



Journal of Business and Social Science Review
Issue: Vol. 1; No.9; September 2020 pp.46-61
ISSN 2690-0866 (Print) 2690-0874 (Online)
Website: www.jbssrnet.com
E-mail: editor@jbssrnet.com

Continuous Auditing and its roles in reducing Investment Risk (A case study on Faisal Islamic Sudanese Bank)

Dr. Abu Obaida Taha Gebreel Ali

Accounting, Mashreq University
Sudan

E-mail: a.taha@mashreq.edu.sd

Dr. Abdel Moneim Mohamed Abdel Gayoum

Accounting
Mashreq University

E-mail: a.mohammed.abdulqayum@mashreq.edu.sd

Mutwakil Dahya bardoun Argal

Teacher.

Accounting
Mashreq University

Abstract:

This study dealt with continuous Auditing and its roles in reducing the investment risk. The study problem: the investment has many risks, but its supervisors do not give enough attention, although the continuous Auditing reduces its effects and risk in the Sudanese bank, the study found the following results: The continuous Auditing provided an objective repeal and a neutral technical opinion and emphasize the credulity and transparency of the financial statements and reports of the economic unit, The continuous Auditing has helped in reduce the bank credit risk by applying the terms and conditions of granting credit, and thus reducing the market risk on the prices of stock Sod bonds of financial institutions in the trading market, the study recommended supporting the use of continuous auditing in economic units, Continuing to provide high quality financial reports increasing the conditions of granting credit within financial institutions, examining financial decisions, and using the continuous auditing system to enhance the efficiency of the financial unit in financial markets.

Key Words: Continuous Auditing, Investment risk, Bank credit.

First: The Methodological Framework:

Preface:

Continuous auditing is considered one of the relatively modern approaches to auditing, the continuous auditing began in the audit thought more than two decades ago as an imperative to use direct operating systems. Companies and individuals undertake investment operations in light of future expectations, and the expected and required investment returns under multiple investments vary according to the degrees of risk related to each of them. This is because most users show their dislike and avoidance of risks, and therefore it is necessary to determine the risk of investment to ensure that the expected return on investment is commensurate with the risk. Investment and with recent developments in information technology and trade systems, The necessity of making a fundamental change in the implementation of the auditing process from a traditional review to an electronic review that is based mainly on the use of computer programs, which is known as continuous review, has emerged to provide assurance and continuous verification and veracity of the accounting information published electronically, hence this study to assess the effectiveness of continuous auditing and its role in Sudanese banks to reducing investment risks.

Study Problem:

The problem of this study is that the risks of investment are many, but the responsible of it do not pay enough attention despite the fact that continuous auditing reduces its effects and risks in Sudanese banks, and this problem can be formulated via this question:

1. Is there a relationship between continuous auditing and liquidity risk ?
2. Is there a relationship between continuous auditing and credit risk ?
3. . Is there a relationship between continuous auditing and market risk ?

Hypotheses study:

The first hypothesis : There is a statistically significant relationship between continuous auditing and liquidity risk.

The second hypothesis : There is a statistically significant relationship between continuous auditing and credit risk.

The third hypothesis : There is a statistically significant relationship between continuous auditing and market risk.

Importance of Study:

The importance of the study stems from the following points:

- 1.The scarcity of studies and research in the field of continuous auditing represents one of the modern research concerns in the field of accounting thought.
2. Focusing on modern scientific methods to obtain the highest possible return and the lowest risk so that all investors can achieve their goals.
3. The need to improve the process of continuous auditing and the use of advanced methods to reduce investment risks.

Objectives of the study:

The study objectives can be stated in the following points:

1. Identify the extent of interest in applying the continuous auditing system in Sudanese banks.
2. Show the potential role of continuous auditing in reducing investment risks.
3. Identify the types of financial investments and the risks associated with them.

Methodology:

The study followed both the historical method to track previous studies that are related to the subject of this research and the deductive method to define research axes and formulate hypotheses and the inductive approach to test the validity of the hypotheses. In all the data, the study relied on observation, reports, financial statements, books, periodicals, and others.

Study limits:

Place: Faisal Islamic Bank of Sudan - State of Khartoum.

Period: 2018.

Second: Previous studies: There are many studies that dealt with the subject of study:
(Al –Khair , 2016):

The study dealt with continuous auditing under electronic commerce and its role in achieving the quality of accounting information. The problem of the study was the failure of the auditing and accounting profession due to poor financial reports, fraud and manipulation of financial statements on the international network of information, which led to the need to find new ways to auditing e-commerce information and transactions, and to provide Sufficient guarantees to verify the integrity and reliability of the information contained in the electronic commerce reports.

The study found out that the continuous auditing in light of electronic commerce contributes to the relevance and reliability of accounting information and that the continuous auditing in light of electronic commerce contributes to the immediate disclosure of accounting information in a timely manner.

The study recommended the necessity of qualifying and training auditors in the fields of information technology and auditing in an e-commerce environment to meet the new professional requirements accompanying them and the need to pay attention to organizing scientific seminars and conferences that discuss developments in information technology and development mechanisms for external auditors.

(Malik Study , 2016):

The study dealt with continuous auditing and its role in reducing the risks of electronic publishing of financial reports. The problem of the study was to identify the possibility of Sudanese banks in reducing the risks of publishing financial reports electronically, through the application of the continuous auditing system. The study aimed mainly at identifying the level of interest of Sudanese banks. By applying the continuous auditing system in practice, and its ability to reduce the risks of publishing financial reports electronically, the study concluded that the results of the field study for the continuous auditing led to a reduction in the risks of the privacy of financial information in the Sudanese banks listed in the Khartoum Market for papers published electronically.

The study recommended several recommendations, the most important of which is the need for Sudanese banks to provide the necessary elements to implement the continuous auditing system to ensure that the risks of publishing financial reports electronically are reduced.

(Salih & Yasir Study, 2016):

The study dealt with the role of continuous auditing in reducing the risks of electronic operation of financial statements. The problem of the study was to raise the following main question: What is the relationship between continuous auditing and reducing the risks of electronic operation of financial statements. The study found that the risks of electronic operation of financial data is one of the most risks facing banks, and that the success of Sudanese banks in reducing the risks of electronic data operation requires the activation of the continuous auditing system, and that there is an important role for continuous auditing in reducing the risks of electronic operation of financial statements for banks Sudanese.

The study recommended that Sudanese banks should pay attention to the application of the continuous auditing system to reduce the various risks facing data electronic operations, and the necessity to develop supervisory mechanisms and conduct more scientific research and studies in the field of continuous auditing of Sudanese banks facing various risks.

(Hafiza Study, 2015):

The study deals with the role of securities diversity in reducing investment risks. The problem of the study is that many investors face the problem of choosing between different securities, and that securities are not of the same degree in terms of return and risk. The study concluded that the method of diversification in securities should be followed to reduce the size of future risks and the need to distribute the financial assets that make up the portfolio well.

Among the most important recommendations recommended by the study is the necessity of working to increase investment awareness among all segments of citizens and the necessity of establishing centers for training and financial investments.

(Muhammad Study, 2013):

The study dealt with the role of auditing quality and corporate governance in reducing investment risks in the stock market, as the problem of the study was the uncertainty surrounding the results of future events in the field of investment in securities, which is to ascertain the future cash flows of the expected return from these investments.

The study reached several conclusions, including: The quality of the review helped in reducing the effects of investment risks in the Khartoum Stock Exchange by identifying and discovering the effects of risks on the efficiency of investment decisions. The study recommended several recommendations, the most important of which is the commitment of auditors to increase the quality of their professional performance to reduce investment risks.

(Al-Tayyib Study, 2011):

The study dealt with the impact of the quality of accounting information in reducing investment risks. The problem of the study was to know the role of accounting information in identifying and measuring investment risks in the stock market, which helps in rationalizing the investment decision for decision-makers. The study concluded the importance of investor's reliance on accounting information published in the Khartoum market. For securities, the study concluded that accounting information should be published in the Khartoum Stock Exchange in a timely manner so as not to lose its value.

The first topic :

Theoretical framework for the study variables :

First: An independent variable represented by (Continuous Review).

Second: A dependent variable represented in (Liquidity Risk, Credit Risk, Market Risk)

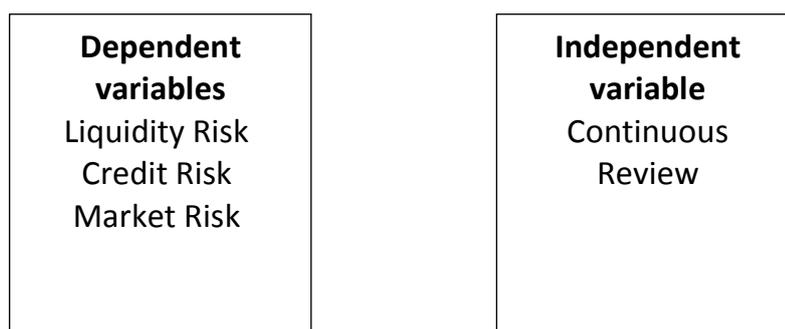
Study Hypothesis:

The first hypothesis: There is a statistically significant relationship between continuous auditing and liquidity risk.

The second hypothesis: There is a statistically significant relationship between continuous auditing and credit risk.

The third hypothesis: There is a statistically significant relationship between continuous auditing and market risk.

Figure No. (1/1) study variables



Source: (prepared by researcher)

The concept of continuous review:

One of the writers believes that an audit consists in examining and verifying financial information with the aim of judging its truthfulness in presenting events and circumstances.

It has also been defined according to the American Accounting Association: that it is an organized and systematic process of collecting and evaluating objectively evidence and evidence relating to the results of economic activities and events in order to determine the extent of compatibility and congruence between these results and the established standards and to inform the parties concerned of the results of the audit.

One of the writers believes that an audit consists in examining and verifying financial information with the aim of judging its truthfulness in presenting events and circumstances.

The audit was defined in general terms as: examining the financial statements, which are mostly the income statement and the balance sheet, making criticisms of the books, records and internal control systems, investigating the balances of the income statement items, and the financial position list and obtaining sufficient and appropriate evidence to express a neutral technical opinion on the validity and integrity of the financial statements

It was also defined as a comprehensive electronic process that enables the auditor to make professional confirmation to some degree on continuous information simultaneously with the disclosure of information or immediately upon disclosure in a short time.

The American Society of Certified Public Accountants defined continuous auditing as: a methodology that enables certified accountants to provide written confirmations and not an opinion on the subject of the

audit that falls under the responsibility of the management of the facility and to provide assurances through various forms of audit reports to shareholders, management and potential clients, immediately or shortly after the occurrence Events related to the subject of the audit.

It has also been defined as a methodology through which the neutral auditor works to provide written assurances about specific elements in the form of a series of reports that are issued simultaneously with or after a short period of time from the occurrence of the events or processes that are reported.

It was defined as the organized process of collecting evidentiary evidence in the electronic audit as an appropriate basis to reach a sound head about the fairness of preparing financial reports and financial statements that were prepared on an electronic basis and according to the immediate accounting system.

Objectives of continuous review:

The main objective of the continuous auditing is to provide the auditor with a neutral technical opinion regarding the extent of the validity of the information and financial reports produced under an immediate accounting information system, as well as granting companies the continuous certification stamp, and the following sub-objectives are derived from this objective.

1. Giving confidence in the immediate disclosure of companies via the Internet.
2. Helping the company's stakeholders, especially the shareholders, the Capital Market Authority, and all visitors to the company's websites, to exercise immediate and continuous monitoring of the companies.
3. The continuous auditing is considered a contemporary approach to developing accounts in their traditional form.
4. That the auditor express an impartial technical opinion regarding the reliability of the financial information and reports produced under an immediate, paperless, accounting information system.
5. Determine the efficiency and effectiveness of the immediate accounting systems in protecting assets, and maintaining data objectivity.

The importance of continuous review:

The importance of continuous auditing stems from its role in the following:

- The increasing dependence of many companies on new information technology such as the Internet and electronic exchange of data that have affected doing business.
- The successive development of information technology has contributed to making electronic and digital information more flexible and easier to transfer from one party to another.
- Reliance on continuous auditing to ensure and continually verify the integrity of the information presented in the published financial reports.

The concept and risks of investing:

The concept of investment risk has been defined as the probability of achieving a return, return or cash flow less than the expected return or return, so the more likely it is to achieve returns, returns or cash flows that are less than expected or negative, the higher the risk.

And one of the writers defined it as (the possibility of unsatisfactory results with regard to the expected returns from investment.

Another writer defined it as losses and damages that afflict investors in securities as a result of uncertainty or prediction of the returns of investment instruments, stocks, bonds, and other certificates that make their returns from year to year and according to several circumstances and influences. Investment risk was also defined as the irregularity of returns in terms of their value or their ratio to the invested capital, which constitutes the element of risk and the irregularity of returns is due to the uncertainty related to future predictions.

Factors and variables that affect investment risk:

There are many factors affect the risk of investing in the stock market, and it can be summarized as follows:

1. Confidence in the financial statements: The lists are the most important sources of information on which the money market relies in determining and adjusting the prices of securities. The importance of this information in assisting the dealers in the financial market in correcting and modifying their expectations about the returns

of securities, which has an effective impact on Adjusting the prices of these securities and the volume of transactions in them.

2. Sharp fluctuations in prices: It means the presence of a sudden price movement in the market, starting with a large unjustified rise, then a sharp decline, followed by a rise that extended for a period, then prices began to stabilize relatively.
3. The relationship between return and risk: The investor aims to maximize his returns. However, the combination of return and risk in a direct relationship (increasing the return with increasing risk) limits the achievement of the goal because it is known that the investor does not want increased levels of risk. Therefore, financial research focused on finding a formulation that can Through it, the risk is reduced to the lowest levels without compromising the return, or at least making the relationship between the return and the risk in case of change not reaching the levels of the complete direct relationship

Section Two: Field study:

Research community and sample: The study sample was determined with its scientific specifications that achieve the purposes of the study by specialists from a director, deputy, head of department, investment employee, risk officer, and a number (100) forms were distributed to the pre-determined and targeted sample to verify the hypotheses of the study and were fully collected (100%) in order to produce accurate results.

The statistical methods used to operate the applied study data for the proposed model:

To achieve the objectives of the study and to verify its hypotheses, the following statistical methods were used:

- a. Graphic figures.
- b. Frequency distribution of answers.
- c. Percentages.
- d. Spearman - Brown equation to calculate the coefficient of stability.
- e. Chi-square test for hypothesis.
- f. (T) test to validate hypotheses.
- g. Simple linear regression.
- h. Correlation coefficient.
- i. T-test

Analysis of questionnaire data:

The first axis: continuous review:

Table (1/2) The frequency distribution of the answers of the study sample individuals on the statement of the first axis

No	Statement	Frequency and Percentages %									
		Strongly Disagree		Disagree		Un decide		Agree		Strongly agree	
		freq	%	freq	%	freq	%	freq	%	freq	%
1	It expresses a neutral technical opinion on the reliability of the financial statements	0	0%	2	2%	10	10%	44	44%	44	44%
2	Help to discover mistakes immediately.	0	0%	3	3%	14	14%	52	52%	31	31%
3	Minimize the cost of auditing	1	1%	1	1%	18	18%	48	48%	32	32%
4	Increase the quality of financial statements.	0	0%	3	3%	17	17%	48	48%	32	32%
5	Availability of the auditor's report in a timely and appropriate manner	1	1%	3	3%	28	28%	36	36%	32	32%

Source : prepared by the researcher form the field study 2018.

Table (1/2), shows the proportions and frequencies of the axis expressions that states: “Continuous review”

The researcher notes in the first statement that "it performs a neutral technical opinion regarding the veracity of the financial statements."We find that (88) respondents and (88%) of the sample agree with what was stated in the phrase, (10) respondents are (10%) neutral, while there are (2) respondents from the sample who do not agree with (2%) of the sample studied.

The second statement, states "helps to discover errors as soon as they occur." We find that (83%) respondents and (83%) of the surveyed sample agree with the statement, there are (14) neutral respondents and (14%), and there are (2) respondents who do not agree with the researched sample, at a rate of (2%).

The third statement, states "helps reduce the cost of performing audit work" We find that (80%) respondents and (80%) of the researched sample agree with the statement, while the neutral respondents amounted to (18) respondents from the sample and represent (18%) of the sample, and there are (2) respondents who do not agree with the sample researched and with a percentage of (2%). "

As for the fourth statement states "leads to an increase in the quality of auditing financial statements" We find that (80) respondents and (80%) of the studied sample agree with the statement, while the neutral respondents, who number (17) respondents, represent (17%), and there are (3) respondents who do not agree with (3%) of the sample surveyed.

The fifth statement: "Availability of the auditor's report in a timely and appropriate manner" We find that (68) respondents and (68%) of the surveyed sample agree with the statement, while the neutral respondents, who number (28) respondents, represent (28%) of the researched sample, and there are (4) respondents who do not agree with (4%) of the sample Searched.

Table (2/2) The mean, mode, and standard deviation of the answers of the study sample individuals for the expressions of the first axis

No	Statement	mean	Mode	Interpretation
1	It expresses a neutral technical opinion on the reliability of the financial statements	4.30	4	Agree
2	Help to discover mistakes immediately	4.11	4	Agree
3	Minimize the cost of auditing	4.09	4	Agree
4	Increase the quality of financial statements.	4.09	4	Agree
5	Availability of the auditor's report in a timely and appropriate manner	3.94	4	Agree

Source : prepared by the researcher form the field study 2018.

Through the above table, we note that the descriptive statistics for the expressions of the first axis that states (continuous review), the arithmetic means for it fall in the range between (3.94-4.30) and the mode is in the range between (4) for all statements, and according to the five Likert scale, the respondents' answers Is the approval to apply the continuous auditing of the Faisal Islamic Bank of Sudan.

Table (2/3) Chi-square test for statement of the first axis

No	Statement	Chi-square	Degree of freedom	Statistical significance
1	It expresses a neutral technical opinion on the reliability of the financial statements	121.506	2	000.
2	Help to discover mistakes immediately	152.207	2	000.
3	Minimize the cost of auditing	195.407	4	000.
4	Increase the quality of financial statements.	175.105	2	000.
5	Availability of the auditor's report in a timely and appropriate manner	156.952	2	000.

Source : prepared by the researcher form the field study 2018.

To test the correctness of the axis that states "continuous review", the chi-square test of the axis expressions was used. (121.506 - 152.207-195.407-175.105-156.952) With degrees (2-4)With the significance level of sig for all expressions (0.00) and when comparing the level of significance of sig with the permissible level of significance (0.05), we find that the level of significance sig is less than the level of significance, which means that there are statistically significant differences for the axis phrases.

The second axis: "credit risk"

Table (2/4) The frequency distribution of the answers of the study sample for the statement of the second axis

No	Statement	Frequency & Percentage %									
		Strongly Disagree		Disagree		Un decide		Agree		Strongly agree	
		freq	%	freq	%	freq	%	freq	%	freq	%
1	The bank followed written credit Policy	0	0%	1	1%	8	8%	47	47%	44	44%
2	Adequate study of the sources of payment	0	0%	1	1%	16	16%	49	49%	34	34%
3	Committed to the quantity and quality of credit specified and directed by the monetary authority	0	0%	4	4%	26	26%	42	42%	28	28%
4	It arises as a result of the inability to fully pay financial claims	1	1%	10	10%	24	24%	39	39%	26	26%
5	Client deposits are important in grant decisions	1	1%	7	7%	15	15%	54	54%	23	23%
6	The bank is concerned with studying the financial position of clients before granting credit	2	2%	4	4%	17	17%	45	45%	32	32%

Source: prepared by the researcher form the field study 2018.

Through the above table, which shows the percentages and frequencies of the axis expressions that states "credit risk"

The researcher notes in the initial statement that "the bank follows a written credit policy."

We find that (91) respondents agree with (91%) of the sample agree with what was stated in the phrase, (8) respondents agree with (8%) neutral, while there are respondents in the sample who do not agree with (1%) of the surveyed sample. Written credit.

The second statement: which states that "he conducts a thorough study of the sources of payment." We find that (83%) respondents and (83%) of the sample surveyed agree with the statement. By (1%).

The third statement states: "The bank is committed to the quantity and quality of the credit specified and directed by the monetary authority." We find that (70%) respondents and (70%) of the surveyed sample agree with the statement. As for the neutrals, their number reached (26) respondents from the sample and represent a percentage of (26%) of the sample, and there are (4) respondents who do not agree with the studied sample, at a rate of (4%).

As for the fourth statement states "arises as a result of the inability to fully pay financial claims," we find that (65) respondents and (65%) of the surveyed sample agree with the statement, as for the neutral (24) respondents who represent (24%) There are (11) respondents who do not agree with (11%) of the sample.

The fifth statement "The client's deposits are important in grant decisions." We find that (77) respondents and (77%) of the surveyed sample agree with the statement, and there are (15) neutral respondents (15%) of the sample researched, and there are (8) respondents (8%) of the studied sample does not agree.

The sixth statement states: "The bank cares about studying the financial position of customers before granting credit." We find that (77) respondents and (77%) of the sample researched agree with the statement, and there are (17) neutral respondents (17%) of the sample researched, and there are (6) Respondents do not agree with (6%) of the studied sample.

Table (2/5) The mode, the standard deviation, and the mean for the answers of the study sample individuals for the statement of the second axis

No	Statement	Mean	mode	Interpretation
1	The bank follow credit written policy	4.30	4	Agree
2	Adequate study of the sources of payment	4.16	4	Agree
3	The bank is committed to the quantity and quality of credit specified and directed by the	3.94	4	Agree

	monetary authority			
4	It arises as a result of the inability to fully pay financial claims	3.79	4	Agree
5	Client deposits are important in grant decisions	3.91	4	Agree
6	The bank is concerned with studying the financial position of clients before granting credit	4.01	4	Agree

Source : prepared by the researcher form the field study 2018.

Through the above table, the researcher notes that the descriptive statistics for the statements of the second axis that stipulate (credit risk), the arithmetic mean for it falls in the range between (3.79-4.34) and the mode (4) for all statements and according to the five Likert scale, the respondents' answers are approval.

Table (2/6) Chi-square test for phrases of the second axis

No	Statement	Chi-square	Degree of freedom	Statistical significance
1	The bank follow credit written policy	168.466	1	000.
2	Adequate study of the sources of payment	190.025	2	000.
3	The bank is committed to the quantity and quality of credit specified and directed by the monetary authority	168.216	1	000.
4	It arises as a result of the inability to fully pay financial claims	220.333	1	000.
5	Client deposits are important in grant decisions	224.354	2	000.
6	The bank is concerned with studying the financial position of clients before granting credit	191.353	1	000.

Source : prepared by the researcher form the field study 2018.

To test the validity of the axis that states "credit risk", the chi-square test of the axis expressions was used and the values of the chi-square computed came as follows: (168.466 - 190.025-168.216 - 220.333 - 224.354 - 191.353) with degrees of freedom (1-2) and the level of sig for all statements (When comparing the level of significance sig with the permissible level of significance (0.05), we find that the level of significance sig is less than the level of significance, which means that there are statistically significant differences for the axial expressions.

Table (2/7)Frequency distribution of the answers of the study sample for the statement of the third axis:

No	Statement	Frequency & percentage %									
		Strongly Disagree		Disagree		Un decide		Agree		Strongly agree	
		freq	%	fre q	%	fre q	%	fre q	%	fre q	%
1	The bank invests in projects that guarantee the availability of liquidity at any time	1	1%	1	1%	13	13 %	42	42%	43	43%
2	The bank is interested in investing in short-term assets	0	0%	6	6%	12	12 %	57	57%	25	25%
3	The bank maintains a portfolio of securities	1	1%	3	3%	16	16 %	42	42%	38	38%
4	The bank establishes optional precautions to increase confidence in the bank	0	0%	2	2%	20	20 %	35	35%	43	43%
5	There is a strategy for balancing the bank's cash needs to meet the external cash flow	1	1%	15	15 %	20	20 %	38	38%	26	26%
6	The bank follow up the size of the liquidity level and compares it with	1	1%	15	15 %	16	16 %	39	39%	29	29%

previous periods										
------------------	--	--	--	--	--	--	--	--	--	--

Source : prepared by the researcher form the field study 2018.

Through the above table, which shows the percentages and frequencies of the axis expressions that states "liquidity risk" The researcher notes in the first statement that "the bank invests in projects that guarantee the provision of liquidity at any time." While there are (2) respondents from the sample who do not agree with (2%) of the sample studied.

Second statement: which states that “the bank is interested in investing in short-term assets,” we find that (82%) respondents and (82%) of the sample surveyed agree with the statement, there are (12) neutral respondents and a rate of (13%) and there are (6) respondents. (6%) does not agree with the researched sample.

Third Statement: which states that “the bank maintains a portfolio of securities,” we find that (80%) of the respondents and (80%) of the sample researched agree with the statement, as for the neutrals, their number reached (16) respondents from the sample and represent (16%) Of the sample, and there are (4) respondents who do not agree with the examined sample, at a rate of (4%).

Fourth Statement: which states that “the bank establishes voluntary precautions to increase confidence in the bank,” we find that (78) respondents and (78%) of the sample surveyed agree with the statement, while the neutral persons of (20) respondents represent a percentage (20%). There are (2) respondents who do not agree with (2%) of the studied simple

Fifth statement: “There is a strategy for balancing the bank’s cash needs to meet the external cash flow.” We find that (64) respondents and (64%) of the sample surveyed agree with the statement, and there are (20) neutral respondents (20%) of the sample researched, and there are (16) Respondents do not agree with (16%) of the surveyed sample.

Sixth statement: which states: “The bank monitors the size of the liquidity level and compares it with previous periods.” We find that (68) respondents and (68%) of the surveyed sample agree with the statement, and there are (16) neutral respondents (16%) of the sample surveyed, and there are (16) Respondents do not agree with (16%) of the surveyed sample.

Table (2/8) The mode, the standard deviation, and the mean for the answers of the study sample individuals for the phrases of the second axis

No	Statement	Mean	mode	Interpretation
1	The bank invests in projects that guarantee the availability of liquidity at any time	4.25	5	Agree
2	The bank is interested in investing in short-term assets	4.01	4	Agree
3	The bank maintains a portfolio of securities	4.13	4	Agree
4	The bank establishes optional precautions to increase confidence in the bank	4.19	5	Agree
5	There is a strategy for balancing the bank’s cash needs to meet the external cash flow	3.73	4	Agree
6	The bank follow up the size of the liquidity level and compares it with previous periods	3.80	4	Agree

Source: prepared by the researcher form the field study 2018.

According to above table, the researcher notes that the descriptive statistics for the expressions of the second axis that states (liquidity risk), the arithmetic mean for it falls in the range between (3.73 - 4.25) and the mode (4-5) for all statements and according to the five-point scale Likert, the respondents' answers are approval. And strongly agree.

Table (2/9) Chi-square test for statement of the third axis

No	Statement	Chi-square	Degree of freedom	Statistical Significant
1	The bank invests in projects that guarantee the availability of liquidity at any time	265.505	1	000.
2	The bank is interested in investing in short-term assets	103.767	3	000.
3	The bank maintains a portfolio of securities	155.838	1	000.
4	The bank establishes optional precautions to increase confidence in the bank	132.338	2	000.
5	There is a strategy for balancing the bank's cash needs to meet the external cash flow	207.762	1	000.
6	The bank follow up the size of the liquidity level and compares it with previous periods	131.270	1	000.

Source: prepared by the researcher form the field study 2018.

To test the validity of the axis that states "liquidity risk", the chi-square test was used for the hypothesis. The calculated chi-square values were as follows: (265.505- 103.767-155.838-132.338-207.767-131.270) with degrees of freedom (1-2-3) and the level of sig for all statements (0.00) When comparing the level of significance sig with the permissible level of significance (0.05), we find that the level of significance sig is less than the level of significance, which means that there are statistically significant differences for the axis expressions.

Table (2/10) The frequency distribution of the answers of the study sample for the phrases of the third axis

No	Statement	Frequency & Percentage %									
		Strongly Disagree		Disagree		Un decide		Agree		Strongly agree	
		freq	%	freq	%	freq	%	freq	%	freq	%
1	Increase the number of sellers and buyers	0	0%	3	3%	9	9%	47	47%	41	41%
2	Providing liquidity and price continuity	0	0%	3	3%	11	11%	56	56%	30	30%
3	Provides information and low mediation rates	1	1%	6	6%	16	16%	44	44%	33	33%
4	Ensure the ability to sell financial assets quickly and without loss	1	1%	6	6%	19	19%	51	51%	23	23%
5	Increasing the volume of trading in securities	1	1%	4	4%	17	17%	50	50%	28	28%
6	Achieving balance in investment prices at the level of the economy as a whole	2	2%	3	3%	28	28%	40	40%	27	27%

Source: prepared by the researcher form the field study 2018.

Through the above table, which shows the percentages and frequencies of the axis expressions that states "market risk" The researcher notes in the first statement saying "the increase in the number of sellers and buyers." We find that (88) respondents and (88%) of the sample agree with what was stated in the phrase, (9) respondents agree with (9%) neutral, while there are (3) respondents from the sample. Those who do not agree with (3%) of the surveyed sample.

The second phrase: which states "providing liquidity and price continuity", we find that (86%) respondents and (86%) of the surveyed sample agree with the statement, there are (11) neutral respondents and a rate of (11%) and there are (3) respondents who disagree with The studied sample, at a rate of (3%).

The third phrase: which stipulates "providing information and low mediation rates," we find that (77%) respondents and (77%) of the sample surveyed agree with the statement, while the number of neutral respondents reached (16) respondents from the sample and represent (16%) of the sample There are (7) respondents who do not agree with the studied sample, at a rate of (7%).

As for the fourth sentence: which stipulates "ensuring the ability to sell financial assets quickly and without loss," we find that (74) respondents and (74%) of the surveyed sample agree with the statement, while

the neutral respondents, who number (19) respondents, represent (19%) There are (7) respondents who do not agree with (7%) of the sample studied.

The fifth sentence "Increasing the volume of trading in securities." We find that (78) respondents and (78%) of the sample surveyed agree with the statement, and there are (17) neutral respondents (17%) of the sample researched, and there are (5) respondents who do not agree And by (5%) of the studied sample.

The sixth statement: which states “achieving balance in investment prices at the level of the economy as a whole.” We find that (67) respondents and (67%) of the sample surveyed agree with the statement, and there are (28) neutral respondents of (28%) of the sample researched. (5) Respondents do not agree with (5%) of the studied sample.

Table (2/11) The mode, the standard deviation, and the mean of the study sample's answers to the terms of the fourth axis

No	Statement	mean	Mode	Interpretation
1	Increase the number of sellers and buyers	4.26	4	Agree
2	Providing liquidity and price continuity	4.13	4	Agree
3	Provides information and low mediation rates	4.02	4	Agree
4	Ensure the ability to sell financial assets quickly and without loss	3.89	4	Agree
5	Increasing the volume of trading in securities	4.00	4	Agree
6	Achieving balance in investment prices at the level of the economy as a whole	3.87	4	Agree

Source: prepared by the researcher form the field study 2018.

Through the above table, the researcher notes that the descriptive statistics for the terms of the fourth axis that state (market risk), the arithmetic mean for it falls in the range between (3.87-4.26) and the mode (4) for all statements, and according to the five Likert scale, the respondents 'answers are strongly agreed and agreed.

Table (2/12)Chi-square test for fourth axis expressions

No	Statement	Chi-square	Degree of freedom	Statistical significance
1	Increase the number of sellers and buyers	172.106	2	000.
2	Providing liquidity and price continuity	179.541	1	000.
3	Provides information and low mediation rates	229.841	1	000.
4	Ensure the ability to sell financial assets quickly and without loss	162.749	2	000.
5	Increasing the volume of trading in securities	208.204	1	000.
6	Achieving balance in investment prices at the level of the economy as a whole	199.962	1	000.

Source: prepared by the researcher form the field study 2018.

To test the validity of the axis that states "market risk", the chi-square test was used for the hypothesis. The calculated chi-square values were as follows: (172.106-179.541-229.841-162.748-208.204-199.962) with degrees of freedom (1-2) and the level of sig significance for all statements (0.00 When comparing the level of significance sig with the permissible level of significance (0.05), we find that the level of significance sig is less than the level of significance, which means that there are statistically significant differences for the axis expressions.

Third: Hypothesis Tests:

The simple and multiple linear regression method and (t) test for hypothesis tests will be used to find out the significance of the differences in the responses of the study sample individuals to the statements of each hypothesis.

1. First hypothesis Test:

The first hypothesis states: “There is a statistically significant relationship between continuous auditing and credit risk reduction.”

It aims to demonstrate the effect of continuous auditing in reducing credit risk, and to ensure the validity of the hypothesis, a simple linear regression method will be used in building the model, where

continuous auditing was identified as an independent variable represented by (xI) and credit risk reduction as a dependent variable represented by (y) As in the following table:

Table (2/13) Results of a simple linear regression analysis to measure the first hypothesis

	Regression coefficient	(t) Test	probability value (sig)	Interpretation
B ₀	2.271	6.331	0.000	Significant
B ₁	0.456	5.176	0.000	Significant
coefficient of Correlation (R)	0.76			
coefficient of determination (R ²)	0.62			
(F) test	86.788	Model: significant		
$y = 2.271 + 0.456 x$				

Source: prepared by the researcher from the field study 2018.

It is clear to the researcher from the above table that the results of the assessment showed a strong correlation between continuous auditing of risk as an independent variable and the reduction of credit risk as a dependent variable, as the values of the simple correlation coefficient reached (0.76) and the value of the coefficient of determination (R²) was (0.62), this value indicates However, the continuous auditing as an independent variable affects (62%) in reducing credit risk (the dependent variable), and the simple regression model is significant, as the value of the (F) test reached (86.788), which is a function of the significance level (0.000) and (6.331) and the average impact of the review. Ongoing credit risk (6) times and (5,176) means that the continuous auditing leads to a reduction in credit risk by 62%

From above , the researcher concludes that the hypothesis of the first study, which states (there is a statistically significant relationship between continuous auditing and credit risk reduction) has been fulfilled.

2. **Second hypothesis Test:**

The second hypothesis of the study's hypotheses states: "There is a statistically significant relationship between continuous auditing and the reduction of liquidity risk." This hypothesis aims to demonstrate the impact of continuous auditing in reducing liquidity risk, and to ensure the validity of the hypothesis, a simple linear regression method will be used in building the model, where continuous auditing was identified as an independent variable represented by (x2) and credit risk reduction as a dependent variable represented by (y) As in the following table:

Table (2/14) Results of a simple linear regression analysis to measure the second hypothesis

	Regression coefficient	(t) Test	probability value (sig)	Interpretation
B ₀	2.455	6.972	0.000	Significant
B ₁	0.411	4.746	0.000	Significant
coefficient of Correlation (R)	0.53			
coefficient of determination (R ²)	0.49			
(F) test	72.528	Model: significant		
$y = 2.455 + 0.411 x$				

Source: prepared by the researcher from the field study 2018.

From above table It is clear that the results of the assessment showed a direct correlation between the continuous auditing of risk as an independent variable and the reduction of credit risk as a dependent variable, where the values of the simple correlation coefficient reached (0.53) and the value of the coefficient of determination (R²) was (0.49), this value indicates However, the continuous auditing as an independent variable affects (49%) in reducing credit risk (the dependent variable), and the simple regression model is significant, as the value of the (F) test reached (72,528),

which is a function of the significance level of (0.000) and (6.972) and the average effect of the review. Continuous auditing of credit risk (6) times and (4.746) means continuous auditing of risks leading to a reduction of liquidity risk by 49%.

From above, the researcher concludes that the hypothesis of the second study, which states (there is a statistically significant relationship between continuous auditing and limiting liquidity risk) has been fulfilled.

3. **Third hypothesis Test:**

The second hypothesis of the study’s hypotheses states: “There is a statistically significant relationship between continuous auditing and market risk reduction.”

This hypothesis aims to demonstrate the impact of continuous auditing in reducing financing risks, and to ensure the validity of the hypothesis, the simple linear regression method will be used in building the model, as the effect of continuous auditing as an independent variable represented by (x2) and reducing market risk as a dependent variable represented by (y) As in the following table:

Table (2/15) Results of a simple linear regression analysis to measure the third hypothesis:

	Regression coefficient	(t) Test	probability value (sig)	Interpretation
B ₀	3.125	7.980	0.000	Significant
B ₁	0.244	2.537	0.000	Significant
coefficient of Correlation (R)	0.65			
coefficient of determination (R ²)	0.55			
(F) test	89.438	Model: significant		
y = 3.125+ 0.244x				

Source: prepared by the researcher from the field study 2018.

It is clear to the researcher from the above table that the results of the assessment showed a direct correlation between the effect of continuous auditing as an independent variable and the reduction of market risk as a dependent variable, as the values of the simple correlation coefficient reached (0.65) and the value of the coefficient of determination (R²) was (0.55), and this value indicates That the continuous auditing as an independent variable affects (55%) in reducing the market risk (the dependent variable), and the simple regression model is significant, as the value of the (F) test reached (89,438), which is a function of the level of significance (0.000) and (7.980) and the average effect of the continuous auditing On credit risk (7) times and (2.537), which means that the effect of continuous auditing leads to a reduction of market risk by 55%.

From the foregoing, the researcher concludes that the hypothesis of the third study, which states that (there is a statistically significant relationship between continuous auditing and market risk reduction) has been fulfilled.

Results:

The researcher found out a number of results as follows:

1. The continuous auditing helped reduce bank credit risk by applying the conditions and controls for granting credit.
2. The continuous auditing enabled to increase the efficiency of banks in the stock market and thus reduce market risks on the prices of stocks and bonds of financial institutions in the trading market.
3. The continuous auditing reduced liquidity risks and contributed to increasing the purchasing power of the assets of the financial economic unit.
4. The continuous auditing contributed to an increase in the volume of issuance and transactions, and increased transactions in the economic unit, thus increasing the level of liquidity.
5. The continuous auditing helped in submitting objective financial reports, thus contributing to positive investor expectations of the future prices of the shares of the economic unit.
6. Continuous auditing assisted in providing a neutral technical opinion regarding the validity of the financial statements

Recommendations:

According to the results, the researcher recommends the following:

1. Supporting the uses of continuous auditing in economic units and continuing to provide high quality financial reports.
2. Work to increase the conditions for granting credit within financial institutions and pay attention to examining financial decisions.
3. Using the continuous auditing system more broadly to enhance the efficiency of the financial unit in the financial trading markets.
4. Work to continue to reduce liquidity risks and assess the appropriate liquidity needs of the economic unit.
5. Using continuous auditing It is imperative to express a neutral technical opinion regarding the validity of the financial statements.
6. The necessity for the bank to invest in projects that guarantee the provision of liquidity at any time and to maintain a portfolio of securities.

References:

First: Books:

- [1] Thomas & Henki K 2003, The audit between Theory and practical, Merikh published, P 26, Riyadh, Kingdom Saudi Arabia.
- [2] Al-Gamal, 2014, The Audit in Electronic Environment, university book house, P 420, Cairo, Egypt.
- [3] Alola, 2009, Financial Management, Wael published house, P205, Oman, Jordan.
- [4] A. Raheem, 2000, Finance and Financial management, D.N, P28, Khartoum, Sudan.
- [5] Hanafi & Qurbas, Basic of Investment and Finance, Shabab Algamaa Foundation, P 364, Alexandria, Egypt.
- [6] Ismael, 1999, Basic of feasibility study and risk investment measuring, Golden Nisr printing, P 198, Cairo, Egypt.
- [7] Garbo', 2000, Accounting auditing between theory and practical, Waraq foundation for publishing and distributing.

Second: Scientific Research:

- [1] Mohamed. A. 2016, The continuous Auditor under Electronic Trade and its roles in realize quality of accounting Information, un published Research, Neelain University, Khartoum, Sudan.
- [2] Misbel, M, 2016, the continuous audit and its role to reduce the risk of electronic publish for financial reports, un published Master Research, Neelain University, Khartoum, Sudan.
- [3] Ali, H, 2015, Role of Stock Exchange to minimize the investment risk, un published Master Research, Neelain University, Khartoum, Sudan.
- [4] Daldoom, D, 2009, The effect of financial investment risk on Khartoum Stock Exchange performance, un published research, Khartoum, Sudan.
- [5] Eisa, M, 2013, Role of Audit quality and companies governance to minimize investment risk in on Khartoum stock Exchange, unpublished philosophy Accounting Doctorate, Neelain University, Khartoum, Sudan.
- [6] Idris, A, 2011, The effect of Accounting Information to minimize the investment risk in Stock Exchange, un published research, Neelain University, Khartoum, Sudan.

Third: periodicals

- [1] Al-Ritam, A, (2009): Requirements for disclosure of earnings per share on investor decisions in light of international accounting standards, Accounting Fikr Magazine, Issue 1, pg. 240, Cairo, Egypt.
- [2] Adnan, A, (2012): The Investor Portfolio and Building the Investment Portfolio, Al Sharq Newspaper, No. 121, page 24, Cairo, Egypt.
- [3] Al-Saiad, A, (2012): The role of the external auditor in emphasizing trust services using the approach of continuous review, The Scientific Journal of Trade and Finance, Volume 2, Issue 4, p. 502, Cairo, Egypt.

- [4] Rodwan, A, Alsogainy , S, (2010): Methodology of applying continuous auditing under the systems of immediate review of accounting data, The Egyptian Scientific Journal of Commercial Studies, Volume 34, Issue 4, pp. 353-354, Cairo, Egypt.
- [5] Mohammed , A, (2003): Analytical study of the effect of electronic publishing of data and electronic commerce on the nature of the review process and the responsibility of the references - with a test study of electronic publishing of data in the Kingdom of Saudi Arabia, Journal of Commercial Studies and Research, Issue (2), p. 40.
- [6] Nabeel, Gh, (2012) Improving the Effectiveness of Continuous auditing Using Trust Services, Scientific Journal of Research and Commercial Studies, Issue (3), Part (2), pg. 107, Cairo, Egypt.

Fourth: English References:

- [1] Mutaz, R. K & Hussain Sharaf , 1961, The philosophy of Auditing American Accounting Association, P. 15.