**The extent to which the Egyptian auditors realize the impact of changing some of international auditing standards of disclosure on their assessment of audit risk - a field study**

**Research objectives:**

The research aimed to display and analyze of the most important proposed changes to some international audit standards to cope with the expansion of the disclosure concept .As well as identifying and studying the impact of these changes on the provisions and responsibilities of auditors regarding audit risks. Finally, measuring the extent to which the Egyptian auditors realize the impact of changing some of the international auditing standards of disclosure on their assessment of audit risk

**Research problem**

The research problem has been formulated in the form of the following questions:

* What are the main motives of the auditing standards Board and IIASB to make some changes to some of the international auditing standards?
* What are the most important proposed changes to some of the international auditing standards?
* What are the proposed changes from the perspective of the concepts of materiality and audit risk?
* What are the implications of the proposed changes to the ten international auditing standards on the provisions and responsibilities of the auditor regarding the audit risk?
* What are the mechanisms that support the Egyptian auditors to adapt with the proposed changes in the ten international auditing standards?

**Research Importance**

The importance and motives of research derived from both academic and practical sides, for the academic side; there is a scarcity in research related to research under study. On the practical side, these changes will lead to expand the concept of disclosure on one hand, and its repercussions on the provisions and responsibilities of the auditor regarding audit risk. On the other hand, this of course will lead to the need to cope with these changes by the auditors, through their knowledge and understanding of the impact of these changes.

**Research hypotheses**

**The research hypotheses were derived, in theory, Filed testing in the following**

* H1: the majority of the Egyptian auditors accept the proposed changes to some of the international auditing standards to expand the concept of disclosure in the financial statements.
* H1/1: The degree of acceptance of the majority of Egyptian auditors of the proposed changes to some of the international auditing standards to expand the disclosure concept in the financial statements varies according to the auditor's experience.
* H1/2: The degree of acceptance of the majority of Egyptian auditors of the proposed changes to some of the international auditing standards to expand the disclosure concept in the financial statements doesn't vary according to the standard under change.
* H2: the majority of Egyptian auditors realize the expected effects of the proposed changes to some of the international auditing standards to expand the disclosure concept in the financial statements on some their professional judgments.
* H2/1: the degree of realization of the majority of Egyptian auditor's expected effects of the proposed changes to some of the international auditing standards to expand the disclosure concept in the financial statements on some their professional judgments varies according to their experience
* H3: the majority of Egyptian auditors accept the proposed mechanisms to support their ability to comply with the proposed changes to some of the international auditing standards to expand the concept of disclosure in the financial statements.
* H3/1: the degree of acceptance of the majority of Egyptian auditors of the proposed mechanisms to support their ability to comply with the proposed changes to some of the international auditing standards to expand the disclosure concept in the financial statements varies according to their experience.

**Research plan**

To address the problem of the research in a logical manner and in accordance with its objectives, the research plan was as follows:

* the motives of the auditing standards Board and international Auditing Assurance Standards Board to make some changes to some of the international auditing standards
* The Proposed changes in some international audit standards.
* The proposed changes from the perspective of the concepts of materiality and audit risk
* The implications of the proposed changes to the ten international auditing standards on the provisions and responsibilities of the auditor regarding the audit risk
* The mechanisms that support the Egyptian auditors to adapt with the proposed changes in the ten international auditing standard
* A summary of the theoretical study and deriving research hypotheses
* research methodology and tools
* the research findings and answering its questions
* research recommendations
* fields of future research

**Research Methodology**

The researcher conducted a theoretical study; the study reviewed the most important motives of the auditing standards Board and International Auditing Assurance Standards Board to issue such changes. As well as the review of the most important changes in each standard, in addition to the most relevant academic studies .The researcher concluded that the concept of disclosure had been expanded to include non-financial disclosure such as disclosure of the risk, and evaluation of uncertainty, fair value models and other. These disclosure items have an impact on financial statements, and the changes allegations regarding the presentation and disclosure changed to match this changes.

It was the review of the proposed changes from the perspective of the concepts of materiality and audit risk and the implications of the proposed changes on the provisions and responsibilities of the auditor regarding the audit risk. The Research found that these changes will have inevitable consequences on the provisions of the Auditor assessments for audit risks, including business risk and risk of Engagement.

Finally, it was the review of the mechanisms that support the Egyptian auditors to adapt with the proposed changes in some of the international auditing standards. It was concluded that the Egyptian auditors need to activate these changes through developing themselves professionally. As well as a similar development in environment of professional practice, particularly with regard to the change of Egyptian Audit Standards and support of accounting departments for professionals in the design and implementation of professional development programs. And thus hypotheses were derived.

The field study aimed to identify the extent to which the Egyptian auditors realize the impact of modifying some of international auditing standards .And the impact of these changes on their professional Judgments. And the extent to which they accept these proposed mechanisms to support their ability to comply with these changes. The field study aimed to test research hypotheses.

The population of the study consists of auditors in accounting and auditing firms, and withdrawal of judgment sample from them , as the distribution of the questionnaire on the auditors, we excluded questionnaire lists that do not have the necessary conditions, the number of lists that were statistical analyzed are 100.

**The tools and procedures for the study consisted of:**

* Selecting a sample of research of 100 Auditors'.
* The questionnaire is containing required questions to be answered by the sample, and included questions from 2/1 to 2/10 on the proposed changes to some of the international auditing standards. And it included questions from 3-1 to 3/10 on the impact of proposed changes on the professional provisions of the auditors. Finally, it included questions from 4/1 to 4/5 of the proposed mechanisms to support the ability of auditors to comply with such changes.

**With regard to the study variables are:**

A-The independent variables are:

- the Proposed changes to some international audit standards. It was measured by the Number and type of these amendments, according to their respective fields and presented to the study sample.

- the Proposed mechanisms to support the ability of auditors to comply with the proposed changes. It was measured through the professional and academic mechanisms offered by the researcher on the study sample.

B - The dependent variables are:

* The degree of acceptance or non-acceptance of the proposed changes. It was measured by the measure of the five weights of [Likert](https://www.google.com.eg/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=rja&uact=8&ved=0CDYQFjACahUKEwiT2v70pczHAhVE9x4KHXQZCZI&url=http%3A%2F%2Fwww.researchgate.net%2Ftopic%2Flikert_scale&ei=hpngVZP_KsTue_SypJAJ&usg=AFQjCNE82uamLmJuVALSI_3Mh2wK_dhuAQ)
* Professional Judgments of auditors. It was measured by focusing on the assessment of audit risk and materiality.
* The degree of acceptance or non-acceptance of proposed mechanisms to support the proposed changes. It was measured using the five scale of likert.

**The hypotheses have been statistically tested and the researcher reached the following conclusions**

* The majority of the Egyptian auditors accept the proposed changes to some of the international auditing standards to expand the concept of disclosure in the financial statements
* The degree of acceptance of Egyptian auditors of the proposed changes varies according to the auditor's experience in the favor of the one with the highest experience.
* The degree of acceptance of Egyptian auditors of the proposed changes to some of the international auditing standards to expand the disclosure concept in the financial statements varies according to the standard under changes.
* The majority of Egyptian auditors realize the expected effects of the proposed changes to some of the international auditing standards to expand the disclosure concept in the financial statements on some their professional judgments. This degree of realization varies according to the auditor's experience in the favor of the one with the highest experience.
* The Egyptian auditors accept the proposed mechanisms to support their ability to comply with the proposed changes to some of the international auditing standards overall and detailed.
* The Egyptian auditors accept the proposed mechanisms to support their ability to comply with the proposed changes to some of the international auditing standards and the degree of realization varies according to the auditor's experience in the favor of the one with the highest experience.

**Research Recommendations**

In light of the objectives, problem, methodology and the conclusions of the research, the researcher recommends the following:

(A) the need to change the Egyptian auditing standards corresponding to International Auditing Standards under changes, so as to narrow the gap of standards in Egypt in terms of quantity and quality, and this to be done through Harmonization.

(B) Academic researchers need to focus on the impact of the proposed changes to some international audit standards, and focus on applied research so that they can develop the implications of these changes on the professional Judgments of the auditors regarding materiality and audit risk.

(C) the need to make the necessary changes to the disclosure requirements by the Financial Control Authority (FCA) of listed companies in the stock exchange to cope with this important development in the concept of financial statements, especially the non-financial disclosure needs to clear and very specific instructions, taking into consideration the capabilities weakness of financial accountants of companies in the field of non-financial disclosure.

(D) the need to develop and implement professional development programs for auditors, whether by the accounting and auditing firms, or by the Accountability State Authority (ASA), with the need to focus on how these programs enable auditors to understand and apply the proposed changes to some of the international auditing standards, and it can take advantage of accounting university departments, through their cooperation in the preparation of such programs and include Applied cases within these programs.

(e) the need for the inclusion of the proposed changes to some international audit standards within the curriculum for the two phases of bachelor's and graduate studies in Egyptian universities, as well as the need to focus on the practical cases in the study of the proposed changes.