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Continuous Auditing and its Impact on the Quality of Key Qualitative Characteristics of Accounting Information

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Abstract
This study aims to demonstrate the impact of implementing continuous auditing on the key qualitative characteristics of financial information, and the resulting increase in confidence regarding business reporting information, achieved by shifting from traditional financial statement auditing to continuous auditing.
A number of findings were reached, most notably that continuous auditing plays a role in supporting and achieving the quality of "relevance" in electronically published financial reports. It does so by facilitating timely access to information and providing users with significant predictive value at the appropriate time. Furthermore, continuous auditing contributes to enhancing the reliability and credibility of these reports by fostering confidence in the real-time corporate disclosures made via the Internet, and ensuring the production of accurate, reliable, and trustworthy financial information. Accordingly, the study concluded with a set of recommendations, most notably: the need for public and private entities that publish their financial statements electronically to adopt a continuous auditing approach as the basis for auditing those statements; the necessity of mandating that audit firms and offices conduct continuous audits; and the need to qualify auditors for these tasks by organizing—and requiring attendance at—training courses to keep pace with significant technological developments in the modern business environment.

Keywords: Accounting Information, Iraq Stock Exchange, Information Systems Audit and Control Association (ISACA)

1. Introduction
The accounting practice environment has witnessed tremendous growth in its variables, and the field of auditing has been significantly impacted by these changes in recent years. This is primarily attributable to shifts in the accounting data processing environment, which facilitated the emergence of the continuous auditing concept. Consequently, the nature, evidence, and timing of the audit process have evolved, helping to meet the growing demand for real-time, reliable information—a development that has influenced the key qualitative characteristics of financial information. Accounting information generated by the accounting system must possess high quality—in accordance with the qualitative characteristics of such information—to enable stakeholders to rely on it for making various decisions tailored to their specific needs. Furthermore, accounting information is a vital factor of production that plays a significant role in determining corporate effectiveness and efficiency. Consequently, continuous auditing seeks to manage the vast volume of information essential for company management, ensuring that high-quality, accurate data reaches all administrative levels appropriately and in a timely manner to facilitate sound decision-making.

2. Research Methodology
First: The Research Problem
A review of prior studies reveals that rapid and successive developments in information technology have heightened the need for accurate and relevant information in the preparation and dissemination of business reports, ensuring that data and information are presented to users in a timely manner. The research problem can be summarized by addressing the following question: Does continuous auditing affect the fundamental qualitative characteristics of accounting information?

Second: Study Objectives
The general objective of the study is to demonstrate the impact of implementing continuous auditing on the key qualitative

characteristics of financial information, and the resulting increase in confidence regarding business reporting information—achieved by transitioning from traditional financial statement auditing to continuous auditing—through the realization of the following sub-objectives:

1. Clarifying the nature of the continuous auditing approach, the stages of its implementation regarding the components of the audit client's electronic accounting system, and its role in enhancing the quality and credibility of business reporting information.
2. Identifying the difficulties and obstacles facing the implementation of the continuous auditing approach.
3. Examining the issues and topics that affect the key qualitative characteristics of financial information.
4. Identifying the companies listed on the Iraq Stock Exchange.

Third: Significance of the Study

The significance of this study stems from the vital role continuous auditing plays in achieving the objectives of joint-stock companies within an electronic operating environment. This role is shaped by ongoing developments in the auditing field and the need to evolve the functions of both external and internal auditors to encompass new tasks—specifically, applying continuous auditing techniques to verify the credibility of business report information. Such efforts aim to enhance investor confidence in the Iraq Stock Exchange regarding the auditor's capacity and responsibility to report potential risks, as well as to detect errors, thereby ensuring the availability of accurate, reliable, and trustworthy information for decision-making.

Fourth: Study Limitations

- Thematic Scope: The study is limited to continuous auditing, excluding other types of audits.
- Geographical Scope: A field study covering companies listed on the Iraq Stock Exchange and a number of audit firms.
- Temporal Scope: The study covers the most recent three-year period of activity on the Iraq Stock Exchange—a period characterized by some growth according to the market's annual reports—specifically the years 2023, 2024, and 2025.

Fifth: Study Hypotheses

In light of the nature of the study problem and to achieve its objectives, the study hypothesis is formulated as follows:
Continuous auditing does not have a statistically significant effect on the fundamental qualitative characteristics of accounting information.

Sixth: Study Methodology

This study employs a methodology that combines the following two approaches:
The inductive approach: This involves reviewing and evaluating the most significant and recent studies in accounting literature regarding continuous auditing—specifically examining its role in enhancing the credibility of accounting information within financial reports, as well as its impact on the quality and reliability of that information.
The deductive approach: This involves inferring the impact of continuous auditing on the key qualitative characteristics of financial information by testing hypotheses relevant to the subject matter. A field study is conducted to validate these hypotheses using a questionnaire administered to the study sample; the resulting data are analyzed—employing appropriate statistical methods—to derive the study's findings and recommendations.

Literature Review

First: Study (Omar & Al-Rashid, 2024): "The Role of Continuous Auditing in Supporting and Achieving the Characteristics of Accounting Information in Electronically Published Financial Reports."
Methodology: A descriptive-analytical approach using a questionnaire distributed to audit firms.
Result: Continuous auditing plays a pivotal role in enhancing the quality of relevance by providing timely, predictive information. It also supports reliability and credibility by instilling confidence in real-time online disclosures.
Secondly: Study (Mousa, 2023): "The Role of Continuous Auditing in Achieving the Quality of Published Financial Reports (A Field Study on External Audit Firms)."
Conclusion: Continuous auditing contributes to enhancing the quality and credibility of income statement and balance sheet data. The study recommended adopting real-time systems, as they increase auditor efficiency and provide statement users with information that is relevant, comparable, and understandable.
Third: A study by Haeridistia and Fadjarenie (2023): "The Impact of Continuous Auditing on Audit Quality and Financial Statement Outputs."
Conclusion: It was concluded that the continuous examination of audit evidence prevents the accumulation of human errors and material misstatements. This ensures that the accounting system's outputs maintain faithful representation and remain free from misstatement.
Fourth: Study (Abdullah, 2022): "Continuous Auditing and Its Role in Enhancing the Quality of Financial Reports"
Methodology: Descriptive-analytical, applied to the banking sector.
Results: The findings revealed a strong positive correlation between continuous auditing and comparability, driven by the standardization and consistency of real-time disclosure standards. However, a positive correlation—albeit to a lesser degree—was observed with the characteristics of relevance and reliability, due to challenges associated with real-time system security.

3. Theoretical Framework

Concepts of Continuous Auditing

First: The Concept of Continuous Auditing

Continuous auditing represents an approach to evolving the traditional audit model—which focuses on the planning and execution of annual audit engagements—by moving beyond the standard sequence of accepting the engagement, planning the audit work, performing procedures to gather evidence, and finally formulating findings and preparing reports.
Furthermore, numerous professional associations—such as the Information Systems Audit and Control Association (ISACA), the Canadian Institute of Chartered Accountants (CICA), and the American Institute of Certified Public Accountants (AICPA)—explicitly recognize the importance of Computer-Assisted Audit Techniques (CAATs) and their critical role in delivering specific audit and assurance

services, such as continuous auditing and assurance (Al-Mu'taz, Ihsan bin Saleh, & Abu Musa, Ahmed Abdel-Salam, 2011, p. 33) [2].

It has also been defined as: "a systematic electronic process relying on audit software—whether general or specific to the audit area—that enables auditors to provide assurance regarding a particular audit area by identifying exceptions and reporting on that area immediately, or shortly after the occurrence of the associated events." (Sayed Ahmed, Ibrahim Hassan Ibrahim, 2009, 54–62) [3].

Second: Conditions for implementing continuous auditing:

These conditions include the following:

1. The information subject to audit must originate from reliable electronic systems.
2. Ensuring that the continuous auditing process is largely automated.
3. The necessity of linking the auditor's systems with the entity's systems to enable unrestricted access to information; specifically, the auditor must have direct, broad-scope connectivity to the entity's network.
4. Auditors must possess the professional competence required to conduct continuous audits (Ali Muhammad Al-Sayyad, 2012, p. 505).

In the same context, the Institute of Internal Auditors has defined continuous assurance as "an opinion provided to another party on an ongoing basis; this opinion relates to various matters—such as specific transactions, internal processes, or the financial performance of transactions and operations." It should be noted that users of accounting information comprise the individuals or groups that process data to generate information, as well as the individuals or groups that utilize this information for decision-making within.the organization, and the individuals or group utilizing this information to achieve the other party's objectives. Furthermore, continuous assurance has been defined as "providing an assurance opinion—either continuously or upon request—regarding systems, processes, or both; this opinion may represent the internal auditor's view that control systems are functioning satisfactorily."

Third: Objectives of Continuous Auditing

As continuous auditing represents a modern approach to evolving the traditional audit process, its primary objective is for the auditor to express an impartial technical opinion regarding the accuracy of financial information and reports generated within a real-time, paperless accounting information system, as well as to award the company a continuous certification seal.

The need for continuous electronic auditing has emerged as a result of the advent of the Internet and the growing use of e-commerce. The transition from traditional accounting systems to real-time accounting systems necessitates an audit approach aligned with the nature of these systems and electronic documentation—a shift that requires changes in auditing procedures. Continuous auditing focuses on providing assurance regarding financial and non-financial information on a client's website, doing so continuously and in real-time as transactions and events occur (Majdi Ahmed Al-Ja'bari, 2013, pp. 67–70).

The following sub-objectives are derived from this general objective of continuous auditing:

a) Ensuring the ongoing reliability of companies' immediate online disclosures.

b) Assisting company stakeholders—particularly shareholders, the Capital Market Authority, and all visitors to the company's website—in exercising continuous, real-time oversight of the companies.

c) Determining the efficiency and effectiveness of real-time accounting systems in safeguarding assets, maintaining data objectivity, and generating reliable and trustworthy financial information—as evidenced by the continuous assurance seal displayed on the company's website and the auditor's report. (Samir Kamel & El-Sayed Shehata, 2014, pp. 82–83).

Fourth: Advantages of Continuous Auditing

Based on the aforementioned concept of continuous auditing and its distinctive nature—and when compared to both the traditional audit model and modern professional services emerging in response to information technology (such as advisory services and web-based assurance and trust services)—continuous auditing is characterized by the following:

a) Continuous auditing is an immediate, ongoing review of paperless systems and electronic data interchange.

b) Manual auditing or "auditing around the computer" is unsuitable for real-time accounting systems, as transaction documents either no longer exist or are stored electronically.

c) Continuous auditing helps reduce the cost of audit activities, particularly through the following:

- Enabling the auditor to select a large sample of company transactions and data more quickly and efficiently than by using "auditing around the computer" methods.
- Reducing the time and cost previously incurred by auditors in manually testing transactions and account balances.

d) Continuous auditing enhances the quality of financial statement audits by enabling the auditor to devote greater attention to both the nature of the entity's business and industry, and its internal control structure.

e) Continuous auditing represents the optimal approach for planning and executing an ongoing audit program for corporate websites, given that these sites are the most significant information technology tools for communicating real-time accounting information in the foreseeable future. (Chan, W., *et al*., "One Continuous Auditing Practice in China: Data-oriented Online Auditing (DOOA)"; website: http://info.nau.edu.cn) [11].

Fifth: The Conceptual Framework and Key Qualitative Characteristics of Accounting Information

It is worth noting that the qualitative characteristics of useful financial information identify the types of information likely to be most useful to existing and potential investors, lenders, and other creditors in making decisions about the reporting entity based on the information contained in its financial report (financial information).

Given that financial reports provide information about the economic resources of and claims against the reporting entity, as well as the effects of transactions, events, and other circumstances that change those resources and claims, the Conceptual Framework refers to this information as information about economic phenomena; financial reports also include explanatory material regarding management's expectations and strategies for the reporting entity, along with other types of forward-looking information.

Key Qualitative Characteristics of Accounting Information

1. Relevance

Information is considered relevant if it enables users to form expectations regarding the outcomes of past, present, or future events (Imad Ghafoori Abboud Al-Najjar, 2010, pp. 31–32) [10]. As a general rule, information is deemed relevant if it alters the level of certainty regarding the decision under consideration; it is not strictly necessary for the new information to result in a change to the decision itself. In other words, information is relevant to the decision-maker if it makes a difference in their ability to predict events or to confirm and correct prior expectations (Belkaoui, Ahmed Riahi, *Accounting Theory*, 4th Ed., Thomson Learning, London, 2000) [12].

a. Predictive Value or Confirmatory Value

Financial information possesses predictive value if it can be used as an input in processes employed by users to forecast future outcomes. Financial information need not itself be a forecast or a prediction to possess predictive value; rather, users utilize such information to formulate their own forecasts. This concept relates to the relevance of information—specifically, its ability to influence decisions by enhancing the decision-maker's predictive capacity (Barua, A. (2005) [13]. "Using the FASB's Qualitative Characteristics in Earnings Quality Measures." SSRN, p. 7).

b. Feedback Value

Confirming and evaluating prior expectations is a characteristic of relevant information. Accounting information provided in financial reports plays a dual role: it offers predictive value regarding the future and provides feedback on the outcomes of past decisions. Therefore, information is considered relevant if it is provided in a timely manner and enables the user to forecast the future and evaluate the validity of past decisions—essentially, the extent to which a decision-maker can rely on it to adjust their previous expectations. (Nawal Sabaihi, 2011, pp. 76–78).

c. Materiality

The concept of materiality is part of the wisdom of life; fundamentally, it implies that there is no need to concern oneself with matters of no consequence. Human endeavor is already sufficiently exhausting without the added burden of attending to trivialities. Individuals—and professionals in particular—should not squander their time on matters that do not concern them. It is in this context that the concept of materiality found its way into other professions, such as accounting and auditing (Nawal Sabaihi, 2011, pp. 76–78).

2. Reliability

For information to be useful, it must be reliable. Information possesses the quality of reliability if it is free from material error and bias, and if users can rely on it as a faithful representation of what it purports to represent—or what it can reasonably be expected to represent (Amid Muhammad Ma'nad Miroudli, 2007, pp. 72–84).

For information to be reliable, it must possess the following characteristics:

a. Faithful Representation

Financial reports must be useful, meaning they faithfully represent the phenomena they purport to depict. For a representation to be truly faithful, it must possess three characteristics: completeness, neutrality, and freedom from error (Moataz Amin Saeed *et al*., 2013, p. 30) [5].

b. Completeness

To achieve faithful representation, the information in the financial statements must be complete within the bounds of materiality and cost. Any omission of information can render it incorrect or misleading, thereby making it neither faithful nor relevant. (Mahmoud El-Sayed El-Naghi, 2011, pp. 294–301).

c. Neutrality

A neutral description is one that is free from bias in the selection or presentation of financial information. It is not biased, nor does it involve favoritism, over- or under-emphasis, or manipulation intended to increase the likelihood that the financial information will be received by users in a favorable or unfavorable manner. Neutral information does not imply information devoid of purpose or influence on behavior; on the contrary, relevant financial information is, by definition, capable of making a difference in users' decisions. (Jumaa, Ahmed Helmy, 2015, pp. 8–12).

d. Freedom from Error

Faithful representation does not imply accuracy in every respect; rather, "freedom from error" means that there are no errors or omissions in the description of the phenomenon, and that the process used to generate the reported information has been tested and applied without procedural errors. In this context, freedom from error does not equate to perfect accuracy in all aspects.

3. Understandability

This is a qualitative characteristic of the financial information presented in financial statements. It is assumed that users possess a reasonable level of knowledge regarding business, economic activities, and accounting, and that they are willing to study the information with reasonable diligence. In any case, information concerning complex matters should not be excluded from financial statements—provided it is relevant to the needs of economic decision-makers—simply on the grounds that it may be difficult for some users to understand (Awadallah Jaafar Al-Hussein Abu Bakr, 2012, pp. 116–118) [6].

4. Comparability

In its Statement No. 2, the Financial Accounting Standards Board (FASB) clarified that the utility of accounting information is significantly enhanced when it is presented in a manner that enables users to compare one company with others or to compare the results of the same company across multiple years. Consequently, comparability is defined as an accounting characteristic that allows users to identify fundamental similarities or differences in economic phenomena, provided that these aspects are not obscured by the use of inconsistent accounting methods.

4. Practical Aspect

First: The Nature of the Iraq Stock Exchange

Introduction: The stock exchange is a vital pillar of any economic system, given its importance in advancing the national economy and encouraging savings. It plays a key role in developing and regulating the economic sector by providing the necessary capabilities, mechanisms, regulations, and rules that organize and advance Iraqi companies and economic institutions. This is achieved through the adoption and implementation of principles regarding transparency and disclosure, as well as international accounting and auditing standards. Furthermore, it creates investment opportunities for both local and foreign investors, thereby fostering confidence in the national economy and ensuring the protection of the rights of shareholders and other stakeholders. Through these functions, the following primary objectives are realized:

- Provides protection for shareholders.
- Ensures fairness, efficiency, and transparency in transactions.
- Mitigates risks associated with financial transactions.

It is against this backdrop that the Iraq Stock Exchange was established, aiming to contribute to the construction of a robust economy. This section presents a historical overview of the Iraq Stock Exchange, along with an introduction covering its establishment, regulation, and objectives, as well as its achievements and key performance indicators.

Second: Historical Overview

The Baghdad Stock Exchange is the first organized market in Iraq; it was established under Law No. 24 of 1991, pursuant to Revolutionary Command Council Decision No. 268 dated August 6, 1991. The exchange officially opened on March 23, 1992, marking the launch of large-scale securities trading in Iraq, following earlier, modest beginnings managed by the Central Bank of Iraq and the Industrial Bank.

The market continued its limited operations in organizing and overseeing securities trading, with no notable changes or developments occurring in the subsequent periods. It carried out its duties in accordance with the law until March 19, 2003, when operations ceased completely due to the war conditions facing Iraq; the Baghdad Stock Exchange was subsequently dissolved by order of the Civil Administrator.

Third: Study Procedures

1. Verification of the questionnaire's validity and reliability

- Questionnaire validity:
- Expert validation:

The questionnaire was submitted to a group of expert reviewers in the field. An agreement rate of at least 90% among the reviewers was established for each questionnaire item. While the review process resulted in the modification of certain items, the final agreement rate among all reviewers regarding all items reached 100%.

First Dimension: The First Set of Questionnaire Questions

Correlation coefficient with the total score	Correlation coefficient of the dimension with the total score	The term
.456*	.578**	***1***
.456*	.411*	***2***
.495**	.633**	***3***
.616**	.734**	***4***
.621**	.781**	***5***
.402*	.562**	***6***
.373*	.494**	***7***
.653**	.561**	***8***
.373*	.578**	***9***
.478**	.617**	***10***
.371*	.540**	***11***
.402*	.494**	***12***
.843**	.770**	***13***

The results in the table above indicate that the correlation coefficients range from 0.371* to 0.843**; all are significant, suggesting the consistency of the dimension.

Second Dimension: The second set of questions in the survey questionnaire

Correlation coefficient with the total score	Correlation coefficient of the dimension with the total score	The term
.621**	.755**	***14***
.402*	.668**	***15***
.373*	.632**	***16***
.578**	.391*	***17***
.456*	.379*	***18***
.478**	.635**	***19***
.371*	.561**	***20***
.515**	.653**	***21***
.843**	.711**	***22***
.651**	.714**	***23***
.495**	.578**	***24***
.616**	.700**	***25***
.621**	.755**	***26***
.402*	.668**	***27***
.373*	.632**	***28***
.411*	.391*	***29***
.515**	.635**	***30***
.478**	.651**	***31***
.755**	.476**	***32***
.700**	.578**	***33***

The results in the table above indicate that the correlation coefficients range from -0.371* to 0.843**; all are statistically significant, suggesting the consistency of the dimension.

The Third Dimension: The Third Set of Questionnaire Questions

Correlation coefficient with the total score	Correlation coefficient of the dimension with the total score	The term
.394*	.584**	***34***
.495**	.794**	***35***
.625**	.686**	***36***
.394*	.690**	***37***
.615**	.724**	***38***
.578**	.815**	***39***
.607**	.515**	***40***
.625**	.495**	***41***
.497**	.394*	***42***
.578**	.815**	***43***
.578**	.815**	***44***

The results above indicate that the correlation coefficients range from 0.394 to 0.815**, all of which are significant, suggesting consistency within the dimension.

2. Test Reliability: The researcher calculated the test reliability using Cronbach's alpha coefficient:

Cronbach's Alpha Coefficient	Number of Items	Dimension
.609	13	**First**
.752	20	**Second**
.726	11	**Third**
.805	44	**The questionnaire as a whole**

The table above shows the test using the Cronbach's alpha coefficient.
The preceding table shows that the reliability coefficients range from 0.609 to 0.805; these are high coefficients, indicating that the questionnaire possesses a good level of reliability.

- **Description of the primary research sample:**

Percentage	Number	Company
4.8	15	**Audit firm**
24.1	75	**Listed company**
71.1	221	**Shareholders**
100.0	311	**The sample as a whole**

The table above shows the primary sample.

Table for determining the direction of the item based on the mean score for each item:
The four intervals between the five alternatives were determined and divided by 5 (the number of alternatives), resulting in an interval of 4/5—meaning the range of each category is 0.8. Subsequently, the direction of each statement was determined as follows:

5-4.3	***4.2-3.5***	***3.4-2.7***	***2.6-1.9***	***1.8-1***	**The Mediterranean**
Strongly agree	Agreed	neutral	Disagree	Strongly disagree	**The Trend**

The table above shows the mean for each item.

3. Hypothesis Testing:

- **There is a positive correlation between continuous auditing regarding the timeliness of financial information and decision-making capability.**

Decision-making ability	Statistics	Field
.835**	Pearson correlation coefficient	The right timing
.01	Level of significance	
311	Sample size	

The table above shows the positive correlation between continuous auditing and the attribute of timeliness.
To test the validity of the hypothesis, the researcher employed Pearson's simple linear correlation coefficient formula to analyze the relationship between the research sample members' scores on the "appropriate timing" dimension and their total scores on the questionnaire. The results confirmed the research hypothesis, indicating a statistically significant positive correlation between the sample members' scores on the "appropriate timing" dimension and the total questionnaire score; this suggests a significant association between the continuous monitoring of appropriate timing and decision-making ability.

- **There is a positive correlation between continuous auditing regarding the predictive attribute, the credibility of such financial information, and the ability to make decisions.**

Decision-making ability	Statistics	Field
.876**	Pearson correlation coefficient	Forecasting
.01	Level of significance	
311	Sample size	

The table above shows the positive correlation between continuous auditing and predictive functionality.
To test the validity of the hypothesis, the researcher employed Pearson's simple linear correlation coefficient formula to analyze the relationship between the research sample members' scores on the "prediction" dimension and their total scores on the questionnaire. The results confirm the research hypothesis, indicating a statistically significant positive correlation between the sample members' scores on the "prediction" dimension and the total questionnaire score; this suggests a significant link between the continuous monitoring of the predictive attribute and the reliability of decision-making capabilities.

- **There is a positive correlation between continuous auditing—specifically regarding the verifiability of financial information and its comparability—and decision-making capability.**

Decision-making ability	Statistics	Field
.353**	Pearson correlation coefficient	Verification
.01	Level of significance	
311	Sample size	

The table above shows the positive correlation between continuous auditing and the information verification and comparison attribute.

To test the validity of the hypothesis, the researcher employed Pearson's simple linear correlation coefficient formula to analyze the relationship between the research sample members' scores on the "verification" (or validation) dimension and their total scores on the questionnaire. The results confirmed the research hypothesis, indicating a statistically significant positive correlation between the sample members' scores on the verification dimension and the total questionnaire score; this suggests a significant link between the continuous monitoring of the verification attribute and decision-making capability.

5. Results

In addition to the findings of the field study, the following results emerged from the research:

1. The use of continuous auditing helps companies gain a competitive advantage by providing relevant, reliable, and timely information that enables decision-makers to reach sound, appropriate decisions at the lowest cost and in the shortest possible time.
2. The study identified differences between continuous auditing and traditional financial statement auditing regarding the scope of the engagement, the timing of the audit report, audit procedures, and audit evidence.
3. The use of continuous auditing fosters confidence and provides ongoing assurance regarding the information disclosed by the company in its traditional financial reports.
4. The use of continuous auditing has a highly positive impact on the relevance and neutrality of information, provided the auditor possesses the necessary academic and practical competence and skills, as well as knowledge of electronic processing fundamentals.
5. There is an urgent need to implement continuous auditing in the modern business environment, driven by advancements in information technology and the adoption of the Internet and electronic data exchange, even by the smallest businesses.
6. Continuous auditing and assurance services enhance the auditor's ability to detect manipulation, fraud, and unusual transactions or events. This is achieved through the continuous monitoring of all processes related to the audit scope, comparing actual characteristics against expected ones, and highlighting any material discrepancies.

6. Recommendations

In light of the findings from the theoretical and field studies, the following recommendations are presented:

1. It is essential for the managements of joint-stock companies listed on the Iraq Stock Exchange to implement a continuous auditing system. This would assist them in understanding the electronic operating environment and provide timely assurances regarding control systems and business risks within that environment, thereby enabling them to address all future developments.
2. It is essential for companies involved in various operations—particularly banks and securities trading firms—to expand their use of automated systems and electronic processes. These methods offer numerous advantages, such as the ability to broaden the customer base and provide a wider range of services cost-effectively and efficiently. This fosters competitiveness against other firms, boosts profitability, and enhances customer satisfaction.
3. It is essential to support and activate continuous auditing activities carried out by the company's internal audit (or internal control) departments, while granting them appropriate independence to implement a continuous internal audit system. Internal audit functions are better positioned to understand the company's operations—being an integral part of its organizational structure—and this understanding will ultimately enhance the quality of continuous auditing.
4. The external auditor must possess a high level of professional and technical competence, enabling them to provide a high-quality assessment of the competence and impartiality of the internal auditor and the internal control system as a whole, as well as the extent to which the internal auditor enjoys relative independence within the company.

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