or develop product lines.

And the will relate to applied study current by studying the extent to which auditors are able to influence the efficiency of disclosure in the final accounts, and it will relate to the time period that falls in the age range. WattFinance2018/2019, 2019/2020 and 2020/2021. This is based on an intentional sample of the financial statements issued by the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (Florea, 2011).

## Study Community

The study population consists of the financial statements issued by the State Company for Textile and Leather Industries (Dhi Qar Textile Factory) (Al-Matarneh, 2011).

## Study Methodology

The study follows the descriptive analytical approach that depends on monitoring, analyzing and highlighting the subject's elements, in an attempt to answer the study's questions, in an attempt to show the extent of the ability of the financial auditors of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) to influence the efficiency of disclosure in the final accounts. And figures were given to the final accounts, so that the burden accounts are symbolized by the number at the beginning<sup>31</sup> for the main accounts of the burdens, the beginning from 301For sub-accounts of burdens Revenue accounts are represented by the number starting from 0.41 for main revenue accounts and from 401 for revenue sub accounts.

## Burden accounts analysis and revenues for the General Company for Textile and Leather Industries (Dhi Qar Textile Factory)

### First - the burdens

The costs (expenses) of exploitation are shown As follows:

1- Account32Expendable purchases (commodity) 70.477 A thousand Iraqi dinarsin 2021.  
Table 1 account Expendable purchases (commodity)The General Company for Textile and Leather Industries (Dhi Qar Textile Factory),(Unit: one thousand Iraqi dinars)

Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
70.477	4.132 6	150,039	-	Expendable purchases (commodity)	1/1 to 3 0/6	32
-	91.897	104.447	212.22		1/7 to 31/12	
70.477	133.223	254,486	212.22	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021)

It includes consumer (commodity) purchases. Which Expenses for raw materials consumed during the year, excluding the remaining stocks. It is clear from the table Inability to finance new investments, or develop product lines (Nasr & El-Sayed, 2007).

2- Account33Services: 71.390 A thousand Iraqi dinarsin 2021  
Table 2 Services account for the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars).

Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
71.39	27,457	68.481	-	Services	1/1 to 6/30	33
-	42.059	25,418	59.22		1/7 to 31/12	
71.39	69.516	93,899	59.22	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021)

And this the services are:

1. The account301Advertising, publishing and public relations.
2. The account302Postage and telecommunications expenses no wired.

It is clear from the Table 3 switching from forward purchase to the buy cash.

3- Calculate31User fees (salaries):10.686.064 thousand Iraqi Dinarin 2021.  
Table 3 User expense account(salaries)The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars).

Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
10.686.064	5418619	8176110	-	User fees(salaries)	1/1 to 6:30	31
-	10.804.372	5.446.554	8,201,539		1/7 to 31/12	
10.686.064	16.222.991	13.622.664	8,201,539	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021) and made up Wage block of wages Tbasicity, and grants, Bonuses are in addition to:

1. The account303User fees.
2. The account304Paid Subscriptions to Social Organizations.

It is clear from the Table 4 the project achieved substantial operating losses.  
4-account39Taxes and Fees (other expenses):100,000A thousand Iraqi dinarsin 2021. Table 4 Calculation of taxes and fees (other expenses) The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars)

Balance 2021	Balance 2020	Balance2019	Balance2018	Statement		account number
100,000	110.6	187.5	-	Taxes and fees (other expenses)	1/1 to 6/30	39
-	25,000	125,000	75,000		1/7 to 31/12	
100,000	135.6	312.5	75,000	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021)

And theIt mainly consists of:

1. Account305Drawing on professional activity.
2. Account306character rights.
3. Account 307Other charges: It consists of bank interest, and bank expenses, In addition to fines. The bank interest is very high.

And it turns out from the Table 5 Deterioration of net working capital, and stumble in the payment of obligations and interest.

5-account38 Transfer Expenses: 100,000 thousand Iraqi dinars in 2021.

Table 5 account Transfer Expenses The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars)

Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
100,000	110.6	18.75	-	Transfer Expenses	1/1 to 6/30	38
-	25,000	125,000	75,000		1/7 to 31/12	
100,000	135.6	312.5	75,000	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021)

And it turns out from the Table 6 financing of fixed assets with short-term liabilities. 6-account37allowancesa Deaths and provisions (dumps):358.555A thousand Iraqi dinars in 2021, which is Depreciation provisions were verified by sampling and are correct My Accounta. Table 6 Calculation of the allowances for the a Losses and Provisions (Decimations) The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars).

Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
358.555	470,000	180,542	-	allowancesaLosses and Provisions (Decimations)	1/1 to 6/30	37
-	367,480	350,000	77.512		1/7 to 31/12	
358.555	837.48	530.542	77.512	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021). And it turns out from Table 7 increase in Deterioration of net working capital.

## Second- Revenue Accounts

1-account 41RevenuesCommodity: As shown in the attached score calculation table, total The Revenues Commodity 121598A thousand Iraqi dinars in 2021. Table 7 account The Revenues Commodity The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars)

Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
121.598	47,968	177.109	-	commodity revenue	1/1 to 6/30	41
-	108.729	96.91	146.532		1/7 to 31/12	
121.598	156,697	274.019	146.532	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021).

2-42. account Revenues Ongoing Activity: As shown in the attached score calculation Table 8, total Revenues Current activity 6840A thousand Iraqi dinars in 2021. Table 8 revenue account Ongoing Activity The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars).

Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
6.84	4.9	2,694	-	Revenue from current activity	1/1 to 6/30	42
-	6.59	3.96	1634		1/7 to 31/12	
6.84	11,490	6.654	-	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021).

3- Calculate 43 revenue from service activity: As shown in the attached score calculation Table 9, total Revenue from service activity 1434A thousand Iraqi dinars in 2021. Table 9 account Revenue from service activity The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars).

Table 9 TOTAL REVENUE						
Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
1.434	4.9	2.404	-	Revenue from service activity	1/1 to 6/30	43
-	654	1.485	3.03		1/7 to 31/12	
1.434	5.554	3.889	3.03	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021).

4-account 44 operating in come (operating for others): As shown in the attached result calculation table 10, the total operating income (Operation for others) 8.398A thousand Iraqi dinars in 2021, And the this total represents the performance of services and billed customers. Table 10 Exploitation income account (operating for others) The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars)

Table 10 EXPLOITATION INCOME ACCOUNT						
Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
8.398	9.02	8.75	-	Operating income (operating for others)	1/1 to 6/30	44
-	9.707	8.069	2.25		1/7 to 31/12	
8.398	18,728	16,819	2.25	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021).

4-account 49 Revenues other: As shown in the attached result calculation table, total other income 8.123A thousand Iraqi dinars in 2021. Table 11 Other Income Account The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) (unit: one thousand Iraqi dinars).

Table 11 OTHER INCOME ACCOUNT						
Balance 2021	Balance 2020	Balance 2019	Balance 2018	Statement		account number
8.123	10.369	9.37	-	Other revenue	1/1 to 6/30	49
-	8.987	4.167	13.5		1/7 to 31/12	
8.123	19,356	13,537	13.5	the total		-

**Source:** The balance sheet of the economic unit of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) at the end of the fiscal years (2018/2019) (2019/2020) (2020/2021). This sum is following:

1. Calculate 401 interest income and rentals.
2. Calculate 402 subsidy income.
3. Calculate 403 revenue from the public treasury grant.
4. Calculate 404 revenue for the cost of internally manufactured materials.
5. Calculate 405 Transferable Revenue.

It is clear from the revenue tables the deterioration of the financial ratios, which means a decrease in dividends to shareholders, or the continuation of distribution.

### **Expressing the company's auditors' opinion on the annual accounts of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory)**

The level of study financial statements of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory):

1. The General Company for Textile and Leather Industries (Dhi Qar Textile Factory) presents the lists of MA mechanism according to the current accounting system and the Mine and the Accounting Standards. The Mget acquainted with her.
2. The company seeks through a six RatycytHa to develop And the Improving performance and services Advance and expand company with a stock offering.
3. The State Company for Textile and Leather Industries (Dhi Qar Textile Factory) FrompositionMmechanismdegradedAnd in a continuous development of may affect Continuity and possibility goes ahead. The financial information is identical to what is shown in the trial balance and accounting budget, and the table of calculating the final results.
4. The level of study an audit of the financial statements of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) shows the following:
5. An matching financial information so far What is shown in the trial balance?, and accounting budget, and the table of calculating the final results.

As for the documents that have been reviewed by the company's auditorsqGive the true picture of the company. It also gives true and accurate financial information for the wealth owned by one side for the years 2018 2019 2020, 2021 and based on the work done by the auditor and the Company accounts completed Validation, and the credibility of the accounts until December 31 for the fiscal year2021It has been approved by the General Company for Textile and Leather Industries (Dhi Qar Textile Factory).

### **Statement of the impact of the accounting audit on the efficiency of disclosure in the General Company for Textile and Leather Industries (Dhi Qar Textile Factory)**

In this part, the most important conclusions reached by the research are identified, and the results are presented, analyzed and interpreted as follows:

1. The quality of the accounting audit depends on the quality of the financial statements.
2. Accounting auditing increases the ability to communicate accounting information through the preparation of the auditors' report, which contains information included in the financial statements that are used in the process take decisions.
3. By addressing the research problem that revolves around the impact of financial collapse in business companies on the profession of accountantand checking It was concluded that the accounting audit has a role in increasing the efficiency of disclosure in the final accounts. This is provided by the various audit work, whether internal or external, but the external audit represents a guarantee bigger about the reliability of financial statements in economic companies.
4. The financial statements provide accounting information that can be relied upon in preparing the company's auditors' reports, and this has been proven by analyzing the reports of the external auditor, we found that the auditor provided an opinion technical neutral by studying and auditing all financial statements.
5. It is possible to rely on the content of the financial statements in preparing the reports of the external auditor, through the audit and analysis of the elements of the financial statements. This has been proven by

studying and analyzing the accounts of the financial statements of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory).

And the by tracking the company's auditors' report for the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) for the years 2018 2019 2020, 2021, it becomes clear that the auditors of the company's accounts, which have been based on the decision of the company's board of directors, has given an opinion around non health, and, and fairness of the financial statements, Representing it in the financial center Average, net losses arrived to. The report refers to the totality of the approved methods and rules, as well as the emphasis on respecting the (auditing) standards, and the total points that led to reservations in expressing an opinion.

And the including the company's auditors' report for the accounting cycle 2021 on me. The totality of the methods and rules on the basis of which the financial statements (income statement) of the company were audited, which were the basis of B. Studying and evaluating the company's internal control system, in addition to examinations and tests. The sampling method is sold from the total accounting entries for the years 2018, 2019, 2020 and 2021, and the balances are tracked. The Calculations on the closing date with reference to the testing process have been done in accordance with the evidence and evidence.

And the opinion of the company's auditors on the credibility of the financial statements of the General Company for Textile and Leather Industries (Dhi Qar Textile Factory) for the years 2018, 2019 2020, 2021 restricted, and with reservations on a set of points that Led to Give a clean opinion about non. The credibility of the financial statements, on the basis of which the company's auditors' report was restricted, mainly represented the following:

Form by tracking the periodic inventory work adopted by the company, It turns out a complete lack of compliance with its rules in terms of counting, The plurality of counting teams, and the entirety of the other rules, which leads two or by A and positive on the difference (inventory differences plus and minus). Therefore, the auditor's report confirms the regular follow-up of the periodic inventory process under the overall rules. The auditor has indicated and the Accounts through audit M To weaknesses please take them into account, Here, we may realize the weaknesses and recommendations related to the income statement in particular, which can be summarized as follows:

1. Weakness of the company's internal control system for auditing is an obstacle. biga front of use in the accounting audit.
2. There is no evidence linking the physical and accounting inventory of investments, and these numbers and symbols are difficult for him the take inventory, This is also raised at the level of depreciation and cases of damage or investment waiver.
3. There is a lack of application of TCI procedures both of my cycle-Purchases and investments, This is despite being determined by the company's management.
4. The company has no control over users' expenses.

Through the study of medicine value of the studied reports for the years 2018 2019 2020, 2021 results indicate To the The company's failure to take the advice of the company's auditors, which led to giving a conservative opinion about non. The credibility of the financial statements, resulting from a defect in the inventory operations carried out by the company, This is due to the lack of evidence linking the physical and accounting inventory of investments, This also affects the level of depreciation (Shalaka, 2014).

And the Inventory difference is mainly due to shortage. The Look at the generally accepted accounting principles, or as a result of negligence on the part of the accountant department. In addition to not clarifying the origin of the stock, and trying to cover the deficit in it has confirmed checker and theThe company's accounts on the need to strengthen and strengthen the internal control system, because the company's auditors are not enoughwen.

To discover all errors, cheats and vulnerabilities, This is due to Unaudited process Company accounts be once a year, That is why the company manager must program and put in the near future a system internal control at the company level in order to reduce the chances of manipulation as much as possible.

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**Received:** 29-Sep-2022, Manuscript No. AAFSJ-22-12627; **Editor assigned:** 30-Sep -2022, PreQC No. AAFSJ-22-12627(PQ); **Reviewed:** 14-Oct-2022, QC No. AAFSJ-22-12627; **Revised:** 17-Oct-2022, Manuscript No. AAFSJ-22-12627(R); **Published:** 24-Oct-2022