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Adopting the ISA 330 When Designing Auditing Procedures And Its Impact on Enhancing Legal Accountability : An Exploratory Study of A Sample of Auditors

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Abstract

The research aims to study the relationship between the application of auditors working in companies and audit offices and the Federal Board of Supreme Audit concerning the auditing standard ISA 330, titled " The Auditors Responses to Assessed Risks," in formulating audit procedures, and its role in determining the legal responsibilities of the external auditor. This research investigates the role of the standard in improving audit process efficiency. It focuses on effective risk responses and the application of suitable professional procedures. The study also examines the legal ramifications for auditors concerning errors or deficiencies in audit task performance. The empirical component of the research was conducted through an exploratory investigation of multiple auditors' perspectives on the practical implementation of the standard in their professional environments. The results proved that the applying of ISA 330 is improving audit quality , reduce the risks and underscores the legal and professional obligations that upon auditors in cases of procedural noncompliance.

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1. Introduction

Auditing standards provide a primary framework that helps auditors deliver independent and systematic assurance contributing to stakeholder protection and reducing reliance on financial information. Consequently, International Standard on Auditing (ISA) 330 promoted by the International Auditing and Assurance Standards Board (IAASB) is became very importance. This standard links the identification of the risks during audit planning with the design and implementation of audit procedures that address these risks (Knechel et al., 2013 :385). According to this process auditors transform the risk evaluation considerable evidence that supports their judgments about the reliability of financial statements (Johnstone et al., 2013: 156). Notwithstanding the widespread adoption of International Standards on Auditing, including in Iraq there are still important gaps between theoretical requirements and practical application (DeFond & Francis, 2005: 15) . Research specifies that auditors in developing markets face significant difficulties in understanding and applying International Standard on Auditing 330 mainly in translating identified risks into appropriate audit procedures (Messier Jr. et al., 2011: 280)

These challenges rise from features such as the complexity of risk-based audits in environments with inadequate training , weak internal controls , difficulty in maintaining professional skepticism while managing client relationships and inadequate national oversight. (Salleh et al., 2013: 220),(Gul et al., 2003: 610) When these issues lead to deficiencies in audit procedures material misstatements

particularly those resulting from fraud may remain undetected which increasing legal risks . The relationship between (audit procedures) and (legal liability)is become increasingly complex as expectations regarding fraud detection evolve . “International Standard on Auditing” (ISA) 240 states that auditors should obtain rational assurance with not absolute certainty that the financial statements are free from material misstatements resultant from fraud (IAASB, 2023: 15) .

This distinction is often misunderstood by users, leading to the “audit expectations gap,” which is the discrepancy between the public's expectations of auditors and the requirements set by auditing standards (Liggio, 1974: 30),(Humphrey et al., 2009: 985) .

When fraud goes undetected the legal repercussions can be severe that includes regulatory penalties , litigation , and reputational damage (Harvard Magazine , 2025: 42). An important question arises as to whether compliance with “International Standard on Auditing 330” is adequate to provide legal protection for auditors , mainly in countries with weak accountability frameworks or high public expectations (Manson et al., 1992: 87). Though , some argue that careful application of ISA 330 combined with proper documentation and continuing professional development can significantly ease these risks . Though these measures may not exclude all potential liabilities, particularly given the persistence of structural weaknesses in the legal and regulatory environments (Manson et al., 1992: 87).

This study examines the dual function of ISA 330 as a framework for showing effective audits and as a definition of the auditors legal responsibility. So, the main objectives are to: (1) clarify the provisions of ISA 330 and the link between risk

calculation and audit procedures (Bedard and Biggs, 1991: 630); (2) Analyze the compliance with ISA 330 meets technical and legal standards (Abbott et al., 2010: 65); (3) Measure whether compliance with ISA 330 provides legal protection for auditors (Johnston et al., 2013: 180); (4) Assess the extent of Iraqi auditors compliance with ISA 330 and identify the factors that facilitate this compliance (Eastern Journal, 2022: 118).

This research is relevant to practitioners and professionals academics regulatorsand other stakeholders. For practitioners, a stronger understanding of "International Standard on Auditing 330" contributes to improved audit quality mostly in emerging markets with limited resources (Defund and Francis, 2005: 18).

Applying research based audit methodologies adds to reducing uncertainty and enhancing fraud detection (Johnston et al., 2013: 200). From an academic viewpoint this research links technical considerations of auditing with legal liability issues (Abbott et al., 2010: 70). The regulators are drawing on empirical evidence to inform policy making in emerging markets , while investors and creditors are acquisition a better understanding of auditors obligations. Eventually more effective application of "ISA 330" enhances the financial integrity and reduce fraud risks (Beasley et al., 2000: 45).

2. Literature Review

2.1.An overview of ISA 330 " The Auditors Responses to Assessed Risks."

ISA 330 outlines how external auditors respond to risks identified and assessed during the audit, as described in ISA 315. The standard specifies the procedures auditors must follow to reduce the risk of misstatements to an acceptable level.

One objective of ISA 330 is to address risks and competencies in financial reports

by designing and executing supplementary Procedures for auditing in relation to the potential hazards of substantial misstatements, documenting the adequacy and relevance of the evidence obtained to substantiate their opinion, and evaluating whether the evidence collected by the auditor corroborates or alters the initial risk assessment. Implementing the standard enhances the quality of the auditing process by ensuring that audit procedures are aligned with the evaluated risk of substantial misstatements in financial statements (AL-Bakate & Al-Saffar, 2022: 248). This strategy reduces the risk of making mistakes or committing fraud without being detected. The standard also makes audit planning more successful by moving from conventional processes to a risk-based approach, with risk analysis, risk assessment, and the careful creation of the audit plan, with clear awareness of the risks involved. Also the use of internationally accepted audit framework improves the reliability of financial reports for creditors investors and regulatory agencies .

2.2.Designing Audit Procedures Based On ISA 330.

The audit procedures is a practical framework in which the auditors based on to perform their task which aimed at collecting evidence that supports the professional view on The financial statements to be fair in all respects and comply with international auditing standards (IFAC, 2017: 324).

They are also viewed as a series of duties performed by the auditor to verify the accuracy and fairness of financial reports (AICPA, 2014: 38). Moreover it is a collection of techniques employed by the auditor to assess the sufficiency and appropriateness of the evidence obtained. The audit procedures for each audit are determined in accordance with ISA 330 as outlined below:

1. An effective financial reporting response should include developing broad auditing strategies. This includes strengthening supervision of procedures and personnel, assigning experienced staff to audit tasks, applying greater professional skepticism to account balances and transactions, and adjusting audit procedures based on the assessed risk of material misstatement (AICPA, 2014: 11-12).
2. Design and implement audit procedures at the affirmation level:

A. Conducting control tests: When an auditor relies on internal controls, they perform tests to assess the effectiveness of the control design and verify its ongoing operation. The execution of control tests aims to evaluate the effectiveness of control policies and procedures in their design and implementation. The design test centres on the adequacy of control policies and processes in preventing or detecting misstatements (AICPA AU 315, 2020, 290). Conversely, the effectiveness of the implementation test verifies how these procedures have been applied during the audit period, aligning with what was applied in the previous period and by whom, or through the methods implemented (Lessambo, 2018: 162). Control tests that provide information include inquiries from individuals involved in the design or implementation of control policies and procedures, examination of documents and management reports concerning the design and application of control policies and procedures, observation of the application of control policies and procedures, and re-application of control policies and procedures by the auditor (IAASB, 2020: 356-357).

B. Substantive Tests: They include detailed tests of transactions, balances, and disclosures. These tests are carried out based on the selected and examined sample (AICPA, 2014: 258). The detailed tests are divided into two types as follows (IAASB, 2020, 356-357): detailed tests of transactions. For example, tracking original documents from the source and entering them into accounting records to determine whether any errors occurred during processing when recording and posting. Detailed tests of balances (Lessambo, 2018: 162). For example, auditors may obtain direct evidence about an account balance. Another type of test involves analytical procedures, which evaluate financial information by examining relationships within financial data or between financial and non-financial data (IFAC, 2017: 466). Analytical procedures are used in the following areas (Arens et al, 2017: 188-189):

Support the auditor in developing strategies related to the type, timing, and scope of suitable auditing methods to gather evidence about account balances or a set of transactions. This improves the auditors comprehension of the events and the characteristics of the economic unit's operations during the planning phase. Identify paragraphs or items with high audit risks, utilize analytical procedures as substantive tests, and employ analytical procedures during the final review to obtain explanations for any significant fluctuations related to the financial statements (AICPA, 2014: 261-262).

3. International Auditing Standard 330 emphasizes the need for auditors to plan supplementary audit procedures that align the type, timing, and scope of

audit activities with the evaluated risks. (Louwers et al., 2021: 95-96) (Louwers et al., 2021: 95-96):

A. Nature of Audit Procedures: The nature of audit procedures refers to the effectiveness and type of audit tests. Auditors seeking assurance that an account is free from substantial misstatement use more effective, higher-cost procedures. If they accept higher risk, they choose less effective, lower-cost procedures. Substantive tests are one of the audit procedures that can be performed either through analytical procedures, detailed tests, or through a combination of both.

B. Timing of Audit Procedures: The auditor may perform audit procedures throughout the entity's financial year or at its year-end. The likelihood of failing to identify major misstatements increases when audit processes are performed throughout the year, as such misstatements may arise in the subsequent period. Auditors do these things at or after the end of the financial year, especially when the risk of an audit is high. This is because this time makes it more likely that they will find and fix big mistakes (AICPA- AU 330, 2020: 371-376).

C. The breadth of audit processes indicates how far the audit procedures extend. If auditors believe there is a high risk of misstatement or need a low audit risk, they may increase the number of samples. The auditor decides how far to go with the audit procedures based on materiality, the identified risks, and the level of confidence required.

4. Assessment of Evidence Adequacy: After completing the procedures, the auditor evaluates whether the evidence sufficiently addresses the identified

risks. If concerns remain or the risk level is unchanged, the auditor must adjust the nature, timing, or extent of testing (Hamoody, 2018: 51).

5. Documentation: Auditors must record what they did, when they did it, and how much they did as well as why they did it and how it relates to the risks of substantial misstatement. They should also maintain permanent and up to date audit files to document the work performed and the actions taken (AICPA, 2014: 268) .
6. In the final stage of the audit the auditor must reviews the results and present them to management . After that the auditor evaluates whether the evidence supports the professional view and chooses the suitable type of opinion for the report: qualified opinion ,un qualified opinion , negative opinion or disclaimer of opinion (ISA 700, 2016: 2).

2.3. The Legal Responsibility of the Auditor

Failure to comply with the professional duties and responsibilities of the auditor, or failure to comply as stipulated in the contract is one of the reasons that exposes him to legal liability (Mahmoud et al., 2011: 118) .

In this regard Messier et al. define the auditors legal responsibility as "the obligation that arises from failing to meet professional duties potentially resulting in legal accountability to clients or other parties". This accountability arises when the auditor fails to workout the required professional care or to follow to accepted auditing standards.

Legal liability encompasses both civil and criminal aspects, which are fundamental to the legal and ethical framework of the auditing profession.

Though some researchers argue that this liability is limited to civil matters, as it is

based primarily on the principles of civil law designed to compensate for damages caused by the auditors actions or omissions (Al-Husseini, 2011: 292) .

Accordingly civil responsibility is classified with two main types (Yaseen, 2017: 36-40):

1. Contractual Responsibility: The contract includes what the auditor must do for the corporate including the work they must perform and how much they will be paid . This issue comes into play when a contract is broken and is based on three main factors:
    - Existence of Damage: Damage is a important element in civil responsibility whether contractual or tortious regardless of whether this loss is substantial or moral . It is important to note that tight-fitting these violations requires informing the relevant authorities about them, rather than highlighting them in the auditors report . Damage can be expressed as a financial loss incurred by one of the users of financial statements and it can be recognized through the auditors neglect in failing to exercise due professional care. So the plaintiff must prove that the financial reports are materially misleading.
    - There is an error: the general rule is that an auditor may only be held civilly liable to the extent of the error he committed. Where there is no error there is no basis for holding him accountable . So we can set two criteria for errors : the first is a substantial criterion related to the extent of the misstatement. The second criterion is a subjective one concerning the auditors exercise of the necessary professional care during the auditing process (Al- Marri, 2024: 220).

- The existence of a causal relationship between the damage and the error : It is not sufficient for the responsibility of the civil auditor to be established merely based on an error on their part leading to harm to the plaintiff there must be a causal relationship between the error and the damage meaning that the damage must be a direct result of the error . Therefore, if one of the investors purchased shares in one of the companies before the auditors report was issued, the auditor cannot be held responsible for the losses that the plaintiff may incur due to the absence of a causal relationship between the error and the damage in general. Similarly if one of the investors purchased shares from an economic unit after its bankruptcy declaration regardless of the auditors report concerning it the causal relationship is deemed non-existent (Al-Rubaie & Abdullah, 2017: 679).

2. Tort responsibility: The auditors responsibility towards the beneficiaries of financial statements in making “investment decisions” that represented here . The auditor is not bound to these parties by a contract and any professional negligence may reflect on them, which could enable them to sue the auditor . The auditor is penalized for serious harm with imprisonment, financial fines, or both, and the degree of responsibility borne by the auditor varies according to the severity of the violation or negligence (Shafaamri, 2014, 28).
3. Criminal responsibility: The auditor bears criminal responsibility if he engages in any act intended to harm users of financial statements and participants in the securities market. For instance if the auditor overlooks the concealment of the economic entity being audited concerning facts in its financial statements (Al-Zahir et al., 2021: 414).

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2.4.The Responsibility of the Auditor According to Iraqi Law.

The Iraqi legislator clarified the responsibilities of the auditor within the Iraqi Companies Law No. (21) 1997 as amended in 2004 in Articles 136 and 137 as follows:

1. Article 136 : The auditor articulates his assessment of the financial statements of the economic entity prior to its general assembly, and this is also acceptable for other entities. The auditors view must include the following topics in all instances :

A. The integrity of the company's accounts, the correctness of the data in the final accounts, and the degree of authorized access to information on the units activities are evaluated in the Board of Directors report.

B. The application of the unit for the regulated accounting principles specifically pertains to the maintenance of books and accounting records as well as the process of inventorying assets and liabilities of the unit.

C. The expression of the final accounts reflects the true financial position of the unit at the end of the year and the results of its operations.

D. The accounts shall be in accordance with the provisions of this law and the economic unit contract.

2. Article 137: The auditor shall be held accountable for the accuracy of the data contained in his report, as he acts as an agent for the economic unit in overseeing and auditing its accounts. Iraqi law emphasizes the auditors responsibility to perform his professional duty to the best of his ability, in accordance with his obligations, as the auditor will be held accountable

under the law and in accordance with the contract established between him and the audited economic unit.

The failure to consider the external auditors legal responsibility when designing and implementing audit procedures affects both the following (Jkheyour & Faraj, 2022; 72):

- The damage to professional reputation : The damages incurred to the auditors reputation, resulting from litigation or penalties imposed against them, or both are considered determinants of the quality of their professional performance. The auditors reputation is regarded as a form of capital, which auditing firms and companies protect and invest in.
- Exposure to sanctions: these are penalties (censures, fines, payment of certain costs, revocation of audit rights, temporary suspension from practicing the profession) imposed by specific or public regulatory bodies, such as the Securities Market Committee or professional entities. These penalties cause harm to the auditor, whether through incurring additional costs as a result of conducting peer reviews, or through being prohibited from accepting any client (temporarily or permanently) from among those subject to securities market regulations, in addition to being required to refund the fees they received. All of these factors affect the fees the auditor earns, their behavior, and their professional reputation, and consequently, the amount of fees they receive.
- Exposure to litigation: The risk of auditor lawsuits is one of the significant factors affecting the audit process. In recent years the number of auditor lawsuits has increased due to the crises faced by auditing firms . One reason

for legal actions against auditors is the perception that auditors possess deep pockets and the parties affected hope to recover all or part of their losses from them.

3. Methods

3.1.Hypothesis

This study hypothesizes a statistically significant correlation between the "adoption of International Auditing Standard (ISA) 330" and increased "legal accountability for external auditors" . These hypotheses have sub-hypotheses as follow:

1. There is a high correlation between improving the accuracy of audit procedures commensurate with the nature of the work and improving legal accountability.

2. The choice of audit tests whether supervisory or substantive is closely linked to refining legal accountability.

3. There is a high correlation between documenting audit procedures in working papers and improving legal accountability.

4. There is direct link between risk assessment results to response measures significantly improves legal accountability.

3.2.Methodology

An integrated approach was adopted to combines the descriptive technique to explain the theoretical aspect and the exploratory analytical means to explain the practical aspect of the research and data analysis.

In order to get the required data which assists to achieve the research objectives and reach the results the research based on multi methods to collect data as follow:

- Theoretical Framework includes a range of scientific sources including research papers journals and theses.

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- Practical side use multi resources to collect data including a questionnaire and personal interviews which used as the primary and approved data collection tool. The research questionnaire addressed three variables as shown in Table 1. to determining the respondents views on the questionnaire items a five point Likert scale was used including five scale of answers (Strongly Agree , Agree , Neutral , Disagree , Strongly Disagree).

Table 1: Questionnaire

Primary variables	**Sub-variables**	**N. of paragraphs**
Identification Information	Educational level, years of service, training courses	5
International Auditing Standard 330	Improving the accuracy of audit procedures design in accordance with the nature of risks	7
	Selection of audit tests (compliance or substantive)	7
	Documentation of audit procedures within working papers	9
	Link the results of the risk assessment directly to response measures	5
Total paragraphs of the International Standard on Auditing 330		**28**
Legal Responsibility	Clarification of the auditors professional duties and the limits of their legal responsibilities	7
	Reducing the probability of holding the auditor responsible for negligence or oversight	7
	Protection of the auditor from legal disputes arising from undetected distortions	7

	It reduces the gap in interpreting the limits of the auditors responsibility in the Iraqi environment	7
	The commitment to ISA 330 contributes to supporting the auditors legal position through the documentation of audit procedures	7
Total paragraphs of legal responsibility		**35**
Total		**63**

3.3.Scope of the Study

The scope of the study can be clarified as follows:

Spatial scope: A selection was made of several auditors from audit offices and companies, as well as employees of the Federal Board of Supreme Audit.

Temporal scope: The timeframe for conducting interviews with some audit operation officials, in addition to distributing and collecting the questionnaire form, 2024/2025.

4. Results

The research results were enhanced through the design of a questionnaire form that included the presented research aspect, which comprised two parts:

The First part included overall information about the members of the sample.

The Second part consisted of questions related to the research topic, which were divided into two aspects:

The First aspect was dedicated to the survey on adopting ISA 330 in the design of audit procedures through the following three aspects: improving the accuracy of audit procedure design according to the nature of risks directly linking the results of risk assessment to response procedures, designing to select audit/compliance or

substantive tests, and documenting audit procedures within working papers.

The Second aspect focused on surveying legal responsibility when adopting the standard and designing procedures.

1. Clarification of the professional duties of the auditor and the limits of their legal responsibilities.
2. Reduce the probability of holding the auditor accountable for negligence or dereliction.
3. Protection of the auditor from legal disputes arising from undiscovered distortions.
4. Compliance with standard 330 reduces the gap in interpreting the auditors responsibility boundaries in the Iraqi environment.
5. The commitment to ISA 330 contributes to supporting the auditors legal position by documenting the audit procedures in place.
6. ISA 330 helps build trust among clients and regulators in auditors professionalism and clearly defines auditors' responsibilities.
7. The level of application of the ISA 330 standard is related to the auditors ability to defend their professional opinion before judicial authorities.

The questionnaire used a five-point scale to provide different weights to the replies of the people who took it. This method gives you more choices, which makes it easier to analyze and understand the data.

4.1. Validity and Reliability Testing

4.1.1. Stability Test

Table 2 shows that the Split Half Coefficient approach was employed to check the reliability of the research instrument. Before adjustment, the correlation coefficient

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for the first dimension was 0.971 . After correction it was 0.985 . These figures demonstrate that the things are quite similar to each other. There were 93 elements in the second dimension, and the correlation coefficient was 0.995 before correction and 0.997 after adjustment. The findings also demonstrate a significant connection and resemblance to what was assessed. Because all of the correlation coefficients are over 0.9 , this suggests that the research instrument is quite dependable. This backs up the findings' reliability and demonstrates that the tool is good for assessing the research variables.

Table 2 :Split Half Coefficient

Details	Title	Number of paragraphs	Correlation coefficients before correction	Corrected correlation coefficient	Equation
Predictors	ISA 330 should be adopted when formulation audit procedures	16	0.971	0.985	Guttman
Outcome	Legal Responsibility	93	0.995	0.997	Spearman-Brown

Source: prepared by the researchers based on SSPS

4.1.2. Validity Testing

The correlation coefficients ranged between 0.923 and 0.989 and all significance values (Sig.) were less than 0.05 indicating a high statistical significance for all correlation coefficients. The findings indicate that the components of each control variables demonstrate a strong level of internal consistency and reliability, which in turn strengthens the tools reliability and validity for assessing the study variables.

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Table 3 :Validity Testing

Control variables	Title	Number of paragraphs	Correlation coefficient	Sig.
ISA 330 should be adopted when formulation audit procedures.	Improving the accuracy of audit procedures design in accordance with the nature of risks	4	0.983	0.000
	Directly link risk assessment results to response actions and carefully design the selection of audit, control, or substantive tests.	6	0.981	0.000
	Documentation of audit procedures within the working papers	6	0.981	0.000
Legal Responsibility	Clarification of the Professional Duties of the Auditor and the Limits of Their Legal Responsibilities	24	0.987	0.000
	Reducing the probability of holding the auditor responsible for negligence or oversight	16	0.923	0.000
	Protection of the auditor from legal disputes arising from undiscovered distortions	21	0.989	0.000
	Compliance with standard 330 reduces the gap in interpreting the auditors responsibility boundaries in the Iraqi environment	8	0.979	0.000
	Adhering to ISA 330 strengthens the auditors legal position by ensuring proper documentation of audit procedures.	12	0.968	0.000
	The ISA 330 standard contributes to enhancing the confidence of clients and regulatory bodies in the professionalism of the auditor and	4	0.981	0.000

	the limits of their responsibility			
	The level of application of the ISA 330 standard is related to the auditors ability to defend their professional opinion before judicial authorities	8	0.963	0.000

4.2.Testing the Characteristics of the Research Sample.

A sample of audit team leaders and employees was selected from multiple auditing offices and firms, resulting in a total of 50. Table 4 presents the characteristics of the research sample, including academic credentials, years of service, and number of training courses. The data indicate that the majority of participants held a bachelors degree (31 individuals) followed by those with a diploma (10 individuals).

Table 4 :Sample Individuals' Information

Details	Qualification, Years, and courses.	Number	Percentage
Qualification	Diploma	10	20
	Bachelor's Degree	31	62
	Higher Diploma	4	8
	Master's Degree	3	6
	Doctorate	2	4
Number of years' service	5 or less	11	22
	10-6	12	24
	20-11	19	38
	21 or more	8	16
Number of training courses	5 or less	20	40
	10-6	18	36
	11 or more	12	28

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4.3. Descriptive Analysis

Table 5 refers to the means, standard deviations, and general directions of participants' responses regarding the studys variables. The data shows that the means for all items exceeded (4) out of (5) reflecting a high level of agreement among the sample members. Predictors demonstrate the adoption of ISA 330 when designing audit procedures, enhancing the accuracy of audit procedures according to the nature of risks, linking the results of risk assessment directly to response procedures and designing the selection of audit/ supervisory or substantive tests. The documentation of audit procedures within working papers yielded means between (4.25) and (4.30) indicating the participants recognition of the importance of adopting ISA 330 when designing audit procedures. Regarding the outcome, the means ranged from 4.13 to 4.39 . Item 7 recorded the highest mean (4.39) and a low standard deviation (0.547) indicating strong consensus and homogeneity of opinions. Conversely item 3 had the lowest mean (4.13) but still reflected positive agreement. Accordingly these results prove that “the importance of legal responsibility in audit performance and procedure design ” .

Table 5 : Descriptive Analysis

Variables	Title	Mean	standard deviation	General direction
ISA 330 should be adopted when formulation audit procedures.	Improving the accuracy of audit procedures design in accordance with the nature of risks	4.30	0.598	Strongly agree
	Linking the results of risk assessments directly to response actions and designing the selection of audit/control or substantive tests	4.25	0.571	Strongly agree

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	Documentation of audit procedures within the working papers	4.27	0.587	Strongly agree
Legal Responsibility	Clarification of the Professional Duties of the Auditor and the Limits of Their Legal Responsibilities	4.29	0.551	Strongly agree
	Reducing the probability of holding the auditor responsible for negligence or oversight	4.35	0.442	Strongly agree
	Protection of the auditor from legal disputes arising from undiscovered distortions	4.13	0.604	Agree
	Compliance with standard 330 reduces the gap in interpreting the auditors responsibility boundaries in the Iraqi environment	4.34	0.452	Strongly agree
	The commitment to ISA 330 contributes to supporting the auditors legal position through the documentation of the audit procedures	4.34	0.580	Strongly agree
	The ISA 330 standard contributes to enhancing the confidence of clients and regulatory bodies in the professionalism of the auditor and the limits of their responsibility	4.16	0.704	Agree
	The level of application of the ISA 330 standard is related to the auditors ability to defend their professional opinion before judicial authorities	4.39	0.547	Strongly agree

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4.4.Results of the correlation test between the Variables of the study

1. Correlation between the adoption of the International Auditing Standard ISA 330 and the clarification of the auditors professional duties and the limits of their legal responsibility

Table 6 illustrates how to adopt ISA 330 to clarify the professional duties of the auditor and the limits of their legal responsibilities.

Table 6: Relationship of ISA 330 to the professional duties of the auditor and the limits of their legal responsibility

Variables	Correlation coefficient	Sig.	Relationship
▪ Adopting the International Auditing Standard 330 (Independent Variable) ▪ Clarifying the auditors professional duties and the limits of their legal responsibility (Dependent Variable)	0.960	0.000	significant

Source: prepared by the researchers based on SSPS

It is observed from the results in table 6 that the correlation coefficient is high at 0.960, indicating a significant positive relationship at a significance level of 0.000 between the related variables. Therefore, the alternative hypothesis is accepted, which implies that there is a statistically significant correlation between adopting the International Auditing Standard ISA 330 and clarifying the professional duties of the auditor and the limits of their legal responsibility.

2. Relationship between adopting the ISA 330 auditing standard and reducing the probability of holding the auditor responsible for negligence or failure

Table 7 illustrates how adopting ISA 330 can reduce the probability of holding the auditor responsible for deficiencies or negligence.

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Table 7 :Relationship of ISA 330 to the auditors responsibility for negligence or omission

Variables	Correlation coefficient	Sig.	Relationship
▪ Adopting the International Auditing Standard 330 (Independent Variable) ▪ Reducing the probability of holding the auditor accountable for negligence or dereliction (dependent variable).	0.856	0.000	significant

Source: prepared by the researchers based on SSPS

It is observed from the results of the table that the correlation coefficient reached 0.856, indicating a significant positive relationship at a significance level of 0.000 between the related variables. Therefore, the alternative hypothesis is accepted, which states that there is a statistically significant correlation between the adoption of the international auditing standard 330 and the reduction of the auditors responsibility for negligence or omission.

3. Correlation between the adoption of the ISA 330 auditing standard protects the auditor from legal disputes arising from undetected substantial misstatements

Table 8 clarifies how adopting ISA 330 relates to protecting the auditor from legal disputes arising from undetected substantial misstatements.

Table 8 :Relationship of ISA 330 to the protection of the auditor from legal disputes

Variables	Correlation coefficient	Sig.	Relationship
▪ Adopting the International Auditing Standard 330 (Independent Variable) ▪ Protection of the auditor from legal disputes arising from undetected distortions (dependent variable).	0.975	0.000	significant

Source: prepared by the researchers based on SSPS

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It is observed from the results that the correlation coefficient of 0.975 indicates a significant positive relationship at a significance level of 0.000 between the related variables. Therefore, the alternative hypothesis is accepted, meaning that there is a statistically significant correlation between the adoption of the International Auditing Standard ISA 330 and the protection of the auditor from legal disputes arising from undetected misstatements.

4. Correlation between the adoption of the ISA 330 auditing standard and the reduction of the gap in interpreting the limits of auditor responsibility in the Iraqi environment.

Table 9 illustrates how adopting ISA 330 relates to reducing the gap in interpreting the limits of the auditors responsibility in the Iraqi environment.

Table 9 :Relationship of compliance with ISA 330 regarding the interpretive gap in the auditors responsibility limits

Variables	Correlation coefficient	Sig.	Relationship
▪ Adopting the International Auditing Standard 330 (Independent Variable) ▪ Compliance with Standard 330 minimizes the gap in interpreting the limits of auditor responsibility in the Iraqi environment (dependent variable)	0.779	0.000	significant

It can be observed from the results of the table that the correlation coefficient is 0.779 , indicating a significant positive relationship at a significance level of 0.000 between the related variables . The acceptance of the alternative hypothesis suggests that there is a statistically significant correlation between the adoption of the International Auditing Standard ISA 330 and the reduction of the interpretive gap concerning the auditors responsibilities in the Iraqi environment.

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5. Relationship between the adoption of ISA 330 and the legal support of the auditors position through the documentation of audit procedures .

Table 10 illustrates how to adopt ISA 330 to legally support the auditors position through documentation of audit procedures.

Table10: Relationship of adopting ISA 330 in clarifying the professional duties of the auditor and the limits of their legal responsibilities

Variables	Correlation coefficient	Sig.	Relationship
▪ Adopting the International Auditing Standard 330 (Independent Variable) ▪ Support the auditors legal position through documentation of the audit procedures (dependent variable).	0.779	0.000	significant

It is observed from the results of the table that the correlation coefficient is 0.964, indicating a significant positive relationship at a significance level of 0.000 between the related variables. Therefore, the alternative hypothesis is accepted, suggesting that there is a statistically significant correlation between adopting the International Auditing Standard ISA 330 and the legal support for the auditors position through the documentation of the auditing procedures.

6. Correlation between the adoption of ISA 330 and the enhancement of client and regulatory trust in the auditors professionalism and the limits of their responsibility.

Table 11 clarifies how adopting ISA 330 fosters and enhances the trust of clients and regulatory bodies in the auditors professionalism and the limits of their responsibilities.

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Table 11 : Role of adopting ISA 330 in enhancing the confidence of clients and regulatory bodies in the professionalism of the auditor and the limits of their responsibility

Variables	Correlation coefficient	Sig.	Relationship
▪ Adopting the International Auditing Standard 330 (Independent Variable) ▪ Enhancing the trust of clients and regulatory bodies in the professional conduct of the auditor and the variable limits of their responsibility.	0.779	0.000	significant

Source: prepared by the researchers based on SPSS

It is observed from the results of the table that the correlation coefficient is 0.990, indicating a significant positive relationship at a significance level of 0.000 between the variables. Therefore, the alternative hypothesis is accepted, suggesting a statistically significant correlation between the adoption of the International Auditing Standard ISA 330 and the enhancement of clients' and regulatory bodies' trust in the professionalism of the auditor and the limits of their responsibilities.

7. Correlation between the adoption of ISA 330 and the auditors defense of their professional opinion before judicial authorities

Table 12 clarifies how adopting ISA 330 relates to the auditors defense of their professional opinion before judicial authorities.

Table 12 :Correlation between the adoption of ISA 330 and the auditors defense of their professional opinion before judicial authorities

Variables	Correlation coefficient	Sig.	Relationship
▪ Adopting the International Auditing Standard 330 (Independent Variable) ▪ The auditors defense of their professional opinion before judicial authorities (the dependent variable).	0.779	0.000	significant

Source: prepared by the researchers based on SSPS

The results in Table 12 indicate a high correlation coefficient of 0.975 indicating a significant positive association at a significance level of 0.000 . Thus the alternate hypothesis is confirmed that indicates a statistically significant association between the implementation of "the International Auditing Standard ISA 330" and the auditors justification of their professional judgement before judicial authorities.

The results proved that there is strong positive correlation between the variables with a significance level of 0.000 . This supports the alternate hypothesis and shows a link between applying "International Auditing Standard ISA 330" and increasing legal responsibility for external auditors.

Conclusions and Recommendations

Implementing "ISA 330" is considered a strategic importance for the auditing profession in Iraq and has significant implications for practical frameworks and processes and organizational structures. Consequently results in the readings indicate a fundamental shift in auditing practice as a result of the systematic adoption of "International Standard on Auditing 330" . that led to suitable audit evidence which support the opinion . These standard creates a comprehensive framework that integrates risk evaluation approach objective testing procedures and internal control evaluation mechanisms into a unified audit design strategy . This combination ensure a fundamental shortcoming in the audit methodology and ensuring that risk identification actions directly effect the design and selection of substantive procedures . This approach forms a logically articulate audit process thereby strengthening the reasonableness of audit conclusions and refining the overall quality of audits.

This study showed a high positive association between requirements of "ISA 330"

execution and recover the legal accountability for the auditors . which apply the standards significantly with legal liability to deficiency in the procedure design and execution . This link is supported by the follow two mechanisms which are the standard offers a defensible methodology that demonstrates rational professional care and its demanding documentation supplies create inclusive audit trails that withstand legal and professional scrutiny. For individual auditors compliance with the “ISA 330” is serving as both a professional guard with legal exposure . For audit firms systematic application decreases aggregate risk and enhances the firms status for professional competence . For adjusting authorities and stakeholders adherence to the “ISA 330” delivers assurance that audit actions are designed and performed in accordance with internationally recognized best practices . Auditors who fully achieve with the requirements of the “ISA 330” is proving significantly higher skill in documenting audit procedures in line with current transparency and accountability standards. This enhanced documentation went beyond adjusting compliance and reflects an understanding of the necessity of specific actions their relationship to identified risks and contribution to the overall audit opinion. High quality documentation provides tangible evidence of professional due diligence and is a critical safeguard against any potential challenges to audit quality and attractive stakeholder confidence in the audit results . The context of this research is highlighted a key institutional challenge within the professional auditing environment in Iraq . the results indicate there is big need and awareness to understand international standards specially the critical role of the “ISA 330” in new way and practice. This gap extends beyond basic familiarity with the standards and underscores the necessity for comprehensive education on how

international standards enhance the credibility and reliability of audit engagements. For instance an audit of the government institution in Iraq exposed deficiencies in risk assessment procedures and documentation which allegedly contributed to delays in detecting major errors; this case illustrates how limited application of International Standard on Auditing 330 can undermine audit quality and stakeholder confidence. The Iraqi stakeholder community with investors regulators and the general public be contingent on the quality and consistency of audit services . Widespread application of “ISA 330” would greatly improve stakeholder trust and confidence by ensuring that audit procedures are designed in accordance with rigorous internationally recognized methodology.

The theoretical and practical results indicate audit firms and “federal audit authority” should systematically integrate International Standard on Auditing “ISA 330” in their audit procedures and methodology . Applying this standard is a critical operational imperative as it directly contributes to reduce audit risk and enhancing legal accountability at all levels of the organization . To achieve effective training programs that focused on the firm and requirements of “ISA 330” firms should conduct a needs assessment to identify auditors knowledge and information gaps . then training modules should be developed that combine pratical education with practical case studies simulation of accurate scenarios and application under supervision . Systematic workshops and assessments must include to the learning results and ensure the consistent application in practice . Investing in the professional development of auditors through structured steps would enhances an firms ability to conduct high quality audits and ensures that the requirements of “International Standard on Auditing 330” are integrated into the

daily practice instead of remaining abstract systematic obligations . systematic bodies like the “Federal Audit Board and supervisory bodies of professional audit firms” have responsibility for establishing and maintaining oversight to evaluate auditors compliance with “international standards” with systematic emphasis on “ISA 330” the effective oversight should include periodic compliance audits review of audit documents and working papers assessment of auditor training and development and assessment of the organizations internal policies governing the application of “ISA 330”. Founding a tough guiding framework for compliance with “International Standard on Auditing (ISA) 330” incomes multiple organizational benefits at the individual level systematic oversight incentivizes consistent adherence to standards at the organization level systematic checking improves audit effectiveness through quality assurance and at the organizational level oversight strengthens stakeholder trust and confidence in the distribution of audit services by accordance with internationally recognized standards . Successful implementation of “ISA 330” requires synchronized achievement at the organizational levels which includes compliance and individual auditor development organization policies and their checking and systematic oversight . The professional community must recognize that adopting “international standards” offers the opportunity to improve credibility and audit quality and reduce responsibility exposure with serving the public interest.

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