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مدى انعكاس التكاليف الاجتماعية لجائحة كورونا في التقارير المالية للشركات في السودان خلال (2021-2020)

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Abstract:
Objectives: This paper aims to study the impact of the social costs of the Corona pandemic on the financial reports of Sudanese companies.
Methods: The descriptive and quantitative approaches were used to analyze the primary data collected through the questionnaire which was distributed to a random sample of accountants and financial managers in some companies operating in Sudan.
Results: The researcher reached the following results: Social costs affect financial reporting, and social costs also affect quarantine strategies. While there is no statistically significant relationship between Corona strategies and financial reporting. The researcher attributes this result to the instability of the economic and political conditions in Sudan, as the spread of this epidemic coincided with the deterioration of the situation economic and political, companies in Sudan were operating under very difficult and complex economic and political conditions.
Conclusion: The researcher concludes from the previous analysis and its results: The social costs of the pandemic affect financial reports and also affect quarantine strategies. However, no statistically significant relationship was found between strategies to combat it and the preparation of financial reports.

Keywords: *social costs; financial reports; pandemic; Sudan.*

الملخص:
الأهداف: تهدف هذه الورقة إلى دراسة تأثير التكاليف الاجتماعية لجائحة كورونا على التقارير المالية للشركات السودانية.
المنهجية: تم استخدام المنهج الوصفي والمنهج الكمي لتحليل البيانات الأولية التي تم جمعها من خلال الاستبانة والتي تم توزيعها على عينة عشوائية من المحاسبين والمديرين الماليين في بعض الشركات العاملة في السودان.
النتائج: توصل الباحث إلى النتائج التالية: تؤثر التكاليف الاجتماعية على التقارير المالية، وتؤثر التكاليف الاجتماعية أيضًا على استراتيجيات الحجر الصحي. بينما لا توجد علاقة ذات دلالة إحصائية بين استراتيجيات كورونا وإعداد التقارير المالية. ويعزي الباحث هذه النتيجة
إلى عدم استقرار الأوضاع الاقتصادية والسياسية في السودان، حيث تزامن انتشار هذا الوباء مع تدهور الوضع الاقتصادي والسياسي، وكانت الشركات في السودان تعمل في ظل ظروف اقتصادية وسياسية صعبة ومعقدة للغاية.
الخلاصة: توصل الباحث من التحليل السابق ونتائجه إلى أن التكاليف الاجتماعية للجائحة تؤثر على التقارير المالية وكذلك على استراتيجيات الحجر الصحي. ومع ذلك، لم يتم العثور على علاقة ذات دلالة إحصائية بين استراتيجيات مكافحتها وإعداد التقارير المالية.

الكلمات المفتاحية: *التكاليف الاجتماعية؛ التقارير المالية؛ الجائحة؛ السودان.*

1 Introduction

The widespread of the coronavirus epidemic had many urgent social dimensions, not to mention the direct health dimensions, and this is clearly evident in the effort made by countries to contain the spread of the virus. Governments have implemented a set of mitigation measures such as social distancing, closing economic activity, closing schools, and travel restrictions. These measures have a significant impact on an individual's well-being, and in addition to widespread changes due to direct health impacts, all over the world, people have had to adapt to these new conditions, some of which may persist beyond the immediate health emergency. Since the Corona pandemic is considered the largest global health, economic, and social crisis in this century, which has led to human losses and during which economic activity has stopped around the world due to its special effects and the measures taken by governments to control its spread, the epidemic has also caused unprecedented widespread of unemployment and a decline in economic activity. All of these consequences represent existential threats to the company's ability to survive, which in turn must be reflected in the financial reports. The link between social costs and the company's financial performance was not a recent topic that emerged with this pandemic, but rather it has been studied extensively, and its accounting methods have been studied in many studies in order to gain more customer confidence, higher revenues in the long term, and disclosure in financial reports. Social costs have a significant impact on the financial performance of companies (Adekoya Olufemi, 2021).

The coronavirus pandemic has led to a massive loss of life and an unprecedented economic crisis, with far-reaching social impacts such as increased poverty and inequality, loss of livelihoods, educational losses, and increased gender vulnerabilities (Oehler, 2021).

The Corona epidemic has affected economic activity in countries around the world through rapid declines in domestic consumption and investment, as well as declining expectations regarding potential industrial activities. However, the failure of business-related tourism and travel has spilled over into declining demand in the sectors and other economies through trade linkages, production, and supply disruptions (C L De Silva, 2020).

The Covid-19 epidemic and the sudden economic turmoil accompanying it caused social problems that made a number of countries face major challenges at the economic and social levels (Nancy J. Adler, 2022).

A study showed that the Egyptian government's response to the epidemic will significantly reduce Egypt's fiscal space, as the increase in borrowing and debt service obligations are not compensated for by imposing a Corona tax on salaries and wages. However, increasing taxes will negatively affect poverty. The authors show that social interventions such as cash transfers are not being provided at a level that would have an impact on poverty alleviation. The authors highlight increased health spending as well as the adoption of a gender perspective in the pandemic response as positive outcomes with the potential for future societal impact. This shows that the Corona epidemic has an impact and costs that affect countries' strategies. (Elkhashen, 2021)

One study indicated that although many authors confirm that shocks resulting from the Covid-19 pandemic can direct corporate social responsibility strategies to more realistic actions, global results confirm that most companies make their decisions in accordance with stakeholder theories, by focusing only on a specific interest group, shareholders, for example, with short-term influence in order to ensure the continuity of the company or to develop practices that seek to achieve the common good but provide a strong orientation towards a group of stakeholders, especially customers and employees of the companies. However, some companies have promoted acts of altruism that contribute to addressing problems. Most urgently, enhance the health conditions and economic well-being of all citizens. They are few in number, but their contributions are of great value to society (Isabel-María García-Sánchez 1, 2020).

When talking about the relationship between corporate social responsibility and financial performance, we find that a number of researchers were interested in this matter, and by collecting secondary data for twenty-eight Indian commercial banks listed on the Bombay Stock Exchange for a period of ten years, the results indicated that corporate social responsibility has a positive impact on the financial performance of these banks. The results of this study provide great insights for management, to integrate CSR with the company's strategic goal (Zameer, 2018).

The coronavirus epidemic had an effect on both financial and non-financial institutions' financial reports. It also had an impact on some accounting strategies that businesses could employ at the time of the epidemic, such as employing strategies to lessen the epidemic's detrimental effects on financial reporting. During the epidemic, organizations might employ several strategies, such as fair-value accounting, reconciliation, income, avert losses, and oversee significant gains. It follows that accounting can be crucial in reducing the pandemic's negative effects on business performance. (Ozili, 2021)

The economic costs of the Corona pandemic come from the restriction of economic activity, which leads to business failure, loss of customer confidence, and erosion of employee loyalty. The longer normal business operations are suspended, the longer it will take to recover. These costs, in addition to lost production and financial insecurity, are difficult to factor into true costs (Heatley, 2021)

The results of some studies have indicated that some companies tended to manage profits during the pandemic period compared to the previous period, which leads to a redcution in the reliability of financial reports during the Corona pandemic as companies manage profits upward by reducing the level of reported losses to rebuild the necessary confidence of investors and stakeholders. To support economic recovery (Khanchel, 2021).

One research recommended the need to issue binding laws for companies listed on financial markets and oblige them to disclose their social practices to support sustainability reports (Qarara Samia, 2020).

Disclosure of social and environmental costs significantly affects financial performance, and the cost of disclosing environmental and social information can generate greater opportunities for companies (Ayu M., 2020).

Whereas some studies have developed an integrated model of the transmission dynamics of the Corona pandemic and compared quarantine strategies, daily contact testing, and DCT with regard to reducing transmission costs and social costs.

Economic (days of quarantine or self-isolation), they found that self-isolation reduces transmission from contacts with similar effectiveness, with much lower social and economic costs than quarantine (Ferretti, 2021)

They found that social distancing slowed the spread of the Corona pandemic but imposed significant costs on society due to decreased economic activity (Linda Thunström*, 2020).

The impact of the outbreak of the coronavirus pandemic on the level of optional disclosure in financial reports, such as disclosure of social responsibility, disclosure of financial risks, and online disclosure, that is, optional disclosure that the establishment is not obligated to publish.

By presenting the experiences of international companies such as Intel, Lego, and others during this pandemic, it was shown that the economy, through giant financial and commercial companies, can enter the crisis line to mitigate its severity, not only by performing a humanitarian role dictated by the rules and standards of social and environmental responsibility, but that this economy can also achieve gains for itself, not necessarily financial or immediate, but rather gains that can be reaped after a while (Tom Zahya., 2020).

In terms of the varying degree of impact, we find that the virus affects certain groups of people more than others, such as the elderly, those living in poverty, or people with disabilities. In Africa, there have been more than four million cases of the virus. Some places, like South Sudan, does not have adequate medical care for patients. People living in crowded, dangerous neighborhoods are particularly at risk. In some countries, there are not enough hospital beds for everyone who needs them. The virus is also causing a lot of stress and sadness for many people, leading to things like depression, fear, and difficulty sleeping. It also leads to more alcohol and drug abuse, suicide, and people losing their jobs (Acciarini, 2021).

Coronavirus has made things even more difficult for people who were already suffering (Grima, 2021).

In light of the Corona pandemic, companies committed to preserving the health and safety of workers and customers by distributing protective masks and alcohol and sterilizing work sites and places where services are performed. Likewise, companies did not lay off their workers while bearing their costs, taking into account the social dimension as part of their social responsibilities. (Jomaa, 2020).

Abu Al-Futouh’s study concluded that there are many factors that affect strategic decision-making in the face of the Corona pandemic. These factors are represented by the capabilities and capabilities of the health sector, whether material or human capabilities, the speed of the flow of information, etc. on an ongoing basis (Ali, 2021).

We find that this epidemic has had a significant impact on the business sector, which may extend its impact to the company’s ability to continue (Hassan, 2021).

Within a very short period of time, the global epidemic caused by the novel coronavirus has not only claimed many lives, but also caused severe restrictions on private daily life as well as business life. Almost every business has been affected in one way or another (Sascha Kraus, 2020).

Corporate social responsibility plays an effective role in mitigating the effects of epidemics and health disasters by supporting employees and healthcare organizations and maintaining relationships with suppliers and customers. It has also been shown that the five major global high-tech companies have applied the concept of social responsibility to mitigate the effects of the emerging coronavirus by supporting small enterprises with financial aid, supporting research aimed at finding a vaccine for the virus, and supporting health care (Ainos, 2021).

The researchers looked at major companies such as Alibaba and MTC Holding Group to see how they deal with crises such as the Corona virus. They found that assuming social responsibility helped them manage and mitigate the effects of the crisis. They also found that the economy can be affected by crises like COVID-19, but businesses can help by doing things like donating money, providing medical supplies, and supporting affected businesses and schools (Masoud, 2021).

In a study conducted on Emirati companies, the researcher concluded that these companies played an effective role towards society in light of the Corona pandemic, which leads to an increase in the confidence of stakeholders, including shareholders, consumers, customers and suppliers, towards these companies (Tahratr, 2022).

One of the researchers also concluded that international companies have tended to adopt the concept of social responsibility as one of the effective measures to confront the profound negative effects of the spread of this pandemic, despite its widespread impact on these companies and on governments and societies around the world (Munira, 2023).

1.1 The research issue

It became clear by tracking many previous studies that examined the widespread spread of the Corona pandemic, that this pandemic has many social costs, which affect the financial performance of companies, and that these effects must be reflected in financial reports. Companies have developed a number of strategies to confront this pandemic. Based on the above, the research problem was posed through the following questions:

- Do social costs affect financial reporting?
- Do social costs affect quarantine strategies?
- Is there a relationship between strategies to confront Corona and preparing financial reports?

1.2 The significance of the research

The research derives its importance from the fact that this pandemic has led to companies bearing significant social costs because of closures and sudden stops that were not considered.

1.3 Objectives of the research

It aims to verify the reflection of the social costs of the Corona pandemic in the financial reports of companies in Sudan and the extent to which companies disclose social responsibility related to the costs resulting from the Corona pandemic.

1.4 Research hypotheses

This research is based on the following hypotheses:

- Social costs affect financial reports.
- Social costs influence quarantine strategies.
- There is a relationship between strategies to confront Corona and preparing financial reports.

1.5 Research Approach

The descriptive analytical approach was used, and the quantitative research method was used to analyze the primary data collected through a questionnaire.

2 Field Research Procedures and Preliminary Tests

This part describes the methods and procedures that were followed in implementing this research. It includes a description of the research community and its sample, the method of preparing its tool, the procedures that were taken to ensure its validity, the method that was followed to apply it, and the statistical treatment by which the data was analyzed and conclusions were drawn.

2.1 sources of Data Collection

Research population and research sample:

In this study, reliance was placed on primary sources, which were represented in the questionnaire, after it was judged by a group of specialists in the field of study, taking into account the clarity of its purpose and components, accuracy and consistency. The questionnaire consisted of a simple introduction that introduces the sample targeted by this study, divided into two parts. The first part contains It contains personal data about (academic qualification, profession, and years of professional experience), while the second part includes the questionnaire phrases that test the validity of the hypotheses.

The study population was identified, namely accountants and financial managers in companies operating in Sudan, and a random sample was selected from this community, represented by 69 individuals. The questionnaire was distributed to all members of the sample and all of them were retrieved.

2.2 Statistical Processing Tool

It relied on primary data collected using the questionnaire as the main tool, according to a five-point Likert scale. The researcher used the statistical analysis package (SPSS) and the program (SmartPLS4).

Table 1: Distributed and valid sample size

Listed		Valid		Total	
N	Percent	N	Percent	N	Percent
69	100%	69	100%	69	100%

Prepared by the researcher using SPSS v22 and the analysis findings.

The researcher retrieved 69 questionnaires, and all of the recovered questionnaires are valid for analysis, which represents an excellent sample for scientific research purposes. The basic data was divided into three axes: the first axis (social costs), the second axis (quarantine strategies), and the third axis (financial reports).

Table 2: The paragraphs corresponding to each axis and the number of statements

Topics of the research	Paragraphs	Number
Social costs	1-4	4
Quarantine strategies	1-5	5
Financial reports	1-5	5
Total		**14**

Composed by the investigator with data obtained from fieldwork.

2.3 General Data Analysis

It included general data for the research according to the following axes: qualification, social status, and years of professional experience. The following tables illustrate the analysis of general data.

2.3.1 Distribution of sample members according to academic qualification

Table 3: Distribution of sample members according to academic qualification

Categories	The Number	The Ratio %	Total
Diploma	5	7.2	
Bachelor's	18	26.1	
Master's	23	33.3	**69**
Ph.D	21	30.4	
Other	2	2.9	

Prepared by the researcher from field research data.

It is clear from the table above that the distribution of sample members according to qualifications shows that most of the sample members hold a master's degree (33.3%), followed by doctorate holders (30.4%).

2.3.2 Distribution of sample members by profession

Table 4: The sample members by profession

Categories	Number	The Ratio	Total
External Auditor	9	13.0	
Financial Manager	7	10.1	
Financial Analyst	6	8.7	**69**
Accountant	27	39.0	
Other	20	29.2	

Prepared by the researcher from field research data.

From the table above, we find that the majority of the sample members are accountants, at a rate of (39.0%).

2.3.3 Distribution of sample members according to years of professional experience

Table 5: The sample members by years of professional experience

Categories	Number	Percentage	Total
Less than 3 years	12	17.4	
3 and less than 10 years	23	33.3	**69**
10 years and more	34	49.3	

Prepared by the researcher from field research data.

It is clear from the table above that most of the sample members have 10 years or more of experience, at a rate of (49.3%).

2.4 Measuring the quality and conformity of the measurement model (SEM-PLM-PLS)

First: evaluating internal consistency and convergent validity

The evaluation is carried out in two stages. The first step in the evaluation process is to test the model for reliability, which verifies that the scale is stable and self-consistent—that is, that the results remain the same when the scale is reapplied to the same sample and assessed using the Cronbach's alpha coefficient. Validity evaluation means that the scale measures what it was designed to measure, with the clarity of its paragraphs and the comprehensiveness of all the elements that the scale must include. The rule of thumb for interpreting a Cronbach's alpha scale is to obtain a result over 0.7. However, some authors suggest higher values, ranging from 0.90 to 0.95. By applying the Cronbach alpha test, the reliability of the questionnaire statements together reached (.961), which is an excellent percentage statistically because it is close to one and indicates the validity and stability of the questionnaire. The following is the calculation of the Cronbach's alpha test value for each dimension of the questionnaire:

Table 6: Research quality standards

Financial Reports	Corona Strategies	Social Costs	Results
.711	.818	.767	Reliability (Cronbach's alpha)
.811	.763	.748	Composite reliability (rho_c)
.784	.627	.610	Composite reliability (rho_a)
.580	.598	.541	Average variance extracted (AVE)

Written by the researcher utilizing the SMART PLS4 tool to compile the analysis's findings.

Social science researchers use different tools for statistical analysis. The optimal choice depends on choosing analysis tools that have the ability to develop, explore, and confirm research results. Among the most recent methods used and appropriate for the research topic are Cronbach's alpha, composite reliability, and average variance extracted (AVE). In the composite reliability measure, both Omega A and Omega C were used. To measure whether the existing items measure one basic structure or different elements of the structure, the results of the analysis showed that the results of the two criteria are good for all dimensions. Regarding the average variance extracted (AVE), it is noted that the dimensions are at an acceptable level higher than 0.5.

Second: Evaluating discriminant validity

The following table is for measuring discriminant validity using the Fornell-Larcker criterion.

Table 7: Measurement of discriminant validity using the Fornell-Larcker criterion

Financial Reports	Corona Strategies	Social Costs	Results
		0.631	Social Costs
	0.693	0.548	Corona Strategies
0.664	0.615	0.573	Financial Reports

Prepared by the researcher using the SMART PLS4 tool and the analysis findings.

Since the value corresponding to each latent variable is higher than its correlation with other variables, it is an indicator of the validity of the discrimination.

2.5 Evaluation of the structural model

First: Evaluating the level of correlation coefficient

To evaluate the quality of the structural model, the correlation coefficient is used, which indicates the degree of correlation between variables of the model. Its value ranges between one and zero, and the closer its value to zero indicates high levels of interpretation. Table (5) shows each coefficient of determination, the adjusted coefficient of determination, and the model fit measure.

Table 8: The coefficient of determination, the adjusted coefficient of determination, and the model fit measure

Financial Reports	Corona Strategies	Social Cost	Results
0.715	0.573	1	Financial Reports
0.548	1		Corona Strategies
1			Financial Reports

Prepared by the researcher using the SMART PLS4 tool and the analysis findings.

Among the results of the analysis, the correlation coefficient between social costs and financial reports is the highest at 71.5%, the correlation coefficient between social costs and quarantine strategies is 57.3%, and the correlation coefficient between quarantine strategies and financial reports is 54.8%.

Second: evaluating the problem of linear interference

The variance inflation factor VIF is used, and the model is free of multicollinearity if the value of the variance inflation factor is less than 3 and, in some references, less than 5. The following table shows the test results.

Table 9: Variance inflation factor (VIF)

Financial Reports	Corona Strategies	Social Cost	Results
1.000	1.490		Social Cost
			Corona Strategies
	1.490		Financial Reports

Prepared by the researcher with the SMART pls4 tool and the analysis findings.

It is noted that all values of the variance inflation factor are less than 3, which indicates that there is no problem of collinearity.

2.6 Statistical analysis of the degree of agreement

The degree of possible responses to the items was measured on a five-point scale according to a five-point Likert scale, which ranges from strongly agree to strongly disagree, as shown in Table 10.

Table 10: Scale of degree of agreement

Statistical significance	Relative weight	Weighted average	Statistical significance
I strongly agree	5	5 – 4.21	Very high degree of agreement
I agree	4	4.20 – 3.41	High degree of agreement
Neutral	3	3.40 – 2.61	Average degree of agreement
I disagree	2	2.60 – 1.81	Low degree of agreement
Strongly disagree	1	1.80 -1	Zero degree of agreement

Prepared by the researcher using the SMART PLS4 tool and the analysis findings.

The scale used was calculated from the total score of the scale, which is the sum of the individual scores divided by the number of statements of agreement

$$(5+4+3+2+1)/5= (15/5) =3$$

The calculated value of the mean (3) represents the hypothesized mean of the research. Therefore, if the mean of the statement exceeds the hypothesized mean (3), this indicates that the sample members agree with the statement. The following table shows the calculated average value for the questionnaire question statements, the standard deviation corresponding to each value, the significance of the calculated value, and the ranking of the statements according to their obtaining the highest degree of agreement from the sample members. The following table shows the level of agreement among sample members regarding the questionnaire's axes.

Table 11: The level of agreement among sample members regarding the dimensions of the questionnaire

No.	Phrase	Mean	Agreement	Ranking	t	df	P_value
1	Social cost	3.776	High	2	9.191	13	0.000
2	Corona Strategies	4.235	Very High	1	6.368	13	0.000
3	Financial reports	3.760	High	3	4.336	13	0.000

Prepared by the researcher using the SMART PLS4 tool and the analysis findings.

From the table above, it is noted that the level of agreement of the sample members, after Corona strategies as an intermediary variable on the severity of social costs, obtained the highest level of agreement with an arithmetic mean of 4.235. It is followed by social costs with a mean of 3.776, the financial reports mean is 3.760.

3 Hypothesis Testing

3.1 Path model analysis

Path models are diagrams that are used to visually display hypotheses and variable relationships that are examined when applying SEM. They are used to visually display hypotheses and variable relationships. It is examined when applying SEM (Poetry et al., 2017; p. 37), and Figure 1 shows the path analysis to research the implications of the social costs of the Corona pandemic in financial reporting in Sudan.

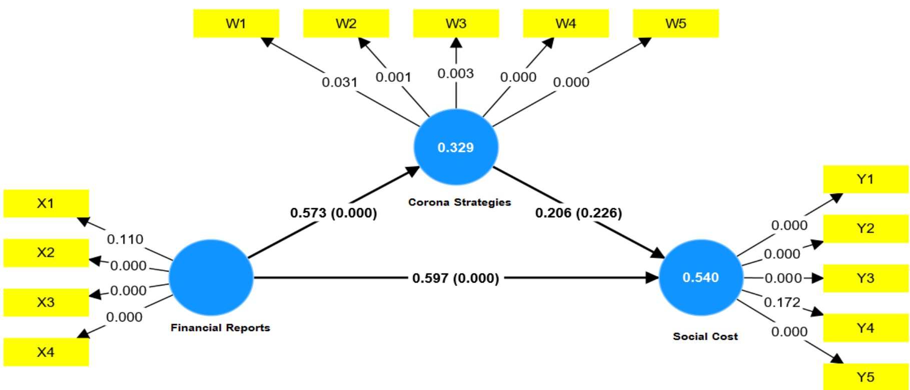

Figure 1: The path analysis of the dimensions of the research variables

Source: Prepared by the researcher from the results of the analysis using the SMART PLS4 program

From the results of the structural model, it is noted that the statistical significance of the path coefficients is statistically significant because the probability value is less than 5%. That is, it measures the impact on the latent variables that it was designed to measure.

By reading the correlation coefficients between the latent variables, we find that:

- The impact of social costs on Corona strategies has a value of (0.573) with a degree of probability of (0.000), which explains 57.3%, meaning that social costs affect quarantine strategies in terms of the severity of the procedures or reducing it, this relationship is statistically significant, and the apparent effect is not due to chance as the level of significance is less than 5%.
- The impact of strategies to confront Corona on financial reports has a value of 0.206 with a degree of probability of 0.226, meaning that 20.6% of the impact on reports is the result of Corona strategies, but the relationship is not statistically significant because the level of significance is greater than 5%, and the explanation for this is that the relationship is indirect, between Corona strategies and financial reports.
- The impact of social costs on financial reports has a value of 0.597 with a degree of probability of 0.000, meaning 59.7%, meaning that social costs affect financial reports. This relationship is statistically significant, and the apparent effect is not due to chance, as the level of significance is less than 5%.

3.2 Path coefficients

After running the PLS-SEM algorithm, estimates of the structural model relationships (path coefficients), which represent the hypothesized relationships between the constructs are obtained. Calculate empirical t-values and p-values for all structural path coefficients. When the empirical t value is greater than the critical value, we conclude that the coefficient is statistically significant at a given error probability (i.e., significance level). The critical values commonly used for two-tailed tests are less than the 5% level of significance. Below are the outputs of the path analysis extracted from the sample data after doubling the sample size to 5000 (subsample).

Table 12: The path coefficients extracted from the total effects

The decision	P value	T test	STDEV	Sample mean	Original sample	Specific indirect effects	
H0 rejected	0.000	3.814	0.090	0.360	0.342	Reports → Strategies → Costs	H_m
H0 rejected	0.000	6.531	0.088	0.612	0.573	Strategies → Costs	H_{01}
H0 rejected	0.000	4.779	0.125	0.588	0.597	Reports → Costs	H_{02}
H0 rejected	0.000	3.851	0.142	0.570	0.548	Reports → Strategies	H_{03}

Prepared by the researcher using the SMART PLS4 tool and the analysis findings.

From the results of the path coefficients extracted from the sample data, the null hypothesis that there is a relationship between social costs, strategies, and financial reports is rejected, as the research proved the existence of a relationship trend between social costs, strategies, and financial reports, as well as the existence of a relationship trend between social costs and strategies and the existence of a relationship trend between strategies and financial reports.

4 Discussing the Results and Recommendations

The researcher concludes from the previous analysis and its results:

The social costs of the pandemic affect financial reports and also affect quarantine strategies. However, no statistically significant relationship was found between strategies to combat it and the preparation of financial reports. We can attribute this to the fact that the effects resulting from it and therefore its costs and expenses resulting from measures to combat it can affect the performance of companies and their decision-making, but they may not be directly reflected in practices. Preparing financial reports. Another reason is the economic and political conditions that Sudan went through during the pandemic period, as it coincided with severe political and economic disturbances and a state of instability that cast a shadow over the entire country.

Recommendations:

The researcher recommends that the internal control system to be tightened, then the external audits carried out on companies, and that governance and its mechanisms be activated so that these companies reflect their financial statements honestly and then bear the social costs assigned to them.

There is a need for additional research to explore other factors that may affect the preparation of financial reports in light of crises, whether health or economic and political crises, as is the case in Sudan, and to measure their impact.

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