

The Role of an Effective Auditing System in Managing the Financial Crisis

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Abstract: *The financial crisis that occurred in the past decade did not occur suddenly. Scholars must analyze the fundamental factors that led to the financial catastrophe. Regarding corporate governance, our focus will be on enhancing internal control and internal audit. Studies have identified specific warning indicators that suggest the impending arrival of a financial crisis. However, the underlying problem can be attributed to inadequate financial detection methods and a lack of comprehension regarding the importance of the internal audit role in the internal control system. Internal audit is a fundamental pillar of corporate governance. The purpose of our study is to investigate the perception of financial auditors regarding the impact of their understanding of internal controls on the production of accurate and reliable financial reports, as well as its potential to enhance the audit procedure. Internal audit can improve the transparency and quality of the financial position through thorough investigation and in compliance with research findings. In order to prevent any adverse impact on the decision-making process, individuals who utilize financial information should accurately analyze the financial reports. Furthermore, research indicates that the internal audit report holds significant importance and serves as an opportunity for the top management of firms. The results obtained from the aforementioned studies may vary across different countries..*

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