

Effect Of The Application Of The International Standard '701' Communicating Key Audit Matters In The Independent Auditor's Report "On The Auditor's Responsibility And The Cost Of Audit Process.

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Abstract:

The purpose of this study is to identify the impact of the application of the ISA 701, "Delivering the Key Audit Issues in the Independent Auditor's Report" to the auditor's responsibility and the cost of the audit process. The study population is one of the legal accountants practicing the auditing profession in the Hashemite Kingdom of Jordan Statistics for the Association of Certified Accountants in 2016. Seventy-four questionnaires were distributed, 72 of which were valid for analysis. The study concluded with a set of results, but the most significant of these was that there was an impact on the application of the ISA 701, "Delivering Key Audit Issues in the Independent Auditor's Report" The cost of the audit. The study recommended a number of recommendations, including the following: The auditor should expand the sample of the survey during the audit process to become more comprehensive to cover his entire responsibility; the need to determine the auditor's professional and legal responsibility more clearly under this standard; and review the audit fees based on the professional and legal obligations of the auditor

Keywords: International Standard 701, Audit cost, and Audit Responsibility.

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Introduction

The audit professions appear where there is a significant and growing development to keep up in the labor market as a result of evolution in companies and the creation of new forms. Before the industrial revolution, the size of the companies was small, and its operations were limited. The dominant style was the individual projects and solidarity companies that were owned by a small group of people where there was no need for auditing. After the industrial revolution, new forms of companies appeared that were in demand for significant capital for their work and maintain continuity. Among these were the public

shareholding companies. This form assumes the separation of ownership from management in a way that the shareholders elect members of the board of directors. The separation of ownership from management led to the emergence of a kind of contradictions and inconsistencies between the interests of shareholders and management on the one hand, and users of financial statements on the other side. This contradiction is attributed to the fact that shareholders seek to maximize profit in the company, while the administration seeks to achieve some personal interests regardless of the outcome of the company's business (Schwab, 2017).

This kind of contradiction has caused discrepancy confidence between shareholders and the administration. Thus, there was a need for a third independent and professional party which supervises the administration works and connects these results clearly and neutrality to the users. This kind of work was later known as the profession of auditing (Dahduh, 2006). Auditing as a profession received significant interest in various financial, legal and economic contemporary fields. This was accompanied by a high number of public shareholder companies, which are described as a pillar of national economies. Shareholders in these companies depended on auditing to obtain certainly reasonable accurate financial statements submitted by the administration (Dahduh, 2006).

‘Auditing’ faced many difficult circumstances, as at the beginning of the third millennium it encountered significant pressures regarding the role of auditors and their responsibilities. These pressures escalated after the collapse of the big audit firms in the United States such as ‘WorldCom’ company, Enron Company, and Arthur Andersen (Dahduh, 2006). As a result of the severe conditions experienced by ‘Auditing’ profession, a lot of standards have arisen. These aimed to maintain auditor independence so that he can provide feedback transparently and clearly about the fairness of financial statements and ensure that all the accounts are prepared in accordance with international standards. These standards aim to provide a reasonable level of regulations the auditing process, and identifying a framework for the auditor’s work. Besides, these standards are a benchmark for judging the performance of the auditor and the quality of work done. Thus, they provide a certain level of confidence about the work of the auditor (Thunaibat, 2016). This, in turn, increases public confidence in the auditing process and its importance and sets that auditing is a process controlled by accepted rules and norms.

IFAC is considered the International Federation of Accountants which is in charge of the development of the auditing profession. It serves to form a special commission to draft and issue auditing standard. The IFAC member states must

comply with these standards, especially in financial issues to achieve the objectives of the auditing (Thunaibat, 2016). The international standard no (701) delivers the critical issues of auditing of the report of auditor independence. These standards aim to increase the effectiveness and transparency of the auditor's report, improve the outcome of the auditing process, increase the capacity of the financial statement users to understand the basics, reduce the so-called expectations gap and enhance the confidence of those who deal with the company.

In an essay entitled ‘Modern Standards increases the responsibilities of the CPA’, (published in Al-Rai Newspaper no. 16163 2015) the president of the Jordanians CPAs Hatem al-Qawasmi assures that the certified accountant has to highlight further information in his concluding report that is more transparent and clearer in order to enhance communication between the auditor and investors. Al-Qawasmi also indicated that the current reports issued by public shareholder companies lack communication skills between the investors and shareholders and the financial decision-makers. He added that the primary purpose of the report of the certified accountant is to connect the result of the audit that he obtained to the shareholders and investment decision-makers in the companies after a planned and regular process which includes collecting and evaluating evidence concerning the administration many assurances of the financial statements. The achievement of this report requires excellent care of its content, language, and format so that users to understand its implications appropriately. Al-Qawasmi (2016) further indicates that pressure on the financial statements by investors in these companies generated a significant responsibility on the certified accountant to expand disclosed information in its final report. As seen above, the application of IAS 701 is of great importance to ‘deliver key auditing issues of the report independent auditor’ as well as the responsibility of auditor and the auditing costs. It is hoped that the present study provides feedback to anyone interested in this matter. It is also expected that this study will create fundamental tenets that are supposed to be considered in auditing.

The Problem and Questions of the Study

Recently, a set of standards of auditing caused a change to the auditor's report, in which the report begins with the 'opinion' paragraph directly and then with a new paragraph entitled 'Key Issues of Auditing- the standard of 701'. Those were the most important issues during the process of auditing of the financial statements for the current year based on the professional judgment of the auditor. The auditors explain a summary of the most important procedures he carried out. He also mentions the most critical remarks and findings, as well as the reference to the disclosure and clarifications in financial statements associated with the issues of auditing (al-Qawasmi, 2016). These important issues are specified in the auditor's report after they had been discussed with the concerned parties on governance within the company.

The application of this standard incurred an uproar in the profession of auditing between supporters and opponents of this standard questioning of the ramifications and consequences of its use. Therefore, this study appeared in an attempt to examine the impact of the application of the standard international auditing (701) "The Delivery of Key Audit Issues in the Independent Auditor's Report on the responsibility of the auditor and auditing costs. The problem of the study can be stated in the following questions:

- What is the impact of the application of the standard international auditing (701) 'The Delivery of Key Audit Issues in the Independent Auditor's Report' on the responsibility of the auditor?
- What is the impact of the application of the standard international auditing (701) 'The Delivery of Key Audit Issues in the Independent Auditor's Report' on the cost of the auditing process?

Objectives of the Study

Auditing is the first profession to prevent many risks on companies, and thus it still needs a lot of developments. Therefore, many related standards to the reports of the auditor created, notably standards 701. It is a basic standard and is linked

to a report of auditors since through it the procedures followed by the auditor are explained. The importance of the study lies in identifying what impact the application of the standard international (701) 'The Delivery of Key Audit Issues in the Independent Auditor's Report' on the responsibility of the auditor. The following points can summarize the objectives of this research:

1. Building a tool for measuring the application of the standard international auditing (701).
2. The identification of the responses of the auditors on the subject of study.

The Relevance of the Study:

The study highlights the importance of being one of the first studies - as far as the researcher knows- which examine the impact of the application of the standard of the 701 related to auditor responsibilities and auditing costs. This is a standard developed in the profession, which tackles the consequences for the auditing process.

That standard requires the expansion of the auditor's report, which now contains important issues that did not exist in the previous report. This will affect the auditor's responsibility, so auditor needs to invest more time and effort to confirm the fairness of the financial statements, which in turn will affect the cost of the auditing process. Hence, the importance of the study lies in two objectives:

1. To identify the impact of the application of IAS 701 'The Delivery of Key Audit Issues in the Independent Auditor's Report' on the responsibility of the auditor and auditing costs.
2. To identify the impact of the application of IAS 701 'The Delivery of Key Audit Issues in the Independent Auditor's Report' on the responsibility of the auditor and auditing costs'.

Terms of the Study

The standard international auditing (701): It is the standard which represents the auditor's

responsibility for reporting the basics of the auditing process with regard to the auditor's report, which is of course the auditor's opinion. The aim of this standard is to provide sufficient transparency of the auditing process carried out and implemented.

Previous Studies

Here the current research will review the previous studies in ascending order. Thunaibat et al. (2008) surveyed to identify the acceptance of the financial managers and auditors for the new amendments related to the international auditing standard (700) in the new auditor's report. The study also tries to identify the contribution of these amendments to reduce expectations gap from the viewpoint of the auditors and corporate finance directors of public shareholder company, and the participation of these amendments in the delivery of information for users in a better way than the old report, as well as the impact of these new amendments to the auditor's report on increased responsibilities of the certified accountant. To achieve the objectives of the study, the researchers designed a questionnaire and distributed it to the study sample which consisted of certified accountants practicing auditing and financial company's managers in public shareholding company. After analysis, the researchers found the following conclusions: these amendments have received an average acceptance in each of the auditors and financial managers, and that such modifications contribute moderately to reduce the gap of expectations. The improvement of the delivery process of auditing showed a low level. The study indicated that such amendments would lead to increased responsibilities of the certified accountant more than ever. Based on these findings, researchers find that there is no need for these amendments which led to prolonging the format of the report that thus the size of the report should remain as it was. Additionally, the International Federation of accountants must survey users of financial statements in various countries on any proposed amendments before approval.

Vaslleladis (2016) aimed to identify the impact of the amendments made by the board of the

standards IAASB (700, 701, 705 and 706) to reduce expectations gap, making the auditor's report more useful. The problem of the study was to answer the two following questions: is the new auditor's report more user-friendly? Could some changes in the form of auditor's report reduce expectations gap and make it more useful? Thus, the researcher has developed the following hypotheses: The new auditor's report is less effective and appropriate than the old report. Second, the report containing the charts is more efficient and capable of the report that does not provide such charts. To check these hypotheses, the researcher designed a questionnaire distributed to 255 Erasmus University students in the Netherlands; all were students of accounting and disciplines of finance and economy. Two hundred twenty valid inquiries have been redeemed suitable for analysis. The results indicated that the expectations gap decreased with the new amendments in the auditor's report and that such changes made the auditor's report more efficient and accurate and provided adequate information, making investors more confident about their future decision. As far as the audit report language and format, participants emphasized that the new auditor's report containing some of the charts helped them to understand some key issues. Also, the investors were comfortable with this way in the representation of financial risks and the process of auditing of the report. The study recommended not only using those amendments and adopting them but to always develop them to make the auditor's report more active than before. Finally, scholars have to expand studies to enrich these subjects.

Trpeska and Lazarevska (2016)) aimed to identify the perception of certified auditors in the Republic of Macedonia of new amendments of the auditing profession related the standards (700, 701, 705 and analyzing their expectations and their views on the ability of these amendments in the credibility of this profession for users by reducing the gap of expectations. Researchers relied on three key points: that all auditors whether practicing auditing or not were fully aware of the new amendments. They also relied on auditors' views on these amendments, and whether the new report provided additional value that did not exist

in the old report. They also wanted to know the views of the auditors whether these changes would increase the quality of auditing. To achieve these results, the researchers distributed the questionnaire, through the web, too (172) auditors in the Republic of Macedonia. They collected (63) questionnaire 36.6%. The results showed that 42% of auditors considered that the information provided by the old report was enough, and 26% felt it was inadequate, and 43% percent of the auditors considered that the data presented in the report is sufficient and 24% think that they are not enough. The rest showed impartiality in these issues. The results, further, showed that 42.9% agree that these new amendments will meet user expectations of the reports audited and will reduce expectations gap, and most agreed the data would require more time and this will increase the cost of the auditing process, but this would not necessarily increase auditing charges on customers. There is agreement that the information on the responsibilities of the auditor and management must remain in the auditor's report. The study recommended a series of recommendations such as standard (701) become mandatory for all companies whether listed and unlisted.

Attik and Talloleh (2016) aimed to diagnose the appropriateness of auditor's report to the needs of Palestinian financial population which represent an appropriate measurement of the size of the expectations gap from the view of the user to the story. They also aimed to identify the impact of the application standard 700 on the expectations gap through better connect the auditing result to users of financial statements and improve the level of reporting of management responsibilities and duties of ethical and professional auditor and management responsibilities of the accuracy of the financial statements and auditor responsibilities of his opinion of the audited financial statements. To achieve the desired objective, the researcher designed a questionnaire that has been distributed to the population of the study, which consisted of 140 investor Palestinians who have been selected randomly. Twelve questionnaires were ruled out due to incomplete answers. After analyzing the results, the researcher found out the report still has a

medium level despite preparing the survey by standard 700. The study showed that there is an impact of standard 700 to reduce the expectations gap by improving the delivery of information and clarify the responsibilities of both management and auditors. The study recommended that the Palestinian population must be made aware of the importance of the auditor's report especially his professional opinion about the fairness of the financial statements as they are crucial to making investment decisions which will, in turn, increase the level of a culture of economic data on the professional and global developments relating to the auditor's report. Thus, the associations of Palestinian auditors have to follow up on the commitment of its members to the international auditing standard 700.

Ruud (2017) aimed to learn how to apply the standard (701) in Norway and to identify the impact of this standard on improving the quality of the information provided to users of financial statements. The researcher raised the following question: How do the critical issues of auditing contribute to increasing the value of the data to users of financial statements in Norway? To achieve the objectives of the study, the researcher tested the following hypotheses: 1- Usual risks faced by all companies will be presented, with minimal additional information to the user financial statement. 2- The level of investigation of data will be different from a company to another which makes the reports are not equal about the value offered to users. 3- There will be no statistically significant differences in matters of key auditing issues or the level of detail between the four largest audit firms (KPMG, EY, PwC, Deloitte). There are differences in the main topics of auditing in industry, banking, finance firms. 5- Complex and advanced terminology will be used in the delivery of critical issues of auditing which will increase the expectations gap between the auditor and users of financial statements. To test the previous hypotheses, the researchers, in collaboration with KPMG, analyzed the financial statements for companies that have used standard 701 in the banking sector only in 2017. He also collected information on financial reports of listed companies in banking and financial sectors and tabulated this information in (Excel). He analyzed

the data descriptively. The researcher found that there is agreement that this standard will increase the value of communication with users of financial statements. He highlighted that the new format of the report would become more complex which will make reading financial statements more difficult. He also showed the danger of giving a unified formula for critical issues of auditing making them lose their value. He further indicated that increasing the information in the auditor's report will expand the scope of the responsibility of an auditor.

Berivan & Bana (2017) aimed to learn how the auditors' interpretation of the issues of major auditing that they apply and add in the new report, by identifying the factors that may affect how the design of the auditor's report by the requirements of IAAS. The researchers addressed the following problem: How did the issues of the leading auditing interpreted and applied by the auditors in the audit report new? To achieve the objectives of the study, the researchers followed the method of collecting information through interviews and ask questions to the population of the study, which are certified auditing firms in the following: PwC, Deloitte and EY and Grant Thornton, and these interviews were conducted in all auditing companies listed in Stockholm – Sweden. This method provides the opportunity to auditors to speak freely and to give more precise answers to queries, interviews which were conducted by two interlocutors; the role of the first interlocutor was to ask questions while the other registered observations and solutions. The main findings of this study were that auditors generally were optimistic about the application of the standard 701, and indicated that the auditors required to some extent that the main issues be disclosed in its new report corporate. The study also shows that standard 701 would contribute to reducing the expectations gap.

Sabah's study (2018) aimed to identify the most critical amendments in the area of auditor preparation and publication of auditor's report by the new international standard number (701). It also aimed to explore the extent to which the offices of auditing in Jordan implement those amendments and know the impact of these

amendments on the quality of each of the auditor's report and audited financial statements. This enables the researcher to find the differences in the reports issued by the auditing offices in form and content. The researcher concluded that there is a trace of the latest standard (701) in the auditor's report that could improve the quality of financial statements. The study recommended that companies need to apply standard (701), and implement the courses that would inform auditors, directors, and staff involved in the Jordanian companies about the importance of the standard international auditing and standard 701.

Study Contribution

Perhaps what distinguishes this study is that this standard- the standard 701- is a newly issued report of the new independent auditor, which will be adopted by the offices of the auditing corporates' balance sheets. It has got in effect since December 2016. The studies on the subject are few to the best of the researcher's knowledge. The council has agreed on international auditing standards and on the emphasis on strengthening the auditor's work of the financial reporting that is extremely important in influencing the document-control value of the financial statements. The primary purpose of the preparation of reports is the spell of the International Council of auditing standards and emphasizing promoting the value of the auditor's report with the public interest.

The access to relevant studies on the subject was the first step in getting to know the findings of researchers in this area. With the help of some of these studies in the development of the identification of the study, and through a review of previous studies, the scholar finds that these studies have identified the study sample responses on the subject of research, but could not see the study combining the two variables. This study differs from the previous studies in that:

- It develops a tool for measuring auditors' responses on the subject of the study.
- The scarcity of studies that examine the subject of the current study specifically to the certified accountants practicing the profession of auditing in the Hashemite

Kingdom of Jordan. This study will highlight this issue.

Study procedures

This study was conducted in 2018-2019; a questionnaire was distributed on a sample of certified accountants practicing the profession of auditing in the Hashemite Kingdom of Jordan. The descriptive analytical approach was used to fit the objectives of the study. Al-Qahtani (2001) states that "this curriculum aims to describe the phenomenon studied to identify the problem or justify the conditions and practices, or evaluate and benchmark, or to learn what works by others in dealing with similar situations to develop plans". We do not only adopt this approach to describe the phenomenon, but also we interpret and analyze the access to facts about the circumstances to develop and improve it. Also, we provide a statistical treatment of the study and its links with questions and assumptions of research and indicate the study's findings and recommendations.

The Study Population:

The study population consists of certified accountants practicing profession of auditing in the Hashemite Kingdom of Jordan, who numbered six hundred and eighteen listed accountants. The researcher distributed a questionnaire to all members via email by the Association of Accountants with the coordination of the secretary responsible for this.

The distribution of the questionnaire to groups was conducted also through (whatsapp) in the form of a link, where it was coordinated with the president of the association of accountants Mr. Ammar Tallawy and deployed to the particularities of the assembly, and was a hundred print and paper questionnaire. Because of poor response to the first means, it has been distributed manually to auditors practicing profession. The researcher checked addresses and telephone numbers from the association over two weeks. 74 questionnaires were collected including 72 questionnaires valid for analysis. the sample was selected randomly. The study used a statistical package program (Statistical Package for Social Sciences - SPSS, version 20) in order to reach the

goals and objectives of this study. Table (1.6) shows the characteristics of the study sample.

First: Age

Table (1): Distribution of the study sample according to the age variable

Age	Frequency	The percentage
25-29 years	14	19.4%
30-39 years	22	30.6%
40 years and more	36	50.0%
Total	72	100%

Note from Table (1) that the proportion of the ages (40 years and over) was the largest percentage in the study sample (50.0%), while those with ages (30-39 years) were (30.6%), and for the ages (25-29 years), the proportion was (19.4%).

Secondly: Salary

Table (2): Distribution of the sample study according to the salary variable

Salary	Frequency	Percentage
Up to 400 JD	4	5.6%
401-499 JD	5	56.9%
500 JD and more	63	87.5%
Total	72	100%

Table (2) shows that persons with salary (500 dinars and more) is the highest (87.5%), followed by employees (401-499 dinars), by (56.9%), and finally employees (up to 400 dinars), by (5.6%).

Thirdly: Years of Experience:

Table (3): Distribution of the sample study according to the variable 'years of experience'

Years of Experience	Frequency	Percentage
1-5 years	16	22.2%
6-10 years	19	26.4%
11 years and more	37	51.4%

Total	72	100%
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Table (3) shows that the percentage of those with experience (11 years and over), got the highest percentage (51.4%), followed by those with experience (6-10 years) (26.4%), and finally those with the experience (1-5 years) by (22.2%).

Fourthly: professional certification:

Table (4): distribution of the sample study according to the variable 'professional certification'

Professional Certification	Frequency	Percentage
JCPA	72	91.7%
CPA	2	2.8%
CMA	4	5.6%
Total	72	100%

Table (4) shows that the percentage of persons (JCPA holders) was the highest (91.7 %), followed by those obtaining (CMA) by (5.6%), and finally those obtaining (CPA) by (2.8%).

Fifthly: Qualifications:

Table (5): distribution of the sample study according to the variable 'qualifications'

Qualifications	Frequency	Percentage
Bachelor	61	84.7%
Higher Diploma	8	11.1%
Master	1	1.4%
PHD	2	2.8%
Total	72	100%

Table (5) shows that the percentage of the first university degree (bachelor's degree) is the highest (84.7%), followed by those obtaining the diploma certificate (11.1%), then those obtaining a doctorate degree by (2.8%), and finally those obtaining the master's degree by (1.4%).

The study tool

To obtain information and data, the purposes of the study relied on building and developing a (identify), this and take into account the building by making conscious responder to their objective and components, accuracy and clarity and consistency in the way that serve the goals and objectives of the study, in the form that serve the objectives and the questions.

Reliability and validity of the study:

After completing the development of resolution, the number of sections of the resolution (51) paragraphs, and to achieve the aims and objectives of the study was designed based on a model resolution Likert (Likert Scale) five, and consisted of two parts, which included the first part of the personal information data, and part two included passages on the subject of study and graduate level has been answering each a Likert scale to five, and identified five levels: OK significantly (5 degrees), OK (4) degrees, OK moderately (3 degrees) not OK (two) and other OK significantly (one degree).

In order to ensure consistency was Identification Test (Cronbach Alpha) to measure the strength of the measure, with shares of internal consistency of resolution ($\alpha = 92.1\%$), a proportion that is acceptable to the goals of the study, which is considered kafe indicator for the adoption of a study in the final implementation, as stated in previous studies as a standard for persistence, it was between (Miller, 2013) that if fixedness factor (more than 60%) was consistently high, and therefore treat this study fixedness high.

The study variables

The study variables identify the impact of the application of IAS (701) through variables (the responsibility of auditor, and the cost of the auditing process).

The presentation of the study data

Questionnaires were sent to accountants practicing profession of auditing in the Hashemite Kingdom of Jordan, had been relying on a scale of the five categories, these responses have been entered on the computer, as shown in table (6).

Table (6): The degree of response and symbol

The degree	Code
Strongly agree	5
Agree	4
Neutral	3
Disagree	2
Strongly disagree	1

Building on the icons given to respond to the arithmetic average of the responses were calculated for the purpose of judgment on the level of approval for each paragraphs of the resolution, and on the values of the mean for the purpose of determining the "degree", according to the following equation: the length category = (upper limit variant. Minimum variant), the number of levels. $(5-1)/3 = 1.33$ thus the appreciation can be summarized as follows (1-2 5:00 Low, Medium, 3.68-5 2.34-3 at high).

The discussion of the results of the study

The results of the study can be summarized by identifying the mathematical population standard deviations associated with the questionnaire, and can be divided into two areas: "deliver key auditing issues to the report of the independent auditor". The results of the study can be summarized by the calculation of standard deviations associated with the paragraphs of the resolution, and can be divided into two areas, "the delivery of the main audit issues in the report of the auditor independent" and the second is in." The first area: the International Standard 701 "the delivery of the main audit issues in the report of the independent auditor:

Table (7) Means and standard deviations to the International Standard 701 'the delivery of the main audit issues in the report of the independent auditor'

The Number	Item	mean	SD	Level	Deg. of appr
1	You have to add a separate paragraph on management's responsibility for the financial statements	4.68	0.58	3	high

2	Management is responsible for the design, implementation and maintenance of internal control system to achieve a fair presentation of the financial statements of the material free of distortions, whether caused by fraud or error	4.71	0.49	2	High
3	Administration is responsible for the selection and application of appropriate accounting policies	4.60	0.62	4	High
4	A statement that the Department responsible for the preparation of accounting estimates are reasonable in the circumstances of the Treaty	4.49	0.73	7	High
5	It is necessary to add a separate paragraph on the responsibilities of the auditor	4.54	0.84	6	High
6	A statement that the auditor takes into account the internal control relevant to the financial statements, supply and distribution of the information	4.31	0.87	13	high
7	A statement that the criteria required commitment to ethical requirements	4.33	0.79	12	High
8	A statement that the auditor examines the internal oversight for the design of appropriate audit procedures under investigation	4.29	0.86	14	High
9	A statement that the auditor is evaluating the risks of material distortions	4.04	0.85	15	High
10	A statement that the actions of the Auditor and its implementation depends on his professional judgement	4.36	0.76	11	High
11	Replacing the results of its work in a paragraph of the opinion words and performance.	3.54	1.19	6	High

12	The report of the auditor clearly indicates that the Department is responsible for the preparation of the financial statements	4.72	0.56	1	High
13	The report of the auditor clearly indicates that the Department is responsible for the fair presentation of the financial statements	4.40	0.82	10	High
14	The report of the auditor clearly indicates that the Department is responsible for the design, implementation and maintenance of the internal control system	4.58	0.58	5	High
15	The report of the auditor states that the administration must be designed and implemented internal controls to prevent or detect or correct errors due to fraud or error.	4.42	0.78	9	High
16	The report of the auditor indicates clearly that the Administration is responsible for selecting the appropriate application of accounting policies.	4.44	0.80	8	High
17	The report of the auditor indicates clearly that the Administration is responsible for the preparation of the estimates reasonable accounting.	4.29	0.88	14	high
18	The report of the auditor states that the primary responsibility for preventing, detecting and correcting errors due to fraud or error rests with management	4.29	0.96	14	high
The average		4.39	0.47		High

The table shows that the average area of the International Standard 701 "the delivery of the main audit issues in the report of the independent auditor, reached (4.39) (0.47) normative spiraling out of high degree, paragraph (12), which provides that "the report of the auditor clearly indicated that the Administration is responsible for the preparation of financial statements" ranked first with an average my account (4.72) (0.56) standard deviation, while the last came in paragraph (9), which provides "a statement that the auditor is evaluating the risks of material distortions" arithmetic average (4.04) (0.85) standard deviation. This result does not agree or disagree with previous studies being displays only the arithmetic averages of the standard deviations of the images, paragraphs from the preparation of the researcher.

The second area: the responsibility of the Auditor:

The agenda (8) Means and standard deviations of responsibility of the auditor

The Number	Item	Mean	SD	Level	Deg. Of appr.
1	The report of the auditor clearly stated that the responsibility of the Auditor	4.82	0.39	1	High
2	The report of the auditor is clearly committed to the ethical requirements	4.51	0.69	2	High
3	The report of the auditor clearly indicates that the auditor should plan and carry out the	4.51	0.69	2	High
4	The report of the auditor clearly evaluates the appropriateness of accounting policies	4.38	0.90	6	High
5	The report of the Auditor states that the auditor evaluates the situation	3.44	1.22	4	High
6	The report of the auditor and the responsibility for the auditor are to detect	4.28	0.95	7	High

The Number	Item	Mean	SD	Level	Deg. Of appr.
7	The report of the auditor clearly implements audit procedures to obtain evidence about the	4.26	0.90	8	High
8	The report of the auditor clearly indicates that some of the checks carried	4.28	0.94	7	High
9	The report of the auditor indicates clearly that the auditor takes into	4.11	0.90	9	High
10	The report of the auditor indicates clearly that the checker does evaluate the	4.00	1.05	11	High
11	The report of the auditor clearly identifies the role of vocational training in the composition of	4.08	0.99	10	High
12	The report of the auditor clearly indicates that the main objective of the audit was to audit	4.47	0.69	3	High
13	The report of the auditor indicates clearly that the auditor and the audit	4.28	0.95	6	High
14	The report of the auditor indicates clearly that the audit was performed in accordance with	4.43	0.93	5	High
15	The audit report summarizes the extent and nature of the evidence collected in order to	3.90	1.22	12	High
16	The auditor reports the results of the examination of the internal control system and the extent	3.60	1.15	13	High
17	The auditor reports the physical level adopted by the auditor during the audit process	3.35	1.26	15	High
18	The auditor reports the level of institutional	3.39	1.25	14	High
19	The auditor reports the manipulation of the management of	3.14	1.32	16	High
The average		4.07	0.53		High

The table shows that the overall average of the area of responsibility of the auditor reached (4.07) (0.53) normative spiraling out of a high value, and came first paragraph (1), which provides that "the report of the auditor and the clearly stated that the responsibility of the Auditor include to express an opinion on the financial statements of the arithmetic average (4.82") normative deviance (0.39), while the last came in Paragraph No. (19), which provides that "the report of the auditor to the manipulation in the management of the profits" My Account (3.14) average standard deviation (1.32).

The third area: the cost of the audit process.

The agenda (9) arithmetic averages standard deviations to the area of the cost of the audit process (n=72)

Paragraph No.	paragraph	Mean	SD	Level	Deg. of appr.
1	Audit fees are determined on the basis of responsibility to be borne by the auditor	3.28	1.38	11	High
2	The fees of the auditor directly affected the assessment of the risk of legal accountability checker	3.42	1.35	10	High
3	The audit is associated with process is governed by the timetable, and this table is agreed upon with the customer in the preparation of the audit plan.	3.72	1.22	8	High
4	The time needed is different from according to the auditor of the company depending on the difference in the size of the company and its operations.	4.40	0.69	1	High

Paragraph No.	paragraph	Mean	SD	Level	Deg. of appr.
5	The fees of professional auditor is determined on the basis of the time needed by the auditor depleted in the process of checking out the opinion on the fairness and validity of the financial statements.	4.18	0.83	3	High
6	The fees consistent with of the Auditor with the estimated number of hours of auditing.	3.78	1.13	6	High
7	The time needed to complete the verification process is considered one of the most important factors determining the fees of the audit.	3.81	1.10	5	High
8	The audit fees is heavily influenced by the size of the company and the subject of audit, where it is expected to be increased if the size of the company increases the fees of the auditor.	4.18	0.78	3	High
9	The degree of complexity (the number of branches, the proportion of the commodity stocks, the total assets of the company increases the fees of the auditor.	4.33	0.71	2	High
10	The difficulty experienced by the Auditor in the audit is determined by the possibility that the auditor and legal accountability, or any future lawsuit on the company	4.04	1.00	4	High

Paragraph No.	paragraph	Mean	SD	Level	Deg. of appr.
11	There is a direct correlation between the sizes of the office of the audit compared to the fees earned by the auditor.	3.78	1.09	6	High
12	The audit offices, which enjoy great independence and reputation of the best and highest quality checking, request higher fees compared to small audit offices	3.76	1.11	7	High
13	The fees of the auditor and the existence of an accounting and auditing laws and standards binding affect companies and offices of the audit.	3.81	0.96	5	High
14	The fees of the auditor and the existence of rules of professional conduct binding Affect employees in these companies.	3.68	1.12	9	High
The average		3.87	0.56		High

The table shows that the average cost of the total area of the audit process (3.87) (0.56) normative spiraling out of a high value, where came the first paragraph (4), which provides for "different time needed by the auditor of the company to another depending on the difference in the size of the company and its operations," the average my account (4.40) (0.69) standard deviation, while the last came in paragraph (1), which provides for the "audit fees are determined on the basis of responsibility to be borne by the auditor," an average my account (3.28) (1.38) standard deviation.

The results of the study

The first question: What is the effect of the application of the standard of international auditing (701), "the delivery of the main audit issues in the report of the auditor independent" the responsibility of the auditor? The findings and recommendations:

To answer to this question was the application of the variance analysis to identify the impact of the application of the standard of international auditing (701), "the delivery of the main audit issues in the report of the auditor independent" the responsibility of the auditor, and table (10) shows that:

The agenda (10) test the variance analysis of the impact of the delivery of the main audit issues in the report of the independent auditor, and the responsibility of the auditor

	Total	df	Medium Boxes	F-value	Sig
between groups	11.580	31	0.374	3.461	0.000
within groups	4.318	40	0.108		
Total	15.898	71			

(*) Sig d statistically when ($\alpha=0.05$)

The table shows that the impact of the application of the standard of international auditing (701), "the delivery of the main audit issues in the report of the auditor independent" the responsibility of the auditor, as the value of (F) (3.461) وبداية (0.000) is a function value at ($\alpha=0.05$).

The second question: What is the effect of the application of the standard of international auditing (701), "the delivery of the main audit issues in the independent auditor's report on the cost of the audit process?

The answer to this question was the application of the variance analysis to identify the application of a standard international auditing plinth (701), "the delivery of the main audit issues in the independent auditor's report on the cost of the audit process and table (11) shows that:

The agenda (11) test the variance analysis of the impact of the delivery of the main audit issues in the report of the independent auditor, the cost of the audit process

	Total	df	Medium Boxes	F-value	Sig*
between groups	9.912	28	0.354	2.543	0.003
within groups	5.986	43	0.139		
Total	15.898	71			

(*) Sig d statistically when ($\alpha=0.05$)

The table shows that the impact of the application of the standard of international auditing (701), "the delivery of the main audit issues in the independent auditor's report on the cost of the audit process, where the value of (F) (2,543) and variant (0.003), which is the value of a function at ($\alpha=0.05$).

Findings and recommendations

The following presentation will outline the findings. Firstly, The Study results can be summarized the results of the study, by answering questions.

The first question: The impact of the application of the standard international auditing (701) "The delivery of the issues of auditing key to the report independent auditor" the responsibility of auditor?

Through the results of the study results showed on the first question that there is an effect of the application of the standard international auditing (701) "The delivery of the issues of auditing key to the report independent auditor" the responsibility of auditor. And as a result of the current study are consistent with what he sees (al-Qawasmi, 2016) that the pressure on the financial statements by investors in companies generated a huge responsibility on the certified accountant as a result of the extension of disclosed information in its final report.

The number of 701 accounting standard guaranteed highlight wider information auditor in its final report to be transparent and visible in

order to enhance communication between the auditor and investors.

This result would also be consistent with study conducted by the researcher Ruud) 2017), which aimed to learn how to apply a standard (701) in Norway, and to identify the impact of this standard quality of information provided to users of financial statements, one of the search results obtained by the finder to increase disclosures would work to expand the auditor's responsibility. It also agrees with the study carried out by Thunibat and others (2008) concerning the impact of amendments to the International Auditing Standard No. 700 concerning the new auditor's report. The results indicated that these amendments will increase the responsibilities of the auditor.

Second question: The impact of the application of the standard international auditing (701) "The delivery of the issues of auditing key to the report independent auditor" on the cost of the auditing process?

Through the actions of statistical analysis showed a trace of the application of the standard international auditing (701) "The delivery of the issues of auditing key to the report independent auditor" on the cost of the auditing process.

The result of the current study with indicated him (al-Qawasmi, 2016) in an article in the finance and trade of the reactions of some companies and committees - including the Committee on the practice of small and medium-sized enterprises (SMEs) to the International Federation of accountants - about the impact of this standard on the cost of the auditing process, noting that the expansion of a report of auditor has undermined a negative impact on the cost of rigorous audits of small and medium-sized enterprises, which was viewed by flaws to this standard, which could become a lengthy reports was too.

This finding is consistent with the survey conducted by researchers Trpeska and Lazarevska (2017) that aimed to identify the perception of auditors adopted in the Republic of Macedonia for new amendments to the profession and auditing of the standards (700) and (13) and (706) and (701),

the study noted that there is near an agreement between the auditors that such changes would increase the amount of time spent in the process of auditing and thereby increase the cost of the auditing process.

Secondly: The study's recommended that, In light of the previous results, the study recommends the following:

1-The expansion of auditor study samples while working to become more inclusive to cover the full responsibility, and use alternative checks in the case found it challenging to obtain evidence confirming the fairness of the financial statements. The need to determine the responsibility of professional and legal auditor clearly under this standard.

2- Run training courses that would define the auditors the impact of this standard to their professional obligations and the new legal developed by this standard and what further action be taken to meet this responsibility.

3- Conduct training courses for auditors' that define the impact of this standard on the cost of the auditing process which will be borne by the auditor.

4- A review of checking fees based on professional and legal responsibilities and the extra effort that would make it closer.

5- To revise the minimum audit fees set by the Association commensurate with the duties of the auditor, which was the norm and the cost of the auditing process.

6- To conduct the studies examined the implications of this standard on factors such as auditor independence, reducing expectations gap.

7 - To maintain the status quo by not requiring auditors to apply this standard to leads listed companies, which are usually small and medium-sized companies avoid increasing the volume of fees for checking on them.

8- The need for new research relevant to the study.

9- Hoped to take the findings of this study into account to the offices of auditing, with the relationship.

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