WOULD IRREGULAR AUDITING IMPLEMENTS IMPACT THE QUALITY OF FINANCIAL REPORTS: CASE STUDY IN JORDAN PRACTICE

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ABSTRACT

This study intended to conclude the effect of irregular auditing performs on the quality of financial reports. In order to accomplish the objective of this study, descriptive methodology was utilized by employing a questionnaire comprising (64) samples of auditors and accountants in the Income and Sales Tax Department. After applying one-way analysis of variance of the relationship between variables, ccorrelation coefficient and the coefficient of determination and a simple regression analysis, study establishes that there is a significant effect of lowering the level of tests, choosing non-comprehensive samples, reducing the level of audit evidence and Poor management of the audit process time on the quality of financial reports, from the perspective of auditors and accountants. Based on the consequences, it was concluded that accurate criteria must be well-defined for the sampling process and choosing the tests that must be trusted in the execution of the audit process. Moreover, the findings of this study suggest that auditors should be qualified on the audit evidence practice and set standards to decide the level of suitable audit evidence, providing material and motivations to auditors who evade irregular performs, and regularly shaping fines for auditors who prove their putting into practice of irregular audit.

Keywords: Irregular auditing; Financial reports; Descriptive methodology.

JEL Classification Code: C12, G30, M20, M42

INTRODUCTION

Researchers in the field of economics and accounting agree on the importance of auditing and its role in developing financial performance, whether in the public or private sector, and due to the large role of auditing, states issue legislation and laws that would regulate this process, by setting controls and standards for those who practice them. In addition to specifying the qualifications and conditions for the individuals who are entitled to exercise. In other words, as the opacity of financial reporting increases, the crash risk increases, thus, good corporate governance reduces crash risk (Chae et al., 2020).

The various parties benefiting from the financial statements and reports published by the economic institutions have realized that auditing is the means capable of judging the extent to which the outputs of the accounting system are expressed on the actual reality of the institutions, thus allowing various decisions to be taken in light of the opinion expressed by the auditor about the extent of the integrity of the financial reports of the institution (Khamees, 2020). The audit activity consists in examining and reviewing the financial and accounting aspects of the institution in which the audit is conducted, with the aim of ensuring the accuracy, correctness and completeness of financial data and information and accounting records, protecting the funds and property of the institution or establishment from

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embezzlement, loss or manipulation, and limiting the occurrence of fraud and errors and discovering them as soon as they occur. Therefore, suggesting means and procedures to remedy it to ensure the protection of the institution and its property (Al-Ammar, 2014).

Like other professions, auditing faces many pressures, some of which are related to time and others related to the auditor himself, in addition to pressures related to work methods. As a result of these pressures and defects in the audit profession, the term "irregular auditing".

The audit irregularity means that “when the costs of audits rise and the pressure on the auditor increases, the time allocated to conducting the audit is shortened and reduced below the appropriate level (Ramadan, 2015). Irregular auditing practices can affect the audit results and the quality of the financial reports, as the financial reports are the main means to know the financial position of the establishment, and the financial reports also include a summary of the financial operations and events, so these reports are supposed to reach the beneficiaries easily and be of high credibility and reliable And it can be relied upon in the decision-making process (Al Ghazwi, 2016). Given that the Income and Sales Tax Department is one of the departments that carry out external audits for companies, irregular auditing practices may take place during audits, intentionally or unintentionally, and for many reasons, which negatively affects the quality of financial audit reports. The auditing profession faces numerical pressures that may lead to a breach of its standards and principles. As a result, the term irregular auditing appeared which expresses practices that violate the standards and basic rules for practicing the profession of auditing. This term refers to a set of practices that are carried out by some levels in audit offices, including a dysfunction from the accepted normative behavior rules, In light of a set of internal and external variables, some of them pertain to the audit office such as time pressure, and others pertain to the environment in which these offices operate, such as competition and others (Awad & Muhammad, 2008). This behavior may lead to negative results that materially affect the results and outputs of the audit process, the reliability of the accounting information, and the decisions taken accordingly. Through viewing many previous reports and studies, the research found out the necessity to research the reasons that may affect the quality of financial reports due to the suffering of the tax system in general, numerical problems, the most prominent of which is relying on financial reports that do not rise to the required level of quality, and based on the importance of these reports for the Income and Sales Tax Department. Based on the above, the research problem was determined by the question what is effect of the Irregular Auditing Practices on the quality of Financial Statements.

LITERATURE REVIEW

This chapter deals with the concept of irregular auditing, and the most important factors affecting the quality of the audit, especially the factors related to the authority that performs the audit, time pressure, the fees of the audit process, and the factors related to the users of the financial statements.

Irregular Audit

Audit committee is an extended part of board of the company. Its primary responsibility is to design, oversee, and implement financial reporting procedures related to companies and thus ensure better corporate governance (Rahman et al., 2019). The auditing profession derives from the organization’s need to verify the correctness of accounting data that it relies on in making decisions, and to ensure that such data conform to reality. In Addition to that the audit committee quality is able to mediate the effect of institutional ownership

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and probability on IC disclosure (Astuti et al., 2020). Auditing is defined as "examining the internal control systems, data, documents, accounts, and books of the establishment under scrutiny, with a systematic critical examination, with the intention of coming up with a neutral technical opinion on the extent of the significance of the financial statements on the financial position at the end of a known period of time, and the extent to which it portrayed the results of profit or loss for that period." (Al-Moghrabi, 2018).

The audit is classified from the angle of the entity that performs the audit to internal; It is an examination of the organization’s operations, records and documents by a department or a section within the organization, which is part of the internal control system, and an external audit. It is an impartial critical examination of the books and records of the organization and its documents by an external person under a contract that receives fees according to the type of examination required of him, and that is to express a neutral opinion on the truthfulness and fairness of the organization's financial reports during a certain period (Jumaa, 2009).

There are several factors that affect the quality of the audit, some of which are factors related to the entity that performs the audit, such as the size and reputation of the audit office, competition between audit offices, and its specialization in auditing a specific sector. Although the size of the audit office is a strong indicator of the quality of the audit, the relative importance and perception of it has changed, especially in recent years. The world was surprised by the great collapse of major companies (such as the energy company Enron) and the loss of the credibility of one of the largest audit offices in America that was reviewing its data which is confirmed by the office of Arthur Anderson (Dawara, 2014). There are other factors related to time pressure, as it is one of the most prominent reasons or justifications practitioners resort to justify unregulated audit practices, and time pressures lead to the completion of the audit process before the time specified for it, or it takes a period of time not allocated to it in the audit program (Al-Jamhoudi, 2019). In addition to the fees of the audit process, which are defined as the sums, fees, or wages that the external auditor charges for performing the audit process for a company, and the fees are determined between the auditing company and the external auditor, according to the time spent on the auditing process and the service required of him, and the need for the audit process for assistants (Saif al-Islam, 2018).

In addition to the factors related to the users of the financial statements, which are represented by the level of awareness and perception enjoyed by the users of the financial statements of the content of the auditor's report, and the good appreciation of the external auditor of the expectations that the users of the financial statements aspire to from the performance of the audit process and its results (Dawara, 2014). On the other hand, factors related to the person in charge of the audit process will be added, and the most prominent of these factors are the degree of independence of the auditor, the experience of the audit team, the level of supervision of the audit team, and the level of communication in the audit team between them and between team members and the client (Nour, 2007).

Finally, there are factors related to the facility subject to auditing, where the quality of the audit can vary according to the size of the facility subject to auditing and the complexity of its operations, especially when the magnitude of its operations increases the possibility of manipulations that can be hidden. The greater the size of the establishment and the complexity of its operations, the greater the separation between ownership and management, and the greater the cost of the agency. Thus it is assumed that the larger the establishment, the greater its need for a high-quality audit service in an attempt to reassure the owners and creditors that the financial statements actually reflect the proper financial position of the facility (Ramadan, 2015).

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The internal control system of the organization may also negatively or positively affect the practices of the auditing process, as “the effective internal control system constrains the data and financial statements preparer from making any manipulations due to internal control and internal administrative and accounting control that the internal control system secures and achieves several results, including low cost. As well as saving time and effort for the external auditor and providing sufficient proof of evidence, these results reflect conducting the audit process with higher quality and effectiveness and obtaining more neutral and objective results (Dawara, 2014).

Quality of Financial Reports

Quality of financial reports is defined by the degree of reliance of financial reports on reliable, accurate and comprehensive information, the degree of relevance of the reports to the specified objectives, the degree of clarity and their ability to give a picture of the institution or financial institution's current and future position, measured through the fifth axis of the questionnaire designed in the current research, as the respondent’s high score indicates Quality of financial reports, with a low score indicating the opposite. (Ramadan, 2015).

Empirical Literature

Salehi and Kangarlouei (2010) established an Investigation of the Effect of Audit Quality on Accrual Reliability of Listed Companies on Tehran Stock Exchange. This study aimed to determine the impact of audit quality on the accumulation of reliability of companies listed on the Tehran Stock Exchange. The study used the descriptive approach by applying a field study on (74) companies that lasted five years on a number of audit offices of different levels. The study found that there is a statistically significant impact of audit quality on the accumulated reliability, and that the reliability accumulation is related to higher quality than the private accumulation of reliability in the data for companies of lower quality. The study also found that the size of the audit office, its scientific and practical history, and the name it built are what give perception of higher audit quality.

Yuniarti (2012), conducted a study entitled “The Effect of Tenure Audit Dysfunctional Behavior on Audit Quality” aimed to identify the factors that affect the quality of audit practices, by proposing the hypothesis of the effect of possession of the audit process and dysfunctional behavior and their impact on audit quality. Through her study, the researcher identified the unit of analysis with young and senior auditors those who worked in public accounting firms, through a survey conducted on the public accounting facility in Bandung, Indonesia. The study found that the possession of audits does not significantly affect the quality of the audit in the public accounting facility because the auditors in the auditing facility are the same ones who carried out the audit in the past year, while the dysfunctional behavior of the audit significantly affects the quality of the audit in Public establishment in Bandung. This significant decline in audit quality is due to the auditors' failure to adhere to generally accepted accounting principles.

Sawwaf study (2015) in Egypt entitled "Evaluating the Impact of Irregular Audit Practices on the Quality of the External Auditor's Report" aimed at evaluating the impact of irregular audits on the quality of the professional report. In order to achieve this goal, the study used a descriptive approach by designing a questionnaire to collect data that was distributed on (174) from the auditors of the central agency, in addition to the external auditors in the audit offices. Among the most important results of the study were the absence of statistically significant differences regarding the impact of irregular auditing practices on

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the quality of financial reports, and the existence of a correlation between irregular audit practices and the quality of the external auditor's report.

Moreover, the Ramadan field analysis study in Syria in (2015) aimed to find out the extent of the impact of irregular auditing practices as one of the auditor’s dysfunctional behaviors on the quality of the financial reports that the auditor supervises preparing. In order to achieve the objectives of the study, the descriptive approach was used by designing a questionnaire and distributing it to a number of auditors and accountants practicing the profession of auditing and working in the Central Agency for Financial Supervision. One of the most important findings of the study was that the most dysfunctional practices that the auditor performs according to the degree of influence is to reduce the size of samples that he examines, followed by reducing the required level of the main tests, followed by the completion of the audit procedures before completion, and then the use of personal sampling methods, and the presence of many factors leading to irregular auditing practices that negatively affect the quality of financial reports, and the most influential of these factors were audit fees and time-budgeting pressures. The study also found that irregular audit practices are related to an inverse relationship with the size of the audit office.

The study of Nashwan in (2017) also aimed to identify the trend towards the application of joint auditing as an entry point to improve the quality of financial reports in all its characteristics (suitability, reliability, comparability, stability), as well as to limit the difficulties faced by auditors in the Gaza Strip in applying joint auditing. In order to achieve the objectives of the study, a scale was used to know the trend towards the application of joint auditing, and it was distributed among the study sample consisting of (119) individuals and recovered from it (99) suitable for analysis. The researcher also used the descriptive and analytical approach. After analyzing the results, the study concluded: The existence of a positive trend among all members of the sample towards the application of joint auditing to improve the quality of financial reports with their various characteristics (suitability, reliability, comparability, stability), as well as the existence of various difficulties facing joint auditing when applying it.

Al-Jamhoudi study (2019) entitled The Role of Factors Affecting the Quality of External Auditing in Improving the Governance of Egyptian Companies “A Field Study” discussed the quality of the external audit process in terms of concept, importance and factors affecting it, and the effect of those factors on supporting corporate governance. The research dealt with factors affecting the external audit quality in its various dimensions, which are (factors related to the audit office, factors related to the audit team, factors related to the audit client), as independent variables, the quality of the external audit process as an intermediate variable, and corporate governance as a dependent variable. The research was based on a survey list to analyze the opinions of academics in colleges of commerce, external auditors, internal auditors, and the audit committees. One of the most important results of the research was the existence of a positive relationship between the factors affecting the quality of external auditing and strengthening the governance of Egyptian companies.

The work carried out by Hammouda (2019) dealt with the role of audit committees in achieving the quality of financial reports in the Islamic Sudanese Bank, and the study aimed to identify the activities and controls of forming audit committees within the facility and clarify the theoretical concepts of audit committees in general and their role in the quality of financial reports and the accuracy and reliability of financial reports and their comparability. The study reached several conclusions, the most important of which is that audit committee’s work to ensure disclosure and comprehensiveness in the financial statements, and that audit committees assist boards of directors in fulfilling their legal responsibilities towards companies. The study came out with a number of recommendations, the most important of

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which is the formation of audit committees in banks to ensure disclosure and comprehensiveness in the financial statements, provide consistency in the information available to members of the Board of Directors to increase the effectiveness of control over management actions, and provide transparency at the level of information related to the results and performance of the bank and its homogeneity.

Abu Laban study (2020) entitled: The Impact of Internal Auditing on the Quality of Financial Reports in Governmental Institutions in the Gaza Strip, aimed at identifying the reality of internal auditing in government institutions operating in the Gaza Strip and knowing its impact on the quality of financial reports in government institutions. The study reached several results, including that the training of employees in internal auditing and internal control is carried out in governmental institutions in the Gaza Strip periodically to familiarize them with the latest methods and techniques used in the field of auditing, as well as the higher management in government institutions in the Gaza Strip involving employees in the audit departments In developing the institution's strategic plans. Also, there are laws and legislations that regulate internal audits in government institutions in the Gaza Strip. A number of previous studies have been reviewed that dealt with irregular auditing practices where these studies used the descriptive approach and questionnaire forms were used as tools for collecting data and information, and the samples of these studies included a number of auditors and accountants in audit offices. The current study was distinguished from previous studies in terms of the boundaries of location, and in terms of the study population and its sample.

METHODOLOGY

This chapter deals with the methodology used in the study, the steps for designing the study tool, verifying its validity and reliability, determining the study population and its sample, and verifying the normal distribution of the degrees of the study sample. The study adopts the descriptive approach, as this approach will be relied upon by collecting theoretical material, designing a questionnaire that includes independent and dependent research variables, and verifying its validity and consistency, then the final sample of the research will be determined from the auditors and accountants in the Income and Sales Tax Department, and the questionnaire will be applied to them Compiling its results using appropriate statistical methods, and discussing its results, with the aim of arriving at proposals that contribute to reducing irregular auditing practices and enhancing the quality of financial reports.

TABLE 1
SUMMARIZES THE RESULTS OF RELIABILITY ANALYSIS

Name of variable	Cronbach's Alpha	No of items
Quality of financial reports	0.788	10
Lower the level of tests	0.745	4
Reducing sampling level	0.833	6
Reducing the level of audit evidence	0.784	7
Poor management of the audit process time	0.920	6

Source: Computed from by the authors of this study

The population for the research included auditors and accountants in the Income and Sales Tax Department, and an accessible sample was chosen from the original community; (80) copies of the questionnaire were distributed, (76) copies were retrieved, and (8) copies were excluded because they were not fully answered. Consequently, the final number of individuals in the research reached (68) individuals.A questionnaire was used as a tool for the

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study, and it was designed to include dependent and independent variables. The questionnaire was designed based on a number of previous studies. The questionnaire may consist of (33) items and Table 1 shows the distribution of the terms of the questionnaire among its dimensions.

The questionnaire is answered using the five-point Likert gradient through one of the following options (strongly agree, agree, neutral, disagree, strongly disagree), where the answers are converted into quantitative data by giving them scores (5, 4, 3, 2, 1) respectively. The reliability of the results of the questionnaire was verified by extracting Cronbach's Alpha coefficients on each dimension, and Table 1 shows the results of that. It is evident from Table 1 that the values of the Cronbach alpha coefficients are greater than (0.7), indicating the reliability of the questionnaire and its validity for application in the current research.

RESULTS AND DISCUSSION

Presentation of the Results of Hypothesis Testing

H1: *There is a statistically significant effect at the level of significance (α <0.05) of reducing the level of tests on the quality of financial reports from the point of view of auditors and accountants in the Income and Sales Tax Department.*

To test this hypothesis, a simple regression analysis was used to study the effect of reducing the level of tests on the quality of financial reports according to the following steps:

First: Examining the validity of the model between the independent variable (the reduction in the level of tests) and the dependent variable (the quality of financial reports) by extracting the one-way analysis of variance, and Table 2 illustrates the results of that. Table 2 shows that the value of the statistical significance of the (F) test is less than (0.05), which means that there is a linear relationship between the reduction in the level of tests and the quality of the financial reports, meaning that the independent variable (lowering the level of tests) is valid to predict the dependent variable (the quality of financial reports), What proves the validity of the model to test the relationship between the two variables.

TABLE 2
RESULTS OF THE ONE-WAY ANALYSIS OF VARIANCE FOR THE RELATIONSHIP BETWEEN INDEPENDENT AND DEPENDENT VARIABLES

Results of the one-way analysis of variance of the relationship between the reduction in the level of testing and the quality of the financial reports					
Source	**SS**	**Df**	**MS**	**F**	**Sig.**
Between	304.343	1	304.343	36.061	0.000
Within	523.266	62	8.440		
Total	827.609	63			
Results of the one-way analysis of variance for the relationship between reduced sampling level and financial reporting quality					
Between	290.925	1	290.925	33.609	0.000
Within	536.684	62	8.656		
Total	827.609	63			
Results of the one-way analysis of variance for the relationship between reducing the level of audit evidence and quality of financial reports					
Between	330.070	1	330.070	41.131	0.000
Within	497.539	62	8.025		
Total	827.609	63			
Results of the one-way analysis of variance for the relationship between poor management of the time of the audit process and quality of financial reports					

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Between	221.096	1	221.096	22.601	0.000
Within	606.514	62	9.782		
Total	827.609	63			

Second: Extracting the values of the correlation coefficient and the determination coefficient between the reduction in the level of tests and the quality of the financial reports. Table 3 shows that the value of the correlation coefficient between lowering the level of tests and the quality of financial reports reached (-1.606), which is a negative value and statistically significant at (0.000), which means that there is an inverse relationship with statistical significance between reducing the level of tests and the quality of financial reports. It is also evident from the previous table that the value of the determination factor reached (0.358), meaning that the independent variable (lowering the level of tests) explains 35.8% of the change in the dependent variable (the quality of financial reports), and the remaining percentage is explained by other variables.

TABLE 3
THE VALUES OF THE CORRELATION COEFFICIENT AND THE COEFFICIENT OF DETERMINATION BETWEEN INDEPENDENT AND DEPENDENT VARIABLES

The values of the correlation coefficient and the coefficient of determination between lowering the level of tests and the quality of financial reports			
Variables	**R**	**Sig**	**R^2**
Lowering of test level	-0.606	0.000	0.358
Quality of the financial report			
The values of the correlation coefficient and the coefficient of determination between the lowering in the level of sample selection and the quality of the financial reports			
lowering in the level of sample selection	-0.593	0.000	0.352
Quality of the financial report			
The values of the correlation coefficient and the coefficient of determination between the reduction in the level of audit evidence and the quality of financial reports			
Reducing the level of audit evidence	-0.632	0.00	0.399
Quality of the financial report			
The values of the correlation coefficient and the coefficient of determination between poor management of the time of the audit process and quality of financial reports			
Poor management of the time of the audit process	-0.517	0.00	0.267
Quality of the financial report			

Third: The results of the simple regression analysis were extracted for the effect of lowering the level of tests on the quality of financial reports. Table 4 shows that there is a statistically significant effect of lowering the level of tests on the quality of financial reports, as the probability value of (t) test is less than (0.05), and the previous table shows that the value of B reached (-1.171), in other words, an increase of one degree in lowering the level of tests reduces the quality of financial reports by a value of 1,171. As a result, this means that there is a negative impact of statistical significance for lowering the level of tests on the quality of financial reports. The regression equation is as follows:

$$Y = a + b\,X = Quality\ of\ financial\ reports = lowering\ level\ of\ tests\ x\ (-1.171) + 52.247$$

The results of the first hypothesis showed that there is a negative impact of statistical significance to reduce the level of tests on the quality of financial reports. The results of this hypothesis can be explained by the fact that some auditors perform many practices that reduce the level of tests in order to save time or effort, or due to the belief that some tests are not important and thus implement insufficient tests in terms of quantity or quality, and some auditors face difficulty in obtaining information about certain tests. They fill in those tests or

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carry out tests based on insufficient information, which will leave a negative impact on the results on which the financial reports will be based.

***H2:** There is a statistically significant effect at the level of significance (α <0.05) of reducing the level of sample selection on the quality of financial reports from the point of view of auditors and accountants in the Income and Sales Tax Department.*

To test this hypothesis, simple regression analysis was used to study the effect of reducing the level of sample selection on the quality of financial reports according to the following steps:

First: Examining the validity of the model between the independent variable (reducing the level of sampling selection) and the dependent variable (quality of financial reports) by extracting the one way analysis of variance. It is evident from Table 2 that the value of the statistical significance of the (F) test is less than (0.05), which means that there is a linear relationship between the reduction in the level of sampling selection and the quality of the financial reports, meaning that the independent variable (lowering the level of sampling selection) is valid for predicting the dependent variable (quality of reports). This proves the validity of the model to test the relationship between the two variables.

Second: Extracting the values of the correlation coefficient and the determination coefficient between the lowering in the level of sample selection and the quality of the financial reports. Table 3 shows that the value of the correlation coefficient between the lowering in the level of sampling selection and the quality of the financial reports reached (-0.593), which is a negative value and statistically significant at (0.05), which means that there is an inverse relationship with statistical significance between the lowering in the level of sample selection and the quality of the financial reports. It is also evident from the previous table that the value of the determination coefficient amounted to (0.352), meaning that the independent variable (lowering the level of sampling selection) explains 35.2% of the change in the dependent variable (the quality of financial reports), and the remaining percentage is explained by other variables.

TABLE 4
RESULTS OF SIMPLE REGRESSIONS ANALYSIS OF THE EFFECT OF INDEPENDENT VARIABLES ON DEPENDENT VARIABLE

Regression analysis - effect of lowering the level of tests on QFRs					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
Constant	52.247	2.660	-0.606	19.640	0.000
lowering the level of tests	1.171-	0.195		6.005-	0.000
Regression analysis - effect of lowering in the level of sample selection and QFRs					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
Constant	56.910	3.553	-0.593	16.017	0.000
lowering level of sample selection	-0.943	0.163		-5.797	0.000
Simple regression analysis - effect of reducing the level of audit evidence on QFRs					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
Constant	54.899	2.903	-0.632	18.913	0.000
Reducing level of audit evidence	-0.866	0.135		-6.413	0.000

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Regression analysis - effect of poor management of the time of the audit process on the QFRs					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
Constant	55.315	3.993	-0.517	13.852	0.000
Poor management of the time of the audit process	-1.021	0.215		-4.754	0.000

Third: The results of the Regression analysis were extracted for the effect of lowering the level of sampling selection on the quality of financial reports. Table 4 shows that there is a statistically significant effect of lowering the level of sample selection on the quality of financial reports, as the probability value of (t) test is less than (0.05), and the previous table shows that the value of B has reached (-0.943), meaning that, one degree increase in lowering the level of sampling reduces the quality of financial reports by (0.943). As a result, this means that there is a negative effect of statistical significance for lowering the level of sample selection on the quality of financial reports. The regression equation is as follows:

$$Quality\ of\ financial\ reports\ =\ lowered\ sampling\ level\ x\ (-0.943)\ +\ 56.910$$

The results of the second hypothesis showed that there was a negative effect of statistical significance for lowering the level of sample selection on the quality of financial reports. As the poor skills of some auditors in selecting samples, and the failure to take into account the factors and variables that may affect the sample size such as (audit objectives, the sample population to be selected, the degree of risk and confidence, the error that can be overlooked, the extent of the expected error in the sample), and the time pressures and work pressures that they are exposed to during the implementation of the audit process, in addition to the fact that the sample selection process is affected by the subjective factors of some auditors, all this may lead to reaching a conclusion different from the conclusion that would have been reached if the auditor performed the same audit procedures on another sample, or on all the components of the original population.

H3: *There is a statistically significant effect at the level of significance (α <0.05) of reducing the level of audit evidence on the quality of financial reports from the point of view of auditors and accountants in the Income and Sales Tax Department.*

To test this hypothesis, a simple regression analysis was used to study the effect of reducing the level of audit evidence on the quality of financial reports according to the following steps:

First: Examining the validity of the model between the independent variable (reducing the level of audit evidence) and the dependent variable (quality of financial reports) by extracting the one way analysis of variance. Table 2 shows that the value of the statistical significance of the (F) test is less than (0.05), which means that there is a linear relationship between the reduction in the level of audit evidence and the quality of financial reports, meaning that the independent variable (reducing the level of audit evidence) is valid for predicting the dependent variable (quality of reports). This proves the validity of the model to test the relationship between the two variables.

Second: Extracting the values of the correlation coefficient and the coefficient of determination between the reduction in the level of audit evidence and the quality of financial reports. Table 3 shows that the value of the correlation coefficient between reducing the level of audit evidence and the quality of financial reports reached (-0.632), which is a negative value and statistically significant at (0.05), which means that there is an inverse relationship with statistical significance between reducing the level of audit evidence and the quality of

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reports. It is also evident from the previous table that the value of the determination coefficient amounted to (0.399), meaning that the independent variable (reducing the level of audit evidence) explains (39.9%) of the change in the dependent variable (the quality of financial reports), and the remaining percentage is explained by other variables that are not under. Present consideration.

Third: The results of the Regression analysis were extracted for the effect of reducing the level of audit evidence on the quality of financial reports. Table 4 shows that there is a statistically significant effect of reducing the level of audit evidence on the quality of financial reports, as the probability value of (t) test is less than (0.05), and the previous table shows that the value of B has reached (-0.866), meaning that in other words, an increase of one degree in reducing the level of audit evidence reduces the quality of financial reports by 0.866. As a result, this means the existence of a statistically significant negative impact of reducing the level of audit evidence on the quality of financial reports. The regression equation is as follows:

$$Quality\ of\ financial\ reports\ =\ reduced\ level\ of\ audit\ evidence\ x\ (-0.866)\ +\ 54{,}899$$

The results of the third hypothesis showed that there is a statistically significant negative impact of reducing the level of audit evidence on the quality of financial reports. Some auditors conduct practices that reduce the level of audit evidence as a result of many factors and pressures such as time pressures, lack of technical or human capabilities, susceptibility to subjective factors, lack of experience, lack of information, and the most prominent of these practices neglecting some evidence as a result of the belief that it is not important, or sufficiency With formal evidence, or weak conclusions from some evidence. These results confirm the importance of evidence in achieving the quality of financial reports, as the evidence helps to verify the obligations of the organization or institution, and that these obligations are real and not fictitious. It also helps in verifying that assets, liabilities, revenues and expenditures are real values that express the financial position of the institution, and therefore these conclusions will be represented in the audit report, and affects its quality in case the evidence is insufficient or incorrect.

H4: *There is a statistically significant effect at the level of significance (α <0.05) of poor management of the time of the audit process on the quality of financial reports from the point of view of auditors and accountants in the Income and Sales Tax Department.*

To test this hypothesis, simple regression analysis was used to study the effect of poor management of the time of the audit process on the quality of financial reports according to the following steps:

First: Examining the validity of the model between the independent variable (poor management of the time of the audit process) and the dependent variable (quality of financial reports) by extracting one way variance analysis. Table 2 shows that the value of the statistical significance of the (F) test is less than (0.05), which means that there is a linear relationship between poor management of the time of the audit process and quality of financial reports, meaning that the independent variable (poor management of the time of the audit process) is valid for predicting the dependent variable (Quality of financial reports). This proves the validity of the model to test the relationship between the two variables.

Second: Extracting the values of the correlation coefficient and the determination coefficient between poor management of the time of the audit process and quality of financial reports. Table 3 shows that the value of the correlation coefficient between poor management of the time of the audit process and the quality of the financial reports reached (-0.517),

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which is a negative value and statistically significant at (0.05), which means that there is an inverse relationship with statistical significance between Poor management of the time of the audit process and the quality of financial reports. It is also evident from the previous table that the value of the determination coefficient reached (0.267), meaning that the independent variable (Poor management of the time of the audit process) explains (26.7%) of the change in the dependent variable (the quality of financial reports), and the remaining percentage is explained by other variables.

Third: The results of a simple regression analysis of the effect of poor management of the time of the audit process on the quality of financial reports were extracted. Table 4 shows that there is a statistically significant effect of poor management of the time of the audit process on the quality of the financial reports, as the probability value of (t) test is less than (0.05), and the previous table shows that the value of B has reached (-1.021), meaning that, an increase of one degree in poor management of the time of the audit process decreases the quality of the financial reports by 1.021. As a result, this means that there is a statistically significant negative effect of poor management of the time of the audit process on the quality of the financial reports. The regression equation is as follows:

$$Quality\ of\ financial\ reports = poor\ management\ of\ the\ time\ of\ the\ audit\ process\ x\ (-1.021)\ +\ 55{,}315$$

The results of the fourth hypothesis showed a negative statistical significance of the Poor management of the time of the audit process on the quality of the financial reports. Many auditors care about auditing processes and their procedures and neglect an essential factor in this process, which is managing the time of the audit process, as time pressure and misjudgment can lead to ending the audit process before its completion. Also, mismanagement of time can lead to giving less important stages more time than important stages, as many auditors are interested in the first stages of the audit process as they still have ample time, and with the progress in implementing the stages of the audit process, they feel short of time which makes them shorten some procedures such as limiting to a small sample, or being satisfied with some tests and evidence, and the time factor becomes the main factor in choosing many procedures - even if they do not fit the objectives of the audit process - which can negatively affect the conclusions and the quality of the financial reports built on those conclusions.

In general, the study results agree with the results of the study (Pisally, 2012), which concluded that unregulated external audit practices negatively affect the quality of auditors' professional performance and Qurayfah study (2014) which emphasized the negative impact of irregular audit practices on the quality of the external auditor's report. The results of the current study are in agreement with the results of the study of Yuniarti (2012), Pisally (2012), Sawwaf (2015), Qurayfah (2014), Ramadan (2015), Hammouda (2019), and Abu Laban (2020).

CONCLUSION AND RECOMMENDATIONS

The results of the study, based on testing the hypotheses derived from the study problem, and after applying the methodology, showed a statistically significant effect of Irregular audit practices on the quality of financial reports. The first dimension represented by lowering the level of tests found that it had a significant effect on the quality of financial reports. As well as regarding the second factor, the study revealed the existence of a statistically significant effect of lowering in the level of sample selection on the quality of

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financial reports. Also, when examining the existence of a statistically significant effect of the level of audit evidence on the quality of financial reports, this was proven and finally, it was found that there is a statistically significant effect of poor management of the time of the audit process on the quality of financial reports. Based on the results of the study, it is recommended that it is necessary to work on developing the laws that regulate the profession of auditors to reach the required level in order to present high quality and credible financial reports, and to provide the beneficiaries with information on the financial position of the company that expresses it, to make sound decisions. It is also suggested the need to develop and activate the control mechanism over the audit offices and the audit committees charged with reviewing the final results of the companies 'work, and thus the integrity of the financial reports issued by the audit office is ensured. Moreover, it is proposed to prosecute offices that violate the regulations and controls of the auditing profession, and not be complacent in punishing offices that are proven to be transgressions. Finally, Audit offices must follow the rules and ethics of professional practice and ethical aspects, and not apply the irregular audit as a method for auditing and examining accounts so that the financial reports are not affected by this.

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