

Developing the Role of Auditing Profession In The Light of E-Disclosure of Financial Reports in KSA Business Environment

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Abstract

The present research aims mainly to develop the role of auditing profession in the light of electronic disclosure of financial reports by highlighting a number of important dimensions i.e. the need for Saudi Arabia's business environment to regulate the electronic disclosure, and research moreover endeavor to examine performance level of auditors and the challenges they face in light of the electronic disclosure. To achieve these goals, researcher relied on the analytical, descriptive, and deductive approaches. The research sample consisted of (81) Auditors. The research came up with the following main findings i.e. there is a need to regulate the electronic disclosure in the Saudi Arabia business environments, there is a satisfied awareness among auditors in regards to the duties and responsibilities assigned to them under the electronic disclosure, there is a statistically significant impact by the following variables (Technological challenges, Companies' challenges, Auditor's challenges, and Professional challenges) on the performance level of auditors under the electronic disclosure".

Key Words: Internet Financial Reports (IFR), Responsibilities & Duties of Auditors, Electronic Disclosure.

Introduction

Accounting and auditing are considered as a social sciences, as both of them are connected and influenced by the various surrounding environment variables, which in turn imposing these sciences the necessity of developing and adopting with them, in order to stay capable of achieving their goals in away suitable to satisfy the needs of stakeholders.

Auditing considered as one of the trusting services that began by checking the integrity of information in the financial statements, systematic and independent examination of accounts, , documents, records and vouchers of an organization, then stretched to include other types of services such as financial forecasts. Auditing service has been affected by the developments in information technology, the growth of the Internet, and e-commerce which result in the emersion of other required services from the auditing offices, such as Web Trust Services (WTS).

Indeed, Internet has imposed itself on many practices, where many big companies took the initiative in creating its own website, for publishing financial information, products, promotional information, and then a tremendous change has took a place to includes electronic publishing financial reports through companies websites.

With the tremendous development in the World Wide Web (WWW), and interposing of some professional organizations, such as American Stock Exchange (ASE) and Canadian Stock Exchange (CSA), and the issuance of some laws such as (Sarbanes Oxley) in America where all asked to disclose some of their financial information through websites, bringing the electronic publishing of financial reports to become a reality, imposing itself as logical and advance alternative to the traditional approach of publishing financial reports especially as its proved by some authors that there is a relation between the effective electronic controlling system and the quality of published financial reports (Grant, et al,2008) .

It is worth mentioning to say that electronic disclosure has clear connection with auditor responsibility, especially civil responsibility toward others. Therefore, does auditor will remain responsible with the increasing number of users of electronic published financial statements? (Khalf, 2002).

Research Problem

In spite of the enormous developments in the methods of modern information technologies, especially with regard to operational technology and disclosure of accounting information through the electronic means, the issue requires similar developments in auditing procedures to cope up with developments in the electronic environment, and also these developments have imposed on auditing profession the need to provide their best for keeping pace those developments and challenges. With the importance of this matter, many professional bodies and committees, such as the Canadian institute of certified accountants (CICA), the financial accounting standards board (FASB), and the American institute of certified public accountants (AICPA) in 2004, raised to issue some auditing guidelines and standards about the electronic environment. The international federation of accountants (IFAC) also issued the standard (ISA No.401) under the title " Auditing in a Computer Information Systems Environment". In regard to the kingdom of Saudi Arabia, there is lacking by relevant authorities to regulate the auditing profession in relation to the standards and guidelines for electronic disclosure, therefore, the problem of the research paper can be expressed through the following questions:

1. To what extent Saudi business environment need to regulate electronic disclosure?
2. What is the extent of awareness level by auditors in regard to their duties and responsibilities under the electronic disclosure?
3. What are the challenges that limit auditors performance under electronic disclosure?

Research Importance

The research derives its importance from two basic aspects: firstly, modernity of the issue. Secondly, the current challenges facing auditing profession, especially those related to the rapid spread of electronic disclosure model, which is in turn imposing on the auditing profession the needs to face those challenges, in order to continue playing its role and keeping its place as one of the leading profession services. Moreover, the present research consider to be important to various parties, such as Saudi business firms, investors in the Saudi financial stock exchange, and also to the professional organizations responsible for developing standards, and government agencies as well.

Research Objectives

The main objectives of the present research are:

1. Identifying the extent of Saudi business environment need to regulate electronic disclosure.
2. Examining the level of auditor's performance level in regards to awareness of the assigned duties and responsibilities under the electronic disclosure.

3. Identifying the impact of technological challenges, companies' challenges, auditor's challenges, and professional challenges on the performance level of auditors under the electronic disclosure.

Research Hypothesis

First hypothesis: There is a need to regulate electronic disclosure in the Saudi business environment.

Second hypothesis : There is a satisfied awareness among auditors in regards to the duties and responsibilities assigned to them under the electronic disclosure.

Third hypothesis : There is a statistically significant impact by the following variables (Technological challenges, Companies' challenges, Auditor's challenges, and Professional challenges) on the performance level of auditors under the electronic disclosure.

Research Methodology

For the purposes of achieving the research objectives, the researcher adopted both descriptive analytical approach to examine auditor role in terms of responsibilities, obligations, and duties under the e-disclosure, as well as the most important challenges facing auditing profession in KSA business environment. The research also adopted the deductive approach as an attempt to explore the require development in disclosure practice for auditing profession .

Data Collection

The researcher relied on books, statistical reports, periodicals, and Internet as a secondary source of data collection. Primary source of data collection consisted of questionnaire to analyze and examine research hypotheses.

Statistical Analysis

For the purpose of testing research hypotheses, several statistical methods has been adopted i.e. frequency distribution, means, standard deviation, one sample T-test, ANOVA, regression analysis, Person correlation and Cronbach alpha coefficient.

Population & Study Sample

The research population consisted of all certified auditors licensed to practice auditing profession in the kingdom of Saudi Arabia, nearly (219) . The purposive sampling technique has been adopted to select the research sample who were about (81) auditors.

Review of Literature

It is well known that the conceptual framework of accounting includes some attributes that should be available in accounting information, such as relevance, reliability, and timeliness. The information revolution and the stunning development in network technology made the traditional reports takes long time to be delivered to stakeholders, and thus became more distant from achieving the timeliness attribute (Tawfik, 2002).

Issues concerning e-disclosure are increasing day by day as more companies are developing a web presence and conducting electronic transactions via Internet (Hicks, 2004). Therefore, there was an urgent need to develop auditing profession to deal with the manner of executing the audit (Laura & Alexandru, 2008).

Electronic disclosure of financial statements has become one of the interesting topics for many professional organizations and researchers, given the importance of this topic and the trend of numerous companies to create its own websites in order to get the benefit from the advantages achieved by electronic disclosure, i.e. connecting with an endless numbers of accounting information users, reducing the costs of publishing information and saving it easily, as well as retrieving it and analyzing it by the decision makers (Rashid,2011).

As far as the professional organizations are concern, The Canadian Institute of Chartered Accountants (CICA) explained it clearly that the style of electronic disclosure requires some changes in the primary concepts of financial reports (CICA, 2003). Furthermore, CICA added new concept called interactivity, which regulate the new role of users in designing reports neglecting the internal nature that reports require (Trite, 1999). There is also a need to add a new qualitative attribute called responsiveness, which means that information meets user needs in a timely manner, and it also includes both attributes of convenience and timeliness (Trite, 1999), and no doubt this will be secured through finding a modern approach toward disclosing information through the internet instantly.

Financial Accounting Standard Board explained that electronic disclosure can lead to some changes as follows (FASB, 2000):

- Using the internet will convert the regular reporting systems to continuous reporting systems.
- Using the internet can change significantly in the contents and displays of the reports.

In this context, (AICBA, 2004) clearly pointed out that financial reports through the internet is the form of disclosure in the future. Despite the advantages achieved by electronic disclosure for companies as well as stakeholders, but still there are several challenges that face auditing profession. The most important of those are: the guarantee and security of the financial reports and the quality of e-disclosure is still limited, due to the fact that electronic disclosure is still optional for the companies and in the initial stage, moreover, the responsibilities of auditor under electronic disclosure need to be legalized thoroughly (Foda, (2010). According to (Khalf, 2002), there are certain challenges which have been imposed by electronic disclosure over auditing profession i.e. publishing financial statements without being reviewed which may mislead users and stakeholders, publishing financial or non-financial information for the purpose of manipulation by other parties or companies owners due to unsecure websites.

Lymer & Debrecey, (2004), pointed out that data issue by the various professional bodies, around the world are not up to the required level as a reaction or response to the challenges that arise from the current and future financial report techniques through the Internet. As far as Iraqi business environment is concern, the study of (Mahdi & Mahmoud, 2010) reached into conclusion that the moderation of electronic disclosure concept, as well as the absence of professional instructions or guidelines related to electronic disclosure considers one of the challenges that faced auditors in Iraq. Whereas in Egyptian business environment, the study of (Darweesh, 2005) found that the auditor's legal responsibility in e-commerce environment is considered one of main challenges facing auditing profession.

With regard to Saudi Arabia business context, (Abu-Musa, 2004) came up into conclusion that auditors need to strengthen their knowledge and skills about e-disclosure of financial reports, the study moreover concluded that auditors use to focus primarily on the traditional risks of information technology. (Pathak, 2003) & (Asaimi, 2010) supported strongly that auditors must have to possess certain qualifications and skills to cope up with the tremendous development in auditing profession, therefore, Intensive training for such kind of new task will positively enable auditors to handle this kind of task successfully (Al- Jabali & Nazmy,2011). On the other hand, (Saputra,2016) had inferred the stages that auditing process for e-commerce has to pass through auditing system for development life cycle, hardware & software audit, security system, audit management, internal control, auditing e-commerce and business continuity plan

audit. Therefore, the traditional approach of auditing profession must have to be changed and developed by having a particular characteristics and qualification in today's auditing profession (Chen & Zheng, 2013).

Data Analysis & Discussion

General data Analysis:

Table (1) shows that the majority of research sample were majoring in Accounting whether in bachelor, master, or PhDs degree, which is sound good enough and denotes to that the research sample were well qualified to answer the questionnaire effectively .

It is noted that (64.2%) of the research sample were certified from SOCPA, , followed by CPAs from (USA) (17.3%) which is enhancing their experience in understanding the international accounting standards relating to e-disclosure. It also noted that 59% of the research sample were having a practical experience in auditing profession with a minimum of five years and a maximum of fifteen years. hence, it can be concluded from the previous indicators, that the selected research sample were well qualified, which is in turn will contribute to generalize the research main findings, and will reinforce the confidence in the results obtained .

Table (1) Shows the general data for research sample*

Variable	Scope	Frequency	%
Academic Qualification	Bachelor in Accounting	68	84
	Master in Accounting	3	3.7
	PhD in Accounting	10	12.3
	Others	-	-
	Total	81	100
Professional Qualification	CPA (USA)	14	17.3
	SOCPA	52	64.2
	CA (UK)	2	2.5
	Others	13	16
	Total	81	100
Practical Experience	Less than 5 yrs	5	6
	From 5 yrs to less than 10 yrs	21	26
	From 10 yrs to less than 15 yrs	27	33
	15 years and greater	28	35
	Total	81	100

*Source: prepared by researcher.

Analyzing Results & Testing Hypotheses

Auditors opinions toward the need of Saudi business environment to regulate e- disclosure .

Table (2) refers to the descriptive statistics of auditor opinions about the level of Saudi business environment needs to regulate e- disclosure, hence, it can be concluded that:

1. The average means for all paragraphs ranged between (4.33-4.53), therefore, we notice that the highest supported mean by the research sample was for paragraph (4), which is relating to "The need to develop auditing services under the e- disclosure of information ".
2. Paragraph (1) scored relatively the lowest average mean concerning "The need for rules and standards to regulate e- disclosure ".

3. On the other hand, the overall average mean for all paragraphs was about (4.45), which is refers to the existence of a high agreement and support among research sample about the indigence need for Saudi business environment to regulate the e- disclosure.
4. All paragraphs were positive and their average mean were higher than the assumed mean (3).
5. Based on the results derived from table (2) the first hypothesis which states "There is a need to regulate electronic disclosure in business environment" will be accepted .

Table (2) Shows the level of Saudi business environment needs to regulate e- disclosure

No.	Paragraph	Mean	S.D	Sig	T-value
1	The need for rules and standards to regulate e-disclosure	4.33	0.79	0.00	15.18
2	The need to adopt the latest global techniques of e-disclosure to improve the quality of publishing financial and non-financial data	4.48	0.53	0.00	25.30
3	The need for further enhancement of transparency in the published financial reports	4.52	0.50	0.00	27.18
4	The need to develop auditing services under the e- disclosure of information.	4.53	0.53	0.00	26.17
5	The need to develop the present assurance professional services i.e. (continuous auditing services, quality assurance services for companies websites).	4.48	0.61	0.00	21.69
6	The need to implement the e- disclosure of financial reports through (XBRL) .	4.36	0.78	0.00	15.68
Average mean for paragraphs (1-6)		4.45	0.41	0.00	31.79

The descriptive analysis for auditor's performance level in the Saudi business environment.

A) Awareness of Duties Allocated

Table (3) refers to the descriptive statistical analysis for auditor's opinions about the level of awareness to their duties under the e-disclosure in the Saudi business environment, hence, it can be concluded that:

1. The overall average mean for all paragraphs ranged between (4.30-4.53), therefore it is noticed that the highest average mean was for paragraph (14), regarding the importance of obtaining a declaration from the company not to mix up between audited and not audited data for the propose of publishing financial reports.
2. The lowest average mean relatively was for paragraph (7), related to obtaining company's approval stating its responsibility for designing and testing of information security and protection systems for the purpose of protecting the contents of company's website.
3. On the other hand, the average mean for all the paragraphs was about (4.43), which is denotes to the existence of high agreement and support among research sample (auditors) in regard to the awareness level of their duties under the e- disclosure in the Saudi business environment.
4. All paragraphs were positive and their average mean were higher than the assumed mean (3).

Table (3) shows the Awareness level of duties allocated to auditors

No.	Paragraph	Mean	S.D	Sig	T-value
7	Obtaining company's approval stating its responsibility for designing and testing of information security and protection systems, for the purpose of protecting the contents of company's website.	4.30	0.73	0.00	15.93
8	Obtaining company's approval stating not to publish financial statements or the reports accompanied with them on website without informing the auditors in advance.	4.37	0.71	0.00	17.25
9	Emphasizing on making no changes to the published financial statements and auditor's report between the date of electronic publication and the general company meeting date.	4.38	0.78	0.00	15.88
10	The importance of specifying the time period which ends the legal responsibility of the auditor for the published report on the company's website.	4.40	0.74	0.00	17.06
11	reviewing audio and video files and published photos via company's website to ensure no conflict with the published financial statements.	4.43	0.65	0.00	19.81
12	documenting all sessions related to company's information that it want to publish through the website.	4.41	0.67	0.00	19.00
13	The importance of adding a paragraph at the end of the auditor's report, which shows the tasks assigned for both of auditor and the company in relation to the e- disclosure of financial statements.	4.33	0.89	0.00	13.42
14	The importance of obtaining a declaration from the company not to mix up between audited and not audited data for the propose of publishing financial reports.	4.53	0.55	0.00	25.07
15	The importance of obtaining a declaration from the company that the published financial reports through the company's website are identical to the last version approved by the auditor.	4.47	0.69	0.00	19.14
16	The right to keep a copy of the final audited financial reports .	4.52	0.67	0.00	20.31
17	The right to sue the company, in case of publishing the auditor report without his consent or approval.	4.47	0.78	0.00	17.04
18	The right to sue the company, in case of misusing auditor's report for the purpose of misleading stakeholders, such as publishing information on the company's website, which have not been audited yet.	4.44	0.88	0.00	14.77
19	The right to sue the company, in case of exploiting auditor signature for any predictive and future information disclosed via the company's website.	4.53	0.53	0.00	26.17
Average mean for paragraphs (7-19)		4.43	0.46	0.00	27.50

B) Awareness of Responsibilities Assigned

Table (4) refers to the descriptive statistical analysis for auditor's opinions about the awareness level of responsibilities assigned under the e-disclosure in the Saudi business environment, hence, it can be concluded that:

1. Overall average mean for all paragraphs ranged between (4.09-4.63). The highest average mean was for paragraph (22), regarding verifying process for uploaded financial statements to the company's website.
2. The lowest average mean was relatively for paragraph (27), regarding the responsibilities to notify about the inadequate output of accounting information systems.
3. On the other hand, the average mean for all paragraphs was about (4.41) which is denoting to high agreement and support among research sample in regards to their awareness level to the responsibilities assigned to them under the e-disclosure in the Saudi business environment.
4. All paragraphs were positive and their average mean were higher than the assumed mean (3).

Table (4) shows the Awareness level of responsibilities assigned

No.	Paragraph	Mean	S.D	Sig	T-value
a) Responsibilities toward the accounting information which disclose via company's website:					
20	Verifying that the published financial statements via the company's website are stamped, sealed, and signed by auditor.	4.49	0.69	0.00	19.44
21	Verifying that the updated information via the company's website don't contradict with what auditor had audited.	4.43	0.61	0.00	21.09
22	Verifying that the financial statements that were uploaded to the company's website are identical to what has been audited by the auditor without any modification or change in the content.	4.63	0.70	0.00	21.04
23	Verifying that financial and non-financial information are not mixed together, especially if they weren't subject to international accounting standards, and also weren't audited by the auditor.	4.48	0.73	0.00	18.35
24	Responsibility for updating the published information through the company's website, from the issue date of auditor report to the date of general body meeting.	4.53	0.55	0.00	25.07
b) Responsibilities toward company's internal structures and regulations:					
25	Responsibilities to notify about weaknesses in the protection systems for securing information and data.	4.42	0.99	0.00	12.96
26	responsibilities to notify about weaknesses in the efficiency of company's internal control	4.31	1.03	0.00	11.41
27	responsibilities to notify about the inadequate output of accounting information systems.	4.09	1.01	0.00	09.64
28	Responsibilities to notify about the electronic processing surrounding risks of accounting data.	4.32	0.99	0.00	12.07
Average mean for paragraphs (20-28)		4.41	0.55	0.00	23.02

C) Descriptive analysis for auditor's performance level under the e-disclosure

Table (5) depicts the average mean for the paragraphs (7-19) related to auditors awareness level to their duties under the e-disclosure which was about (4.43) where these paragraphs included the most important duties that auditors suppose to realize and aware under e-disclosure.

1. The average mean for paragraphs (20-28) related to auditors awareness level to their responsibilities under the e-disclosure was about (4.41) where these paragraphs included the most important responsibilities that auditors suppose to recognize under the e-disclosure.
2. On the other hand, the general average mean for both (duties awareness level, and responsibilities awareness level) was around (4.42) which reflect auditors performance level under e-disclosure .
3. All paragraphs were positive and their average mean were higher than the assumed mean (3). Therefore the second hypothesis which states "There is a satisfied awareness among auditors in regards to the duties and responsibilities assigned to them under the electronic disclosure" will be accepted.

Table (5) The descriptive statistical analysis for auditor's level of performance under the e-disclosure.

	Paragraphs	Mean	S.D	Sig	T-value
Auditors awareness level to their duties under the e-disclosure	Average mean for paragraphs (7-19)	4.43	0.46	0.00	27.50
Auditors awareness level to their responsibilities under the e-disclosure	Average mean for paragraphs (20-28)	4.41	0.55	0.00	23.02
	General average	4.42	0.45	0.00	28.19

D) Descriptive Analysis of Auditor's Challenges

Table (6) depicts to the descriptive statistical analysis for auditor's opinions about the challenges they face under the e-disclosure in the Saudi business environment:

1. Average mean for all paragraphs ranged between (4.20-4.69), therefore it is noticed that the highest average was for paragraph (34), regarding the possibility of misusing auditor scanned signature for unaudited published financial reports.
2. The lowest average mean was for paragraph (49), regarding the possibility of using an interactive links via company's website, which provides the opportunity to mix up between the audited & unaudited financial information by the auditor for the purpose of giving confidence and credibility.
3. On the other hand, the general average mean for all the paragraphs was about (4.49), which is higher than the (test value = 3) which depicts auditors agreements upon those challenges under the e-disclosure in the Saudi business environment.
4. All paragraphs were positive and their average mean were higher than the (test value = 3).

Table (6) shows auditors challenges under e-disclosure

No.	Paragraph	Mean	S.D	Sig	T-value
a) Technological Challenges:					
29	Hacking company's website, internally or externally, which may affect the credibility of the published financial statements.	4.52	0.73	0.00	18.81
30	Misusing the available technological attributes on the websites, and thus affect their credibility.	4.41	0.83	0.00	15.20
31	Manipulating in the attached auditor's report with the published financial statements	4.41	0.86	0.00	14.68
32	The difficulty to trace manipulation and change in auditor's report attached to the published financial statements.	4.48	0.84	0.00	15.91
33	The possibility of replacing auditor report with fake signature .	4.54	0.85	0.00	16.30
34	The possibility of misusing auditor scanned signature for unaudited published financial reports	4.69	0.74	0.00	20.70

	Average mean for paragraphs (29-34)	4.50	0.70	0.00	19.31
	b) Companies Challenges				
35	Lack of knowledge in computer technology	4.30	1.13	0.00	10.29
36	Weakness of protection systems for information security.	4.32	1.01	0.00	11.77
37	Possibility of publishing company's financial statements without attaching the auditor's report, for the purpose of hiding some important and complementary information to stakeholders	4.51	0.82	0.00	16.46
38	Possibility of attaching the company's annual financial report through the website without auditor signature.	4.44	0.72	0.00	17.94
39	Lack of adequacy, effectiveness, and efficiency of internal control systems	4.48	0.87	0.00	15.37
40	Possibility to include audio files, videos on the company's website to deceive users that its included within the framework of auditor annual financial report.	4.57	0.76	0.00	18.63
41	Possibility to include on the company's website predicted information, which may understood as an audited information.	4.60	0.77	0.00	18.77
42	Inefficiency of the accounting information systems.	4.60	0.61	0.00	23.84
43	The possibility not to be committed by fair disclosure rules.	4.65	0.53	0.00	28.19
44	Possibility of using misleading terms to deceive users via the company's website.	4.56	0.67	0.00	20.87
45	Possibility of disclosing an information outside the framework of GAAP.	4.59	0.59	0.00	24.42
46	The possibility of misleading the stakeholders through mixing between financial and non-financial information, especially if they were not subject to the international accounting & auditing standards.	4.64	0.55	0.00	26.64
47	Possibility of hiding or deleting some information from the published auditor's report, via the website .	4.67	0.52	0.00	28.60
48	The risk of updating the published information via company's website without auditor knowledge.	4.57	0.52	0.00	26.99
49	Possibility of using an interactive links via company's website, which provides the opportunity to mix up between the audited & unaudited financial information by the auditor for the purpose of giving confidence and credibility.	4.20	1.03	0.00	10.47
	Average mean for paragraphs (35-49)	4.51	0.43	0.00	32.10
	c) Auditor Challenges:				
50	Lack of auditor's experience in programming languages, and the accounting information system .	4.38	1.09	0.00	11.41
51	Lack of desire to handle any legal responsibility.	4.42	0.96	0.00	13.31
52	The possibility for increasing auditing charges	4.25	1.06	0.00	10.64
	Average mean for paragraphs (50-52)	4.35	0.95	0.00	12.78
	d) Professional Challenges:				
53	The absence of appropriate control over the companies websites.	4.52	0.94	0.00	14.59
54	The absence of regulations, concepts, and standards that govern e-disclosure process for the published financial reports.	4.51	0.96	0.00	14.07
	Average mean for paragraphs (53-54)	4.51	0.95	0.00	14.60
	Average mean for paragraphs (29-54)	4.49	0.48	0.00	27.55

The third hypothesis has been tested based on the descriptive analysis derived from table from tables (5) & (6), therefore the researcher used the regression model between the dependent variable Y, which represents the auditor performance level under e-disclosure, and the independent variables (X1 represents the technological challenges, X2 represents the companies challenges, X3 represents the auditor challenges, X4 represents the professional challenges), as follows:

$$\hat{Y} = 2.594 + 0.146X_1 + 0.200X_2 - 0.024X_3 + 0.082X_4$$

(0.505)(0.094)(0.147)(0.065)(0.060)

Table (7) shows (ANOVA) test for the third hypothesis, where the probability value (Sig = 0.002) is below the significance level (0.05), and accordingly H1 will be accepted which says "There is a statistically significant impact by the following variables (Technological challenges, Companies' challenges, Auditor's challenges, and Professional challenges) on the performance level of auditors under the electronic disclosure".

Table (7) (ANOVA) test for the third hypothesis

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.334	4	.834	4.826	.002 ^a
	Residual	13.127	76	.173		
	Total	16.461	80			

a. Predictors: (Constant), X4, X2, X3, X1

b. Dependent Variable: Y

Conclusions & Recommendations

Auditing profession has a very important role to play to provide independent trust and assurance services in the e-disclosure environment, but this measure can be only achieved if auditors adapt themselves to act professionally and effectively at the same speed and skill as in the traditional auditing approach. Therefore, major actions should be taken into consideration to keep a proper pace with the emergence of e-disclosure for financial annual reports.

The present research came up with certain main findings i.e. the Saudi business environment need to regulate e-disclosure in particular when it comes to rules and standards pertaining to e-disclosure, transparency in the published financial reports, adopting the latest global techniques, developing the assurance professional services.

On the other hand, it has been observed that auditors in Saudi business environments were well aware upon their duties and responsibilities under the e-disclosure Saudi business environment. Moreover, the regression analysis showed a statistically significant impact by the following variables (technological challenges, companies challenges, auditor challenges, and professional challenges) on the auditor performance level under e-disclosure of Saudi business environment.

Recommendations

- Its recommended that e-disclosure has to be seriously regulated in KSA business environment through the responsible organizations and authorities for issuing standards and guidelines governing e-disclosure as Saudi organization for certified public accountants (SOCPA) and Saudi financial and stock market committee, especially as the electronic disclosure will lead to create a different

environment for accounting disclosure, in terms of disclosure content, display method, and disclosure timing.

- It is also recommended that Auditors need to have an enough train to be fully qualified to keep up with the rapid developments in electronic information systems and information networks.

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