

THE IMPLICATIONS OF AUDITING OUTSOURCING ON THE SUSTAINABILITY OF AUDIT SERVICES

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Abstract

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The overarching goal of this study is to clarify what is meant by the term “accounting outsourcing” and to identify the various accounting and auditing tasks that might be delegated to external auditors. Accounting auditors do more than just explain the benefits and drawbacks of outsourcing accounting and auditing services and other services. However, they also detail the specific outsourcing services that auditors provide in Iraq, and make suggestions for improving the efficiency and longevity of such services. The researchers used a questionnaire to collect data from businesses and auditors’ offices in Baghdad, and the descriptive analytical method to the hypotheses. The local environment study based on the contribution of Adams (2018) reveals that the bulk of the auditor’s work consists of economic feasibility studies and services closely related to audits, such as internal control and fraud audits. Accounting and internal audits are two of the lowest-priority services. Subcontracting is the least prevalent form of support while enlisting the help of internal authorities to complete the work or providing only partial support is the most common.

Keywords: Corporate Governance, Consulting Services, Organizational Behavior, Cloud Computing

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1. INTRODUCTION

During the 1980s and 1990s, the competitive forces of the accounting profession led many practitioners to characterize auditing services as low-profit services. However, in this environment, accounting firms began to increasingly turn to consulting services as a source of increased profits. The concept of efficiency seemed to obtain attention and focus from economic units and service practitioners, given the development and growth of human knowledge and the civilizational and technological level witnessed by the world, which cast

a shadow on many fields, and led to the development and growth of fields of specialization and even fields of specific specialization in professions and businesses to the point where it became. It is impossible for managers and staff to surround and master all of them. Consequently, the units will need to obtain administrative, accounting, and consulting services in a specific area or specialization from time to time. However, hiring a qualified person inside the unit to perform these tasks may cost the unit more than the benefits that it might achieve, and therefore, the process of seeking help from external specialists will be more effective and more

beneficial to them, which led to the economic units reconsidering many jobs and the possibility of assigning them to competent external parties with high efficiency, however, these units have found tangible benefits by improving the level of services and reducing capital expenditures. As a result of the increasing interest in the subject of outsourcing services to various parties in different environments, the researchers' interest in this subject appeared in order to identify the types of these services in the local environment and what are the benefits and risks faced by the offices that perform these services.

The wonderful growth that global markets have reached, such as the expansion of international and multinational corporations, and industrial, commercial, and service units, each of which operates in one element of economic activities, is a prime example of this. It resulted in the demand for competencies and staff that is capable of doing a variety of jobs, such as accounting, auditing, or administrative tasks. The presence of all necessary personnel within the unit itself has a negative impact on the organization, either in the form of a high cost that these units might have to bear, a dearth of relevant resources, or a reduction in the effectiveness of the organization as a whole. This requires them to seek the assistance of qualified persons from outside to obtain these services in order to meet their needs, and therefore, it can be said that the research problem is summed up by the poor quality of the performance of many accounting and auditing services (such as organizing accounts, accounting, tax and administrative consulting, internal auditing, cloud auditing) in some economic units as a result of a lack of appropriate expertise.

We will talk about a few studies that are pertinent to the topic that this research is focusing on. The research conducted by Al-Jafri (2010) in the Kingdom of Saudi Arabia focused on the disclosure of the justifications and the reasons that prompted the auditing offices to expand the range of their professional services to include financial, administrative, economic and technical consulting, legal and credit services, and other services in addition to accounting services. The research was conducted on auditing offices in the Kingdom of Saudi Arabia. Despite the fact that the criteria for choosing the most suitable contractor in terms of economic units for the delivery of services were investigated, the benefits of outsourcing by decreasing expenses through the utilization of the strategic external supply method were centered. Ezzamel, Gwilliam, and Holland (2002) looked at the organizational forms of providing accounting services through activities of subcontracting and outsourcing. A study by Subramaniam, Ng, and Carey (2004) focused on outsourcing the performance of internal auditing services as one of the services that could be provided by auditors.

This paper is structured as follows. The first section is an introduction, which discusses the research problem and the goals of the study. The literature review, in Section 2, summarizes previous studies and identifies the gap in knowledge. The research methodology that outlines the process by which the results will be analyzed is

presented in Section 3. The results are presented in Section 4. Section 5 discusses the findings, while Section 6 concludes the paper.

2. LITERATURE REVIEW

The term "outsourcing" came as a concept from American economic life, as it represents a combination of two words — "outside" and "resource" — as they were used in one made-up word as a type of acronym, which means external sources (Gierl, Potkany, & Gejdos, 2015). This term is related to several other administrative concepts, so its translation into Arabic has taken a number of terms, such as outsourcing activities, graduating activities, supplying activities, contracting from abroad, and assigning tasks (Sumaya, 2012).

Kimmel emphasized that the beginning of the use of the concept of outsourcing activities was in manufacturing companies where many economic units assigned their supply chain activities to external sources, and because of the tremendous development in communication systems and technology, the concept of outsourcing was expanded to include after that many jobs and complex activities such as human resources and financial and accounting information systems (as cited in Halmeenmaki, 2015).

Byamukama (2014) referred to the concept of outsourcing as contracting with an external party to provide services that could be performed from within the economic unit. Accounting outsourcing is one of the most important outsourcing trends, which means transferring the job of the accounting profession to another party. Where it has been used in many companies around the world of various sizes (small, medium, and large). In other words, using a third party as a specialized external source to provide (accounting services) instead of performing them internally.

As for outsourcing advantages, it would convert part of the fixed costs into variable costs, and outsourcing can increase customer satisfaction, especially when obtaining the product at a lower cost and with high quality as a result of using advanced technological tools, so the advantages of outsourcing are as follows (Seetharaman, Moorthy, & Saravanan, 2008; Salman, Mohammed, & Flayyih, 2021):

1. Reducing costs: The unit can encourage production efficiency and eliminate excessive service production at the lowest possible cost; avoid several elements of costs and rewards associated with employee recruitment and training as well as avoid permanent recruitment costs and retirement costs, etc. (Spekle, van Elten, & Kruis, 2007).

2. Improving the quality of service as a result of the accumulated knowledge achieved from external sources, especially in light of the scarcity of competent staff.

3. The establishment of a specialized department to perform these services in the economic unit requires a great effort in the selection, employment, training, and continuous support, however, the desired outcome may not be achieved, and the alternative is to seek to improve the service by testing the source of external performance (Figg, 2000, p. 250).

4. Ensuring the availability of neutrality: One of the studies indicated that the desire to obtain neutrality in some services, such as internal auditing, is one of the important motives in

resorting to the source of external performance in order to achieve the appropriate neutrality and efficiency (Al-Abedi, Hasen, Mohaisen, & Flayyih, 2022).

5. Providing the unit administration with accurate and reliable accounting data in the planning and decision-making processes.

6. Save time and make the administration focus on the basic activities in developing the unit instead of going into support matters and not within the speciality of administration.

7. Obtaining technical talent and new technologies is one of the main drivers for outsourcing a contractor that is not available within the economic unit (Kumar & Eickhoff, 2005). The economic unit can also benefit from emerging technology that is expensive or impossible to manufacture internally (Ali & Flayyih, 2021).

8. Reducing the spread of risk: Markets, competition, government regulations, financial conditions, and technology change very quickly, and keeping pace with these changes is risky especially when it requires a large investment, therefore, by supplying activities from an external supplier the economic unit can spread the risk of investment through a number of suppliers (Kremic, Tukel, & Rom, 2006).

9. Gaining flexibility: By supplying activities from an external supplier, economic units can increase flexibility through the ability to adapt to changes in customer demands in the short term and the ability to adapt to the changing business environment in the long term (Quélin & Duhamel, 2003).

As for the risks of outsourcing, they were classified as follows (Maseer & Flayyih, 2021):

- *Strategic risks*: Including the fear of conflict with the strategic objectives of the economic unit, and the lack of implementation of appropriate control over the process of supplying the service by the external supplier.

- *General risks*: Including the fear of obtaining bad service that differs from what is declared and contracted for.

- *Compliance risks*: Including non-compliance with privacy and confidentiality laws.

- *Operational risks*: Including technological failure, fraud, and error.

- *Exit strategy risks*: Including over-reliance on one resource, and loss of related skills in the unit, resulting in a lack of opportunity for internal production.

- *Implementation risks*: These are risks that the external supplier will not be able to perform the work or complete the service in a timely manner.

2.1. Types of outsourcing services

Several researchers believe that the classification of accounting outsourcing services should be based on a standard that matches the customer's need according to which the services can be classified as follows (Liakhovych, 2017):

1. *Direct services*: Actual accounting outsourcing.
2. *Indirect services*: Consulting services, selecting a set of required accounting documents, and making adjustments and additions to them.

3. *Additional services*: Services for preparing and submitting financial statements and other

documents to the relevant authorities, training client employees, and publishing special literature for accountants.

However, there are those who classify them according to the size of the service outsourcing (Mohammed, Al-Abedi, Flayyih, & Mohaisen, 2021). Total or comprehensive outsourcing and partial outsourcing can be categorized according to the number of operators, i.e., services that are assigned to a single external contractor or multi-source outsourcing. However, it can also be classified into outsourcing within the country and outsourcing outside the country. The researchers believe that the types of outsourcing performed by the auditor can be classified according to the type of service. The American Institute of Certified Public Accountants (AICPA) has defined consultancy services as professional consulting essentially aimed at improving the efficiency and effectiveness of a customer's use of the energies and resources available in order to achieve organizational goals. However, the auditor can provide consultations in many areas, including administrative, tax, and others. The International Auditing and Assurance Standards Board (IAASB) has defined consultancy services as services that are different from the assurance services that have imposed themselves on external auditors, as they coexist with the unit and learn about its problems and goals, therefore, through this coexistence they gain extensive experience and knowledge about the economic unit (Alzabari, Talab, & Flayyih, 2019).

These services relate to the following types: advising the administration and counseling it on analyzing, planning, organizing, implementing, or controlling the various functions of the organization (Khdier Abass, Flayyih, Salih, & Rahman, 2020).

2.2. Characteristics of administrative and consulting services

These services are provided at the request of the administration and its demand, as the administration aims to obtain these services to bring about change at the unit level. These services must be provided by qualified and scientifically and practically qualified individuals. The auditor must provide these services in light of his independence from the unit so that he/she avoids all circumstances and conditions that may affect his/her independence, impartiality, and objectivity in order to be able to judge things correctly and without bias. The auditor, when providing administrative and consulting services, must maintain the confidentiality of the customer's information in order for the unit to be able to maintain its competitive position. The economic units' access to administrative and advisory services through the auditor should only be based on advice, meaning that these services are services on the basis of suggestion and advice, and therefore, these services must be free of any element of decision-making (Qarit, 2008).

Consultancy delivery is based on a set of general standards established by the AICPA (Talab, Hasan, Flayyih, & Hussein, 2017):

Professional ability or qualification: The service must be provided by a practitioner who has the ability and knowledge of methods or the analytical

approach. Carry out the necessary professional care. Adequate and appropriate supervision and planning. The task must be appropriately planned, also the supervisors should be adequately supervised.

Adequacy of appropriate data: The auditor should collect a sufficient amount of appropriate data on his/her mission in a manner that provides him/her with an appropriate basis for preparing the report.

Predictions: The auditor should not allow his/her name to be associated with any forecasts for future operations or deals, in a manner that suggests or calls to believe that he certifies their validity or reliability (Qarit, 2008).

2.3. Organizing accounts

Clients utilize auditing companies for the purpose of organizing and maintaining accounting books, according to IAASB, in order to benefit from the experiences of these companies in the process of collecting, classifying, and summarizing financial information. AICPA defined those compilation engagement services as an integrated method of providing a service, and its aim is to assist administrators in providing financial information, without undertaking to obtain or provide a guarantee that there are no substantial adjustments to the financial statements, provided that the lists are prepared in a manner consistent with the applicable financial reporting framework (Frazer, 2016). And that providing this type of services does not provide a guarantee that the financial statements are free from core errors, and the reason for providing this type of services is due to a lack of staffs or lack of experience in preparing financial statements or to increase the level of confidence for the customer in front of the agencies that he deals with, such as banks. However, the person who prepares the financial statements must have some characteristics such as a degree of knowledge of accounting principles and practices in the activity in which the customer operates. He/she must have knowledge of the customer, the nature of the financial operations of the business, accounting books, employees, foundations, style, and content of the financial statements, and the required knowledge is less than the size of the examination (Murad, 2020). He/she must determine if the information available to the customer is satisfactory. The customer's employees may be used to obtain the required information (Dahiyat, 2022).

2.4. Internal auditing

The auditing companies provide internal auditing services, in accordance with international standards for the professional practice of internal auditing, however, the tasks that internal auditing performs, are assurance services and consulting services. The assurance services include an objective assessment of evidence by the internal auditor in order to provide opinions or conclusions regarding an entity, process, job, path, system, or other topics. The nature and range of the assurance task are determined by the internal auditor.

In general, three parties participate in the confirmation services: 1) the person or group that is in direct relationship to the process or subjects

(the owner); 2) the person or group that conducts this evaluation, i.e., the internal auditor; 3) the person or group that uses this evaluation (i.e., the user). As for the consulting services, they are indicative services and are implemented in general based on a specific request from the customer. The nature and extent of the consulting missions are subject to agreement with the customer and these services generally include two parties: 1) the person or group providing advice, i.e., the internal auditor; 2) the person or group that is seeking and receiving advice (the customer). However, the internal auditor should maintain objectivity and not undertake any administrative responsibility when implementing consulting services (Flayyih & Flayyih, 2019). Stressed the existence of markets for this type of services provided by auditing companies, and it constitutes 25% of the total services provided in the United States (Rahman, Flayyih, & Salih, 2021). In Canada, it constitutes 31.5%, this encouraged the auditing firms to re-structure through the provision of such services because they provide amounts of money.

Internal outsourcing (supplementation): Provides assistance to the internal auditing department for important matters within a specified time period, meaning that an internal auditing department is required for the beneficiary of the service.

Management of internal auditing and consultation (management consultation): It is continuous during the engagement period and the provision of consultations, and it is not necessary to have an internal auditing department for the beneficiary of the service.

Internal auditing of all auditing functions: This type is used in small and medium companies (Martin & Lavin, 2000).

2.5. Cloud auditing

Some customers in the countries of the world rely on external sources to provide information technology services, or what is known as "cloud computing", which is considered as network services that provide appropriate and guaranteed work platforms upon request that can be accessed and used upon request (Hussein, Kammoun, & Hasan, 2021). While the Central Bank of Iraq specified in the Manual on Governance and Corporate Governance Controls that cloud computing is a service and information transfer model to enable on-demand network access to a common set of configurable computing resources (Vallabhaneni, 2008).

However, the decision to outsource depends on the cost-benefit approach for the customer or IT companies. For example, when preparing salaries, the auditor has difficulty understanding the internal control of the customer because the control methods are available at the service center. In addition to that, the auditing standards require understanding and examining internal control in those centers in the event that the applications taken include processing important financial data (Arens, Elder, & Beasley, 2013). ISACA issued the Information Technology Assurance Framework (ITAF) as a comprehensive program or model that provides mandatory and guiding principles to

companies that provide IT auditing services, a general roadmap to which they are bound by relying on the COBIT 5 framework that includes governance that affects cloud computing, and a contractual commitment between service providers. And the customer, issues related to the regulation and privacy of cloud computing, and other points that may affect cloud auditing (Al-Tae, 2021b). The designed program does not provide a guarantee of adequate internal control for service providers unless all compliance capabilities are covered in COBIT 5. However, the applications and procedures in the program do not provide a full guarantee for a specific auditing process (Oliver & Lainhart, 2012).

3. RESEARCH METHODOLOGY

The objective of this study is to gain an understanding of the concept of outsourced accounting, as well as the various forms of accounting and auditing services that can be carried out by auditors' offices thanks to outsourcing. Explain the benefits and potential drawbacks of outsourcing accounting, auditing, and other services to professional auditors who specialize in these areas. Having an awareness of the various forms of outsourcing services carried out by auditors in Iraq. Putting forward suggestions to improve the quality of performance of these services. As a result of its role in enhancing the value of the economic unit with its high-quality services, flexibility, and high experience, the significance of accounting outsourcing has grown tremendously quickly during the nineties. This is due to the fact that the request for services from external parties is aimed at obtaining these services in order to solve an existing problem that has eluded the unit in its attempts to find a solution to it or to consolidate its position, develop itself, and enhance its competitive position. However, these services play a significant part in rationalizing the decision-making process by providing correct and objective diagnostics of the challenges and roadblocks that are present within the unit. This is

accomplished through a series of steps. In addition to this, the performance of services through outsourcing would transfer the experience of the contractor and utilize it to find solutions to the issues that are being faced by the unit.

According to the findings of this study, the performance of accounting organization services, accounting, tax and administrative consulting, internal auditing, and cloud auditing by external organizations can improve the service and ensure that its quality is maintained inside economic units.

The researchers used the descriptive analytical methodology in order to put the study hypotheses to the test, and they did so by utilizing the following methods:

1. A questionnaire was used to gather data from the auditors' offices in order to obtain preliminary data on the practical side of the research. The purpose of this was to achieve the goal of obtaining preliminary data.

2. Obtaining secondary data on the theoretical aspect of developing a general picture of the most recent developments that have occurred and continue to occur in the research fields by reviewing books, periodicals, theses, special publications, or related publications that are relevant to the topic under discussion and reviewing related publications.

4. RESULTS

4.1. Description of the study sample

According to the publication that was released by the Iraqi Association of Certified Public Accountants for the year 2019, the study sample consisted of seven different certified auditing companies. The number of employees who are qualified to perform the profession of auditing and controlling reached 59, and the number of responses reached 53, and those 53 people make up 90% of the total workforce. The sample description is included in Table 1.

Table 1. The description of the sample (Part 1)

Ratio	Frequencies	Statement	Paragraphs
25.4%	14	25-35	Age
34%	18	36-46	
39.6%	21	More than 46	
100%	53	Total	
7.5%	4	Less than 5 years	Years of experience
15.1%	8	10-5	
35.8%	19	11-16	
41.5%	22	More than 16	
100%	53	Total	Specialization
94.3%	50	Accounting	
5.7%	3	Management	
100%	53	Total	Professional and legal rehabilitation
37.7%	20	Certified public accountant	
39.6%	21	Auditor	
11.3%	6	M.A.	
11.3%	6	Ph.D.	
100%	53	Total	

Table 1. The description of the sample (Part 2)

Ratio	Frequencies	Statement	Paragraphs
73.6%	39	Less than 10	The number of employees in the auditing office
17%	9	Less than 20	
7.5%	4	Less than 30	
1.9%	1	Less than 40	
100%	53	Total	
20.8%	11	Less than 5	Number of years of practice auditing activity by the auditing office
24.5%	13	Less than 10	
24.5%	13	Less than 15	
30.2%	16	More than 15	
100%	53	Total	
32.1%	17	There is a relationship	The relationship of the office with Arab and international offices
67.9%	36	There is no relationship	
100%	53	Total	

It is noted from the above table that the number of years of experience is 16 years and more, which constituted the highest rate of 41.5%, while the lowest percentage is less than 5 years, which amounted to 7.5%. However, the specialization reached the highest percentage of the accounting specialization which reached 94.4%, and the lowest percentage of management 5.7%, and this is due to the nature of the activity of the auditing firms that are based and depend mainly on the majority of workers in the accounting specialization. While professional and legal qualification notes from the table that the proportion of the auditor is 39.6% and the chartered professional accountant is 38%, and that is due to the nature and quality of the work that requires the presence of these qualifications. And because our companies are distinguished by their smallness, they formed the highest proportion of the number of employees less than 10 employees, which amounted to 73.6%, while the lowest percentage was less than 40 employees, which

amounted to 1.9%. As for the number of years of auditing office practice, the highest percentage reached more than 15 years. The lowest percentage of offices that have had auditing practice for less than 5 years reached 20.8%. As for the relationship with the Arab and international companies or offices auditing, it is clear from the table that there is no relationship that constituted 67.9%, and the ratio complement represents the local auditing companies that exchange relations in the field of the profession with Arab and international companies.

4.2. Attitudes of respondents to the questionnaire axes

Table 2 shows the response directions of the sample individuals to the axes of the first question (regarding the types of services provided by the auditing companies).

Table 2. Types of services provided by auditing companies

Q1	Which of the following services is performed by your office, in addition to the auditing services?	Arithmetic mean	Standard deviation	Answer ratios
1	Organizing accounts	2.0566	0.79458	68.55%
2	The administrative consulting services	2.1509	0.69049	71.70%
3	Tax services	2.2075	0.66096	73.58%
4	Accounting consulting related to designing accounting systems	2.1132	0.72484	70.44%
5	Services related to internal control checks	2.3208	0.72784	77.36%
6	Services related to organizing economic feasibility studies	2.4528	0.66697	81.76%
7	Cloud computing services	1.5660	0.72083	52.20%
8	Auditing services to detect fraud	2.3019	0.66751	76.73%
9	Internal auditing services	1.46	0.7730	48.6%
10	Other specialized technical services	2.2264	0.72434	74.21%

The table above shows that the total arithmetic means for the first question was 2.09, while the standard deviation is 0.41878. It constituted 69.87% and this indicates that there is some agreement between the members of the sample regarding the types of services provided by auditing companies and there is a homogeneity in the answers. As for sub-questions and the arrangement of those services, the services for economic feasibility studies formed the agreement rate of 81.76% among the sample members at arithmetic mean reached 2.4528, and the internal control inspection services ranked second with a percentage of 77.36% at the mean of 2.3208, i.e., some agreement between the members of the sample and homogeneity in the answers when the standard deviation was 0.72083. However, the third rank, with a percentage of 76.73, reached the auditing services provided by companies to detect fraud at

the arithmetic mean of 2.3019, while the other technical services provided by companies ranked fourth with a percentage of 74.21% at the arithmetic mean of 2.2264, which indicates some agreement. As for the fifth rank, the tax services were at a rate of 73.58% at the arithmetic mean of 2.2075, and it indicates an agreement between the members of the sample to some extent. The administrative services provided by the companies accounted for sixth place with a rate of 71.70%, and it was followed by the seventh position for consulting in the design of accounting systems by 70%. And the eighth rank was for accounts organizing services with a rate of 68.55 at the arithmetic mean of 2.0566. This indicates an agreement among the members of the sample to some extent and homogeneity in the answers, indicating a standard deviation of 0.69049. And computing services were ranked ninth with a percentage of 52.20% and the lack of

agreement among the sample members at the arithmetic mean of 1.5660 and the homogeneity in the answers indicating the standard deviation of 0.72083. As for the last rank, which was the internal auditing services where the arithmetic mean reached

1.46, which indicates the lack of agreement among the sample members, and the percentage formed 48.6% while the standard deviation is 0.7730. This indicates homogeneity in responses to disagreement.

Table 3. The assignment of jobs to external or internal parties

Q1	To what extent do you agree to assign any of the following jobs to the external auditor or any specialized technical external party?	Arithmetic mean	Standard deviation	Answer ratios
1	Organizing accounts	1.9623	0.83118	65.41%
2	Administrative consulting services	2.5472	0.57399	84.91%
3	Tax services	2.3774	0.65710	79.25%
4	Accounting consulting related to systems design	2.6604	0.47811	88.68%
5	Internal auditing services	2.79245	0.409432	93.08%
6	Services related to organizing the economic feasibility study	2.6038	0.59935	86.79%
7	Cloud computing services	2.1509	0.66205	71.70%
8	Fraud detection services	2.7925	0.40943	93.08%
9	Internal audit services	2.130	0.6300	71.00%
10	Other specialized technical services	2.3585	0.62309	78.62%

It is clear from the above table that the total arithmetic mean for the second question is 2.440 with a standard deviation of 0.33398. With a percentage of 81.33%, this indicates that there is a certain agreement between the members of the sample regarding the provision of jobs by the external auditor or specialized technical bodies in addition to the homogeneity in the answers. As for the sub-questions, the opinions of the sample indicate that the assignment of internal control examination and auditing services to detect fraud to the external auditor or specialized technical bodies comes first and indicates a complete agreement for the sample individuals either as for the standard deviation of 0.409432 at a rate of 93%. And for the assignment of the accounting consulting function related to the design of the systems to the auditor or an external party, where there is a complete agreement by the members of the sample and indicates that the arithmetic mean is 2.6604 with a standard deviation of 0.47811 and with a percentage of 88.68%. As for assigning the functions of the feasibility study to the external auditor or a professional body, the percentage reached 86.79%, and there is complete agreement among the sample members at the arithmetic mean of 2.6038, and there is a homogeneity in the answers

with a standard deviation of 0.59935. As for the provision of consulting services, it obtained a complete agreement through the arithmetic mean of 2.5472, and homogeneity in the answers when the standard deviation is 0.57399, with a percentage of 84.91%, and for the jobs related to tax services. There is an agreement to some extent by the members of the sample at the arithmetic mean of 2.3774, with a rate of 79.25%. As for specialized technical services, there is an agreement between the individuals of the sample at an arithmetic mean of 2.3585 and homogeneity in the answers to a standard deviation of 0.62309 at a rate of 78.62%. As for cloud computing, which can be performed by the auditor or a specialized professional body, there is some agreement between the sample members at the arithmetic mean of 2.1509 and the homogeneity in the answers when the standard deviation is 0.66205. It accounted for 71.70%, followed by internal auditing services at 71%. Finally, with regards to organizing accounts, it can be implemented by the auditor or a professional authority with an agreement to some extent by the sample members at the mean of 1.9623 and the homogeneity in the answers when the standard deviation is 0.83118.

Table 4. Appropriate forms of outsourcing

Q3	If any of the previous jobs are outsourced to a third party, which one of the following outsourcing alternatives do you find the most appropriate alternatives in our environment?	Arithmetic mean	Standard deviation	Answer ratios
1	Fully outsourced to a third party	2.0566	0.66260	68.55%
2	Partial outsourcing from an external entity	2.2830	0.66151	76.10%
3	Participation between the external party and the economic unit in its performance	2.3019	0.69573	76.73%
4	One-time outsourcing as a result of an exceptional circumstance	2.2453	0.61724	74.84%
5	Subcontracting for its performance	1.5472	0.72234	51.57%

It is clear from Table 4 that the participation process between the external party and the economic unit in performance constituted the highest rate of 76.73% at the arithmetic mean of 2.3019 which indicates a complete agreement between the members of the sample at a standard deviation of 0.69573 and a homogeneity in their answers. It is followed by outsourcing partially to external parties with an agreement rate of 76.10% at an arithmetic mean of 2.2830 which indicates some agreement between members of the sample

and a standard deviation of 0.66151. While, in the case of one-time outsourcing as a result of an exceptional circumstance, the percentage of the agreement was 76.84% at the arithmetic mean of 2.2453, which indicates a certain agreement between the members of the sample and homogeneity in the answers when a standard deviation is 0.61724. As for fully outsourced to a third party, the percentage of the agreement reached 68.55% at the arithmetic mean of 2.0566, i.e., there is an agreement to some extent between the members

of the sample. In the last rank, the form of the assignment of the previous jobs came through the subcontracting with an agreement rate of 51.57%

at the arithmetic mean of 1.5472, which indicates the sample members disagree with the approval of the subcontracting.

Table 5. The advantages of outsourcing jobs to third parties

Q4	How much do you agree with the following advantages of outsourcing?	Arithmetic mean	Standard deviation	Answer ratios
1	Provides flexibility in the use of resources	2.1698	0.69989	72.33%
2	Reducing fixed costs	2.0943	0.74069	69.81%
3	Providing service with high quality	2.3774	0.68575	79.25%
4	More suitable for small and medium enterprises	2.1698	0.69989	72.33%
5	Promotes the competitive position of economic unity	2.1887	0.68097	72.96%
6	Contributes to providing the most advanced services	2.3019	0.72284	76.73%
7	Avoid filing lawsuits against the economic unit	2.0377	0.80771	67.92%

In Table 5, regarding the fourth question and the advantages envisaged in the case of outsourcing the previous jobs to external parties, there is an agreement rate of 73.05% at the arithmetic mean of 2.1914, which indicates a certain agreement between the members of the sample. The standard deviation of 0.52410 indicates a homogeneity in the answers, which leads to the possibility of accepting the research hypothesis, and this enhances the arrangement of these advantages according to their importance. There is an agreement rate of 79.25% at an arithmetic mean of 2.3774 on "Providing service with high quality" followed by "Contributes to providing the most advanced

services" with an agreement rate between sample individuals at 76.73%, the arithmetic mean of 2.3019. "Provides flexibility in the use of resources", "More suitable for small and medium enterprises", and "Promotes the competitive position of economic unity" achieved close agreement ratios of 72%, the highest of which was the "Promotes the competitive position of economic unity", whereas "Reducing fixed costs" formed an agreement ratio of 69.8% at the arithmetic mean of 2.0943. And last came the assignment that previous jobs to external parties avoid filing a lawsuit against the economic unit by 67.92% at the average of 2.0377, which indicates an agreement to some extent.

Table 6. The risks of the outsourcing

Q5	To what extent do you agree that outsourcing leads to the following risks?	Arithmetic mean	Standard deviation	Answer ratios
1	It leads to higher costs in the long-term	2.2075	0.66096	73.58%
2	Leads to a lack of attention to quality	1.7925	0.74314	59.75%
3	Leads to the influence of the independence of the external auditor	1.9811	0.79640	66.04%
4	The auditor is close to the decision-making position	2.0755	0.78076	69.18%
5	Leads to a conflict of interest when performing the auditing process	2.0000	0.73380	66.67%
6	The absence of development opportunities for the internal staff	1.9811	0.74655	66.04%
7	Violation of customer privacy	1.8679	0.73479	62.26%

It is clear from Table 6, that the highest risk is "It leads to higher costs in the long-term" with an agreement rate in the answer among the sample members of 73.58% at the arithmetic mean of 1.7925, which indicates a certain agreement between the sample members and a standard deviation of 0.74314 that follows to "The auditor is close to the decision-making position" with an agreement percentage in the responses of 66.67% at the arithmetic mean of 2.0755, which indicates a certain agreement and homogeneity in the answers of the sample members when a standard deviation of 0.78076. while "Lead to a conflict of interest when performing the auditing process" obtained agreement rates of 66.67% and some agreement among the sample members. The risks "Leads to influence the independence of the external auditor" and "The absence of development opportunities for the internal staff" obtained agreement percentages in the answers of 66.04% and an agreement to some extent between the sample members at the arithmetic mean of 1.9811. As for "Violation of customer privacy", the percentage of agreement between the responses of the sample members was 62.261 at the arithmetic mean of 1.8679; it indicates some agreement between the members of the sample and the homogeneity of the answers at the arithmetic mean of 0.73479. As for assigning services to external parties that leads to the risk of

not paying attention to the level of quality, we obtained a percentage of agreement between the sample members of 59.75% at the arithmetic mean of 1.7925, which indicates an agreement to some extent between the members of the sample.

5. DISCUSSION

Participation with internal agencies in the performance of tasks or partial assignments is the type of attribution that occurs the most frequently, whilst subcontracting occurs the least frequently. The attribution of services to external parties results in the delivery of high-quality services that are also performed in a contemporary manner. These fundamental benefits come on top of the fact that the competitive position of auditing businesses is improved as a result. One of the dangers that comes along with outsourcing services is that it can lead to an increase in costs in the long term. Additionally, it can bring the auditor closer to the position of decision-making, which can compromise their independence. The development of auditors' ability to perform a variety of services necessitates the establishment of a program to monitor the quality of their professional performance. Such a program would keep a high level of professional performance, which is essential from both a legal and a social perspective.

6. CONCLUSION

The assignment of jobs to external entities is not a recent phenomenon, but there has been an expansion in the services that the auditor can perform because of effective demand for it and the continued need of customers to provide such services that led to refocusing this phenomenon again at the present time. It is clear from the analysis of the local environment that most of the services that the auditor performs are economic feasibility studies and services that are closely related to auditing services, such as checking internal control and auditing to discover fraud, then administrative and tax consulting services. As for the least services, they are related to organizing accounts and internal auditing. The most common form of attribution is participation with internal agencies in the performance of tasks or partial assignments, but the least is subcontracting. Attribution of services to external parties provides high-quality services with modernity in the performance of these services as basic benefits in addition to enhancing the competitive position of auditing firms. One of the risks associated with outsourcing services is increasing costs in the long run and making the auditor close to the decision-making position, which affects their independence. The expansion in the performance of various

services by auditors requires a program to monitor the quality of their professional performance, as this program would maintain a high level of professional performance, which is important from the legal and social aspects. One of the basic foundations for assigning these services requires the development of the skills and knowledge of the external auditor in the fields of auditing, tax, statistics, cloud computing, law, and administrative and financial consulting services, which necessitates the need to pay attention to continuing vocational education programs. All professionals seek to provide their services with a high level of performance depending on their moral construction. Therefore, it is necessary for the auditor to abide by the basic principles in the profession when expanding professional services, such as honesty, integrity, objectivity, necessary professional competence, privacy, and professional behavior. It is necessary to develop the legal responsibilities of the auditor to suit and expand professional services and their requirements. It is necessary to enhance the role of the regulators for the task of the auditor by issuing standards and guidelines in all fields of the potential expansion of professional services and benefiting from international standards in this field, as well as enhancing their role in monitoring and controlling the level of performance of these services.

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