

Proposed model for reviewing the degree of compliance with IAS 34 in accordance with the requirements of ISRE 2410

Sohad S. Alsaffar¹, Balqees L. Kabashi^{*2}, Noor S. Hussein³

¹Accounting department, technical college of management, middle technical university, Baghdad, Iraq

²Department of accounting, college of administrative and financial sciences, Imam Ja'afar AI- Sadiq university, Baghdad, Iraq

³Total quality management, technical college of management, middle technical university, Baghdad, Iraq

sohadalsaffar72@mtu.edu.iq, balqis.lazim@ijsu.edu.iq noursabah@mtu.edu.iq

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***Corresponding author:**

Balqees L. Kabashi

balqis.lazim@ijsu.edu.iq



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Abstract:

This study aims to present a proposed model for examining compliance with International Accounting Standard IAS 34 related to interim financial reports, in light of the requirements of the International Standard on Review of Interim Reports (ISRE 2410). The research relies on a comparative analysis of the requirements of the two standards to identify similarities in requirements as a prelude to designing the audit and review procedures required by external auditors. Based on the above, the first practical aspect was conducted by designing an examination form to determine the level of compliance with the requirements of IAS 34 and designing audit opinions and reviewing the requirements for preparing interim reports. The second practical aspect was the design of a questionnaire containing three sections related to ISA 34 and ISAE 2410. The primary conclusions indicate that a proposed model for assessing compliance with IAS 34, grounded in international auditing standards, improves the accuracy and transparency of interim financial reports while diminishing the variance in audit and review methodologies between external auditors and economic entities. Interim financial reports are not subject to external audit and review, as is the case with annual financial reports. Rather, the review is limited to a limited scope that is not binding on the units, and an opinion is not expressed in the audit report. Attention should be paid to including all detailed information in interim reports, as is the case with annual reports. The most prominent recommendations were to subject interim financial reports to audit and review, as well as to express a neutral technical opinion on the results obtained. It is necessary to develop specialized training programs for external auditors to implement interim review procedures in accordance with ISRE 2410 using the proposed model.

Keywords: International standard on auditing (ISRE), international accounting standard (IAS) 34, external auditors, audit evidence, interim financial reports.

Introduction

Economic entities are concerned with preparing interim information for a period of less than a fiscal year to meet the requirements of decision-makers. Accordingly, IAS 34, "Interim Financial Reports," and the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information by an Auditor Independent of the Economic Entity," were issued. Furthermore, the Iraqi legislator, in accordance with the amended Instruction (6) of 2010 regarding the conditions and requirements for listing companies on the Iraq Stock Exchange, issued by the Securities Commission, required listed entities to submit interim financial statements every three months. However, the law does not require them to review these statements. The research begins by reviewing the methodology followed in its preparation, followed by a theoretical introduction to the theoretical framework of the research, including an overview of the concept of interim financial reports, an overview of the International Accounting Standard IAS 34 "Interim Financial Reporting", and a review of interim financial information based on ISRE 2410. This presentation is then reinforced by an analysis of a proposed model for designing audit procedures in accordance with IAS 34. This is followed by the practical aspect of the research, followed by a listing of the most important conclusions and recommendations reached.

1. Research Structure

1.1 Research Problem

Despite the existence of standards governing the preparation and review of interim reports, the relationship between companies' compliance with interim disclosures in accordance with IAS 34 and auditors' design of procedures in accordance with ISAE 2410 has not received sufficient attention by external auditors. The same applies to assessing the risk of material misstatement. The problem can be formulated according to the following questions:

Does the applied of IAS 34 Interim Financial Disclosure affect the design and implementation of interim review procedures in accordance with the requirements of ISRE 2410? Does external auditors' compliance with the requirements of ISRE 2410 during their review help enhance economic entities' compliance with ISA 34?

1.2 Scientific and practical significant

The significance of the study arises from the need of establishing protocols for auditors to assess interim financial reports, as independent entities that provide opinions on the compilation of material in compliance with established criteria.

This study is significant because it seeks to achieve the following:

1. Highlight International Accounting Standard IAS 34 when presenting interim financial reports and the level of its application in the Iraqi context.
2. Design the auditor's procedures for reviewing interim financial reports, based on ISRE 2410.

1.3 Research Objectives

1. Identify the conceptual framework and requirements of IAS 34.
2. Explain the requirements of ISRE 2410 for interim review.
3. Measure the impact of interim disclosure on the nature of audit procedures.

1.4 Research Hypotheses

The research hypotheses are summarized as follows:

Main Hypothesis First: The extent of implementation of International Accounting Standard IAS 34 by companies listed on the Iraq Stock Exchange can be assessed by designing and implementing audit procedures based on International Accounting Standard ISRE 2410.

Main Hypothesis Second: There is no statistically significant effect of adopting IAS 34 on the design of interim audit procedures.

Sub-Hypothesis 1. The auditor's comprehension of interim reports and the stipulations of International Accounting Standard IAS 34 does not influence the efficacy of the audit regarding the standard's application.

Sub-Hypothesis 2. No statistically significant correlation exists between the execution of analytical review procedures and inquiries per International Accounting Standard ISRE 2410 and the evaluation of compliance with International Accounting Standard IAS 34 among companies listed on the Iraq Stock Exchange.

Main Hypothesis Third. There is an impact of the adoption by external auditors of the ISRE 2410 Interim Reporting Standard in enhancing the compliance of economic units with the International Accounting Standard ISA 34.

1.5: Study Methodology

The study relies on a deductive approach within its theoretical framework, an inductive approach used in analyzing the questionnaire responses, and an analytical approach to the interim financial reports of a number of companies operating in three sectors (banking, services, and industry). The interim reports of 30 companies for the years 2024 and 2025 were studied, and the application of the requirements of International Accounting Standard IAS 34 was examined.

1.6: Data Collection Methods

To obtain the data necessary for this study, the following methods were used:

1. Theoretical Aspect: The theoretical aspect of the study relies on a number of sources, including Arabic and foreign periodicals and journals, as well as university dissertations and theses, and sources taken from the internet.

2. Practical Aspect: Includes the following:

A. Checklist. Designing a checklist based on IAS 34, and presenting the procedures for auditing interim reports. The checklist (the first practical tool) covered five data collection axes, as follows:

Axis 1. Designing audit procedures for the form and content of the report, in accordance with ISRE 2410 (5 paragraphs).

Axis 2. Designing audit procedures related to significant events and transactions, in accordance with ISRE 2410 (5 paragraphs).

Axis 3. Designing procedures for reviewing disclosures in the financial statements, in accordance with ISRE 2410 (5 paragraphs).

Axis 4. Designing procedures for reviewing evidence and measurement, in accordance with ISRE 2410 (5 paragraphs).

Axis 5. Designing procedures for reviewing other disclosures, in accordance with ISRE 2410 (5 paragraphs).

Table (1) Triangular scale

Applied	Partially applied	Not applicable
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B. A questionnaire to survey the opinions of a number of external auditors regarding the two standards. This was the second tool for data collection. The questionnaire addressed three main axes:

The first variable: The auditor's understanding of the nature of interim reports and the requirements of IAS 34 (10 items)

The second variable: The application of audit procedures based on ISRE 2410 (10 items)

The third variable: Evaluating the compliance of companies listed on the Iraq Stock Exchange with the requirements of IAS 34 (10 items)

To determine the opinions of respondents on the questionnaire items, a five-point Likert scale was used. This scale is commonly used in administrative and social research and consists of the options (fully agree, agree, neutral, disagree, completely disagree) to classify the response scores and the content of the item. The range of scores ranges from (1-5) points, with the highest score being assigned to the option with the highest agreement.

Table (2) of the five-point Likert scale

I totally agree	I agree	neutral	I disagree	I totally disagree
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5	4	3	2	1
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1.7 Study Community and Sample

1. Study Population: A group of companies listed on the Iraq Stock Exchange.
2. Study Sample: (30) companies were selected (this study was applied to 10 banks, 10 companies in the services sector, and 10 companies in the industrial sector) as the study sample.
3. The opinions of a number of external auditors were also surveyed (58) questionnaires that were subjected to statistical analysis.

1.8 Study Limits

1. Spatial Limits: 30 companies listed on the Iraq Stock Exchange
2. Temporal Limits: The researchers conducted the practical interim reports for the years 2024 and 2025.

2. Theoretical Framework of the Study

2.1 An Overview of the Concept of Interim Financial Reports

The need to produce financial accounts for durations less than one fiscal year has arisen, intending to furnish information throughout the year to evaluate the performance of an economic institution (Attalah, 2024: 72). (Al-Mar, 2021, p. 129). IAS 34 characterizes interim reports as financial reports that either include a complete set of financial statements as outlined in International Standard IFRS 1 "Presentation of Financial Statements" (comprising the statement of financial position, income statement, cash flow statement, statement of changes in equity, along with explanatory notes and financial policies) or a set of condensed financial statements (which convey the same information as full interim financial reports but in a summarized format) (Ramadan and Saif al-Dawla, 2018: 5-6). An interim financial report is a succinct financial document produced and disseminated during a financial period (often quarterly or semi-annually) to provide current financial information that aids users of financial statements in making educated economic choices (Balqat, 2023: 748).

There are multiple approaches to presenting interim financial statements (Al-Obaidi and Abdullah, 2021: 26-27).

1. The integrated approach. This approach is based on the premise that each interim period is an integral part of the annual period, as there is a close correlation between the interim periods

within the year. Under this approach, accrued and deferred expenses and revenues, as well as provisions estimated at the end of each period, are treated as part of the annual period's operations. Accordingly, the expense component occurring over the entire annual period can be allocated to the interim periods. When using this method, the outcomes of consecutive intermediate periods must be modified to account for estimating inaccuracies. The external auditor is required to examine the prior annual financial reports together with the interim data for the latest period, ensuring that necessary modifications are implemented from one intermediate period to the subsequent one.

2. Independent approach. This approach treats each period within the fiscal year as a separate, independent, and basic accounting period (Al-Mabrouk, 2018: 756). Under this approach, accrued and deferred expenses and revenues are determined, and provisions are calculated at the end of each period using the same accounting principles and estimation or evaluation bases followed in annual periods (Muhammad, 2013: 55).

3. The harmonization approach. Under this approach, some elements of expenses and revenues are recognized in interim periods when they are realized without any attempt to link them to events expected to occur during the remaining period of the fiscal year, even if the unit's activity is seasonal, such as income tax. As for other elements of expenses and revenues, they are linked to events expected to occur during the remaining period of the fiscal year,

such as advertising expenses and maintenance expenses expected to occur in a later period of the fiscal year, as the part related to the interim period is considered an expense paid in advance even before it occurs (Al-Ubaidi, 2009: 33).

2.2 Overview of International Accounting Standard IAS 34 "Interim Financial Reporting"

IAS 34 is a standard issued by the International Accounting Standards Board (IASB) that regulates the preparation and presentation of interim financial reports (Al-Imam and Zamel, 2014: 52). The standard specifies the minimum content that must be included in interim reports and the basis for accounting recognition and measurement during those periods (Abubakr et al., 2024, 244-245). IAS 34 aims to:

1. Promote transparency and accountability by providing up-to-date financial information during the financial year.
 2. Enabling users to make sound decisions based on periodic, not just annual, information.
 3. Improving the forecasting of an organization's future performance by tracking its performance over short periods.
 4. Reducing the information gap between annual data and what actually happens during the year.
- The importance of IAS 34 lies in achieving the following (Nasser, 2023: 15):

1. Achieving chronological consistency in financial reporting, which contributes to the assessment of financial and operational performance throughout the year?
2. Increasing investor and financial market confidence in the financial information provided.
3. Facilitating financial and accounting oversight by regulatory authorities and financial markets, especially in listed companies.
4. Supporting continuous and appropriate disclosure to relevant parties such as shareholders, creditors, and financial analysts.

IAS 34 supports the achievement of a set of requirements, including:

1. Scope of application. The standard does not require companies to issue interim reports; rather, it applies if the company decides, or a

regulatory authority requires, to issue an interim financial report.

2. Framework and content of the provisional report. According to Article 8 of the standard, an interim report may consist of either a full set of financial statements as specified in IAS 1, or a condensed set of financial statements that complies with the minimal requirements established in IAS 34. The latter often includes a summarized statement of financial position, a summarized statement of comprehensive income, a summarized statement of changes in equity, a summarized statement of cash flows, and summarized notes to the financial statements.
3. Basis of recognition and measurement. The same accounting policies as those used in the annual financial statements are required. Revenue and expenses are recognized in the same manner as at the end of the year, unless there are significant differences that require different treatment.
4. Disclosures. Significant events that occurred during the interim period must be disclosed. Providing reconciliations for significant differences between interim and annual results (if any). Providing comparative information for previous periods.

2.3 Overview of Interim Financial Information Based on ISRE 2410

A review of interim financial information is one of the services provided by the auditor. It falls under the assurance services to enhance the quality of information by providing users of interim information with relevant information for decision-making (Anas and Nour El-Din, 2021: 338). Through the review of interim financial information, the auditor seeks to provide a report demonstrating that the information has been fairly presented in accordance with generally accepted accounting principles, and that no material adjustments have been made to the information to conform to generally accepted accounting principles (IAASB, 2021: 84).

Three prevalent features exist between the audit of yearly financial statements and the evaluation of interim financial information. The

yearly financial statements undergo an audit, during which the auditor implements the second standard of fieldwork concerning the comprehension of internal controls, a practice also used in the creation of interim financial information. Secondly, the auditor conducts substantive tests of transactions and account balances to obtain evidence pertinent to the yearly financial statements. A number of these tests may be conducted at a designated moment during the interim review, yielding suitable evidence for the evaluation of quarterly (interim) information. Third, auditors are mandated to review the minutes of board meetings to evaluate the impact of decisions made on interim information.

An audit of financial statements contrasts from a review of interim financial information in that auditors collect evidence and provide a high degree of confidence about the financial statements that adhere to widely accepted accounting rules. An audit entails the investigation and validation of accounting records, as well as the scrutiny of supplementary evidence included in the financial statements. This entails collecting data regarding the

company and its surroundings, encompassing internal controls; scrutinizing documents; overseeing assets; conducting inquiries both internally and externally; and executing additional audit procedures that assist auditors in acquiring the requisite evidence to produce an audit report. The external audit report conveys the auditors' assessment of the financial statements that adhere to generally accepted accounting standards (Al-Gharban and Alwan, 2020: 134-135).

3. A proposed model for designing audit procedures under the application of IAS 34

Based on the theoretical review of the research, the researchers developed a set of procedures for examining IAS 34, based on the requirements of ISRE 2410. The model was divided into a set of procedures, as follows:

First: Defining the objectives of the IAS 34 audit

Defining the objectives is the starting point for designing a framework for audit procedures under the application of IAS 34. The basic objectives can be represented in Table (3).

Table (3) Defining the objectives of the IAS 34 audit.

	The goal	Setting goals
1	Existence and occurrence	<ul style="list-style-type: none"> - The assets, liabilities, and equity reflected in the interim financial statements actually exist. - The transactions recorded during the interim reporting period actually occurred. - The amounts recorded during the interim reporting period represent actual values and do not include unrealistic amounts.
2	Completion	<ul style="list-style-type: none"> - All transactions disclosed in the financial reports have been actually recorded, and there are no undisclosed items. - All financial transactions have been actually recorded in the relevant books and records.
3	Accuracy	The amounts were recorded correctly and appropriately.
4	Period	<ul style="list-style-type: none"> - Recording transactions that occur at the end of the financial period for the periods to which they relate. - All transactions and occurrences are documented in the appropriate accounting period.
5	Classification	<ul style="list-style-type: none"> - Financial transactions recorded in the books are appropriately - classified according to international standards. - Financial statement items are included in the correct accounts.

6	Presentation and Disclosure	<ul style="list-style-type: none"> - All transaction and event-related elements are comprehensively and transparently presented in compliance with the presentation and disclosure mandates of accounting standards. - Adequate disclosure of items appearing in the financial statements is provided in accordance with generally accepted accounting principles.

Source: Prepared by researchers

Second: Designing audit procedures for the form and content of the report, in accordance with ISRE 2410.

Ensuring compliance with Standard 34, Form and Content of Interim Financial Reporting:

- Agreeing on the terms of the contract, defining the scope of the audit, the responsibilities of the auditor and management, and the nature and form of the report.
- Comprehending the economic entity and its surroundings, including internal control, in relation to the formulation of annual and interim financial statements.
- Reviewing the required interim financial statements, including the statement of financial position, income statement, interim statement of changes in equity, and statement of cash flows.
- Ensuring that the report contains the minimum disclosures required for the financial statements.
- Verifying that the interim financial statements are prepared in the same format as the annual statements (with permitted abbreviations).
- The interim financial statements are produced and presented in compliance with the relevant financial reporting framework.
- Compliance with laws or regulations that may have a significant impact on the interim financial statements.
- Implementing quality control procedures that apply to each interim reporting process.

Third: Design audit procedures related to significant events and transactions in accordance with ISRE 2410.

- Review the audit documentation for the previous year and the review of prior interim periods in the current year.

- Employ professional skepticism, acknowledging the potential for conditions that may need substantial modifications to the interim financial statements.
- Consult with management and finance officials on any anomalous occurrences or transactions that transpired during the interim period.
- Perform analytical procedures by comparing the interim financial results with prior periods.
- Evaluate the reasonableness of accounting assumptions and financial estimates of assets and liabilities.
- Read the most recent annual financial information and comparative information for the prior interim period.
- Obtain primary financial information that is consistent with or consistent with the underlying accounting records by tracing the general ledger or consolidation schedules.

Fourth: Designing procedures for reviewing disclosures in the financial statements in accordance with ISRE 2410.

- To ensure disclosure of any significant risks or uncertainties affecting the company's continuity.
- Advising management on significant changes in internal control and the potential implications of these adjustments for the compilation of interim financial statements.
- Before the date of the auditor's report, events must have happened that require changes or disclosures in the interim financial accounts. The auditor must explain these events.
- Revealing occurrences of non-compliance with rules and regulations owing to their effect on the interim financial statements.

- Making the financial accounts change or include important events that happened between the date of the balance sheet and the date of the auditor's report.
- According to the rules for filing, the fair value measurements of assets and debt must be made public.

Fifth: Designing procedures for reviewing recognition and measurement in accordance with ISRE 2410

Formulate the measurement protocols to be adhered to in the interim financial report to guarantee the accuracy of information.

- Determine whether the interim financial information has been prepared and presented in accordance with the applicable financial reporting structure.
- Implement quality assurance procedures, such as accepting and continuing client relationships, appointing, implementing, and monitoring the engagement team.
- Inquire about any changes to accounting principles or their application methods.

Sixth: Design procedures for reviewing other disclosures in accordance with ISRE 2410.

- Considering any significant risks identified in the prior year's audit of the financial statements, such as management's override of controls.
- Considering corrected significant misstatements and any uncorrected inconsequential misstatements detected in the prior year's financial statements.
- Informing the relevant management tier and those responsible for governance when the auditor cannot complete the audit.
- When significant doubt arises about the entity's ability to continue as a going concern, the auditor expresses a qualified or adverse conclusion, as appropriate, and indicates the uncertainty.

4. The Methodology of Study

4.1 An Introductory Overview of the Checklist and Questionnaire

To prove the research hypotheses, the researchers designed a checklist questionnaire to meet the requirements of International Accounting Standard IAS 34 and determine the level of implementation in a number of companies from various sectors listed on the Iraq Stock Exchange. The checklist questionnaire included five main axes:

Axis 1. Designing audit procedures for the form and content of the report, in accordance with ISRE 2410.

Axis 2. Designing audit procedures related to significant events and transactions, in accordance with ISRE 2410.

Axis 3. Designing procedures for reviewing disclosures in the financial statements, in accordance with ISRE 2410.

Axis 4. Designing procedures for reviewing evidence and measurement, in accordance with ISRE 2410.

Axis 5. Designing procedures for reviewing other disclosures, in accordance with ISRE 2410.

The questionnaire included several paragraphs, as follows:

Paragraph 1. The auditor's understanding of the nature of interim reports and the requirements of IAS 34.

Paragraph 2. Implementation of analytical review and inquiry procedures (according to ISRE 2410)

Paragraph 3. Compliance of companies listed on the Iraq Stock Exchange with the requirements of IAS 34

- Examining the minutes of meetings of shareholders, designated committees, and those responsible for governance that impact the information.
- Requesting clarification from management on the preliminary procedure for the preparation of interim financial information and the corresponding accounting records that align with the financial data.

- Requesting information from management on substantial changes in financial status and cash flows.
- Inquiring of management about significant changes in accounting policies or accounting estimates.

4.2 Analyzing the IAS 34 Checklist and Designing Review Procedures for Interim Reports

To enable the auditor to examine the implementation of IAS 34, a model of a review form based on the standard's requirements was designed to determine the extent of compliance. This was achieved by analyzing responses and extracting the arithmetic mean and standard deviation, as well as proposing audit procedures for each IAS 34 requirement.

4.2.1 Statistical Analysis of the Checklist

First. The form and content of the financial report prepared based on IAS 34 and ISRE 2410 audit procedures. From the results of the descriptive analysis in Table (4), it is clear that the weighted arithmetic mean for the services sector was (2.3) and the standard deviation was (0.931). For the banking sector, the weighted arithmetic mean was (2.8), with a standard deviation of (0.571), while the weighted arithmetic mean for the industrial sector was (2.34), with a standard deviation of (0.917). As for the total sectors, the weighted arithmetic mean was (2.48) with a standard deviation of (0.849). From these results, it is clear that the highest sector is the banking sector, followed by the industrial sector and finally the services sector.

Second. Significant events and transactions prepared based on IAS 34 and ISRE 2410 audit procedures. From the results of the descriptive analysis in Table (4), it is clear that the weighted arithmetic mean for the services sector was (1.76) and the standard deviation (0.916). For the banking sector, the weighted arithmetic mean was (2.70), recording a standard deviation of (0.688). While the weighted arithmetic mean for the industrial sector was (1.74), with a standard deviation of (0.876). As for the total sectors, the weighted arithmetic mean was (2.05), with a standard deviation of (0.933). From these

results, it is clear that the highest sector is the banking sector, followed by the services sector, then the industrial sector finally.

Third. Disclosure in financial reports prepared based on IAS 34 and ISRE 2410 audit procedures. From the results of the descriptive analysis in Table (4), it is clear that the weighted arithmetic means for the services sector, it reached (1.90) and the standard deviation (0.953), and for the banking sector, the weighted arithmetic mean was (2.70), recording a standard deviation of (0.678), while the weighted arithmetic mean for the industrial sector was (1.90) with a standard deviation of (0.953). As for the total sectors, the weighted arithmetic mean was (2.16) with a standard deviation of (0.944). From these results, it is clear that the highest sector is the banking sector, followed by the industrial sector and finally the services sector.

Fourth. Methods of proof and measurement prepared based on IAS 34 and ISRE 241 audit procedures. From the results of the descriptive analysis in Table (4), it is clear that the weighted arithmetic mean for the services sector amounted to (2.48) and the standard deviation (0.789), and for the banking sector the weighted arithmetic mean was (2.80) with a standard deviation of (0.591), while the weighted arithmetic mean for the industrial sector was (2.42) with a standard deviation of (0.835), and as for the total sectors, the weighted arithmetic mean was (2.55) with a standard deviation of (0.756). From these results, it is clear that the highest sector is the banking sector, followed by the services sector and finally the industrial sector.

Fifth. Other disclosures prepared based on IAS 34 and ISRE 2410 audit procedures. From the results of the descriptive analysis in Table (4), it is clear that the weighted arithmetic means for the services sector amounted to (1.60) and the standard deviation (0.808). For the banking sector, the weighted arithmetic mean was (2.40), recording a standard deviation of (0.855). The weighted arithmetic mean for the industrial sector was (1.54), with a standard deviation of (0.813). As for the total sectors, the weighted arithmetic mean was (1.84), with a standard

deviation of (0.905). From these results, it is clear that the highest sector is the banking sector,

followed by the services sector, and finally the industrial sector.

Table (4) Descriptive analysis of all axes

	Requirements	Applied	Partially applied	Not applicable	W. A	Std
Services sector	1	31	3	16	2.3	0.931
	2	16	6	28	1.76	0.916
	3	20	5	25	1.9	0.953
	4	33	8	9	2.48	0.789
	5	10	10	30	1.6	0.808
banking sector	1	44	2	4	2.8	0.571
	2	39	5	6	2.66	0.688
	3	41	3	6	2.7	0.678
	4	42	4	4	2.76	0.591
	5	31	7	12	2.38	0.855
Industry sector	1	32	3	15	2.34	0.917
	2	14	9	27	1.74	0.876
	3	20	5	25	1.9	0.953
	4	32	7	11	2.42	0.835
	5	10	7	33	1.54	0.813
All sectors	1	107	8	35	2.48	0.849
	2	69	20	61	2.053	0.933
	3	81	13	56	2.167	0.944
	4	107	19	24	2.553	0.756
	5	51	24	75	1.84	0.905

Source: Prepared by researchers based on SPSS

4.2.2 proposed review procedures based on ISRE 2410

Axis One: Procedures for reviewing the form and content of financial reports based on 2410

Table (5) illustrates the procedures for reviewing the form and content of financial reports based on International Accounting Standard 34, as follows:

Table (5) Evidence and procedures for reviewing the form and content of the financial report

	Evidence	Procedures for reviewing interim reports based on International Standard 2410
1	Condensed statement of comprehensive income for each quarter	Examine the interim financial report, confirm the presence of the condensed statement of financial position, validate its adherence to the sanctioned financial reporting structure, and ascertain the precision of the presentation.
2	Condensed statement of comprehensive income for each quarter	The auditor must verify the availability of the condensed statement of comprehensive income, ensure that the operating results align with the general understanding of the economic entity's business nature, confirm compliance with presentation requirements, and ascertain the absence of material misstatements.
3	abbreviated statement of cash flows	The auditor conducts a critical analysis of the changes in cash flows included in the shortlist, by comparing the figures with previous periods, inquiring from management about the underlying causes, and ensuring

		that the presentation is consistent with operating activities and accounting policies.
4	Minutes of meetings, management statements, and disclosures in the interim report	The auditor reviews all explanations and separate items in the interim financial report to ensure their comprehensiveness and adequacy, and the absence of omissions that could lead to distortion or misleading, through analysis, comparison, and inquiry.
5	Auditing for clarifications, comparison with previous reports, and financial analysis of the statements	The auditor questions management on the accounting procedures used in the preparation of the interim financial information, verifies their consistency with the annual financial statements, and assesses any possible alterations.

Source: Prepared by researchers based on the requirements of ISRE 2410

Axis Two: Procedures for Reviewing Significant Events and Transactions Based on 2410

Table (6) illustrates the procedures for reviewing significant events and transactions based on International Accounting Standard 34, as follows:

Table (6) Evidence and Procedures for Reviewing Significant Events and Transactions

	Evidence	Procedures for reviewing interim reports based on International Standard 2410
1	Financial analysis, transaction documents	The auditor conducts an analytical comparison between the interim and previous annual data, to identify significant changes in performance or financial position.
2	Analytical procedures and inquiries.	Review the interim financial report to ensure that it contains sufficient updates to the information provided in the last annual report, and that management has explained any material differences or significant changes that have occurred since that time.
3	Audit of previous disclosures	The audit of the disclosures accompanying the interim financial report follows an approach based on understanding, analysis and inquiry rather than a full detailed examination as in the annual audit.
4	Inquiry, Disclosures	Understand whether there are indicators of a decline in value during the interim period, such as decreased demand, declining profits, market changes, or physical or technical damage to the assets.
5	Auditing primary documents and statements	Request a loan agreement, verify the due date and amount, review the repayment statement, and whether the default has been disclosed. If not, request an amendment.

Source: Prepared by researchers based on the requirements of ISRE 2410.

Axis3. Disclosure Review Procedures in Financial Reports based on 2410

International Accounting Standard 34, as follows:

Table (7) illustrates the disclosure review procedures in financial reports based on

Table (7) Evidence and Disclosure Review Procedures

	Evidence	Procedures for reviewing interim reports based on ISRE 2410
1	Annual Financial Report, Accounting Policies	Obtaining a sufficient understanding of the accounting policies followed in preparing the interim statements, and that they are

		consistent with the accounting policies contained in the latest audited annual financial report.
2	Commercial Register, Articles of Association and Bylaws	Understanding the legal form of the economic unit, checking for changes in the legal form during the interim period
3	Disclosure of internal and external revenues	Understand revenue classification, examine segment revenue tables in the interim report, and compare interim revenue with revenue for the same period of the previous year.
4	Debtors and Creditors Balances, Inventory Report, Trial Balance, End of Period Adjustments	Comparative analysis of balances with previous periods (interim and annual), reconciliation of balances with the ledgers and trial balance, review of detailed statements of accounts receivable, creditors, and inventory, to verify the existence of settlements such as provisions and adjustments at the end of the period
5	Minutes of the board meeting in which the distributions are approved, financial distribution documents, journal entries and accounting records	Disclosure of dividends paid and the distinction between common shares and other shares aims to ensure that disclosures are clear and accurate, and are made in accordance with the applicable accounting policies, while verifying the proper separation of types of dividends according to the type of share.

Source: Prepared by researchers based on the requirements of ISRE 2410.

Axis 4: Procedures for reviewing evidence and measurement based on ISRE 2410.

International Accounting Standard 34, as follows:

Table (8) illustrates the procedures for reviewing evidence and measurement based on

Table (8) Evidence and Procedures for Reviewing Evidence and Measurement

	Evidence	Procedures for reviewing interim reports based on ISRE 2410
1	Disclosures in interim financial statements	Utilize identical accounting policies, measurement, and recognition procedures in the interim statements as those employed in the annual statements, and confirm any changes in accounting standards.
2	Actual accounting disclosures in financial statements such as notes	Ensure that the approved accounting principles help make financial information clear and understandable for decision makers. If the auditor notices complexity that affects the clarity of the data for the user, he recommends that management simplify the presentation or clarify the terms.
3	Interim report with date of official publication or submission to the regulatory body	Verifying the timing of preparation and publication of interim reports is an important part of understanding the regulatory and administrative environment and management's commitment to timely disclosure.
4	Interim comparison analysis	Auditing the interim statements for each period separately, conducting a comparative analysis between the interim periods, and inquiring with management to ensure consistency in accounting treatment and that transactions are not carried over or combined in a way that conceals the results of the periods.
5	Approved accounting policies, management answers.	Inquire from management about any modifications or exceptions, and verify their disclosure, if any, by comparing the accounting policies and measurement methodologies adopted in the interim statements with those included in the approved annual financial statements.

Source: Prepared by researchers based on the requirements of ISRE 2410.

Axis5. Procedures for Reviewing Other Disclosures based on ISRE 2410

International Accounting Standard 34, as follows:

Table (9) shows the evidence and procedures for reviewing other disclosures based on

Table (9) Evidence and Procedures for Reviewing Other Disclosures

	Evidence	Procedures for reviewing interim reports based on ISRE 2410
1	Accounting policies applied in the interim and annual reports	Compare current policies and disclosures with previous annual financial statements to verify consistency, and check the extent to which the figures presented are affected by any change in policies.
2	Answering inquiries directed to the administration	Direct inquiry from management about whether there have been any changes to accounting policies since the last annual financial report, and request an explanation of the reasons for this change and its impact on the interim statements.
3	Disclosures within interim reports	Materiality assessment: examining whether the change has an impact on user decisions, is disclosed because its impact is material, and presentation is sufficient to demonstrate the financial impact.
4	Auditor's working papers showing item examination and disclosure evaluation	The auditor ensures that the disclosure of unusual items does not mislead users of the interim report.
5	Internal Auditor Work File	Request a list of significant events during the period, and check whether significant events are included in the explanatory notes.

Source: Prepared by researchers based on the requirements of ISRE 2410.

4.3 Analyzing the Research Questionnaire

Results

1. General Information

The questionnaire includes a set of general information aimed at describing the demographic characteristics of the study participants. This information includes gender, age, educational qualifications, and years of

service. This data helps clarify the characteristics of the sample studied and understand its general distribution. It also allows for analyzing the differences between the different categories and their impact on the study variables, which contributes to reaching more accurate and objective results, as shown in Table (10).

Table (10) General Information

Variables	Courses, academic qualification, years of service	Number	ratio
Number of training courses	1 to 5	29	50.0%
	6 to 10	16	27.6%
	11 or more	13	22.4%
Total		58	100%
Academic qualification	Bachelor's	18	31.0%
	Higher Diploma	1	1.7%
	Master's	34	58.6%
	Doctorate	5	8.6%
Total		58	100%
Number of years of service	5 years and younger	19	32.8%
	6-10	7	12.1%
	11-15	13	22.4%

	15-20	7	12.1%
	20 and older	12	20.7%
Total		58	100%

Number of training courses. The data show that the most representative group in the sample is the 30- to 40-year-old age group, representing 50% with 50 participants, followed by those with 6-10 training courses, representing 27.6% with 16 participants. The least represented group is the 11-year-old age group, representing 22.4% with 13 participants.

Academic qualification. Data indicate that the most represented category in the sample in terms of academic qualifications is that of master's degree holders, representing 58.6% (34 participants), reflecting the dominance of this educational category. This is followed by bachelor's degree holders, representing 31% (18 participants), then doctorate degree holders, representing 8.6% (5 participants), and higher

diploma holders, representing 1.7% (1 participant).

Number of years of service. The data show that the largest group in the sample is those with 5 or fewer years of service, representing 32.8%, followed by those with 11-15 years of service, representing 22.4%, then those with 20 years of service, representing 20.7%, and then those with 6-10 and 15-20 years of service, representing 12.1% each.

Questionnaire Reliability

To calculate the reliability of the study instrument, the researcher used the internal consistency equation method using the Cronbach's alpha test. The Cronbach's alpha values in Table (11) for all study variables and for the questionnaire in general were higher than the minimum required percentage of 60%

Table (11) Instrument Reliability Test

Axis	Number of phrases	Reliability coefficient value
Understanding the nature of reporting and the requirements of IAS 34	10	0.812
Implementing procedures in accordance with ISRE 2410	10	0.792
Implement procedures in accordance with ISRE 2410	10	0.809

Factor Analysis of Data

The results of the factor analysis indicate the extent to which each element contributes to explaining the total variance of the variable. The extraction values reflect the extent to which each sub-variable is related to the latent factor. Higher

values reflect the suitability of the variables for factor analysis. The results in Table (12) show that the extracted values recorded acceptable values and were higher than 0.50, which meets the requirements for factor analysis.

Table (12) Factor Analysis of Items

X1		X2		Y	
The working	paragraph	The working	paragraph	The working	paragraph
1	0.813	11	0.678	21	0.799
2	0.717	12	0.814	22	0.847
3	0.668	13	0.881	23	0.833
4	0.738	14	0.761	24	0.734
5	0.643	15	0.741	25	0.639
6	0.712	16	0.734	26	0.708
7	0.557	17	0.761	27	0.553
8	0.635	18	0.764	28	0.631

9	0.861	19	0.778	29	0.857
10	0.669	20	0.811	30	0.665

Source: Prepared by researchers based on SPSS outputs.

Statistical Description

Descriptive Analysis of the Understanding the Nature of Reports and IAS 34 Requirements Axis

Table (1) shows the analysis of the paragraphs using a set of statistical measures. The weighted arithmetic mean for the questionnaire was (3.748), indicating that most responses were within the high levels, while the relative importance rate reached (74.97%) with a standard deviation of (0.613), indicating a low degree of dispersion of responses around the mean. Regarding the highest values, paragraph (5), which states, "The company you are reviewing as an auditor of interim reports systematically applies the requirements of IAS 34," recorded the highest arithmetic mean of (4.034), reflecting a high consensus among participants, with a high relative importance rate of (80.69%) and a standard deviation of (0.816), indicating a limited degree of variation in the respondents' opinions. In contrast, paragraph (3), which states: "The auditor of the interim reports believes that the interim statements differ fundamentally from the annual financial statements in terms of content," had the lowest arithmetic mean, reaching (3.431), with a relative importance rate of (68.62%) and a standard deviation of (1.094), which reflects a greater variation in the participants' answers regarding it compared to the rest of the paragraphs.

Descriptive Analysis of the Implementation of Procedures Axis According to ISRE 2410

Table (13) shows the analysis of the paragraphs using a set of statistical measures. The weighted arithmetic mean of the questionnaire was (3.934), indicating that most responses were within the high levels, while the relative importance rate reached (78.69%) with a standard deviation of (0.616), indicating a low degree of dispersion of responses around the mean. Regarding the highest values, paragraph (17), which states, "As an auditor of interim

reports, you use additional procedures if you doubt the reliability of interim disclosures," recorded the highest arithmetic mean of (4.293), reflecting a high consensus among participants. The relative importance rate was high (85.86%) and a standard deviation of (0.838), indicating a limited degree of variation in respondents' opinions. In contrast, paragraph (18), which states (as the auditor of interim reports, you were previously instructed on how to implement limited assurance procedures), had the lowest arithmetic mean, reaching (3.638), with a relative importance rate of (72.76%) and a standard deviation of (1.087), which reflects a greater variance in the participants' answers regarding it compared to the rest of the paragraphs.

Descriptive Analysis of the Assessment of Companies' Compliance with the Requirements of IAS 34

Table (13) shows the analysis of the paragraphs using a set of statistical measures. The weighted arithmetic mean of the questionnaire was (3.786), indicating that most responses were within the high levels, while the relative importance rate reached (75.72%) with a standard deviation of (0.635), indicating a low degree of dispersion of responses around the mean. Regarding the highest values, paragraph (3), which states, "As the auditor of interim reports, you document compliance with the content of the main paragraphs of the standard (such as performance, cash flows, etc.)," recorded the highest arithmetic mean of (4.052), reflecting a high consensus among participants, with a high relative importance rate of (81.03%) and a standard deviation of (0.782), indicating a limited degree of variation in the respondents' opinions. In contrast, paragraph (9), which states (as an auditor of interim reports, you have noticed that the facility provides sufficient conditions for changes between interim periods), had the lowest arithmetic mean, reaching (3.569), with a relative importance rate of

(71.38%) and a standard deviation of (0.957), which reflects a greater variance in the

participants' answers regarding it compared to the rest of the paragraphs.

Table (13) Descriptive analysis of dimensions and paragraphs

Items	W. A	St.d	Max.	Min.	Sig.
The auditor of interim reports has a sufficient understanding of the requirements of IAS 34 in relation to the preparation of interim reports.	3.845	0.875	1.00	5.00	76.90
The auditor considers that IAS 34 focuses on presentation and disclosure principles rather than measurement.	3.672	0.866	1.00	5.00	73.45
The auditor of the interim reports finds that the interim statements differ fundamentally from the annual financial statements in terms of content.	3.431	1.094	1.00	5.00	68.62
The interim report auditor is trained to analyze and interpret the technical requirements of IAS 34.	3.707	0.918	1.00	5.00	74.14
The company you are reviewing as the interim report auditor systematically applies the requirements of IAS 34.	3.724	0.812	1.00	5.00	74.48
As an auditor of interim reports, you see that IAS 34 provides flexibility in presentation and disclosure in interim reports.	3.948	0.887	1.00	5.00	78.97
As an auditor of interim reports, distinguish between the disclosures required in interim reports and those required in annual reports.	4.034	0.816	1.00	5.00	80.69
As an interim report auditor, you use a reference guide to assist you in reviewing compliance with IAS 34.	3.862	0.981	1.00	5.00	77.24
As an auditor of interim reports, you have noticed significant differences in the application of IAS 34 between companies.	3.828	0.939	1.00	5.00	76.55
As an auditor of interim reports, you believe that company managements are fully aware of the requirements of IAS 34.	3.431	1.141	1.00	5.00	68.62
Understanding the nature of reporting and the requirements of IAS 34 (X1)	3.748	0.613	1.00	5.00	74.97
As an auditor of interim reports, you rely on comparative analysis as a primary means of reviewing interim reports.	4.103	0.788	1.00	5.00	82.07
As an interim report auditor, you use analytical review techniques to identify significant risks.	4.224	0.839	1.00	5.00	84.48
As an interim report auditor, you make direct inquiries with company management about interim changes.	4.052	0.999	1.00	5.00	81.03
As an interim report auditor, you adhere to the examination procedures specified in ISRE 2410 while reviewing interim reports.	3.741	0.909	1.00	5.00	74.83
As an auditor of interim reports, you face difficulties in obtaining sufficient evidence when applying limited review procedures.	3.776	1.009	1.00	5.00	75.52
As an auditor of interim reports, your assessment is based on comparing the results with the same period of the previous year.	3.845	0.914	1.00	5.00	76.90

As the auditor of interim reports, you use additional procedures if you question the reliability of interim disclosures.	4.293	0.838	1.00	5.00	85.86
As the interim report auditor, you have been instructed in advance on how to perform limited assurance procedures.	3.638	1.087	1.00	5.00	72.76
As an auditor of interim reports, you treat material differences in analytical review as evidence of non-compliance.	3.948	0.926	1.00	5.00	78.97
As the auditor of the interim reports, you believe that ISRE 2410's procedures are sufficient to detect material misstatements in the interim reports.	3.724	1.039	1.00	5.00	74.48
Implementing procedures in accordance with ISRE 2410 (X2)	3.934	0.616	1.00	5.00	78.69
As an auditor of interim reports, you believe that the interim reports you review cover the minimum required disclosures.	3.966	0.794	1.00	5.00	79.31
As an auditor of interim reports, you notice recurring misstatements or deficiencies in the application of IAS 34.	3.879	0.860	1.00	5.00	77.59
As the auditor of the interim reports, you document compliance with the content of the main paragraphs of the standard (such as performance, cash flows, etc.)	4.052	0.782	1.00	5.00	81.03
As an auditor of interim reports, you believe that the interim reports present a fair view of the financial position for the period.	3.655	0.983	1.00	5.00	73.10
As an auditor of interim reports, you have noticed the existence of disclosure of material events subsequent to the interim date.	3.690	0.883	1.00	5.00	73.79
As an auditor of interim reports, you verify that the entity distinguishes between recurring and non-recurring items.	3.707	1.043	1.00	5.00	74.14
As an auditor of interim reports, you observe the entity's commitment to disclosing the accounting policies used.	3.862	0.963	1.00	5.00	77.24
As an auditor of interim reports, you have observed that interim disclosures have been updated to reflect material changes.	3.810	0.888	2.00	5.00	76.21
As an auditor of interim reports, you have observed that the entity has sufficient conditions for changes between interim periods.	3.569	0.957	1.00	5.00	71.38
As an auditor of interim reports, you have observed that the interim reports contain clear explanations for any material financial fluctuations.	3.672	1.145	1.00	5.00	73.45
Implement procedures in accordance with ISRE 2410 (Y)	3.786	0.635	1.20	5.00	75.72

Source: Prepared by researchers based on SSPS outputs.

Second Main Hypothesis

(H0): There is no statistically significant effect of adopting IAS 34 on the design of interim review procedures.

(H1): There is a statistically significant effect of adopting IAS 34 on the design of interim review procedures.

This section aims to test the effect hypothesis between the study variables by analyzing the relationship between the two main variables.

The table shows the values and indicators of the effect analysis. The model demonstrated a significant effect, as measured by the F value of the regression model, which reached 93.731, which is higher than the table value at the approved significance level of 0.05, indicating the statistical significance of the model.

In addition, the coefficient of determination (R^2) value reached 0.626, meaning that the independent variable explains approximately 62.6% of the fluctuations or variations in the dependent variable, indicating a high explanatory power of the model. The standardized B coefficient value, which reached 0.820, indicates that a one-unit change in the independent variable leads to a 0.820 change in the dependent variable.

Based on these results from the regression analysis, sufficient support was provided to accept the sub-hypothesis related to the influence of the independent variable on the dependent variable. In this regard, the null hypothesis is rejected and the alternative hypothesis is accepted, i.e., there is a significant effect of adopting IAS 34 on assessing companies' compliance with the requirements of IAS 34.

From the summary of the above results, the regression model on the values is as follows:

$$Y=0.711 + 0.820 X$$

First Sub-Hypothesis:

(H0): The auditor's comprehension of interim reports and the stipulations of International Accounting Standard (IAS) 34 does not influence the effectiveness of the auditor's review in applying the standard.

(H1): The auditor's review efficacy in implementing the standard is influenced by their comprehension of the character of interim reports and the requirements outlined in International Accounting Standard (IAS) 34.

The results indicate that the model has a significant effect, as demonstrated by the F value of the regression model, which reached 105.64, which is higher than the table value at the accepted significance level of 0.05, indicating the model's statistical significance.

The coefficient of determination (R^2) attained a value of 0.654, signifying that the independent variable accounts for about 65.4% of the variability in the dependent variable, hence reflecting the model's substantial explanatory power. The standardized B coefficient value of 0.834 signifies that a one-unit alteration in the independent variable results in a 0.834 change in the dependent variable.

Based on these results from the regression analysis, sufficient support was provided to accept the sub-hypothesis related to the influence of the independent variable on the dependent variable. In this context, the null hypothesis is rejected and the alternative hypothesis is accepted, i.e., there is a significant relationship between understanding the nature of reports and the requirements of IAS 34 on the auditor's review efficiency in applying the standard.

From the summary of the above results, the regression model on the values is as follows:

$$Y=0.504 + 0.834 X1$$

Second Sub-Hypothesis

(H0): The application of analytical review and inquiry procedures in accordance with International Standard ISRE 2410 does not have a statistically significant effect on the evaluation of the extent to which companies listed on the Iraq Stock Exchange comply with the requirements of International Accounting Standard IAS 34.

(H1): The assessment of the extent to which companies listed on the Iraq Stock Exchange comply with the requirements of International Accounting Standard IAS 34 is influenced by the application of analytical review and inquiry procedures in accordance with International Standard ISRE 2410. This effect is statistically significant.

The findings suggest that the model exerts a substantial influence, evidenced by the regression model's F value of 141.19, which exceeds the tabulated value at the established significance level of 0.05, hence confirming the model's statistical significance. The coefficient of determination (R^2) attained a value of 0.716, signifying that the independent variable

accounts for about 71.6% of the variability in the dependent variable, hence demonstrating the model's substantial explanatory power. The standardized B coefficient value of 0.926 signifies that a one-unit alteration in the independent variable results in a 0.926 change in the dependent variable. The regression analysis findings sufficiently supported the acceptance of the sub-hypothesis about the impact of the

independent variable on the dependent variable. The null hypothesis is rejected, and the alternative hypothesis is supported, indicating a substantial association between the execution of processes in accordance with ISRE 2410 and the assessment of organizations' compliance with IAS 34 standards. The regression model based on the aforementioned findings is as follows:

$$Y = 0.229 + 0.926 X_2$$

Table (14) The value of the regression coefficient and the effect between the variables

independent variable	constant alpha	Beta value	value of r	R2 value	Calculated F value	Significance level P
Adopting IAS 34	0.711	0.820	0.791	0.626	93.731	0.000
Understanding the nature of reporting and IAS 34 requirements	0.504	0.834	0.808	0.654	105.64	0.000
Implementing procedures in accordance with ISRE 2410	0.229	0.926	0.846	0.716	141.19	0.000
Table F value at the 0.05 level				4.001		
Table F value at the 0.01 level				7.077		

Source: Prepared by researchers based on SSPS outputs

From the summary of the above results, the regression model on the values is as follows:

$$Y = \alpha + \beta_i X_i$$

$$Y = 0.711 + 0.820 X$$

$$Y = 0.504 + 0.834 X_1$$

$$Y = 0.229 + 0.926 X_2$$

In order to test the model at the global level, the structural modeling method is adopted to calculate the effect in the case of the presence of variables, dimensions and items within one

model. As shown in Table (14) and Figure (1), it is clear that there is a direct effect of the dimensions, as it became clear that the greatest effect was for the dimension of applying procedures according to the ISRE 2410 standard, where the effect coefficient reached (0.475), and the effect of understanding the nature of reports and the requirements of IAS 34 came in second place, with an effect coefficient of (0.431). The model is significant for all paths

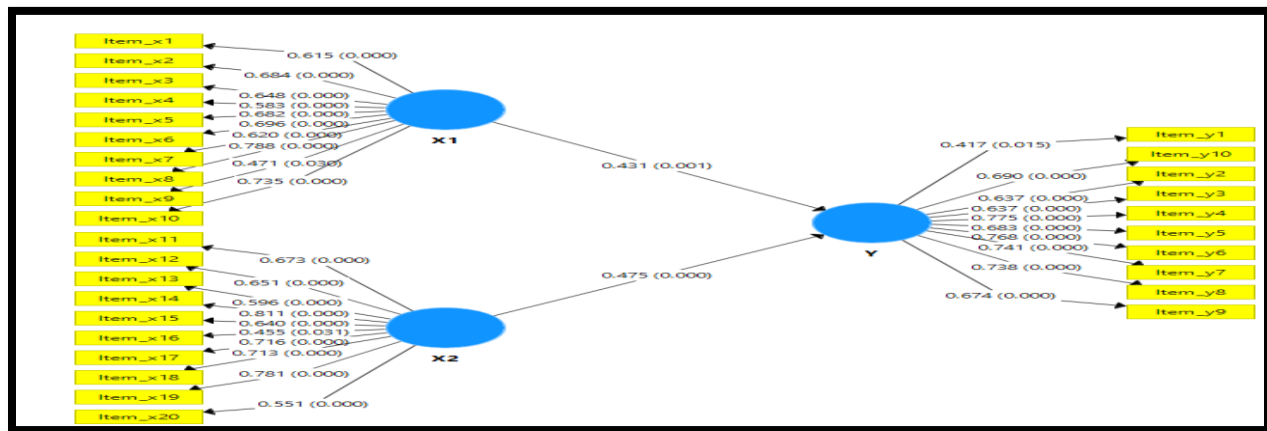


Figure (1) Factorial effect model
Source: Prepared by researchers

Table (15) Paths of influence according to the factorial model

Calculated P-value	Calculated T value	Standard deviation	Arithmetic mean	Saturation	Path
0.001	3.399	0.127	0.431	0.431	X1 ...> Y
0.000	3.775	0.126	0.488	0.475	X2 ...> Y

Source: Prepared by researchers based on SSPS outputs

Third Main Hypothesis: The adoption of the ISRE 2410 Interim Reporting Standard by external auditors has an impact on enhancing economic entities' compliance with International Accounting Standard ISA 34.

An examination of the values in Table (16) reveals that auditors' implementation of the ISRE standard influences adherence to International Accounting Standard ISA 34, with a significant relationship indicated by the calculated F value exceeding the tabulated F value, thereby affirming the significance of the regression (P). The regression coefficients confirmed the association, with a value (β) of 0.557, indicating the presence of the impact. This signifies that the regression curve adequately represents the connection between the variables with a confidence level of 0.95. The interpretation coefficient (R2) gave an acceptable result, indicating that the auditors' acceptance of the ISRE standard accounts for 20.8% of the variations in the dependent variable. These findings support the adoption of the overarching hypothesis, with the sub-hypotheses delineated as follows:

First Sub-Hypothesis

An examination of the values in table (16) reveals that the auditor's assessment of the form and content of the financial report, in accordance with the ISRE standard, influences adherence to International Accounting Standard ISA 34. Furthermore, the correlation between these variables is substantial, as the computed value (F) exceeds the critical value, thereby affirming the significance of the regression (P). The regression coefficients confirmed the association, with a value (β) of 0.410, indicating the presence of the impact. This signifies that the regression curve adequately represents the connection between the variables with a confidence level of 0.95. The interpretation

coefficient (R2) demonstrated an acceptable result, indicating that the form and content of the financial report account for 12.5% of the variations in the dependent variable. These findings corroborate the adoption of the idea.

Second Sub-Hypothesis

An examination of the table values (16) reveals that the auditor's assessment of significant events and transactions in accordance with ISRE will influence compliance with ISA 34. The correlation between these factors is substantial, as the computed value (F) exceeds its tabulated counterpart, thereby reinforcing the significance of the regression (P). The regression coefficients confirmed the association, as the value (β) was (0.347), indicating the presence of an impact. This signifies that the regression curve adequately represents the connection between the variables with a confidence level of 0.95. The interpretation coefficient (R2) was deemed adequate, indicating that meaningful events and transactions account for 11.9% of the variations in the dependent variable. These findings corroborate the adoption of the idea.

Third Sub-Hypothesis

An examination of the values in table (16) reveals that the auditor's evaluation of disclosures in interim financial reports, adhering to the ISRE standard, influences compliance with International Accounting Standard ISA 34. The relationship between these variables is significant, as the calculated value (F) exceeds the tabulated value, thereby substantiating the significance of the regression (P). The regression coefficients confirmed the existence of the association, as the value (β) attained (0.39.4), indicating the presence of the effect. This signifies that the regression curve adequately represents the connection between the variables with a confidence level of 0.95. The interpretation coefficient (R2) demonstrated an

acceptable result, indicating that financial report disclosures account for 14.4% of the variations in the dependent variable. These findings corroborate the adoption of the idea.

Fourth Sub-Hypothesis

An examination of the results in Table (16) reveals that the established techniques of evidence and measurement influence adherence to the International Accounting Standard, with a substantial link shown by the computed F value exceeding its tabular counterpart. This underscores the importance of the regression (P). The regression coefficients indicated a link, with a β value of 0.412, indicating the presence of an effect. This signifies that the regression curve adequately represents the connection between the variables, with a confidence level of 0.95. The coefficient of determination (R^2) suggested

an acceptable result, signifying that the established methods of evidence and measurement account for 17.2% of the variance in the dependent variable. These findings corroborate the adoption of the idea.

Fifth Sub-Hypothesis

By reviewing the values in Table (16), it becomes clear that the auditor's review of other disclosures based on ISRE will affect compliance with ISA 34, and that the relationship between them is insignificant, as the calculated F value is smaller than its tabulated value, and the significance is greater than the permissible limit of 0.05. Therefore, this hypothesis is rejected. level is greater than the permissible limit of 0.05. Therefore, this hypothesis is rejected.

Table (16) Regression Coefficient Value and Impact between Variables

Variables	Constant	Beta Value	R2 value: 0.125	Calculated F-value	Significance level P
Form and Content of Financial Reporting	Alpha	0.410	0.119	6.835	0.012
Significant Events and Transactions	1.038	0.347	0.144	6.512	0.014
Disclosure in Financial Reporting	1.323	0.394	0.172	8.068	0.007
Methods of Recognition and Measurement	1.198	0.412	0.040	9.971	0.003
Other Disclosures	1.140	0.200	0.208	1.977	0.166
Requirements of the International Financial Reporting Standard	1.631	0.557	R2 value: 0.125	12.631	0.001

Source: Prepared by researchers based on SSPS outputs

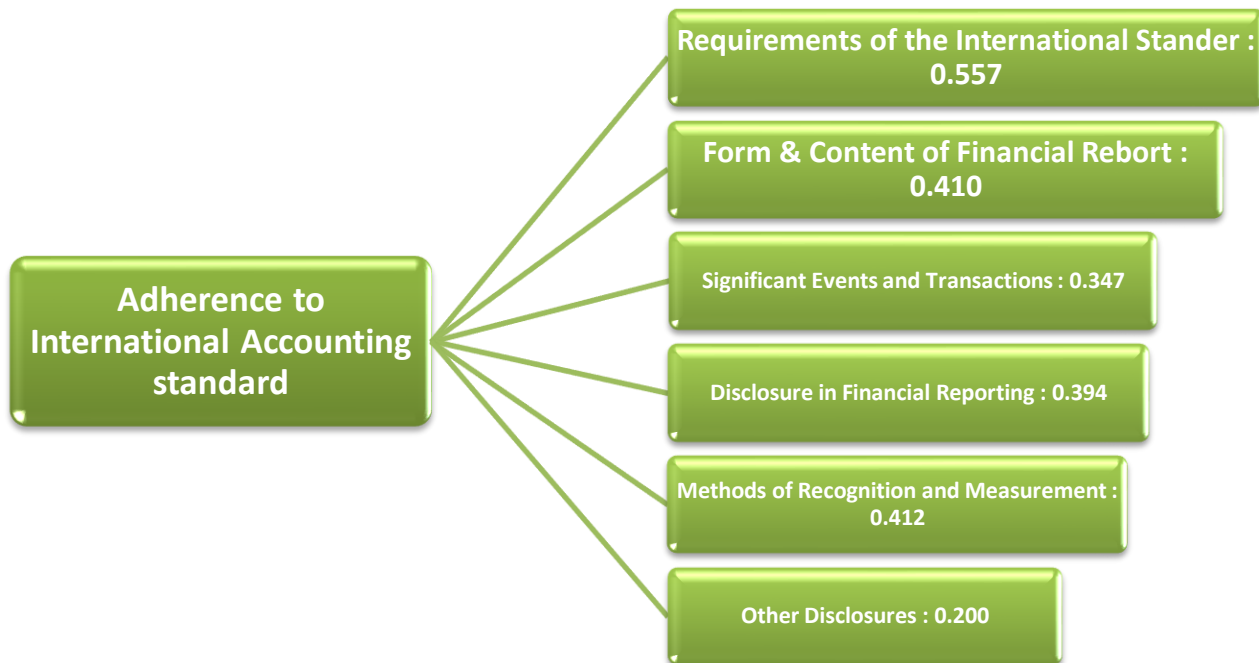


Figure (2) Adherence to International Standard
Source: Prepared by researchers

Conclusions and Recommendations

5.1 Conclusions

1. The study demonstrated that the proposed model for reviewing compliance with IAS 34, based on International Standards on Auditing, enhances the level of accuracy and transparency of interim financial reports and reduces discrepancies in review and auditing methods between external auditors and economic entities.
2. The information included in local reports is less detailed than the information included in annual reports, this is due to the level of disclosure in local reports is less than included in annual reports.
3. Interim financial reports are not subject to external audit and review, as is the case with annual financial reports. Rather, the review is limited to a limited scope that is not binding on entities, and an opinion is not expressed in the audit report.
4. Aligning the audit procedures under the application of ISRE 2410 with the requirements for presenting interim information (IAS 34) helps provide a more consistent and reliable basis for assessing financial disclosure.

5. The proposed model for external auditors' review contributes to improving the quality of interim financial disclosure, helping investors and stakeholders make decisions based on more reliable data.
6. The proposed model enhances the role of the external auditor in assessing the degree of compliance, achieving a balance between disclosure requirements and mitigating the risks associated with interim reports

5.2 Recommendations

1. The necessity of implementing International Accounting Standard ISA 34 in all its paragraphs in the services and industrial sectors.
2. Attention should be paid to including all detailed information in interim reports, as is the case in annual reports.
3. Subject interim financial reports to audit and review, and provide a neutral technical opinion on the findings.
4. The necessity of developing specialized training programs for external auditors to implement interim review procedures in accordance with ISRE 2410, using the proposed model.

5. Require the managements of economic units listed on the Iraq Stock Exchange to issue local reports on time. In the event of delay, fines will be imposed on violating units.

Data Availability:

The data used to support the results of this study has been included in the article.

Conflict of Interest:

The authors declare that they have no conflicts of interest.

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None.

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Appendix A

The demographic information: This study encompassed three primary sectors, banking, industrial, and service sectors and included

the listed companies within each sector, as presented below

1. banking sector

- National Bank of Iraq
- Al Mansour Bank for Investment
- Trust Int. Islamic Bank
- Bank of Baghdad
- Investment bank of Iraq
- National Islamic Bank

2. Industrial Sector

- Baghdad for Packing Material (IBPM)
- AlHilal Industrial CO.
- Modern Sewing CO. (MSC)
- National metallic Industries & bicycles CO. (NMBC)
- Iraqi Ready-Made Clothes Production and General Trading Company (IRMC)

3. Service Sector

- Almamoura Real Estate Investment CO.
- Al Mosel for Fun Fairs (SMOF)
- Al-Nukhba for General Contracting and Real Estate Investments Company (SNUC)
- Middle East Creativity for General Contracting and Real Estate Investments Company (IMEC)
- Al-Ameen Real Estate Investment Company (SAEI)
- Baghdad Iraq for Public Transport and Real Estate Investments Company (SBAG)