THE ROLE OF INTEGRATION BETWEEN AUDITING STANDARDS AND THE EGYPTIAN CORPORATE GOVERNANCE CODE IN DEVELOPING AUDIT REPORTS ABOUT GOVERNANCE

Prof. Dr. **and** **Prof. Dr.**

Mahmoud El-Sayed El-Naghy
Professor of Accounting and Auditing
Faculty of Commerce
Mansoura University

Samah Tarek Hafez
Professor of Auditing and
Vice Dean of the faculty for
Community Service and
Environmental Development

Menna-Allah Muhammed Khaled Ghazi Burham
Member of the Accountability State Authority

Abstract:

Recently, the financial business environment is witnessing many continuous changes, especially legal and procedural ones that obligate companies listed on the Egyptian Stock Exchange to apply corporate governance rules which are expected to have an important effect on the audit process. The external auditor is also required to report on the management report on the extent of its commitment to apply the governance rules. This is a new responsibility added to the main role in expressing his opinion on financial statements issued. So, there is a need to increase their capabilities to work in conditions characterized by many economic and social challenges which require more disclosure and transparency and achieving the principles of responsibility and accountability in a way that guarantees the interest of owners and all stakeholders attracts more investors, with necessary funding for the continuity purposes and profits achievement.

The external auditor is required to express his opinion on the client's report on commitments to the Egyptian Corporate Governance Code (ECGC) issued in 2016 but the auditing standards that the auditor is obligate to apply are very old as it was issued in 2008. This research aims to fill the time gap and its consequences by introducing a proposed approach for integration between EGCG and Egyptian Auditing Standards to determine its effect on the auditing process on corporate governance starting from the required qualifications, communication with the client company, governance evidence, audit procedures and finally the external auditor report on governance. This will be done within the Egyptian laws and regulations and the most updated international auditing standards issued in 2018 and international corporate governance codes.

Keywords: Corporate Governance, auditing standards, management report on compliance with governance, external auditor's report on governance

مستخلص:

تشهد بيئة الأعمال المالية فى الفترة الأخيرة الكثير من التغيرات المستمرة خاصة القانونية والاجرائية منها والتى طالبت بإلزام الشركات المقيدة فى البورصة بتطبيق قواعد حوكمة الشركات والمتوقع أن يكون لها تأثير كبير على عملية المراجعة. كما أصبح المراجع الخارجى مطالباً هو الآخر بالتقرير عن تقرير الإدارة عن مدى التزامها بتطبيق قواعد الحوكمة مما يعد مسئولية جديدة ملقاه على عاتقه بالإضافة إلى دور الأساسى فى إبداء رأيه عن القوائم المالية التى تصدرها الشركة محل المراجعة لذا، أصبح هناك حاجة للإرتقاء بقدرات المراجع الخارجى الذى يعمل فى ظل بيئة بائت تتسم بالكثير من التحديات الاقتصادية والاجتماعية والتى يستوجب معها المزيد من الافصاح والشفافية وتحقيق مبدئى المسئولية والمسائلة بما يضمن حماية حقوق جميع المساهمين وأصحاب المصالح المختلفة وجذب المزيد من المستثمرين يتوفر معه التمويل اللازم لاستمرارية الشركة وتحقيقها للأرباح.

أصبح المراجع الخارجى مطالباً بإبداء رأيه في تقرير الشركة محل المراجعة عن مدى إلتزامها بقواعد دليل حوكمة الشركات المصري (ECGC) الصادر في عام ٢٠١٦م، ولكن تتصف معايير المراجعة المصرية المُلزم بتطبيقها المراجع الخارجى بقدم إصداها في عام ٢٠٠٨م. ويهدف هذا البحث إلى سد الفجوة الزمنية ونتائجها من خلال تقديم مدخل مقترح للتكامل بين ECGC ومعايير المراجعة المصرية لتحديد تأثيرها على عملية مراجعة الحوكمة بدءًا من المؤهلات المطلوبة، التواصل مع العميل، أدلة الحوكمة، إجراءات المراجعة وصولاً لتقرير المراجع الخارجي عن الحوكمة .هذا فى ظل القوانين واللوائح المصرية وأحدث معايير المراجعة الدولية الصادرة عام ٢٠١٨ وقواعد الحوكمة الدولية.

الكلمات المفتاحية: حوكمة الشركات ، معايير المراجعة ، تقرير الإدارة عن الالتزام بالحوكمة ، تقرير المراجع الخارجي عن الحوكمة

1. Introduction:

One of the reasons for financial and managerial corruption that led to major international companies' collapse was assigned to the role of auditors and their assurance of the fairness of published information in financial statements which was different from reality. So, the need to apply Corporate Governance (CG) rules including external auditing as an external mechanism has become necessary by obligating companies to comply with it and disclosing governance information in the annual reports and auditing this information to achieve transparency, preserve the right of shareholders in accountability and avoiding the presence of any intentional or unintentional error which leads to an increase in confidence in managing the economy by raising investment rates and achieving high growth rates.

Currently, the audit profession in Egypt is characterized by several shortcomings and weaknesses, including outdated Egyptian Auditing Standards issued in 2008 that don't go with the international Auditing Standards issued in 2018 which covered all aspects of the audit process related to communication with those charged with governance. In 2016, the Egyptian Corporate Governance Code (ECGC) was issued including the external auditor's role as external corporate governance (CG) mechanism. In 2018, the Financial Regulatory Authority obligated the external auditor to report on corporate governance (CG) according to the Egyptian Corporate Governance

Code (ECGC) issued in 2016 by applying the Egyptian Auditing Standards issued in 2008 and this is the main gap that the auditor falls in.

This research aims to fill the gap between these two main variables affecting the external auditor's work regarding governance within the framework of relevant Egyptian laws and regulations and taking into consideration the points of differences between the international auditing standards and the international corporate governance codes to reach a proposed approach for an integration between the Egyptian auditing standards and the Egyptian Corporate Governance Code (ECGC) to shape the governance auditing process elements and proposed an external auditor's report structure on the management’s report on the extent of compliance with applying governance.

2. Overview of Literature review

In Egypt, listed companies are obligated to report on corporate governance according to the Egyptian Corporate Governance Code (ECGC) that was issued in 2016 according to the decision of the Board of Directors of the Financial Supervisory Authority No. (13) in 2018 attached to it a separate report from the company’s external auditor about it by Egyptian Auditing Standards. Despite these changes in governance applications and the new responsibilities that are required from external auditors, there are no studies have dealt with the impact of these variables on the external auditor’s work in developing countries. There is also a scarcity of studies that dealt with governance disclosures in the Egyptian environment and their importance to external auditors in Egypt (Metwally,2022).

Financial crises lead to pay more attention to activate the concept of governance and it became one of the main pillars upon which companies are based on and the external auditor's role as one of the corporate governance mechanisms is to confirm the accuracy of the financial statements (Ali et. Al,2020). But there is an uncertainty status about the relationship between corporate governance and external auditing is it a reciprocal or complementary relationship as previous studies differed in reaching an agreement on this matter. Good auditing leads to an improvement in governance applications. On the contrary, good governance also leads the board of directors to set high standards to ensure the audit process quality by increasing the disclosure and the company's financial performance levels (Hay and Redmayne,2017).

It also criticized the auditing standards in New Zealand, which it described as weak and do not keep pace with international standards and they are no longer accepted globally. The study concluded that the relationship between external audit and corporate governance is an integrative one whereby increasing the quality of the work of any of them leads to an increase in the quality of the work of the other side (Hay and Redmayne,2017).

(Ferreira, 2018) investigated the impact of the external auditor’s work on corporate governance in Portugal in accordance with corporate governance regulations issued by the Securities Exchange Commission. It reveals that the greater the external auditor’s interest in ascertaining the extent of the commitment of the client to implement the provisions of governance, the greater the transparency of the disclosed information, thus reducing agency and fraud problems which decrease economic crimes.

According to the duration of the contract with the external auditor, there are some differences between studies regarding that matter. Some studies mentioned that it does not exceed five years with a restriction on other tasks assigned to him other than auditing (Hay and Redmayne,2017) and the rules of the Governance Code in the State of Portugal include prohibiting the external auditor from providing any services to the client until 3 years or more have passed after the end of his engagement with it (Ferreira, 2018). But the Corporate Governance Code in Nigeria indicates that the maximum limit for appointing an external auditor is 10 continuous years while not contracting with him again until 7 years have passed from the expiry of the contract term (Fijabi,2020).

(Khalafallah et al, 2021) indicated that corporate governance requires the shareholders to appoint a professionally qualified independent external auditor to express a neutral and objective technical opinion on the accuracy and fairness of the financial statements. Another study revealed the rapid changes that occurred in Egypt, especially in the past decade, made the Egyptian environment a fertile field for studying new topics in corporate governance and auditing. It indicated the effect of corporate governance on the quality of external auditing work and reports and the procedures that have been taken in the Egyptian environment to increase the effectiveness of the external auditor>

The Institute of Directors issued the Egyptian Corporate Governance Code (ECGC) in 2016 which admits the importance of independency and professionality of qualified external auditors as an effective control mechanism (Abdel-Meguid,2021). Despite that, there were differences between auditors in responding to the new governance rules implementation because of factors such as experience, educational level, knowledge, and familiarity with governance rules (Metwally,2022).

(Alzoubi et al.,2019) based on two questions: First: what is the extent of communication between the external auditors and those charged with governance? Second: does the communication between the external audit and those charged with governance lead to the reduction of managerial and financial corruption? It emphasized on that any communication between management and those charged with governance regarding matters required from the external auditor does not prevent the external auditor from reporting any issues. Also, the importance of increasing attention and enhancing the communication process between external auditors and those charged with governance because of their impact on avoiding weaknesses in internal control systems, and reducing any obstacles related to the company's operations which limits cases of administrative and financial corruption. Also, the quality of the audit process is part of the governance structure and any changes in the application of governance rules and procedures have a direct impact on the audit process (Metwally,2022).

Some audit firms submitted a limited audit report to the management report on governance using Audit Standard No. (3000) (Metwally,2022). The external auditor’s report should be prepared at a time that allows the company’s financial statements to be available to its users at the end of the financial year, therefore the timing of the financial statements is affected by the external auditor’s report in a timely manner, both of which affect the company's stakeholders and its capital strength as well as investors’ decisions (Soyemi et. al,2019).

3. Research question

The external audit has a fundamental and effective role in the field of corporate governance because it reduces the conflict between shareholders and corporate management and it also limits the problem of information asymmetry with the confidence and credibility the external auditor gives to the information disclosed through expressing his neutral professional opinion about the extent of the fairness and accuracy of financial statements through his report that attached to the financial statements. The question remained about determining the nature of the relationship between governance and auditing, whether is it a complementary or substituted relationship.

However, recently, the external auditor has to report on the management report on the extent of the commitment to apply Corporate Governance (CG) and therefore there is a dearth of research - within the limits of researchers' knowledge - that has been carried out in the Egyptian environment to study the impact of applying Corporate Governance (CG) rules on the external auditor work, none of them has reached to a final structure of external auditor's report on management's report on the extent of its commitment to apply governance.

So, the research question will be:

How does the integration between auditing standards and corporate governance code affect the external auditing report on governance in Egypt?

4. An analysis of Corporate Governance

4.1. The concept of governance and its importance

Mr. Aurthur Levitt says, “*If the state does not have a good reputation for its implementation of corporate governance, it will not gain the confidence of investors in the information disclosed and the capital will evaporate and go elsewhere*.” The beginnings of the term “governance” can be traced back to the recommendations of the World Bank to separate ownership from management in companies by setting clear standards for accounting and achieving disclosure and transparency in the name of corporate governance (Mutair, 2018). It also refers to when Cadbury Committee was established in 1992 in the United Kingdom issuing its first report entitled Financial Dimensions of Corporate Governance and demanded applying governance principles to achieve control and improve the decision-making process to increase the user's confidence in the financial reports (Mahmoud, 2015).

The World Bank has defined good corporate governance as a set of laws, legislation, and rules that should be complied with for effectively managing the corporate's resources and achieving sustainable long-term development of its economic value for shareholders and society as a whole. In 2004, the European Central Bank defined corporate governance as the procedures and processes by which the company is controlled and monitored (Swandari and Hadi, 2020). Despite that, the concept of governance is still ambiguous, due to the lack of sufficient awareness to implement this concept (Khalafallah et al, 2021).

The Economic and Development Department entitled Principles of Corporate Governance in 1999, which was amended in 2004 in international recognition of governance (Mahmoud, 2015). The World Bank and the Monetary Fund, in cooperation with the Organization for Economic Cooperation and Development, have established known principles about corporate governance that achieve equal rights with shareholders, define responsibilities of the board of directors, increase disclosure and transparency levels and it concerned with the interests of the parties that deal with the company (Ahmed, 2016), (Youssef, 2019).

The importance of governance is represented in the efficiency with which the company’s resources are managed to increase their value, support their competition methods in the markets, increase the ability to attract investments, and expand in a way that provides new job opportunities that achieve economic development. The governance does so by verifying the responsibilities of the board of directors and making them accountable for its performance and preserving shareholders' and stakeholders' rights and allowing them to monitor the company’s performance (Hamad, 2016). Therefore, companies seek to implement good governance, especially those that are exposed to additional risks than others or those who faced difficulties because of a lack of commitment to apply governance (Ursula et. al, 2020).

This effect appears especially in developing countries than in developed countries, in which law enforcement mechanisms are weakened, which makes the governance rules application have a great impact on the performance of these companies (Indrayati, 2019). It also leads to achieve transparency, responsibility, justice and increasing the confidence of stakeholders (Ali et al,2020), solving problems related to agency, as shareholders seek to increase the value of shares they own, while the company's management work for increasing the optimal utilization of company's resources (Ferreira, 2018). (Bodo et al,2020)

In the Egyptian environment, corporate governance importance is in achieving high rates of growth, strengthening the company's financial position (Kabara et al., 2019), increasing confidence in the national economy, increasing rates of investment and protecting minority rights as small investors and encourages the growth of the private sector by encouraging them with their competitive capabilities and securing finance for their projects that achieving profits and increasing job opportunities (Samaha & others, 2012), (Mohamed, 2014).

4.2. Corporate Governance in the Arab Republic of Egypt

The Arab Republic of Egypt was ranked 41st out of 198 countries in the world according to the World Bank report issued on corporate governance practices in Egypt in 2001 (Mohamed, 2014) in terms of the extent to which the governance rules are applied according to the principles of the Organization Economic Cooperation and Development. The report indicated that although Egyptian laws and legislation include most of the principles of governance, they are not fully complied with. It also referred to the similarity of the ECGC with the international principles that issued by the Organization for Economic Cooperation and Development, except for nine elements related only to the Egyptian legal environment (Youssef, 2019).

Then, in its 2004 report, it criticized the efforts made to improve governance applications that they are not sufficient and the governance application has become limited, especially in matters related to disclosure and transparency, which resulted in a deficiency in the quality of financial reports. In addition to that, there was a lack of independence of the board of directors and its committees, a gap between the stipulated governance rules and the actual practices that are implemented, which indicates that the governance rules application is not real (Mohamed, 2014, Youssef, 2019). The following are examples of some Egyptian companies that went bankrupt as a result of not applying governance:

	Tourah Cement Company (2005-2006)	Orascom Telecom (2004-2005)
Non-applied governance mechanism	Board of Directors - Regulatory Authorities (Capital Market)	Board of Directors - Regulatory Authorities (Capital Market)
Problem	Raising rumors of foreign offers to take over the company, which were caused by the company's board of directors, where the company's internal information was traded	Raising rumors about foreign offers to buy a big percentage of the company's shares, which were caused by the company's management, which exploited the company's internal information.
Consequences	The Company's stock price increased by more than 25%, then the price fell to 50% when it was confirmed that the rumor was incorrect.	The Company's stock price rises to 100%, then collapses to 55% when it was confirmed that the rumor was incorrect

(Samaha et al.2012).

In 2005, the board of directors of the Egyptian Institute of Directors, which is affiliated with the Ministry of Investment at the time, issued The Code for Corporate Governance Rules and Standards for corporations that were listed on the stock exchange (Youssef, 2019). Applying this code was not mandatory (Samaha et al.2012) and it contained 7 main principles that were: the general assembly of shareholders, the board of directors, the department of internal audit, the audit committee, social responsibility disclosure, avoiding rules for conflicts of interest and the role of the external auditor (Mohamed, 2014) (Youssef and Zhou, 2020).

In 2009, The World Bank issued its last report about Egypt that included the Egyptian government's efforts with the private sector to improve corporate governance application. Information disclosure rules have been developed and companies are obligated to form audit committees affiliated with the board of directors. The Capital Market Authority has also established a department specialized in corporate governance, and accordingly the number of companies whose listings are canceled on the stock exchange decreased from 1148 companies in 2002 to 333 companies in 2009 (Youssef, 2019).

Then, in 2011, the Egyptian Institute of Directors issued an updated version of the rules and standards of corporate governance listed on the stock exchange. Then, in August 2016, a new version of governance codes was issued to be general and comprehensive, based on the latest international and regional guidance in the field of governance, with the presence of a compliance or explanation rule, which required companies to apply the rules in the code with an explanation of the reasons that prevented them from applying in the case of non-compliance provided that the explanation is acceptable and objective. So, the rules of the governance code have become mandatory for application (Hamad, 2016), (Metwally, 2022).

In 2018, the Financial Supervisory Authority issued its decision No. 13 of 2018, which stipulates in Article (40) that “the company’s board of directors shall prepare an annual report on the extent to which the rules of governance are applied in accordance with the code issued by the decision of the Board of Directors of the Authority No. (84) in 2016 and to be presented to the general assembly attached to it the auditor's report in this regard in accordance with the Egyptian auditing standards according to the form prepared by the Authority for this purpose". Despite this, only a few companies are committed to governance information disclosure in their financial reports, in contrast to the international practices that companies do by issuing separate reports on governance with the external auditor reports on its applications within his report on the financial statements.

4.3. Responsibilities of the external auditor in Egyptian and International Governance Codes.

The following paragraphs will discuss the main differences and additions in international corporate governance codes with the Egyptian one. The ECGC stipulates that the external auditor shall not be appointed as a natural person for more than five years, and he shall not be re-appointed before the expiry of three years after the end of his work as an auditor for the company. It is preferable for large companies to appoint two auditors for their accounts (ECGC,2016). But in the Jordanian code, they made it clear that the external auditor shall exercise his duties for a period of one year, that could be renewed but he could not be independent if he was appointed for more than four continuous years (Corporate Governance Rules Code for Companies Listed in the Amman Stock Exchange, 2017).

In the Saudi Code, it referred to documenting the recommendations of the audit committee that conflict with the decisions of the board of directors or that the board refused to apply regarding the appointment of the company’s external auditor, the dismissal and determination of his fees, and performance evaluation and the reasons for not taking them into account in the Board of Directors’ report (Corporate Governance Regulations, 2018). In the Nigerian Code, it dealt with the necessity of changing the external auditor as individuals and as an auditing company as well, so that the changing process takes place regularly in a manner that does not threaten the continuity of the audit work, and that the contract period with the auditing company may not exceed 10 years, and it is not permissible to re-contract with it until after 7 years of the expiration of that contract (Nigerian Code of Corporate Governance,2018). While the Governance Code in England clarified that admitting the auditor's remuneration and terms of engagement are the audit committee's responsibilities, unlike ECGC which gives that decision to the general assembly in this matter (The UK Corporate Governance Code, 2018).

For evaluating the performance of the external auditor, the ECGC did not refer to it, which was clarified by the England code, that the annual report should include an explanation of the audit committee's assessment of the independence and objectivity of the external auditor in case the auditor performs additional work and the reasons for which he was nominated or re-nominated (The UK Corporate Governance Code, 2018). In the case of performing additional tasks, the ECGC indicated that the external auditor does not permanently perform any professional, administrative or advisory work, and the board of directors may not contract with him to perform any work added except after the acceptance of the audit committee, determining his fees, and disclosing that in the general assembly and the annual report (ECGC,20 16).The Jordanian code added that the company should take appropriate measures to ensure that it does not do any other additional work (Corporate Governance Rules Code for Companies Listed in the Amman Stock Exchange, 2017).

4.4.External auditor Responsibilities in the related laws to governance

4.4.1. The Law of Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies 159 of 1981:

There are some supplementary elements (in the opinion of the researcher) that the ECGC did not address regarding the external auditor, which have a great effect on him as an external CG mechanism that could be presented as follows:

Article 61 indicated that the board of directors should invite the ordinary general assembly to convene in case the auditor requested it to do so, Article 65 states that: the board of directors must publish the auditing report before the general assembly's meeting, and the executive regulations specify the methods and dates of publication. Article 103 states that: the board of directors may not be authorized to appoint the auditor or specify his fees without determining a maximum limit. Article 105 states that: the board of directors must enable the auditor to do all of the above and in case he is not able to use the stipulated rights, he must prove this in a written report submitted to the board of directors and presented to the general assembly if the board of directors does not facilitate his task (Companies, Companies, Shares and Limited Liability Companies Law 159 of 1981 and its bylaw with a race,1981). This rule is only discussed in the International Auditing Standard 260 communicating with those charged with Governance.

Whereas, the ECGC differed from the Law of Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies 159 of 1981 in the text of Article 104 of the law that the auditor may not be a partner to any person conducting activity in the company as stipulated in the previous paragraph or to be an employee there or one of their relatives up to the fourth degree, and any appointment made in violation of the provisions stipulated in this article is void, while the ECGC stipulates that: the auditor must be completely independent of the company and its board of directors members, for example, not to be a shareholder or a member of its board of directors, or is related to any of the members of its board of directors or senior management up to the second degree.

4.4.2. The rules for listing and delisting securities in the Egyptian Stock Exchange according to the latest amendment - March 27, 2018,

Article (6) obligates companies who request listing to create a website on the web immediately upon listing any of their shares on the stock exchange and before trading starts. It is required to publish the annual and periodical financial statements and their notes disclosure with the auditors' reports. Article (16) also clarified that one of the conditions for registering foreign securities in the Authority is that the company is obligated to submit the auditor's report and financial statements to the Stock Exchange that must be prepared and reviewed in compliance with Egyptian, international or American standards.

While the rules of listing and delisting stipulate that the audit committee is concerned with proposing the appointment of external auditors for fees determination and to revise matters related to their resignation or dismissal in a way that does not violate the law, as well as working to resolve differences in viewpoints between the company's management and the auditor. Also, the committee must verify that the company's management applies the auditor's recommendations (Rules for listing and delisting securities in the Egyptian Stock Exchange, last amended, 2018) and this is more specified in the ECGC which states that following up with the auditor's recommendations about governance applications is the governance committee's task

5. Analysis of auditing standards related to governance

The external auditor derives his importance from his role in providing the users of financial statements with the needed information through his report and its issuance at the appropriate time after the financial year end (Abo El-

Seoud, 2016), (Indrayati, 2019). The audit plays a major role in strengthening corporate governance starting from keeping the interests of shareholders and all stakeholders related to the company and in determining the extent of the company's commitment to the related laws and regulations and its efficiency in exploiting the available resources. (AlQadasi, and Abidin, 2018).

The external auditor's role in governance is characterized by a lot of requirements as he must give confidence in financial reports, evaluate the management process risk, as well as his report on governance (Abed Rabbo, 2017). The external auditor reviews the governance report and its internal mechanisms before publishing the company's financial reports. (Al-Jazrawi and Khudair, 2014). The external auditor has the right to obtain company documents and records, i.e., information and clarifications, attend general assembly meetings and speak at those meetings (ACCA, 2018). The company's corporate governance officials, as well as the audit committee, have the right to request the management for information on the important matters that were discovered within the auditing process and included in the auditor's report (Mazars Fact sheet,2016).

The Egyptian auditing standards determine the communication of external auditors with those charged with governance in the client company who could be executive members of the governance committee regarding auditing governance reports (Alzoubi et al, 2019),(IAS 3000, 2018). Professional Assurance service can be defined as an independent professional service that aims to improve the quality of information to serve decision makers. Information may be financial or non-financial, internal or external information and may be related to historical or current events and operations (El-Sayed, 2018).

According to Assurance Engagements Other than Audits or Reviews Historical Financial Information no. (3000), the professional assurance service is a three-party service that includes the external auditor who has integrity, efficiency, objectivity, and professional care. He must also maintain his independency during the performance of the professional assurance service. The responsible one who is obligated to apply his task whether individually or on behalf of the facility. The target user is the person or persons for whom the external auditor prepares the report, and they may be specified in accordance with agreements or through laws and the report must be available to all target users (ISAE 3000, 2016)

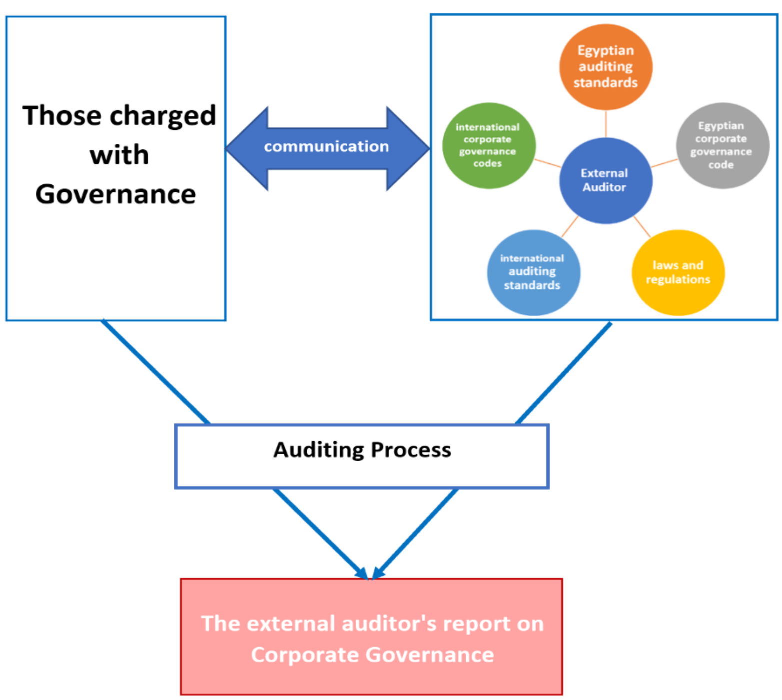
International Standard for Assurance Engagements No. 3000, the professional assurance service aims to increase the extent of compliance with the corporate governance rules to improve the information quality regarding the extent of commitment to serve decision-makers (Anwar, 2013). The external auditor communicates with the client for auditing corporate governance report and the International Auditing Standard no. (260) “Communication with Those Charged with Governance” organize this communication process but it was noted that there are some points of difference and the shortcomings of the Egyptian standard compared to an international one and the following is a brief about them:

	Egyptian Standard 260 Communication with those charged with governance concerning the auditing’s subjects	**International Auditing Standard 260 “Communication with those charged with governance”**
Who charged with governance	The auditing committee is responsible for governance in relation to the audit work, and it does not eliminate the responsibility of the BOD and other supervisory committees for corporate governance – <u>other than the ECGC.</u>	This standard can't specify the person(s) to whom the auditor will communicate about certain matters in all audit engagements considering the auditor’s communication with the audit committee as an essential element in the communication between the auditor and those charged with governance.
Communication with other parties	The standard does not provide guidance about the communication between the external auditor and a third party outside the company as a supervisory body.	Those charged with governance may want to provide third parties with copies of written communication with the auditor while in some cases third parties' disclosures may be inappropriate or illegal.
Content of communication	Communication is only about issues related to governance that came to his knowledge during the application of the audit procedures.	There is nothing prohibiting auditors from delivering any other matters to those charged with governance. There are additional matters required by the standard that may be required to deliver.
Evaluation of communication	It was not covered by the standard	The auditor shall assess whether mutual communication between the auditor and those charged with governance is sufficient for the audit purposes.

Reporting of results	It is preferable to document any oral agreement made with those charged with governance	The auditor shall inform those charged with governance in writing significant findings from the audit if oral communication is insufficient in his professional judgment, when was the communications, and to whom and he shall have a copy of it as a part of auditing documentation.
Communication indicators	It was not covered by the standard.	It referred to the variables that impact the form of the communication process and its timing.

6. A proposed approach for improving the external auditing on governance

The external auditor's report on assessing the company's compliance with the corporate governance rules is one of their new responsibilities upon him according to the code issued by the financial market (Al-Aswad, 2013). in England, the auditor should review the governance disclosures in the annual report according to the latest version of the corporate governance code there (Conway and Byrne, 2018). The following shape shows the elements of the proposed approach for an integration between auditing standards and the ECGC and its effect on auditing corporate governance.



6.1.Academic and Professional Aspect:

The profession of external audit needs a person who is scientifically qualified, professionally trained, independent of the audited company and does not have any direct or indirect interest. So, he does his work without any pressure from others (Aseel, 2016). The external auditor's professional competence means "sufficient and specialized knowledge in the fields of accounting and auditing, which has been acquired through education and technical training". He must achieve a degree of compliance with auditing standards as the main variable that can affect the performance of the audit process (ISAE 3000, 2016).

The Egyptian Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" indicated that some topics may require specialized skills and knowledge that may exceed those usually possessed by the auditor alone, as the auditor must understand the subject matter of the audit sufficiently to determine and evaluate the risks involved. So, he can perform more evidence-gathering procedures as the auditor’s understanding is usually less deep than the person responsible for the certain matter under examination (Obaya, 2015).

There is a significant difference in the extent to which external auditors respond to recent corporate governance applications. These differences were explained by factors such as experience, educational level, knowledge and familiarity with the rules of governance (Metwally,2022). So, training auditors practically and scientifically to increase their ability to properly understand the corporate governance principles and rules to be able to audit their application (Ali et al.,2020)

6.2.Communication Process between the external Auditor and Those Charged with Governance

The communication process is defined as the transfer of certain information between two or more parties using a specific means of communication. The communication process involves two parties, one of whom is the sender and the other the receiver. It also involves a (message) and a communication channel (Aseel, 2016). The role of the external auditor in corporate governance is characterized by a lot of requirements, so he must give confidence in financial reports, evaluate the risk management process and perform non-audit services, in addition to his report on corporate governance (Abd Rabbo, 2017).

The auditor’s profession to communicate with the audited company is one of the most important capabilities that an external auditor should have, and it includes his inquiry from management, internal auditors, employees specialized in work within the scope of the audit work, and his question may extend to people outside the company such as suppliers and customers (Handoko and Waduri, 2016). Effective communication occurs when information reaches the decision-makers in a timely manner (Bobek and Others, 2012). Its importance is due to the auditor's desire to obtain a full understanding of the nature of the company and communication type if it is operating electronically through e-mail or video conference instead of verbal communication (Handoko and Waduri, 2016).

The auditor, through his communication with those charged with governance, must identify matters that require his great attention during the audit process and take into consideration the following: matters that have been evaluated as having material misstatement risks, significant estimates of the auditor related to financial statements and the impact of significant events during the audited period (Mazars Fact Sheet - February 2016). It is important to restructure the nature of the relationship between the external auditor and those charged with governance from a relationship governed by the conflict of interest to a relationship governed by an agreement of interest within the framework of supporting governance implementation and increasing the company's ability to achieve its goals (Al-Aswad, 2013).

Communication may take many forms like questionnaires or holding meetings with the client in an official form with those charged with governance in the company. The existence of an effective governance system within the client company will reduce the challenges facing the auditor while performing his work. The auditor's response to these challenges is affected by his experience in the industry in which the client's company operates (Bobek et al, 2012). Also, the audit committee seeks to reduce direct communications conflicts between external auditors and management by coordinating this process to avoid any effects that may make the auditor biased and this will lead to get more qualified auditing reports (Hamad,2016), (Fijabi,2020)

6.3.Corporate Governance Evidence

The auditor's responsibility has expanded to involve verifying that those charged with governance perform their duties regarding risk and control and in a manner that enhances and supports the corporate governance implementations using his professional skepticism principle in evaluating the responses of inquiries directed to those charged with governance or the information they provide to the auditor. This refers to directing the auditor's attention to the reasonableness of provided information by those charged with governance in light of the other evidence available to him during the audit of governance implementation (Al-Aswad, 2013).

Disclosure of corporate governance information is the main evidence the auditor works on which is divided into mandatory and voluntary disclosure.

Voluntary disclosure leads to increasing levels of transparency and reducing information asymmetry, and this is in line with the goal of any company to gain investors' confidence. To measure the level of disclosure of corporate governance information, it is better to use the mandatory governance requirements stipulated in the corporate governance code, but for measuring the quality of governance disclosure, voluntary disclosures are used added to the mandatory disclosures that exist in the companies' reports (Hassan, 2012).

Companies can be stimulated to increase corporate governance disclosure either by merging it into the annual financial statements and reports or by preparing a separate list called “a list for disclosing corporate governance information” provided that it includes disclosure items about the amounts paid to the executive board members in detail, the number of meetings of the Board of Directors' committees, the formation of the board of directors and the classification of its members, the complementary role between the risk management committees, and the remuneration committees, in addition to defining the terms of job description and tasks of these committees (Metwally, 2012), (Bodo et al, 2020).

In Egypt, The Financial Supervisory Authority issued its decision no. 13 in 2018, which stipulates in Article (40) that “the company's board of directors shall prepare an annual report on the extent to which the rules of governance are applied in accordance with the code issued by the decision of the Board of Directors of the Authority No. (84) in 2016 and to be presented to the general assembly". So, all listed companies are required to report on governance in a separate report (Financial Supervisory Authority decision no.13, 2018).

6.4. Corporate Governance Auditing Procedures:

The term auditing procedures refer to the methods used by the auditor to carry out his examinations. (Abu Al-Saud and Hassan, 2016). The external auditing procedures are affected by corporate governance in two directions: the first is from the point of view of the agency theory, where the board of directors with experience and independent members requires higher audit quality, which requires more audit procedures by the external auditor. On the other hand, if corporate governance is weak, it is more likely that the auditors increase audit procedures to face the high risks as a result of weak governance mechanisms. This is without the request of the client, especially the non-executive directors, of higher quality audits as an integral component of their oversight role with which they need to exert more measures and effort than the external auditor (Metwally, 2012).

The auditor communicates the topics that support the implementation of corporate governance and that drew his attention during the auditing procedures about financial statements to those charged with governance in the company. He is not responsible for designing special procedures to identify these topics and therefore the engagement letter pointing to this besides determining the audit topics that support the governance implementation, identifying the parties responsible for implementing corporate governance to which the topics are communicated, and determining the form and method of communicating the topics supporting governance (Al-Aswad, 2013). According to the recent rules, the external auditor became obligated to plan for governance auditing. Audit procedures include planning the audit process, the scope of the audit, drawing conclusions and issuing the audit report that explains his opinion (Albitar et al. 2021) and this is what will be discussed next.

The following steps are the internal auditing of corporate governance that could be adapted – according to the researcher's view – to fit the external auditor’s work on auditing corporate governance:

1. Skills and experience: to comply with legal requirements of auditing corporate governance that require a certain level of experience.
2. Development of the audit plan: developing a risk-based audit plan depends on a documented evaluation.
3. Research and gathering of background information: the auditor should confirm the responsibilities of different parties.
4. Different parties' requirements: the auditor considers the expectations of the owners, board of directors, audit committees and senior management.
5. Coordinating with the second line of defense: the nature of the relationship between the governance committee, risk management and internal control must be taken into account.
6. Prepare the audit plan: determine what can be audited and how. Determine whether corporate governance can be audited as a separate task or as part of the audit process.
7. Corporate Governance audit Readiness: management disclose corporate governance information and the auditor ascertains of the management applying these rules.
8. Conduct corporate governance audits (Chartered Institute of Internal Auditors, 2018)

6.5. A Proposed Model for an Unqualified External Audit Report on Corporate Governance:

Companies are required to show in their annual report the extent of the company's commitment for applying the rules of governance and its levels of governance (Gutierrez and others, 2017). The external auditor’s report the management’s report on the company’s commitment to apply corporate governance rules is one of the new responsibilities of the external auditor who evaluates the company's compliance according to the code issued by the Financial Supervisory Authority (Al-Aswad, 2013).

In accordance with ISAE 3000, when performing an assurance engagement, the auditor aims to obtain either reasonable or limited assurance whether the subject of the assurance is free from material misstatement and to express an opinion about it through a written report (ISAE3000,2016).The external auditor expresses an unqualified opinion when the subject of the audit express accurately and objectively expresses the true financial position and the result of the achieved business of the client (Salima, 2018),(Keith, 2022). It stipulates that the assurance report should be written, does not require a specific format for submitting and must involve some basic elements such as appropriate title, clarity of addressee, an adequate description of the subject, identification of standards and their availability and restrictions if any, conclusion, date, name and signature of the practitioner (ISAE 3000,2016).

According to the Financial Supervisory Authority's decision No.13 in 2018 the external auditor should report on the management's commitment to governance report in accordance with Egyptian Auditing Standards without specifying a certain auditing standard so, the auditor is not obligated to a certain type of report he submits. Therefore, it is possible to porose an external auditing report structure on corporate governance guided by the Egyptian and International Assurance Standard No.3000.

The Egyptian Standard for Assurance Engagements no. (3000)"Assurance assignments other than audits or reviews of historical financial information" indicated that it does not require a standard form for reports, but rather than it specified the basic elements that should be included in the assurance report. The auditor chooses the short form, which usually includes only the basic elements. The auditor can also use subject headings, paragraph numbers, or typography methods such as writing in bold and other mechanisms to enhance the clarity and readability of the assurance report (ESAE 3000,2008).

The basic elements of the assurance report include the following: title, who report addressed to them, identification and description of the information about the subject matter, determining specific metrics (which could be represented in the ECGC), a description of any significant inherent determinants accompanying the evaluation of the task, a statement to identify the responsible party and their duties, a statement to identify the auditor responsibilities, a statement that the task was performed by the Egyptian standards for assurance tasks, a summary of the work performed, auditor's conclusion, date of the assurance report, name and location of the auditing company or the auditor(ESAE 3000,2008).

While the ISAE, 3000 added the following paragraphs: a statement that the auditing company of which the auditor is a member applies a standard of quality control or other professional requirements, or requirements contained in a law or regulation, that have at least the same requirements as a standard of quality control, a statement that the auditor complies with independence and other ethical or professional requirements, or requirements imposed by law or regulation and an informative summary of the work performed as a basis for the auditor's conclusion(ISAE 3000,2016). The following is a proposed structure of the external audit report on corporate governance

An Independent Assurance Report
on compliance with corporate governance rules

To Messrs./ Company (X)
To Messrs. / The Financial Supervisory Authority

Introduction

We examined the report on the extent of comply with the corporate governance rules, which was prepared by the management of Company (X) for the fiscal year ending on December 31, 2022 according to the form issued by the Financial Supervisory Authority, which was prepared in accordance with the Egyptian Corporate Governance Code issued by the Egyptian institute of Directors under the submission of the board of directors of the Financial Supervisory Authority decision No. 84 of July 27, 2016, taking into account the application of the compliance or interpretation rule.

Management and governance responsibilities

The company's management is responsible for preparing and submitting a report on the extent of compliance with the rules of governance in accordance with the Egyptian Corporate Governance Code issued by the Egyptian institute of Directors of the Financial Supervisory Authority and in accordance with the relevant laws and decisions. The management's responsibility extends to identifying the points of non-compliance and their justifications in the case of non-compliance.

Responsibility of the auditor

Our responsibility is limited to performing the tasks of limited review of the information contained in the report on the extent of compliance with the rules of governance that was prepared by the company's management and to express a conclusion in light of the tests that were performed. The report on the extent of compliance with the rules of governance was examined in accordance with the Egyptian Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", which requires compliance with the requirements of professional conduct, including independence requirements, and planning and performing the assurance process to obtain assurance about preparing the governance report in compliance with the governance rules is free from any significant and influential misstatements.

Examining the extent of compliance with the rules of governance includes obtaining mainly evidence from the observation and inquiries from the those responsible for preparing the report on the extent of compliance with the governance rules and reviewing the documents when appropriate.

Evidence-gathering procedures in limited assurance assignments differ in nature and timing from appropriate assurance engagements, but are less in scope. Accordingly, the level of assurance obtained in a limited assurance engagement is significantly lower than the assurance obtained when performing an appropriate assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

This report has been prepared for submission to the General assembly of shareholders and the Financial Supervisory Authority in accordance with the decision of the board of directors of the General Authority for Financial Supervision No. (13) for the year 2018 to adjust the decision of the Authority No. (11) for the year 2014 regarding the rules for listing and writing off securities in the stock exchange by amending article (40), and not for any other purpose. Therefore, it is not suitable for use except for the purpose for which it was prepared.

Conclusion

In light of the evidence obtained and the actions taken, it did not come to our perception, which makes us believe that the report on the extent of compliance with the rules of governance during the fiscal year ending on December 31, 2022 is no longer - in all its important aspects - in accordance with the Egyptian corporate governance code issued by the decision of the board of directors The Financial Supervisory Authority No. 84 of July 27, 2016, and the instructions issued by the Financial Supervisory Authority and the relevant laws and decisions.

Attention-grabbing paragraph

Cairo in: 2023

Auditor Signature

Findings and recommendations

This research could reach the following results:

- The relationship between CG and external auditing is complementary as each other is supporting the efficiency of the other.
- There is a huge gap between Egyptian Auditing Standards issued in 2008 and the most updated International Auditing Standards issued in 2018.
- Egyptian Auditing Standard no. (260) doesn't cover all communication process elements that are needed to grant effective communication between auditors and those charged with governance.
- There are some points of difference between the Egyptian Corporate Governance Code and Egyptian Auditing Standard no. (260).
- There is a shortcoming of the Egyptian Corporate Governance Code issued in 2016 related to auditors' work as one of the external mechanisms of corporate governance.

These result leads to make some recommendations as follow:

- There is a persistent need for updating Egyptian Auditing Standards issued in 2008 to cope with all updates related to new auditor duties imposed by relevant bodies.

- The Egyptian Corporate Governance Code needs to cover all communication process elements between auditor and company regarding auditing governance and his report on the extent of compliance that the company applies corporate governance rules.

Proposed future research

Conducting more studies on the impact of governance mechanisms on the structure of the external auditor's report on the management's report on the extent of commitment to applying the rules of governance.

List of references

A) <u>Laws:</u>

- Capital Market Law 92 of 1995 and its first regulation.
- Companies, Companies, Shares and Limited Liability Companies Law 159 of 1981 and its bylaw with a race**.**
- Rules for listing and delisting securities in the Egyptian Stock Exchange, last amended, 2018.

B) <u>Standards</u>

- ACCA, 2018, **Audit and Assurance**, course note, paper F8 (Global).
- Egyptian Auditing Standard 260 **Communication regarding governance about audit issues**, 2008.
- Egyptian Standard on Assurance Engagements 3000 "**Assurance Engagements Other than Audits or Reviews of Historical Financial Information**,2008
- International Auditing Standard No. 260, **Communication with those charged with governance**, 2018.
- International Standard on Assurance Engagements 3000 "**Assurance Engagements Other than Audits or Reviews of Historical Financial Information**,2018.

C) <u>Instructions</u>

- **The Egyptian Corporate Governance Code,** 2016, the General Authority of the Financial Authority.
- **Corporate Governance, 2015,** Capital Markets Authority, State of Kuwait.
- **Corporate Governance Regulations**, 2018, Financial Market Authority, Kingdom of Saudi Arabia.
- **Corporate Governance Rules Code for Companies Listed in the Amman Stock Exchange**, 2017, Companies control department in partnership with international Finance Corporation, the Hashemite Kingdom of Jordan.

- **Nigerian Code of Corporate Governance**,2018, Financial Reporting Council of Nigeria.
- **The UK Corporate Governance Code**, 2018, Financial Reporting Council, England.
- **Auditing Corporate Governance,** 2018, Chartered Institute of Internal Auditors.
- **Code of Corporate Governance for Publicly Listed Companies**, 2016, securities and exchange commission, Philippines.
- **Code of Corporate Governance**, 2018, US.
- **Listed Companies (Code of Corporate Governance) Regulations,** 2017, Pakistan.

D) Periodicals

- Albitar, K., A. M. Gerged, H. Kikhia, and K. Hussainey, 2020, **Auditing in times of social distancing: The effect of COVID-19 on auditing quality**. International Journal of Accounting and Information Management. In Press.
- Al-Jazrawi, I. M. A and B. F. Khudair, 2014**, a proposed model for disclosing corporate governance and its internal mechanisms**, Journal of Baghdad College of Economics, p.(39),
- Ali, A.G, A. N. Gasem and A. Z. Ebrahim, 2020, **Corporate governance determinates in financial crisis**, Tikret journal for economics and management sciences, volume 16(1)
- AlQadasi A. and S. Abidin, 2018, **The effectiveness of internal corporate governance and audit quality: the role of ownership concentration – Malaysian evidence, Corporate Governance**, The International Journal of Business in Society, https://doi.org/10.1108/CG-02-2017-0043
- Alzoubi, A.M., M. Ebbini and T. A. A. Hmaidat, 2019, **The External Auditing and Those Charged with Governance**, International Business Management 13 (1): p. 30-36
- Bobek, D.D, B. E. Daugherty, and R.R. Radtke , 2012 , **Resolving Audit Engagement Challenges through Communication**, Journal of Practice & Theory ,Vol. 31, No. 4 , PP. 21-45
- Bradley, P. L., V. O. Hara and A. W. Spencer , 2017, **Updates and Comparisons Regarding Changes to the Audit Reporting Model in the United States, United Kingdom, and European Union** , journal of corporate finance and accounting , July- August
- Conway E., and D. Byrne , 2018 , **Contemporary Issues in Accounting ‘ The Current Developments in Accounting Beyond the**

Numbers ‘ , Library of Congress Control, Number: 2018940755, electronic copy available at: https://doi.org/10.1007/978-3-319-91113-7

- Ferreira, J. V., 2018, **THE ROLE OF THE EXTERNAL AUDITOR IN CORPORATE GOVERNANCE: THE CASE OF COMPANIES LISTED IN THE NYSE EURONEXT LISBON**, Risk Governance and Control: Financial Markets & Institutions/ Volume 8(4).
- Gutierrez , E., M. M. Meza ,K. W. Tatum, and W. Vulcheva, 2017, **Consequences of adopting an expanded auditor's report in the United Kingdom**, electronic copy available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2741174
- Handoko, B. L. and R. Waduri, 2016, **The Impact of Auditor Communication and Due Professional Care on Client Responses to Inquiries for Successful Audit Process** International Conference on Information Management and Technology
- Hassan, M. K., (2012**), A disclosure index to measure the extent of corporate governance reporting by UAE listed corporations**, Journal of Financial Reporting and Accounting, Vol. 10 Iss: 1 pp. 4 – 33.
- Indrayati, S., H., P., 2019, **Effect of Auditor Quality, Good Corporate Governance and Organization Culture on Auditor Performance**, International Journal of Innovative Science and Research Technology ISSN No:-2456-2165
- Kabara, A.S, D.F. ABDULLAH, and A. Othman, 2019, **THE EFFECT OF GOVERNANCE CODE COMPLIANCE ON AUDIT COMMITTEE DIVERSITY AND CORPORATE VOLUNTARY DISCLOSURE: EVIDENCE FROM DYNAMIC PANEL APPROACH**, Polish journal of management studies, vol.20(1).
- Lennox, C. S., J. J. Schmidt, and A. M. Thompson, 2017**, Is the expanded model of audit reporting informative to investors? Evidence from the UK**, electronic copy available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2619785
- Nelson, S. P. and S. Shukeri, 2011, **Corporate Governance and Audit Report timeliness: Evidence from Malaysia**, Research in Accounting in Emerging Economies, Volume 11, p. 109-127.
- Salima, B. Z., B. Rima and T. Yazed, 2018, **External Audit as an External Mechanism of Corporate Governance in Support of the Quality of Accounting Outputs for Algerian Economic Institutions**

- An Analytical theoretical study, Al-Montada journal for economic studies and researches, vol.4.

- Samaha K., K. Dahawy, P. Stapleton, K. Hussainey, 2012, **The extent of corporate governance disclosure and its determinants in a developing market: The case of Egypt**, Advances in Accounting, 28 (1), pp. 168-178.
- Shahin, A. A. A, 2010, **Proposed framework about the role of external auditor in activating corporate governance rules within the quality of internal auditing- field study**, accounting thinking journal, volume 15(2), p. 1-71.
- Swandari, F. and A. Hadi,2020, **Good Corporate Governance A Comparative Study of Two Municipally Owned Corporations (Moc)**, Proceedings of the 4th International Conference on Sustainable Innovation 2020-Accounting and Management (ICoSIAMS 2020) Advances in Engineering Research, volume 201.
- Yassin, S. T., AND Al-Bakou, F. A.K.,2014**, introductory study of Assurance services that are provided by an independent external auditor**, journal of Karkok university for management and economic sciences, vol.4(2).
- Youssef N. and P. Zhou,2020, **The Effect of Board Structure on Egyptian Mutual Fund Performance: A Structural Equation Model Analysis**, International Journal of Economics and Finance; Vol. 12(3)
- Ursula A. H. Y., B. Purwanto, W. J. Ermawati, 2020, **Implementation of Good Corporate Governance on Corporate and Market Performance**, International Journal of Research and Review Vol.7(8).

E)Thesis & Dissertations

- Abd Rabbo, K. K. S., 2017, **Mechanisms of Corporate Management on the Predictive Work of Information - An Empirical Study**, MasterThesis, Faculty of Commerce - Zagazig University.
- Abu Al-Saud and A. A. Hassan, 2016, **a proposed model for measuring the impact of applying governance in activating the quality and independence of auditors (by applying to the hotel sector**), Ph.D. thesis, Faculty of Commerce - Ain University.
- Ahmed, R. H. A, 2016, **the relationship between the level of corporate governance and manage risk assessment**, a master's thesis, Faculty of Commerce - Zagazig University.
- AL-Aseel, S. M., 2016, **External Editing as a Mechanism for Activating Corporate Governance principles in Algeria**, master

thesis, faculty of economics and commerce sciences and facilitating studies, Mohamed Khodier University.

- AL-aswad, I. A. M., 2013, **The Role of External Auditing in Supporting Corporate Governance Applications- Field Study in Libian Environment**, master thesis, faculty of accounting, Western Mountain university.
- EL-Sayed, A. A. A. A, 2018, **The Quality of External Audit As a Mediator Variable in the Relationship Between Corporate Governance Principles and Fraudulent Accounting Practices (Field Study on Sudanese External Auditors**, Ph.D. thesis, faculty of high education, El-Nilen university.
- Hamad, Salah El-Din Mohsen Salah El-Din, 2016, **Study of the relationship between corporate governance mechanisms and external auditor fees in the Egyptian business environment,** Master's thesis, Faculty of Commerce - Kafr El-Sheikh University.
- Metwally, A. Z. H, 2012. **A proposed model to measure the application of the governance information disclosure list on evaluating the effort of external auditor - experimental study**, The Scientific Journal of Economics and Trade, Vol. 3, p. 813-885.
- Metwally A.B.M., 2022, **The Materiality of Corporate Governance Report Disclosures: Investigating the Perceptions of External Auditors working in Egypt**, Scientific Journal for Financial and Commercial Studies and Researches, Faculty of Commerce – Damietta University, Vol.3(1).
- Mahmoud, I. I. G, 2015, **The impact of corporate governance on the timing of issuing the auditor's report: a field study on industrial companies listed on the Amman Stock Exchange**, Master's thesis, Faculty of Economics and Administrative Sciences, Yarmouk University.
- Mohamed, M. Q. A.A., 2014, **The Role of Corporate Governance in Improving Level of Disclosure in Publish Financial Reports - Analytical Study**, Master thesis, faculty of commerce, Assuit University.
- Obaya, A. H. A. A., 2015, **The Effect of unusual fees on the Auditing Process Quality, applied study on listed companies in Egyptian stock exchange**, master thesis, faculty of commerce, Mansoura university.

F)Others

- Bodo, B.S., L. Szocs, Idowu, S. O. and R. Schimdpeter, 2020, **Challenges to Corporate Social Responsibility, Sustainability, Ethics and Governance**, Springer.
- Mazars Fact sheet,2016, **OVERVIEW OF THE NEW AUDITOR'S AUDIT REPORT UNDER THE ISAs**.
- Mutair, Raafat Hussein, 2018, **Mechanisms to Strengthen the Role of Audit in Corporate Governance**, electronic version available at **http://site.iugaza.edu.ps/rmotair/files/2010/02/Article.pdf:**
- MIAO, Z.,2018, **Study on Key Audit Matters—Take the Case of Fuyao Glass**, at 3rd International Conference on Education and Management Science (ICEMS 2018).
- Youssef, T., 2019, **Corporate Governance**, ESSA.
- Reid L. C., J. V. Carcillo, C. Li and T. L. Neal, 2018**, Impact of Auditor Report Changes on Financial Reporting Quality and Audit Costs: Evidence from the United Kingdom**, at the 32nd Contemporary Accounting Research (CAR) Conference.
- Thornton, G.,2018, **changes to auditor reporting standards in Canada: what to expect.**