

THE IMPORTANCE OF LOGISTICS ACTIVITIES IN ECONOMIC UNITS AND ITS AUDIT PROCEDURES

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Abstract:

In light of the rapid changes witnessed by the global economy, logistics activities have become a crucial and important factor in achieving operational efficiency and competitiveness of units. Economic In the contemporary business environment characterized by increasing competition and transformations, Fast on effect This competition has recently increased interest in logistics activities and tasks due to their significant and vital impact on the performance of units. Economic, and these activities have become a focus of interest for many, including auditors, because these activities lack audit procedures specific to them. The research seeks to define Importance and types Logistics activities And its types, with a statement and definition of the auditing procedures carried out by the auditor in general, and the ability of the auditor to prepare or establish a set of procedures to audit these activities. This research is based on the hypothesis that: Logistics activities are of great importance and the external auditor has the responsibility to design and prepare specific audit procedures to examine logistics activities. The research recommended the necessity of Rising Economic units and regulatory bodies pay attention T precise Activities Logistics And special attention Structured Independent and This requires allocating audit personnel with experience and deep knowledge of logistics operations.

Keywords: logistics activities, economic units, audit procedures, operational efficiency, competitiveness

THE INTRODUCTION

In light of increasing competition and rapid changes in the business environment, logistical efficiency has become a critical factor in the success of organizations. Economic, and within the framework of this competition emerged T The importance of logistical activities, tasks and operations in the recent period due to their significant, effective and vital impact on the performance of economic units. This performance, in turn, will be reflected in achieving numerous advantages for the unit. These advantages are manifested by creating a competitive advantage, expanding market share, maximizing current profits, expanding an existing activity, etc. The importance of these logistical activities and tasks has attracted the attention of many parties (management, employees, shareholders, owners, etc.) who are interested in knowing the safety of these activities in terms of spending and credibility. And And influence the main activities which are the basic foundation for achieving the goals of the economic units. With the increasing reliance on technology in supply chains, it has become Finding appropriate ways to audit these activities is essential. To ensure keeping pace with developments and achieving excellence in performance (Abdul Hamid, 2022, p. 12).

The first topic

Research methodology and previous studies

1-1 Research methodology:

- 1-1-1- Research problem: The problem lies in Searching for lack of interest in activities Logistics In economic units. The lack of a work manual or audit program for these activities contributes to raising the efficiency and effectiveness of auditing. External.
- 1-1-2- Research objectives: The research aims to:
 - 1- Defining the nature of logistics activities and their role in economic units.
 - 2- numbers Audit procedures in the form of a specialized program for auditing logistics activities.
- 1-1-3- Importance of research: By highlighting the vital role of logistics activities As a fundamental pillar for the success of tasks and related operations and due to its role In supporting and guiding key operations, the research also focuses on executive and control aspects that are often overlooked in many audit processes and economic units..

- 1-1-4- Research hypothesis: The research is based on hypothesis that Logistics activities are of great importance and the external auditor is responsible for designing and preparing specific audit procedures to examine the logistics activities in economic units.
- 1-1-5- Data and information collection methods: The researcher relied on books, theses, and research related to the subject. Written statements and personal interviews from those responsible for implementing the logistical activities in the unit under audit also played a role in obtaining some information, in addition to visits. Field And the survey forms prepared by the researcher that are related to these activities.
- 1-1-6- Research community and sample: The research community is represented by industrial units, while the research sample is represented by (the car factory in the General Company for the Manufacture of Cars and Equipment / Alexandria).
- 1-1-7- Research timeframe: The research timeframe was set for the fiscal year (2024).
- 1-2 Previous studies:** The most prominent studies reviewed by the researchers are presented.

1-2-1 Study (Omar, 2022)

Sector performance evaluation Logistics your In Algeria, according to the World Bank's Logistics Performance Index methodology.	Study title
The research aims to evaluate the performance of logistics services in Algeria and highlight the challenges and measures that must be taken to improve performance.	the goal
Public authorities concerned with logistics services in Algeria.	Study community and sample
What is the mechanism adopted to evaluate the level of performance of logistics services according to the World Bank methodology?	Study problem
The study concluded that Algeria is at a low level in terms of logistical performance and that the efforts made are insufficient.	Key findings
Previous research was limited to evaluating the reality of logistics services performance, while the current research addresses the audit procedures necessary to audit logistics activities.	The most important feature of the current research

1-2-2 Study (Dervoviand others, 2023)

Integrating artificial intelligence into logistics auditing.	Study title
Exploring the extent to which collaboration between logistics audit and artificial intelligence can be combined.	the goal
A group of Moroccan companies.	Study community and sample
What are the practical implications of using artificial intelligence for data management, anomaly detection, and decision-making within the supply chain?	Study problem
The convergence of logistics auditing and artificial intelligence contributes to increasing the efficiency and transparency of the supply chain, enhancing logistics performance and gaining a competitive advantage in the business landscape.	Key findings
Previous research focused on ways to use artificial intelligence methods in the logistics audit process, while the current research addresses External auditor for Design practical procedures for auditing logistics activities.	The most important feature of the current research

1-2-3 Study)2018Bosona and Gebresenbet)

Evaluating the Logistics Performance of Energy Pruning Operations: An Analytical Logistics Audit Approach Evaluating Logistics Performances of Agricultural Prunings for Energy Production: A Logistics Audit Analysis Approach	Study title
Mapping the logistics activities on agricultural operations to use them as an energy source.	the goal
Current and potential fruit orchard operations in Spain, Germany, Denmark, France and Poland.	Study community and sample
How to improve the use of agricultural processes to contribute to the formation of an energy source Using Efficient logistics systems.	Study problem
The use of modern logistics systems in the Agricultural operations can contribute to the creation of new energies.	Key findings
Previous research focused on the use of modern logistics systems in agricultural operations, while Eat Search Current audit procedures required to audit logistics activities In specialized industrial companies.	The most important feature of the current research

1-2-4 Study Rogaczewski and Wojciechowski, 2019))

Auditing logistics operations as an element of business cooperation between automotive manufacturing companies. AUDIT OF LOGISTIC PROCESSES AS AN ELEMENT OF BUSINESS COOPERATION OF AUTOMOTIVE INDUSTRY	Study title
Explain the importance and essence of logistics auditing as an element of the proper implementation of logistics operations.	the goal
Major industrial companies/one of the car manufacturing companies.	Study community and sample
How is the quality of logistics operations verified within an organization to provide assurance that business partners meet the requirements expected by them?	Study problem
A logistics audit can provide assurance to business partners about the requirements that must be followed and adhered to.	Key findings
Previous research focused on the aspect of providing assurance to the business partner about the quality and requirements of logistics operations, while the current research addressed What are the logistics activities and how to prepare procedures to audit those activities?	The most important feature of the current research

1-3- Research contributions present: The current research seeks to clarify the importance of logistics activities. In economic units and the ability of the auditor to prepare a set of procedures to audit those activities.

The second topic / the theoretical aspect

2-1 Logistics activities: Returns pedigree word Logistics to the language Greek old And it comes from word Logos It means rate, account a reason letter, It is considered The philosopher Greek Plato(348-428Q M)he first from use word (LOGISTIKOS)(Muhammad, Ghazlani, 2022: 11).

and logistics(Logistics) As a term indicates To manage the flow of resources, whether goods, services, information, or even people, from the point of source to the point of consumption in an efficient and cost-effective manner.(Abdul Hamid, Al-Shammari, 2024: 11). It has appeared The term logistics originally came into use in the military context during World War II, and refers to T Movement and quartering of troops, i.e., managing the flow of personnel and resources to support the war effort, by transporting soldiers, equipment, supplies, and ammunition from military camps and depots to the battlefields which is usually In other locations Far, diverse, At the time Suitable and correct way At a reasonable cost (Milevski and Magazine, 2020: 12)

2-2 Definition of logistics activities: Logistics has been defined in several ways. F Logistics Business Council of the United States of America 1991; Business Logistics as These processes are related to planning, implementing, and controlling the efficient and effective flow and storage of raw materials, finished goods, and related information from the point of production to the point of consumption in order to meet customer requirements (Ali, 2018, p. 108).

I also knew It is the continuous and interconnected processes to meet customer needs by ensuring the availability of appropriate and suitable benefits for the appropriate customer in terms of the condition of the product required by the customer and the appropriate quantity, at the appropriate time and place for the customers, at an appropriate and suitable price that makes the customer willing to pay” (Othman, 2022, p. 1445).

And I knew It is one of the modern fields of integrated management studies and one of the basic elements for the success of management in any organization. It represents the backbone of companies and the basic activities necessary to achieve the company’s goals in the field of consumer service (Hamsi, 2024, p. 17).

And I knew her behind me A set of processes and procedures aimed at planning, implementing, and controlling the flow of resources (goods, services, information) from the point of source to the point of consumption, with the greatest possible efficiency. and effectiveness (Khalfi, 2018, p. 14).

2-3 The importance of logistics activities: The political circumstances and changes that our economic units have witnessed have disrupted their work, and they have become backward compared to their counterparts in the region and the world, and have been unable to compete. Among the reasons for their backwardness are weak administrations and the weak use of modern administrative methods in their work. (Abdulkadhim, et al., 2022: 1), This necessitated the adoption of modern management methods, including the adoption of supporting logistical activities. so Logistics activities are the backbone of modern economic units, from industrial and commercial companies to service providers. Through the things below:

- 1- Yaber Z The role of logistics activities as a key factor in improving the performance of institutions and enhancing their competitiveness in the markets. The focus is no longer limited to product quality, but rather includes efficiency in transportation, storage, handling, and purchasing operations, in addition to the flow of information, to ensure the provision of distinguished customer service at the lowest possible costs (Shahata, 2018, 8).
- 2- that The importance of logistics activities It is represented by In achieving competitive advantage in Being It directly contributes to improving the operational efficiency of organizations by reducing costs to improve transportation and distribution operations, which leads to a reduction in waste of time and resources, and improving the quality of service through rapid response to customer requests, which enhances their loyalty to the organization, and achieving customer satisfaction, as customer satisfaction depends on the extent to which the actual performance

- of the product and service matches their expectations, which directly affects their decision to continue dealing with the organization, and increasing profitability by improving storage operations and effective inventory management, which reduces operational costs and improves profit margins (Ali, 2018, p. 13).
- 3- The importance of these activities also lies in the fact that it is one of the It is difficult or impossible to conduct any global trade, import and export operation, or transport of raw materials or manufactured products without logistical support. Professional, logistics included A wide range of activities such as transportation, warehousing, inventory management, packaging, and processing, as well as managing the flow of information to coordinate these activities effectively., and Logistics contributes to operational efficiency and cost savings and is an essential part of global supply chains. (Abu Hussein, 2020: 48).
 - 4- that A The importance of services and activities Logistics lies In its ability to achieve the optimal balance between meeting customer requirements and reducing company costs. This goal can be achieved through the effective coordination of material and information flows, enabling economic units to provide services quickly and at a reasonable cost. In other words, logistics aims to maximize customer satisfaction while simultaneously minimizing operating expenses, which constitutes the concept of business logistics. Marchuk et.al, 2018, p8):
 - 5- Logistics activities form the backbone of the global economy. through **Connecting producers to consumers**so Logistics acts as a bridge between primary sources of raw materials and final consumers, supporting the production and consumption cycle., **Providing job opportunities**: The logistics sector offers many job opportunities in areas such as transportation, warehousing, inventory management, and service. Clients and customers (alhofani-logistics.com), and also Facilitating the movement of goods and services being Logistics is the main driver of trade, as T The flow of goods across borders and within countries, stimulating economic activity (<https://www.albankaldawli.org/ar/news/feature/2018/07/24/from-parts-to-products-why-trade-logistics-matter>) .
 - 6- Access to new markets And improve the company's reputation by making it available Efficient logistics allows companies to expand into new geographic markets, both domestically and internationally, thanks to the ability to manage complex supply chains. and performance The distinguished logistics reflects the company's professionalism and reliability, which enhances its position in the market. GANIYU et.al, 2024, p6))

2-4 Information System for Logistics Activities: A logistics information system is an integrated system that ensures the availability of the data necessary for planning, monitoring, and implementing operations within an economic unit. This system aims to provide decision-makers with accurate, timely information, supporting their effectiveness and efficiency. Al-Zoubi sees And Azzam ,2012:106) Bansystem **Logistics information** It is an integrated system that processes data electronically, with the aim of supporting the decision-making process within the economic unit. This system is characterized by providing information that is timely (available at the right time), accurate, stable, and concise. **And perfection.** Al-Samarrai believes that the information system for logistics activities contributes to... As follows: (Al-Samarrai, 2014: 40)

1. presentation Information to various Levels Administrative For help in to support Takers decision in The organization in the time appropriate service For the customer.
 2. to set Channels Contact in The organization and evaluation Results In order to revision deviations.
 3. Briefing Continuous With information that Help on prediction The future Need Customer and Business Companies Competition.
- system Information Logistics, Like him like any system last, It consists of From the ingredients below: Koh and Sarkis, 2020: 56)).

1. Inputs (Inputs: Inputs include all data and information collected from internal and external sources. These inputs can include inventory data, purchase orders, customer data, transportation schedules, and various transaction costs. Among the most prominent inputs that can be relied upon in the information system for logistics activities is accounting information with qualitative characteristics. Because she plays a major role in Directing decisions (Farhood, 2019: 2620). Because accounting information It is considered Objective and important It helps in rationalization. Decisions. (Farhood, 2018: 10101) , In addition to the possibility of approving budgets As inputs, it is considered one of the The most important main issues in T Reasonable management decisions. (Hamdan, et al., 2019: 476)

2. Operations (Processes: Processes involve transforming inputs into useful information through a set of actions and activities, such as analysis, processing, forecasting, and reporting. These processes use tools such as enterprise resource planning (ERP) systems or supply chain management (SCM) systems to analyze data and produce valuable information to support decision-making.

3. Outputs (Outputs: Outputs include the information produced by processing inputs. These outputs may take the form of periodic reports, performance indicators, forecasts, distribution schedules, or any other type of information that decision makers need to improve logistics management.

4. Feedback (Feedback: The process of evaluating outputs and comparing them to established objectives and standards, and then taking corrective action if necessary. Feedback helps improve system efficiency and ensure that desired objectives are achieved. The components of the logistics activities information system are as follows (Al-Mitoti et al., 2020): 17):

A logistics information system is an integrated system that processes information electronically to support the decision-making process within business organizations. It is characterized by timeliness, accuracy, stability, conciseness, and completeness. This system consists of several subsystems, such as:

- 1- SystemsMarketing information
 - 2- SystemAccounting and Finance Information
 - 3- SystemHuman Resources Information:
 - 4-Manufacturing and operations information system, etc.
- In addition, useful accounting information can be incorporated as part of a logistics information system, especially if it has qualitative characteristics that help make it understandable and relevant to logistics activities.(Farhood, 2019:1) It varies Systems Information Logistics By nature Its inputs, Its operations, and patterns Its outputs and its characteristics building on Factors like size The organization, type Industry, needs The market, and goals Strategy.Edward, 2022: 31)).

2-5 Types of logistics activities: Logistics activities are divided into main logistics activities and auxiliary logistics activities as follows:(Mamdouh, 2008: 13)

1- Main logistics activities include:

- A- Customer Service
- B- Transportation
- C- Storage
- D- information flow system

2- Supporting activities include:

- A- warehouses
- B- Demand forecasting
- C- Purchase
- D- Handling
- E- Packaging

2-6 Audit proceduresAudit procedures reflect specific actions and practices that the auditor must perform (Khader and Hamdan, 2024: 398), as they are steps that the auditor must fulfill during the audit process to adhere to the minimum professional requirements (Farhoud and Muhammad, 2024: 995), as they are:The practical steps taken by the auditor to collect the evidence and indications necessary to express an opinion on the financial statementsOrotherThese procedures include a set of detailed steps, methods and means related to the examination and verification processes, whichhelps the auditor assess the fairness and accuracy of the financial statements' representation of the results of the economic unit's operations and its position.Financial(Pinto, et al, 2020; 40)By implementing audit procedures, the auditor can detect fraud when auditing financial statements. (Muhammad and Al-Abidi, 2022: 276)

Rawani believes that auditing procedures are:The work that must be carried out during the audit operations by applying the correct methods in order to demonstrateRFinancial statements and data are presented objectively and accurately (Rwani 2018):.39).He sees(Safari, et al, 2021: 254) that audit procedures represent a series or set of specific actions and practices that the auditor must implement to ensure accurate verification and implementation of performance. These procedures may differ from auditing standards because they focus on the actions or behaviors that must be followed in the audit process As for Ghassan FalahBishops are scaredFAudit procedures are the steps taken by the auditor during the audit process of the institution.Toumeh et. Al, 2018, p11),As for Ibrahim Shaheen, he knew the audit procedures onIt's a group.The implementation steps followed in the audit, which are designed by the auditor to cover everything that is supposed to be performed from a technical standpoint during the audit (Al-Farihat, 2022, p. 9).Since procedures depend on the nature and circumstances of each audit, the procedures used may vary from one audit to another, depending on the specific business circumstances and requirements of the audit process. Auditing standards should not be confused with auditing procedures. Auditing standards are binding on the auditor, who must follow them rigorously, as they are not subject to personal judgment. They represent the general plan, which, if followed, will enable the auditor to plan and complete all phases of the audit process with complete success.(Gauthier and Brander, 2021: 8)When applying audit procedures, the auditor must exercise due professional care, as well as adopt professional skepticism and professional judgment regarding the nature, timing, and extent of the audit procedures. (Muhammad and Al-Muaini, 2024: 59)When auditing the financial statements, the auditor undertakes to collect appropriate and sufficient audit evidence in order to provide a reasonable level of assurance regarding the preparation of the financial statements in accordance with generally accepted principles (Abdul Amir and Farhoud, 2024: 39). For this reason, the auditorThe auditor has the freedom to choose the procedures he deems appropriate and necessary to achieve the audit objectives and apply generally accepted standards. This means that there is an element of personal discretion in determining the necessary procedures according to the requirements of the assignment. These procedures are compiled into a written document called an "audit program," which helps organize the audit process and ensure that all necessary steps are covered to optimally achieve theauditobjectives. .Saidu, 2020: 8))Al-Abadi believes that the external auditor takes a number or group ofmeasures when carrying out the auditing process, which are as follows:Al-Abadi 2019: 16)

- 1- Physical inspection: The physical inspection of assets is usually carried out to ensure the actual existence of the asset. This procedureIt enables the auditor to directly verify the existence of the asset, making it one of the

strongest, most reliable, and most useful pieces of evidence. This process not only confirms existence but also serves as an objective means of accurately determining and describing the asset. In some cases, an inspection can provide valuable insights into the condition and quality of an asset. However, it is important to recognize that a physical inspection cannot typically determine the market value or proper valuation of an asset for data purposes. Finance. (Arens, et.al, 2019:131-132)

- 2- Note: It is the process of verifying the actions taken by others. This method is an effective way to gather audit evidence about how the procedures (Rashid, 2017:18).
- 3- Authentication: This is a common type of inquiry that involves obtaining written confirmation from a third party, typically one with an interest in the account balance. External confirmations, such as requesting information from banks, are best used when there is a knowledgeable party independent of the entity. The parties most appropriate for confirmation are those with a business relationship with the entity and possess mutual information about its balances. AFlore, 2011:354).
- 4- Analytical procedures: They are objective assessments that involve comparing recorded financial figures with the auditor's expectations. The auditor relies on these expectations to analyze the logical relationships between financial and non-financial data. These procedures aim to verify the reasonableness of and External auditor expectations: The more accurate the expectations, the less discrepancy between them and the recorded figures, which increases the effectiveness of these procedures in identifying errors. potential (Mentz, et al, 2018:7). When gathering evidence to support the external auditor's report using analytical procedures, it is essential to prepare a comparative analysis table. This table should include an analysis of ratios and trend changes, with the aim of explaining abnormal differences between the elements of change and significant ratios or trends, as well as between the expected amount and relevant information (Yin, 2019:9).
- 5- Ausually Calculation: This is a process in which an external auditor examines the accuracy of the accounting operations in a client's documents and records for the period under audit. A large portion of this process is performed using spreadsheets or audit software. Electronic (Çavdar, 2016: 38).
- 6- Inquiry: Represents A fundamental audit procedure, it involves gathering information (written or oral) directly from the client. The external auditor carefully formulates these inquiries with the aim of discovering financial and non-financial information from knowledgeable parties, whether they are from within the unit or from external sources. This process is vital because it may yield new discoveries, provides supporting audit evidence, or, conversely, reveal significant discrepancies with other information obtained, requiring attention. The auditor (Chukwu, et.al, 2019:41). He sees (Castka, et.al, 2020:12) Audit procedures which must To be done Its application is represented by carrying out personal inspections, observations, inquiries, approvals, etc. with the aim of obtaining sufficient evidence that helps the auditor when expressing a technical opinion. The matter of determining it and the steps for its application have been left to the personal judgments of the auditor and according to the nature of the auditing process and the activity of the entity in question. Auditing.

2-7 Auditing of logistics activities: -The process of auditing logistics activities in economic units is represented by: An independent and systematic process that analyzes the logistical activities of an economic unit and ensures their compatibility with the specified objectives. This audit includes an evaluation of processes and procedures in various logistics areas, such as warehousing, transportation, and inventory management. The primary goal of a logistics audit is to improve the efficiency of logistics operations, identify system strengths and weaknesses, ensure consistency between actual conditions and stated objectives, and provide recommendations for improvement (Bula and Niedzielski, 2023: 12).).

It is known as a tool. To check performance Logistics, where It is done to examine Operations and systems used in administration series Supply To determine bezel Its effectiveness And its efficiency. Focuses this Type from Auditing on to improve Operations And reduce The lost (Mangan and Lalwani, 2016: 4)

It is also known as a review process. and evaluation continuous For procedures Related flowing Materials, stock, and transportation, To ensure that Operations Walking according to Objectives Specific from where costs and quality And speed. (Frazelle, 2020: 49).

and custom T From an operational perspective, it is the review of daily operations such as shipping, distribution, warehousing, and physical management to ensure that operations adhere to best practices and efficiency. operational (Monczka et al, 2021: 142).

It is also known that it is a tool. Vitality used to determine Evaluation and transcendence Any weaknesses or bottlenecks that could negatively impact the efficiency of logistics operations. This audit focuses specifically on warehouse management, including efficient storage, goods receiving and disbursing mechanisms, efficient inventory distribution, and comprehensive inventory control (including stagnant and slow-moving inventory). Finally, this process provides practical recommendations aimed at improving overall performance, reducing waste, and addressing existing imbalances.. Richards and Grinsted, 2024: 67)).

He sees (Laghouag) that There are many companies that It adopts methods or approaches to implement the audit of logistics activities. And for every company From it Her approach A specially designed to carry out logistics audits, To be there a description Year for that procedure On and on basis Steps such as (presenting or placing Logistics audit

methodology, The auditor learns about the company, its departments and its focus., Determine audit objectives, to treat Auditing, evaluation Results. (Laghoug, 2022, p14)

2-8 Obstacles (determinants) to auditing logistics activities:- There are several limitations or obstacles facing the process of auditing logistics activities, including the following:

- 1- Data-related obstacles, and information As nothingness Provides accurate data on logistics operations, such as delivery times, inventory levels, and transportation costs, making it difficult to assess actual performance., and also resistance to sharing information before Some departments within the organization that hesitates to Properly disclose operational or financial data due to fear of accountability or exposure of internal problems. (Arumugam et.al, 2019, p11)
- 2- Organizational and administrative obstacles Which is represented by loss of support Sufficient and appropriate before Management Supreme, Poor coordination between Departments, resistance to change before some Staff. Shi et. al, 2019, p22)
- 3- Technical and technological obstacles Which is through, Using outdated or inefficient data tracking systems logistics which Makes audits difficult and inconvenient. minute, Security issues Cyber because Big data analysis, and if there are no data protection measures, important logistics information may be hacked or manipulation, as well The absence of clear information security policies may lead to loss. Parts of it. (Kostrzewski et al., 2021, p9)
- 4- Financial and economic obstacles Which is represented by Lack of budget allocated for audit Logistics and lack of stability expenses Transportation, fuel, and inventory affect the accuracy of logistics performance assessment, making it difficult to accurately measure operational efficiency. (Lee, 2024, p12)

The third topic / the applied aspect

A set of audit procedures was developed by the researchers through which the auditor can conduct an audit of logistics activities. Specified in the economic unit that was adopted as a sample for the study, one of the industrial companies in the field of manufacturing cars and equipment in Iraq was chosen. A group of activities in the company was selected and the most prominent relevant audit procedures were established as follows:

Audit procedures	T
General Procedures	I-
Ensure compliance with the relevant authority's law and all applicable laws governing its work.	(1-1)
Ensuring that the tasks and activities carried out by the economic unit are in accordance with its own law.	(1-2)
Ensure that the economic unit has an approved organizational structure, approved by senior management, and issued by administrative order.	(1-3)
Ensure that all departments, divisions and units actually operating within the economic unit are within the officially approved organizational structure.	(1-4)
Ensure that the economic unit issues an order defining the powers and responsibilities of all administrative levels.	(1-5)
Purchase activity audit	2-
Ensure that the organizational structure of the economic unit includes a department, division, or unit concerned with purchasing operations tasks.	(2-1)
Ensure the adoption of a sub-organizational structure that shows the formations related to the purchasing activity, according to its type.	(2-2)
Ensure that the entity responsible for purchasing activity is independent from the finance and warehouse departments.	(2-3)
Ensure that written regulations are in place that outline the powers, duties, and responsibilities of the entity that purchases raw materials, semi-finished materials, and other materials used in production.	(2-4)
Verifying the extent to which the economic unit adopts prerequisites when selecting personnel for the procurement activity, such as taking into account experience, skills, and previous distinguished efforts, and the absence of any interests or kinship ties with relevant parties.	(2-5)
Verify the adoption of the principle of job rotation for employees in the procurement activity to prevent conflicts of interest, by reviewing the administrative orders related to the rotation processes that have taken place.	(2-6)
Ensuring the extent to which the economic unit relies on a specific number of suppliers (suppliers) in the process of preparing raw materials and semi-finished materials used in production.	(2-7)
Ensure that the economic unit sets specific controls and conditions for selecting suppliers (suppliers).	(2-8)
Ensure that the economic unit has established a database or record for all suppliers (suppliers) with which it deals, containing sufficient information about the suppliers, the supplied materials, the work carried out by them, and cases of delay.	(2-9)

Ensure that the economic unit has concluded contracts or agreements with suppliers (suppliers) of raw materials, semi-finished materials, and other materials used in production, by reviewing them and verifying that these contracts and agreements were concluded based on applicable laws and instructions.	(2-10)
Transportation activity audit	3
Ensure that the economic unit has specialized means of transportation that can be used to transport raw materials, semi-finished materials, and other materials from outside the company to the company's factories for use in production, by conducting field visits to the transportation garage.	(3-1)
Verify the economic unit's ownership of its existing means of transportation, the technical condition of these means, and details of their use in the entity's departments and activities. This is achieved by requesting a recent ownership document and an approved vehicle register detailing the technical condition of each vehicle.	(3-2)
Ensure that the economic unit maintains and updates a card or record of transportation vehicles, including the type, specifications, load capacity, maintenance times and operations, and unplanned outages.	(3-3)
Verifying the number of actual shipments (shipments) carried out by the transport activity using the owned vehicles and matching them with the quantity of materials that were entered into the economic unit's warehouses. This is done by requesting a statement of the number of these vehicles, their loading capacity, and reports on the actual transport operations carried out by them.	(3-4)
Verifying the extent to which there are means of transportation borrowed or rented from and to other parties, whether internal or external, and the extent to which the economic unit has adopted effective means of controlling such means. This is done by requesting a list of such means with confirmation from the other parties using and to which they belong.	(3-5)
Ensure that the economic unit has protective measures in place to protect shipments of raw materials or semi-finished materials transported by its means of transportation, such as (safe packaging, security measures, modern technology).	(3-6)
Ensure that the economic unit determines the actual time required to transport a shipment of raw materials, semi-finished materials, and other materials, starting from the date of shipment departure until the date of its receipt in the warehouses, and ensure compliance with these timings and the extent to which the causes of delay (if any) are addressed.	(3-7)
Verify the extent to which the entity has concluded contracts or agreements to transport raw materials, semi-finished materials, and other materials with specialized companies or contractors in this field. This is done by requesting a list of such contracts and agreements, if any, and reviewing their content.	(3-8)
Ensure that the economic unit records and identifies all amounts spent on transporting raw materials, semi-finished materials, and other materials used in production.	(3-9)
Ensure that all expenditures incurred by the economic unit related to the transportation of raw materials, semi-finished materials, and other materials used in production pertain to the year under audit.	(3-10)
Warehouse activity audit (storage, inventory management)	4
Ensure that there are written regulations outlining the powers, duties, and responsibilities of the entity that carries out storage and inventory management operations and the entities associated with it.	(4-1)
Ensure the availability of diverse warehouses in the economic unit, in line with the nature and scale of the activity and the type of materials being stored. This is done by requesting a warehouse inventory and conducting field inspections.	(4-2)
Verify the existence of warehouses rented from third parties to the company or vice versa, and verify the extent to which control and oversight procedures are imposed on those warehouses.	(4-3)
Ensuring the availability of safety and security requirements in the warehouses of the economic unit, depending on the type and size of the warehouse. This is done by conducting a field visit to those warehouses.	(4-4)
Ensure that the location and size of each warehouse and the nature of the stored materials are compatible with the production lines in the economic unit, by requesting a list of the warehouse locations and conducting field inspections of the locations of those warehouses and production lines.	(4-5)
Verify the storage capacity of each warehouse and the empty spaces that have been unused for a long time, by requesting a report thereof and actually verifying the information contained therein in a field manner to demonstrate the extent of optimal utilization of warehouse spaces.	(4-6)

Ensure the availability and use of modern and appropriate means and equipment for handling materials inside and outside warehouses, ensuring that there are no delays in delivering the required materials from warehouses to the production lines.	(4-7)
Verify the suitability of the qualifications and number of warehouse keepers to the number of warehouses, the type of stored materials, and the size of each warehouse, by requesting a list of the names and specializations of warehouse keepers and verifying the information contained therein.	(4-8)
Ensure that the economic unit insures warehouse keepers by requesting insurance documents (policy) and insurance premium payments for the warehouse keepers and the period covered.	(4-9)
Ensure that there is no kinship or conflict of interest between the warehouse management on the one hand and the warehouse keepers on the other hand.	(4-10)
Customer Service Activity Audit	5
Ensure the adoption of a sub-organizational structure that shows the formations related to customer service operations and activities.	(5-1)
Ensure that written regulations exist regarding the powers, duties, and responsibilities of the entity that carries out customer service operations and activities.	(5-2)
Ensuring that the economic unit has suitable and good locations to display its products in a way that allows customers to easily access and inquire about them. This is done by visually examining and observing those locations.	(5-3)
Ensure the presence of stations or workshops that provide after-sales services to customers, whether at the company's site or at other locations distributed according to geographical areas. This can be done by requesting the locations of these points, workshops, and stations, reviewing some of them, and requesting the actual services provided through them.	(5-4)
Ensure that the economic unit contracts with service companies or specialized entities to provide customers with car maintenance and other services.	(5-5)
Ensuring the availability of qualified personnel to provide services to customers at the technical, financial, and administrative levels, by reviewing the specializations and academic and professional levels of those working in the field of customer service.	(5-6)
Ensure that the economic unit holds specialized training courses for employees in customer service areas or other technical fields related to the company's activities and products. This is done by requesting a list of actual courses held for employees and studying them to determine their suitability to the trainees' specializations and tasks.	(5-7)
Ensure that the economic unit develops future plans to improve and develop current services provided to customers. This is done by requesting the entity's plans for the coming years and verifying the feasibility of their implementation on the ground.	(5-8)
Ensure that the economic unit allocates multiple communication methods (phone numbers, email, communication platforms, etc.) for customers to answer questions and inquiries related to the company's products, activities, and services that may be provided to others.	(5-9)
Ensure that the economic unit has identified and determined the amounts spent on customer service activities, and studied them to determine the possibility of excluding and reducing unnecessary expenses.	(5-10)
IT activity audit	6
Ensure that written regulations exist that outline the powers, duties, and responsibilities of the entity that carries out IT operations and activities. This is achieved through the issuance of administrative orders and internal memoranda that divide the work.	(6-1)
Ensure the continuous updating and development of technical and technological systems across the company's various activities and main departments to keep pace with developments in the technological and technical fields.	(6-2)
Ensuring the suitability of technical and technological systems to the nature of the activity and tasks of the departments concerned with and related to production.	(6-3)
Ensure that the company provides physical protection for the locations where the database devices, operating systems, and technological programs are located, such as security protection and providing a suitable environment for the devices to operate.	(6-4)
Ensure that there is a sufficient number of specialized employees in technical and technological fields in the IT department and its related units.	(6-5)
Ensure that technical and technological personnel in the IT department participate in development courses to keep pace with global updates in technical and technological fields relevant to the products and business activities of the economic unit.	(6-6)

Ensure that the economic unit issues administrative orders specifying the persons authorized to operate technological and technical systems and their replacements.	(6-7)
Ensure separation of duties between employees responsible for preparing systems and programs, those updating them, and operators.	(6-8)
Ensure that secret codes (access codes for systems and programs) are set by the operators of these systems and programs and that they are changed from time to time to ensure that they are not used unauthorizedly by other people.	(6-9)
Ensure that second (backup) copies of system and software information are kept in secure locations.	(6-10)
Other matters	7
Ensure that the economic unit classifies its activities and operations into primary and auxiliary (supporting) activities, according to the manufacturing processes that take place in its factories.	(7-1)
Verifying the extent to which the economic unit has conducted a performance evaluation process for activities and auxiliary departments (logistics) during previous and current periods.	(7-2)
Ensure that the economic unit management pays attention to auxiliary or supporting activities related to the main activities by issuing orders and decisions that support these activities and quickly address obstacles and problems that occur within them.	(7-3)
Verifying the extent to which the economic unit utilizes its existing capabilities, including land, warehouses, machinery, and human resources, to generate additional revenues and enhance the company's performance, such as leasing such land and space, providing consulting services from its technicians to other entities, or offering training courses in technical and technological fields.	(7-4)
Verifying the extent to which the economic unit participates in local and international exhibitions to promote the company's products, activities, and work that can be implemented.	(7-5)

Section Four: Conclusions and Recommendations

4-1 Conclusions: Through what has been done Addressing it Within the research content Theoretical and practical The researcher has reached that To a group of Conclusions, most notably:

- 1- Lack of interest in logistics activity in economic units And the effect of that is to Lack of logistics departments within organizational structures This deficiency limits the clarity of communication and coordination between logistics activities and other key departments.
- 2- Y Auditing logistics activities is an essential tool for enhancing the performance of economic units. It goes beyond simply assessing current operations, focusing on improving resource utilization and reducing operational costs. This is achieved by accurately identifying current weaknesses and developing effective and innovative strategies to overcome them.
- 3- Activity audit varies. Logistics And Essentially, it is about auditing financial statements and data. While the latter focuses on expressing an opinion on the accuracy and fairness of the financial statements provided by the economic entity, logistics auditing delves into the evaluation and analysis of actual logistics activities and operations. This includes vital aspects such as purchasing, transportation, warehousing, and inventory management..
- 4- Many economic units suffer from a gap in the control of logistics activities, as the auditing and monitoring bodies (whether internal or external) do not practice this type of audit to the appropriate extent that ensures Its effectiveness.

4-1 Recommendations: In light of the conclusions explained by the researchers in the previous paragraph In order to address the identified weaknesses and shortcomings, the economic unit must adopt a set of recommendations below:-

- 1- Y Economic units must restructure their organizational departments to include clear and accountable logistics departments. This not only ensures the presence of a dedicated entity directly involved in logistics activities, but also helps establish clear and direct lines of communication with other key departments such as production, sales, and purchasing.
- 2- Economic units should integrate auditing of logistics activities as an essential part of their strategies. This requires allocating the necessary resources and developing internal capabilities to conduct this audit regularly and efficiently. A systematic analysis of logistics operations and identification of weaknesses will enable this goal to be achieved.
- 3- Economic units and regulatory bodies must pay attention to: T precise Activities Logistics And Special attention to structuring Independent This requires allocating audit cadres with experience and deep knowledge of logistics operations, different from financial audit teams. Due to the specialized and complex nature of logistics activities (such as purchasing, transportation, warehousing, and inventory management).
- 4- Y eto Auditing and oversight bodies, whether internal or external, must re-evaluate and revitalize their role in supervising logistics activities within economic units. This requires the development of specialized audit

programs for logistics, and the allocation of qualified human resources trained to understand the complexities of these operations.

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