The Impact of Using Artificial Intelligence in the Audit Process to Enhance the Transparency of Financial Reports and its Reflection on the Reputation of the External Auditor

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Abstract

Purpose *– The papers. This research aims to identify the concept of artificial intelligence, demonstrate the impact of artificial intelligence in improving the external auditor's skills, and demonstrate the extent to which the external auditor can use artificial intelligence.*

Design/methodology/approach*: A review of previous research was conducted to determine and discuss what these researchers have found and the results they have reached. Artificial intelligence and some of its applications were studied to demonstrate its impact on the reputation of the auditor.*

Findings *– The use of modern technologies in the audit process in a way that is reflected in the transparency of financial reports, because this development may affect the reputation of audit offices, as the use of artificial intelligence in major audit companies in auditing companies' data that is automated electronically may replace the external auditor in a way that threatens the future of auditors.*

Originality/value*: The value of the paper lies in that it studies the problems of using artificial intelligence in the audit process in a way that reflects transparency in financial reports. Explaining the impact on the auditor's reputation, this paper provides a general overview of the lack of significance.*

Keywords: *Artificial Intelligence, Transparency, Reputation External Auditor*

INTRODUCTION

The development in information and the use of artificial intelligence systems has increased interest in using modern technologies in the auditing process in a way that is reflected in the transparency of financial reports. This development may affect the reputation of audit offices, as using artificial intelligence in major auditing companies' automated data electronically may solve the problem. Replaces the external auditor in a way that threatens the future of the auditors, Now is not possible because the auditing process using artificial intelligence does not mean the presence of an external auditor to test the accuracy of the results, as the use of artificial intelligence will lead to overcoming some aspects of human shortcomings in the case of exercising professional judgment, Hence, the efficiency and effectiveness of the audit process can be improved, as new audit methodologies adopt the concept of risk, supports the strategy of the external auditor in auditing companies, as the use of this type of robots that undertake the audit process may seem, at first glance, an option. Ideal for auditors. It can save them a lot of time, or it may take care of parts of the work they are responsible for. However, this is not without some problems represented by the complexity of electronic systems, programming requirements, and the necessity of conducting tests before starting the auditing operations to ensure the accuracy of the results. In the auditing process, we must, in the first stages, understand and define terms. Or we may come across a term that requires us to simplify it for the audience. These tools can help us in this, and this is done through the use of intelligence in a way that can improve the efficiency and effectiveness of the auditor, which contributes to enhancing the audit and reducing its risks, which requires the auditor to rely on this advanced modern technology, his reduces audit risks in particular. Adopting artificial neural networks in auditing contributes to reducing the risk of non-detection and thus reducing the overall audit risk. The research problem arises as follows:

1-Research problem:
The auditing profession faces several risks, including its inability to meet the multiple requirements of its clients, especially in light of the diversity of transactions, the increase in the financial activity of clients, and the diversity of methods and means of financial fraud, as the external auditor's thought is unable to interact comprehensively with the requirements of the auditing profession, resulting from work pressures and the short period of the audit, Therefore, the need arose to use many available tools and means that would enhance the skills of the external auditor in terms of saving time and accuracy of the results, which is reflected in the provision of financial reports that are more transparent and acceptable to users. This requires developing the mentality of the external auditor, and this requires greater attention to artificial intelligence techniques, as The use of artificial intelligence can overcome some human shortcomings when exercising professional judgment, In a way that is reflected in improving the skills of the external auditor by taking advantage of some existing features in a way that enhances the transparency of the external auditor's reports, as companies' use of electronic programs in the sales, registration and competition processes here requires the necessity and tracking financial operations in that the use of artificial intelligence helps The external auditor employs programs and machines to carry out many of the arduous tasks for the external auditor, as the use of artificial intelligence improves the auditor's skills. The research problem can be represented by asking the following questions:
1-   Can artificial intelligence improve the skills of the external auditor?
2-   Does artificial intelligence contribute to improving the transparency of financial reports?
3-   What is the role of artificial intelligence in supporting the external auditor's strategies?

2-Research importance:

The importance of artificial intelligence through its contribution to transferring human ideas to smart machines and trying to develop them to carry out tasks that would enhance the work of the external auditor since the work of the external auditor is one of the important matters that adds transparency to financial reports since reports without the auditor's report are not considered relevant. The value of the fact that it may be unreliable, and this requires.

3-Research objectives

The objectives of my research are:
1-   Learn about the concept of artificial intelligence.
2-   Explaining the impact of artificial intelligence in improving the external auditor's skills.
3-   Explaining the extent to which the external auditor can use artificial intelligence to enhance the transparency of financial reports.

4-Research hypotheses

The first hypothesis: There is a statistically significant relationship between the use of artificial intelligence and improving the skills of the external auditor.
The second hypothesis: The use of artificial intelligence in Iraq faces obstacles that limit its optimal use.

5-Research model:

The research model was derived from previous studies that indicate relationships and the impact between artificial intelligence and the quality of auditing or improving the auditor's consulting services, so it attempts to inspire a model that shows the impact of intelligence in improving skills.
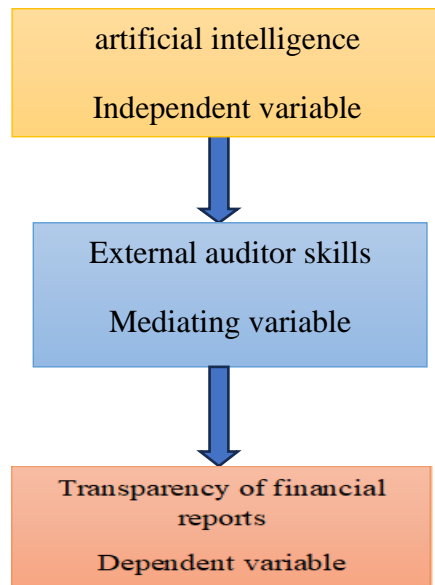

Figure (1-1) search model

LITERATURE REVIEW:

1. **Artificial intelligence has an impact on the auditing process:**

Artificial intelligence is referred to as a way of thinking (i.e. algorithms) about how to make a computer solve problems. Therefore, artificial intelligence programs and systems are translated into any programming language. Now there are some programming languages designated for writing artificial intelligence programs and systems because they provide facilities for the programmer. The programmer often writes data (Al-Husseini, 2002) about artificial Intelligence and expands the scope of research and development to create a computational system that can transform human wisdom into productive action through technology. By applying artificial intelligence methods, the user can greatly improve the classical information transmission process by improving transmission speed, reducing transmission costs, and overcoming a series of bottlenecks. (Al-Aroud, 2020), Artificial intelligence is also known as cognitive technology or cognitive computing. It covers a very wide scope and not all aspects of it are important and relevant to accounting (Kokina & Davenport, 2017). Artificial Intelligence is collecting and interpreting knowledge, information, and intelligence and ultimately disseminating it to qualified parties in the form of actionable intelligence. Although the technical aspect of artificial intelligence (AI) technology does not fall within the purview of a traditional business system, the far-reaching impact of AI has made itself a topic. To teach and practice business management. The application of AI technology can be found in various business functions including production, distribution, purchasing, sales, marketing, accounting, finance, auditing, R&D, human resource management, etc. However, the development in information technology and the use of computer systems has led to increased interest in using modern technologies in the auditing process, This will lead to overcoming some aspects of human shortcomings in the case of exercising professional judgment, and thus the efficiency and effectiveness of the audit process can be improved, as new audit methodologies adopt the concept of risk, (Anbar and Mohammed, 2019), According to the 2019 CIO Survey conducted by Gartner, Inc. One of the leading companies in the field of research and consulting, as the percentage of institutions implementing artificial intelligence has increased by 270 percent in the past four years. Moreover, it has tripled in the past year (ZEMÁNKOVÁ, 2019). some and automated. The resulting information later became of great importance as accounting outputs. The auditing profession relies heavily on accounting information and the transparency of those financial reports. highly suitable for AI applications, AI helps eliminate human error while booking initial entries, Therefore, applying AI while conducting an audit may increase efficiency and, again, eliminate human error, In general (Mohammad, 1987, Raji & Joy. 2019) point that technological developments have created many important research possibilities. As external auditors encounter increasingly sophisticated client-side systems, a new need has emerged to understand how to ensure complex client systems with The use of the adoption of artificial intelligence technologies, as many audit processes that previously required manual work are now automated by artificial intelligence, Which includes data entry operations. (Moffitt et al. 2018). in which artificial intelligence is changing the auditing process. Reducing human error is beneficial to reducing human intervention, written for this purpose), checklists, log forms, audit inquiry software (capable of in-depth analysis and testing of data), and integrated

audit monitoring modules (programmed procedures that continuously monitor actual data and conditions. processing), specialized systems and internal control templates commonly used to identify the strengths and weaknesses of the system (Omoteso, 2012). A typical decision-making process must necessarily include three basic iterative stages. They are intelligence (which involves collecting data, setting goals, diagnosing problems, validating data, and structuring problems), design (which involves processing data, setting goals, generating alternatives, and determining the family of decision-making tools that continue and administrative processes of modern companies and professions, including auditing. (Carlson, 1983). (Issa et al, 2016) believe that there has been a gradual development of technology to create "artificial intelligence" devices. Although this development has been punctuated by spaces. The field of audit has lagged in business in the areas of artificial intelligence. functions derived from many disciplines and applications that can perform complementary operations for audit functions of various types, which increases the efficiencies and effectiveness of the assurance function. (Lassa 2012; Zhu, Miao, Hu, & Qing 2014) People are starting to delegate decision-making to artificial intelligence. Autonomous AI systems demonstrate both intuitive intelligence and empathy. Intuitive intelligence enables AI to adapt creatively and effectively to new situations, and be empathic (Huang et al, 2018). This requires several things, including competence, which is the personal characteristic of a person that allows for superior performance. Auditor competency is the qualification an auditor needs to conduct the audit properly. Halim, Sutrisno, and Achsin (2014) revealed that auditor efficiency can be measured through four formative indicators, (Halim, 2014), this happening. This is likely to prevent auditors from behaving in ways that reduce audit quality, and supervised audits are likely to.

This requires that external auditing reduces the risk of spreading (Watts & Zimmerman, 1986) (Beisland et al., 2015) therefore, all contracts are concluded by the directors. By providing an independent opinion to shareholders on the reliability of accounting information provided by directors, Auditing can promote better management. Traditional IT helped in processing communications and data, and decision-making was humanized. within which they operate. (Syam & Sharma, 2018).

2. **Transparency of financial reports**:

Transparency of financial reports is referred to as "the accounting outputs through financial reports being characterized by (Fath Allah, 2014). of an entity in an accessible manner. They are understood by those who use financial reports, This definition is based on two basic concepts - basic and easily understood economics - which point out a standard-setting perspective on both concepts (Schipper & Barth, 2008). A lower risk a higher valuation. Companies benefit reputation for transparent reporting, as this ultimately leads to increased management credibility, a higher price-earnings (P E) multiple, increased liquidity, and a lower cost of capital. (Madhani, 2008). Transparency in financial reporting has long been viewed as a positive thing from the perspective of users of financial statements, but it is not necessarily something management strives to achieve. Instead, corporate managers often imagine that a large part of their role is to "market" the company, especially directly before if the bankruptcy cases were not clear to users of financial statements. (J et al, 2010), however, includes a fundamental economics perspective, which is closely related to faithful representation as the extent to which financial reporting reveals the underlying economics of an entity in a way that can be easily understood by those who use financial reporting. Interestingly, (Lovell et al, 2010), argue that through the Joint Financial Accounting Standards Board (IASB-FASB) project on ETS, accountants of major firms participating in the European (Montero et al, 2020). (Hooper & Kearins, 2007) (Billings & Capie, 2009) But the resulting disclosure and transparency were not always considered desirable in all circumstances. An example of this is the banking sector in Britain, where its "real" profits and capital are not known. We must take into account five measures of transparency at the company level - choosing the auditor, choosing accounting standards, managing profits, following up with analysts, and the accuracy of analysts' forecasts. These measures have been used in previous research to capture aspects of companies' information environments (Lang & Maffett, 2011), Greater through an attentive board of directors; Through appropriate and timely disclosure of financial information, and perhaps through a transparent ownership structure that clarifies conflicts of interest in allowing the majority shareholders or major creditors to manage the company (Sandeep et al, 2002). Transparency in the preparation and presentation (Nadham, 2016), In the past decades, many public sector entities around the world have turned to ICT to improve services, innovation, and engagement processes, as a means of enhancing (Tweedle, 2005). Transparency is defined as linked to openness and responsiveness (Ar, 2005) (mis, 2015), In this context, INTOSAI emphasizes that the concept of transparency refers to the SAI providing reliable, clear, relevant, and timely public reports including the obligation to publicly report on audit results and conclusions and public access to information related to the SAI (Al-Hashimi, 2019) Transparency is based on adherence: Professional ethics requires the auditor on planning his activities which leads to maintaining a high level of quality in his engagement (Hayes et al., 2005). It is noteworthy comes from the need for transparency in preparing financial reports. The financial audit task represents a systematic approach organized into a standardized series of steps and aims to obtain an audit report (Arens et al, 2012). The most important statements aim to justify managers' decisions to stakeholders (Mironiuc et al, 2013).

The most advanced countries in the transparency of financial reports can be represented in the following table:

Table (1): represents the countries whose transparency was measured by the S&P 500 indexes:

Repeat answers	Weighted arithmetic mean	standard deviation	Coefficient of variation	Severity of answer%	Answer Level
The markets	Number of companies	Transparency of ownership structure and audit process	Transparency of information	Shareholders' equity	The general level of transparency
U.S. (annual report)	500	31	66	25	42
U.S. (combined)	500	78	77	52	70
U.K.	124	70	81	54	70
Japan	150	37	76	70	61
Latin America	89	18	58	21	31

3- Artificial intelligence and external auditor reputation:

Typical decision-making. design (which involves processing data, setting goals, generating alternatives, and determining risks or values of alternatives), and selection (which includes generating statistics). (McCartney, & Sherer, 2001). On the alternatives, Now. The higher the quality of the audit,. However, investors do not directly monitor audit quality; Instead, It is auditors' reputations are tarnished. In other words, managers care most about the auditor's reputation (BARTON, 2010)., my study provides evidence that the clients most sensitive to auditor reputation influence investors' perception of the reliability of financial reporting. In contrast, previous research focuses on auditor choices that are mostly driven by internal changes in client characteristics (Shu, 2000),. From the beginning of the audit process, auditor reputation largely serves as an initial signal of quality. Auditors who maintain their reputation can improve their reputation (Shane, & Di Gregorio, 2003). Economists purchasing decisions and therefore, companies have the incentive to protect their reputation to avoid losing customers. Furthermore, reputation can be considered a regulatory asset, which leads to lower costs and higher selling prices and profits (Bergner et al, 2020) Therefore several types of artificial intelligence technology levels only. Some specialized systems have been used in public accounting firms. Not all applications of AI to review issues have proven successful in the long term. must have in place. (BALDWIN et al, 2007) . technologies in The form of programs and other applications that help in working according to the requirements of the times (Deniswara et al., 2020).

4- Research method:

To reach the results of the research on whether the use of artificial intelligence affects the auditing process in a way that is the reputation of the auditor, a survey was conducted to collect data about that impact on audit offices and some managers of joint-stock companies, and 40 questionnaires were distributed, and the results were as follows:

Analyzing the questionnaire's axes

Table (2): Analysis of the research sample's opinions about artificial intelligence in the auditing process and the transparency of financial report

	Paragraphs	Repeat answers		Weighted arithmetic mean	standard deviation	Coefficient of variation	Severity of answer %	Answer Level
		Yes	no					
Artificial intelligence and financial reporting Transparency	Does artificial intelligence in auditing allow management to choose policies, accounting measurement methods, and accounting practices? Are these artificial intelligence practices and the current auditing process by audit offices in the interest of shareholders	30	10	1.2500	.43853	0.35082	62.5	high
	Are these artificial intelligence practices and the current auditing process by audit offices in the interest of shareholders	29	11	1.2750	.45220	0.33098	63.75	high
	Do audit offices exert pressure to show financial results that match the objectives and expectations of that administration in that they transparently express financial reports?	15	25	1.6250	.49029	0.30171	81.25	high
	Do audit offices play their real role to a large extent in preventing the opportunistic behavior of some individuals and preventing negative interference in the financial results?	23	17	1.4250	.50064	0.35133	71.25	high
	Does the company's board of directors use artificial intelligence in the audit process to exercise its duties impartially, without any discrimination with different parties in terms of oversight of executive directors?	29	11	1.2750	.45220	0.35466	63.75	high
	Does the use of artificial intelligence prevent the company's board of directors or limit the intervention process by executives?	26	14	1.3500	.48305	0.35781	67.5	high
	Does artificial intelligence contribute to detecting some embezzlement or negligence in auditing processes in a way that is transparently reflected in the financial statements?	27	13	1.3250	.47434	0.35799	66.25	high
General Average				1.36	0.47017	.3461	68.03	high
Source: Prepared by the researcher according to computer results using SPSS								

We notice from the table above that the majority of answers were (yes) (179 answers out of the total answers to the axis, compared to (no) (101 answers). This indicates that most of the individuals in the research sample agreed on what was addressed in the questions of the first axis about artificial intelligence and the transparency of financial reports .

The table above includes arithmetic means, standard deviations, response level and severity, artificial intelligence, and transparency of financial reports. It is noted from the table below that paragraph (3) obtained the highest weighted arithmetic mean of (1.6250), with a standard deviation of (.49029) and a coefficient of variation (0.30171). This indicates that these artificial intelligence practices and the current auditing process by audit offices are in the interest of shareholders at a high level and with a strong response rate (81.25%) showed the lowest weighted arithmetic mean, which reached (1.2500), (.438530) and a coefficient of variation (0.35082).

Even though this paragraph achieved the lowest weighted arithmetic mean, it has a high response level and response intensity (62.5%). This indicates that the company's Board of Directors, using artificial intelligence in the audit process, exercises its duties impartially without any discrimination with different parties in terms of oversight of executive directors   .

It is clear from the table that the use of artificial intelligence in the audit process achieved an overall weighted arithmetic mean of (1.36), with a standard deviation of (0.47017), and a coefficient of variation of (.3461). The response intensity reached (68.03%), and this dimension received a (high) response level.

Analyzing the questionnaire's axes

Table (3): Analysis of the research sample's opinions about artificial intelligence in auditor reputation:

	Paragraphs	Repeat answers		Weighted arithmetic mean	standard deviation	Coefficient of variation	Severity of answer %	Answer Level
		Yes	No					
Artificial intelligence and auditor reputation	Managers adopting artificial intelligence strategies and expanding the area of its use improve oversight efforts in terms of continuous follow-up of management	22	18	1.4500	.50574	0.34746	72.5	high
	Is the management of the audit offices exploiting the flaw in artificial intelligence and the weakness of corporate governance to control the transparency of financial reports in a way that reflects negatively on the reputation of the audit offices?	21	19	1.4750	.49614	0.34287	73.75	high
	Does the use of artificial intelligence in the audit process give greater reliability to shareholders in audit offices?	24	16	1.4000	.46410	0.35438	70	high
	Does the duplication of the executive role in artificial intelligence programs lead to information asymmetry in that the duplication of the role of external auditors affects the reputation of the external auditor?	28	12	1.3000	.50064	0.357	65	high
	Are audit offices immune from external influences so that they can be more capable of using artificial intelligence in a way that leads to transparently conducting the audit process and providing shareholders with useful information?	23	17	1.4250	.49029	0.35132	71.25	high
	Has the use of artificial intelligence in the audit process led to satisfactory results for shareholders?	25	15	1.3750	0.49345	0.35657	68.75	high
General Average				1.40	.50574	.3516	70.20	high
Source: Prepared by the researcher according to computer results using SPSS								

We note from the table above that the majority of answers were (yes) (143 answers out of the total answers to the axis, compared to (no) 97 answers. This indicates that the majority of the individuals in the research sample agreed on what the axis questions about artificial intelligence in the reputation of the auditor addressed.

The table above includes the arithmetic means, standard deviations, response level, and intensity as a result obtained the highest weighted arithmetic mean of (1.4750), with a standard deviation of (.50574) and a coefficient of variation of (0.34287). This indicates that managers adopting artificial intelligence strategies and expanding the area of its use improves oversight efforts in terms of continuous follow-up of management at a high level and with a strong response (73.75%).

Paragraph (4) showed the lowest weighted arithmetic means, which amounted to (1.3000), with a standard deviation of (.46410) and a coefficient of variation (0.357). Although this paragraph achieved the lowest weighted arithmetic means, it has a high response level and response intensity (65%). From the point of view of the sample members, this indicates that the duality of the executive role in artificial intelligence programs leads to information asymmetry, in that the duality of the role of external auditors affects the reputation of the external auditor.

It is clear from the table that artificial intelligence and the auditor's reputation achieved an overall weighted arithmetic mean of (1.40), with a standard deviation of (0.49345), and a coefficient of variation of (.3516). The response intensity reached (70.20%), and this dimension received a (high) response level.

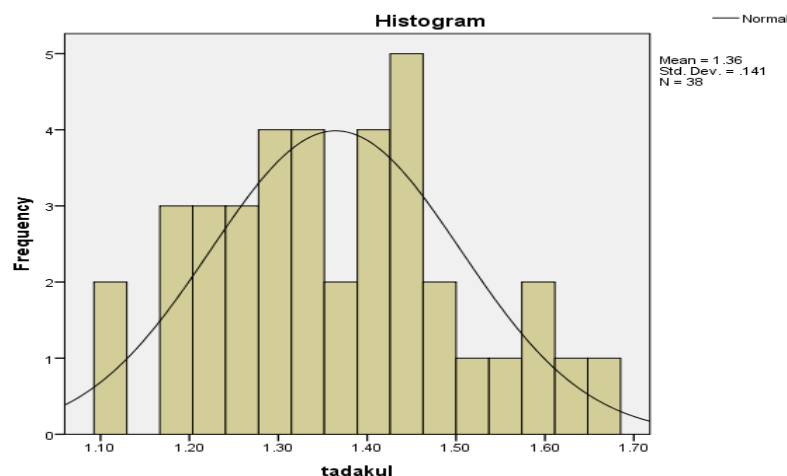**Hypothesis testing**

Normal distribution test

Table (4):To know the accuracy of the survey results, we must distribute them and find out whether they are normal or not:

Variables	Std. Error of Skewness	Skewness	Variance	Std. Deviation	Mode	Median	Std. Error of Mean	Mean
artificial intelligence								
Transparency	.383	.886	.142	.37741	.19[a]	.7139	.06122	.7780
Auditor's reputation	.374	.722	.115	.33918	.37	.4430	.05363	.5505

Before conducting the process of analyzing the data and testing the hypotheses, it is necessary to first ensure that the data is distributed normally since all parametric tests such as Pearson correlation, simple linear regression, multiple regression, or factor analysis require that the data be distributed normally. If the data is not distributed normally, there is There are two options for the researcher: either to use nonparametric test models, which are less powerful in analysis, or to use various mathematical transformations on the variable data to improve the level of normal distribution and then the possibility of using parametric tests, These include logarithmic functions, square root functions, the inverse of the values of variables, and others, to ensure that they have a parametric character in a way that is consistent with the nature of the possible relationships, according to the literature, between those variables. means by their deviations, the data were tested using the Kolmogorov-Smirnov test. Table No. (5) shows the results of the normal distribution test for the data.

Table (5): Normal distribution test

Kolmogorov-Smirnov			Type and parameters of the test
The significance of the test	significant value	Test statistics	Variables and their dimensions
Insignificant	.1670	.0390	artificial intelligence
Insignificant	.200	.0880	Transparency
Insignificant	.210	.0780	Auditor's reputation

Histogram

Mean = 1.36
Std. Dev. = .141
N = 38

Testing influence relationships

Testing the first hypothesis
(There is a statistically significant impact of artificial intelligence in the audit process on the auditor's reputation).

To test the relationship of the effect of a variable of artificial intelligence in the audit process on the reputation of the auditor, the researcher used a simple regression analysis between the research variable.

Table (6): Results of simple regression analysis between the variable between artificial intelligence and auditor reputation.

Sig.	Calculated t value	Regression coefficients	The model
0.008	1.799	0.803	Auditor's reputation Y
0.000	9.089	0.683	
$R^2=0.76$, F=45.814, Sig.=0.000			
Source: Prepared by the researcher according to computer results using the Ver program. 23 SPSS			

The estimated regression equation can be written according to the following formula:
X   0.683+ 0.803 = ŷ
        Whereas y represents the dependent variable (auditor reputation)
        And x represents the independent variable (artificial intelligence)
The following is clear from the results presented in Table (6)

1-The value of (F) calculated for the linear regression model for administrative intervention (X) reached (45.814) and is significant at the level of significance (1%) Sig. is less than the level of significance (0.01). This indicates that the regression coefficient is stable (0.683). = b) at the level mentioned above of significance, meaning that a change in the amount of one unit of artificial intelligence in the audit process affects the reputation of the auditor (y) by an amount of (0.683). Accordingly, artificial intelligence (X) has a significant and significant impact on the reputation of the auditor (y).

2-The value of the explanation coefficient (R2) was (0.76), which means that artificial intelligence (X) explains (76%) of the changes that occur in the reputation of the auditor (y). The remaining percentage (24%) is due to the contribution of other variables not included in the scheme of the current study.

Testing the second hypothesis

(The use of artificial intelligence in Iraq faces obstacles that limit its optimal use)
To test the relationship between the impact of the artificial intelligence variable on the transparency of financial reports, the researcher used a simple regression analysis between the financial reporting transparency variable as an intentional variable and the artificial intelligence variable as an independent variable. The results were as in the following ,**Table (7):**

Sig.	Calculated t value	Regression coefficients	The model
0.004	1.521	1.086	artificial intelligence X
0.000	11.391	0.783	
$R^2=0.77$, F=44.665, Sig.=0.000			
Source: Prepared by the researcher according to computer results using the Ver program. 23 SPSS			

The estimated regression equation can be written according to the following formula:

*x   0.783+ 1.086 = yˆ

-Whereas y represents the dependent variable (transparency of financial reports)

-And x represents the independent variable (artificial intelligence)

The following is clear from the results presented in Table (7)

The value of (F) calculated for the linear regression model of artificial intelligence (X) reached (44.5665) and is significant at a significance level (1%) because the value of Sig. Less than the level of significance (0.01), and this indicates that the regression coefficient (b = 0.783) is stable at the level above of significance, meaning that a change in the amount of one unit of artificial intelligence affects the transparency of financial reports y by an amount of (0.783). Based on that, artificial intelligence has (x) A significant effect on the transparency of financial reports (y).

The value of the explanation coefficient (R2) was (0.77), which means that artificial intelligence (X) transparency of financial reports (y). The remaining percentage (23%) is due to the contribution of other variables not included in the scheme of the current study.

CONCLUSIONS:

The use of modern technologies represented by artificial intelligence in the audit process can be reflected in the transparency of financial reports, because this development may affect the reputation of audit offices, as the use of artificial intelligence in major auditing companies to audit companies' data that is automated electronically may replace the external auditor in a way that threatens the future of auditors. Accounts, as there is a need for accounting companies to teach artificial intelligence programs practically and train external auditors on them. To keep pace with developments in modern technology, the regression coefficient (b = 0.783) is stable at the level above significance, meaning that a change in the amount of one unit of artificial intelligence affects the transparency of financial reports (y) by (0.783). Accordingly, artificial intelligence (x) has A significant effect on the transparency of financial reports. Excellence and development in the field of artificial intelligence mean progress in various fields, which reflects positively on the economic development and growth of countries, so the country becomes a great power in the science of artificial intelligence technology, and can compete strongly and have a major role in excelling and progressing overall economies of the world, especially in Developed countries with large companies that use artificial intelligence extensively. The regression coefficient (b = 0.683) is stable at the level above significance, meaning that a change in the amount of one unit affects the reputation of the auditor by an amount of (0.683). Accordingly, artificial intelligence (X) has a significant, moral impact on reputation. auditor (y).

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