



A STUDY OF THE CORRELATION BETWEEN ACCOUNTING DISCLOSURE AND FINANCIAL REPORTING QUALITY IN BANKS REGISTERED IN THE IRAQI STOCK MARKET

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ABSTRACT

The research aims to identify both accounting disclosure and financial reporting quality (FRQ). It also aims to measure the role of accounting disclosure in enhancing the FRQ of banks listed in the Iraqi stock market (ISM). The study was conducted on Al-Iraq Commercial Bank, Gulf Commercial Bank, and Ashur International Bank. A questionnaire was received from sample of 177 individuals. SPSS V24 and Amos V24 were used for data analysis, including measures such as mean, standard deviation, coefficient of variation, frequencies, and percentages. The study found that disclosing accounting information helps achieve more transparency, creating a positive perception among stakeholders towards the banks and reducing their resistance to changes initiated by bank management. Providing appropriate information to stakeholders clarifies the bank's policies, plans, and activities, allowing them to evaluate and contribute to their improvement for the benefit of all stakeholders. Based on the findings, the researchers recommend the issuance of a direct standard by the Iraqi Accounting and Auditing Standards Board for disclosing non-routine profits and losses.

KEY WORDS

Accounting information,
disclosure, financial
reports, financial
statements, financial
reporting quality.

Introduction

Iraqi banks are facing uncertainty due to financial crises. This reduces investors' confidence in the distribution of future cash flows of economic units and complicates their evaluation due to daily challenges and the lack of useful information for decision-making.

Accounting experts unanimously agree on the necessity of sufficient disclosure of information, which requires designing and preparing financial reports that reflect the economic events that affected banks

during the research period. These financial reports should contain sufficient data and information that are useful, beneficial, and not misleading to ordinary investors or financial statement users in general. Furthermore, these financial statements should include all important information that reflects the economic unit's real situation under different environmental conditions and alternatives. It is known that accounting disclosure of information is no longer sufficient to increase the quality of financial reporting (QFR), especially with the widening information gap between investors, company management, or between investors themselves. There is a need to support market efficiency and ensure balanced transactions while reducing profit management operations that will reflect positively on improving banks' performance.

It is also known that reducing information asymmetry can be achieved through disclosing high-quality accounting profits, which supports the bank unit's value in the financial market and reduces investors' uncertainty in the distribution and evaluation of future cash flows of economic units.

Research problem

Iraqi banks within the Iraq Stock Exchange (henceforth ISE) are affected by economic events regarding accounting disclosures. Most economic units try to keep up with developments and updates in the global arena, as improving the QFR is closely related to the activities that the economic unit practices to provide credible accounting information for the benefiting parties. On the other hand, in light of the Central Bank of Iraq's directive to apply international financial reporting standards in banks and companies registered and listed on the ISE, according to its book number 12/9 in 2016.

Research significant

The research holds significance in its focus on banks listed on the Iraq Stock Exchange, which serves as the platform for studying their operations. It aims to investigate how accounting information disclosure contributes to improving the QFR for these banks. Additionally, the research seeks to increase awareness among both Iraqi and non-Iraqi investors regarding investment prospects in the market. By collecting, analyzing, and disseminating essential statistics and information, this study aims to provide guidance to investors and support the achievement of the objectives outlined in the system. This study revolves around answering this main question:

1. Can effective financial disclosure improve the transparency of financial reporting and mitigate profit manipulation practices among banks listed on the Iraq Stock Exchange?

This main question leads to a number of sub-questions that can be clarified as follows:

1. Does accounting disclosure play a significant role in enhancing the QFR for banks listed on the ISE?
2. Does fair accounting disclosure reduce financial reporting practices for banks listed on the ISE?

Research objectives

The research aims to achieve the following objectives:

1. To theoretically understand and clarify the meanings of both accounting disclosure and FRQ in a realistic and non-misleading manner.
2. To identify the role of accounting disclosure in enhancing the FRQ for banks listed on the ISE, which is the focus of the study.
3. To demonstrate the nature of the relationship and impact between accounting disclosure and FRQ, and the extent to which this relationship can limit practices within the studied banks.

Hypothetical framework

The literature review of previous studies on accounting disclosure and FRQ, as well as the research problem, its significance, and objectives, have informed the development of a hypothetical framework for this study. This framework serves as a fundamental guide to understanding the relationships and impact between the main variables and their sub-dimensions. The current framework consists of three main variables, as shown in Figure 1.

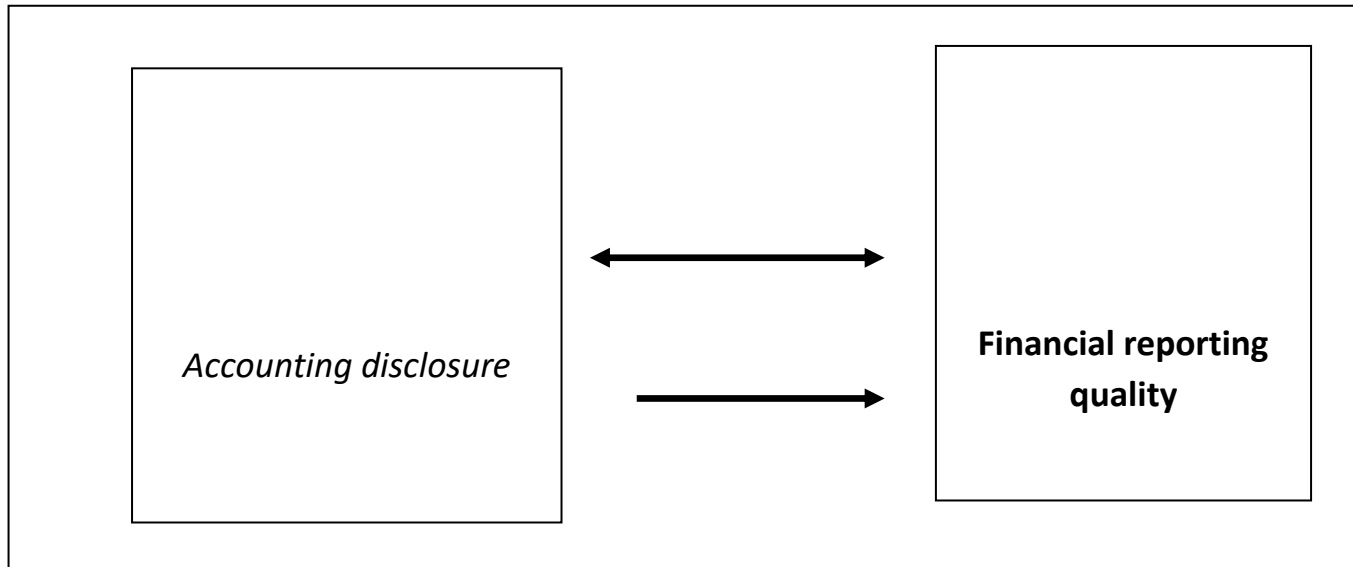


Figure 1. Hypothetical framework

Research hypotheses

The current study's hypotheses were formulated based on the research problem, objectives, and hypothetical plan. They aim to answer the research questions, and statistical testing will determine the quality and level of the relationship between the research variables. The research hypotheses are:

- الفرضية الرئيسية الأولى : توجد علاقة ارتباط ذات دلالة معنوية بين الإفصاح المحاسبي وجودة الإبلاغ المالي (الفرضيتان الأولى. الفرضية الرئيسية الثانية : توجد علاقة ارتباط ذات دلالة معنوية بين جودة الإبلاغ المالي الإفصاح المحاسبي : والثانية هما بمعنى واحد، فقد حذفت الثانية)
- الفرضية الرئيسية الثالثة : يوجد تأثير ذو دلالة معنوية للإفصاح المحاسبي في جودة الإبلاغ المالي
- الفرضية الرئيسية الرابعة : يوجد تأثير ذو دلالة معنوية للإفصاح المحاسبي في إدارة الأرباح (الفرضية الرابعة لا توجد لها بيانات في البحث ولا نتائج)

1. There is a significant correlation between accounting disclosure and FRQ.
2. Accounting disclosure has a significant impact on financial reporting quality.

Literature review

Accounting disclosure

The importance of accounting disclosure has grown alongside advancements in technology and scientific progress, particularly in the delivery of accounting information through financial reports. Increased disclosure of accounting information has a positive impact on confidence in Iraqi banks listed on the ISE, as it allows for a better understanding of their past and present performance. It also facilitates

comparisons between different economic units and aids in predicting future outcomes. Accounting disclosure has garnered significant attention from professional organizations, associations, legislative bodies, securities market regulators, regulatory authorities, and financial data analysis entities. These entities aim to provide accurate and timely information in financial reports, ensuring transparency and assisting users in making informed decisions and allocating their resources effectively. Ultimately, this focus on accounting disclosure contributes to improving the quality of financial reporting and helps organizations achieve their goals. In order to clarify the contents of accounting disclosure, the current study will address the following:

The intellectual framework of accounting disclosure

The disclosure of accounting information plays a crucial role in assisting various users, such as investors, shareholders, and governments, in making informed decisions and planning for the future. It provides valuable insights into a company's interactions with the community, its employees, and its commitment to environmental and ethical concerns. By disclosing this information, companies enhance their reputation and demonstrate their accountability to investors by showcasing their influence on decision-making processes (Al-Amosh & Mansor, 2018). The amount of accounting information disclosed by banks varies among different banks based on the prevailing regulations in the Iraqi Banking Law, which is listed within the ISE. It depends on the level of economic development of the country in which they operate, the strength of the legislations reported, professional accounting practices, and the presence of advanced financial markets that allow banks to engage in continuous financial practices (Haddad et al., 2017). The Financial Accounting Standards Board (FASB) identifies four main purposes of disclosure, as stated by Brody and Marrakchi (2019):

1. Describing significant paragraphs and providing appropriate measurement for them.
2. Describing non-significant paragraphs and providing appropriate measurement for them.
3. Providing information that helps users of financial reports in assessing the risks and probabilities associated with significant and non-significant paragraphs (Al-Amin, 2015).
4. Providing important information when information is scarce (Alexander et al., 2009).

The researchers perceive accounting disclosure as the process of presenting accounting and financial information through financial statements, whether quantitative or qualitative, in the financial statements themselves, as well as in the footnotes, disclosures, and supplementary schedules, at the appropriate time. This ensures that the financial statements are not misleading and are suitable for external users to make appropriate decisions based on information characterized by credibility, relevance, clarity, and without having access to the books and records of the entity.

The importance of accounting disclosure

The significance of accounting disclosure became evident with the rise of financial institutions and its incorporation into corporate laws in many countries, including Iraq. It is now mandatory for banks to publish financial statements before their annual board of directors meeting, as required by these laws. These regulations also outline the minimum amount of information that must be included in these published financial statements, often providing specific models for presentation. External parties often lack the authority to compel economic entities, including banks, to provide them with the necessary data to make informed decisions (Hussein & Al-Tamimi, 2016).

1. Full disclosure: This type of disclosure pertains to the extent to which financial reports provide a thorough and complete overview of relevant information that can greatly impact the reader. It emphasizes the significance of providing all relevant information as a primary source for decision-making. This disclosure is not limited to facts up until the end of the accounting period, but also extends to any subsequent events occurring after the financial statements' date that can significantly influence users of those financial statements. However, it may not always be feasible to apply this type of disclosure in real-world scenarios (Kashkou, 2016).

2. Sufficiency of disclosure: refers to determining the necessary amount of accounting information to be included in the financial statements. The specific definition of what constitutes the minimum requirement may vary depending on different needs and interests. This is because adequate disclosure directly affects decision-making and is based on the recipient's experience and understanding (Abdul Latif, 2013).

3. Fair disclosure: This refers to presenting information in a manner that provides equal access to all recipients, without favoring any specific group. The goal is to ensure a fair comprehension of the financial statements by all parties who have a reasonable capacity to understand the content.

4. Appropriate disclosure is concerned with the needs of data users, the conditions of the entity, and the nature of its activities. It is not only important to disclose financial information, but it is even more important that it is valuable and beneficial for the decisions of investors and creditors and is proportional to the entity's activities and internal conditions (Jaafar, 2005).

Quality of accounting information

Financial reporting involves the presentation of financial statements and the completion of audits to disclose the financial condition of an organization. The main purpose of financial reporting is to provide crucial information about a company's performance and business activities to various stakeholders such as management, investors, and the public. This information is vital for making informed decisions and understanding the financial health of an entity. In summary, financial reporting plays a significant role in offering essential information to interested parties. Therefore, this section aims to clarify the importance of financial reporting and its role in providing necessary information.

Background of FRQ

Accounting science has its roots in ancient times and was a defining characteristic of ancient civilizations. Initially, it served as a simple tool for record-keeping, but over time, it evolved to meet the growing demands placed on it. Today, accounting plays a vital role in providing crucial information for making important economic and social decisions. As societies have developed and needs have grown, accounting goals and methods have also evolved accordingly (Jasim, 2022).

Everything has a purpose; when that purpose is achieved, it attains quality. Applying this to financial reports, when the objective of their preparation is accomplished, they are considered to have quality. Despite the numerous research studies that have addressed the concept of FRQ and its broad scope, there is still no agreed-upon definition for FRQ. The definitions referred to by researchers and organizations regarding FRQ vary and differ in terms of defining and identifying its various dimensions,

due to the diversity of approaches to quality. Therefore, it has been difficult to find a simple definition that fully describes quality and provides a comprehensive understanding of it (Gajevszky, 2015). It can be said that the concept of the FRQ is linked to the extent to which the goal of preparing financial reports is achieved. Determining the goal of financial reports also requires determining who the users of financial reports are and what their needs are. Thus, it can be said that the concept of FRQ means that the financial reports achieve the goal of their preparation (Afiah & Rahmatika, 2014).

To finish up, we believe that financial reporting involves the preparation and presentation of financial statements to investors and stakeholders. Its purpose is to provide a concise and accurate depiction of an entity's financial position and performance. The information shared should be reliable, transparent, and easily understood, enabling informed decision-making by those who rely on the financial statements..

The goal of financial reporting

The main goal of financial reporting is to provide useful information to decision-makers, whether economic or commercial, about stakeholders. Therefore, financial statements should have quality that reflects the quality of financial reporting (Haslam & Chow, 2012). The main goals are:

1. Offering financial information with the key attributes of relevance and usefulness, enabling investors, current creditors, and other users to make informed decisions.
2. Assisting financial statement users in assessing the expected cash inflows from dividends, interest, and other relevant sources at the appropriate time.
3. Effectively representing the economic resources, obligations, and impacts of business activities, events, and conditions of the entity in question (Terzungwe, 2013).

Models and approaches used in measuring FRQ

The field of FRQ encompasses the concept of the quality of accounting information included in financial statements. There is an agreement on some key characteristics of this information. These characteristics stem from the usefulness of accounting information in decision-making, which depends on the reliability of the information on one hand, the relevance of that information on the other hand, and the comparability of that information on another hand. These three factors together contribute to improving the usefulness of accounting information for decision-making. The relevance of information depends on its representation of the truth of events and facts, the neutrality of that information, and its verifiability. As for the reliability of information, it depends on the timing of the information, its predictive value, and its feedback (Jasim, 2022).

The FRQ can be evaluated using three approaches: the quality of accounting information, the quality of accounting standards, and the quality of accounting profits. The International Accounting Standards (IAS) state that analyzing accounting information with qualitative characteristics can enhance the quality of the auditor's report and ultimately improve the FRQ. This process aims to achieve the goal of generating reliable and useful information for decision-making (Achim & Chis 2014). In order for information to possess qualitative characteristics, it must be presented in a manner that is relevant, reliable, comparable, and understandable.

The quality of accounting standards

It is closely related to the production of information that is useful in the decision-making process, in addition to the comparability of that information from year to year. It also includes the ability of that information to be applied to accounting standards. The Securities and Exchange Commission (SEC) has identified a set of conditions that must be met in accounting standards in order for them to be considered of high quality. These standards can be expressed in the coming sections (Abrigo & Ferrer, 201):

The quality of accounting profits

The statement of financial accounting concept stipulates that accounting reports must contain information that shows the financial performance of the economic unit during the period of time, and by referring to the list of accounting concepts, it determines the quality of profits by providing high profits. Quality that reflects the financial performance of the economic unit (Scott, 1997). Various researchers have attempted to define the concept of quality of accounting profits, and their perspectives differ depending on the intended purpose of the definition. Makto (2019) views it as the ability of disclosed profits to predict future profits for the economic entity. This means that higher-quality profits are more likely to generate future profits for the entity.

Previous studies

Accounting disclosure has been studied in some studies. Honggowati et al. (2017) examined the impact of corporate governance on the disclosure of strategic management accounting. The study analyzed 497 manufacturing companies in Indonesia during the period 2011-2015 using a descriptive and analytical approach. The study found that the size of the board of directors has a significant positive effect on the level of disclosure of strategic management accounting for manufacturing companies in Indonesia. Furthermore, de Souza et al. (2019) explored the connection between the readability of linguistic complexities in narrative accounting disclosures and financial performance. The researchers observed 1,643 company-year observations in Brazil, along with an additional sample of 1,297 company-years, spanning from 2010 to 2016. They used financial statements and various indicators, including return on assets, earnings per share, and a binary variable indicating stock-based results' direction. The findings indicate that companies with lower profits tend to present less transparent narrative accounting disclosures.

The quality of financial reporting has been studied in some studies. In their study, Mbobo and Ekpo (2016) sought to explore how Nigerian accountants perceive the quality of financial reporting and the utilization of qualitative characteristics in measuring this quality, as defined by the International Accounting Standards Board. The researchers conducted a survey among 120 professional accountants in three cities in Nigeria, utilizing a descriptive and analytical approach along with a questionnaire. The findings of the study indicated that while the implementation of international standards for financial reporting has had a substantial impact on the quality of financial reporting, there remains room for improvement in effectively applying qualitative characteristics to further enhance this quality. Moreover, Kaawaase et al. (2021) explored the relationship between corporate governance characteristics (board experience, board independence, and board performance), internal audit quality, and FRQ using evidence from financial institutions. The study findings suggest that there is a significant positive relationship between board expertise and board role performance with FRQ. Additionally,

internal audit quality is also significantly associated with financial reporting quality. However, board independence does not predict FRQ significantly.

Methods

Research design

Research design is a systematic and scientific approach that allows researchers to accurately describe and study a subject. It encompasses the researcher's understanding of the problem and their efforts to find solutions. The research design helps translate theoretical concepts into practical applications, enabling the collection, analysis, and interpretation of data. It serves as a framework for conducting research and offers a systematic approach to achieving research objectives. The study encompass the banks listed on the ISE; they include Baghdad Bank, Gulf Commercial Bank, Ashur International Bank, and Iraqi Investment Bank.

Sample

The researcher distributed 200 questionnaires with managers, assistant managers, and external auditors working within Al-Iraq Commercial Bank, Gulf Commercial Bank, and Ashur International Bank. questionnaires were received from the sample. A total of 23 valid questionnaires were retrieved for statistical analysis out of the received.

Instrument

The researchers used the Likert scale to measure the level of response, ranging from 1 to 5, with five categories to assess the degree of response as shown in Table 1. The questionnaires were administrated from March 1, 2020, to January 15, 2023, during which the theoretical and practical aspects of the study, including analysis of financial statements and cash flows published by the banks.

Table 1. Likert scale used in the study

Strongly disagree	Disagree	Not sure	Agree	Strongly Agree
1	2	3	4	5

Standards and stages of applying QFR

The decision-making process must be based on a set of information that largely involves quality. Therefore, the goal of quality that is intended to be achieved must also be based on a set of standards, which are to Herath and Albarqi (2017) as follows:

The consistency between the components of the measures

The Cronbach Alpha test is utilized to assess the reliability of respondents' responses to the scale questions. By calculating the Cronbach Alpha coefficient, as shown in Table 2, we were able to ensure consistency between the different components of the scale at the dimension level and all variables. The correlation coefficient values (Cronbach Alpha) exceeded the minimum acceptable threshold of 0.70, indicating that there is consistency between the scale components and desired stability when the test is repeated. Table 2 presents the results of the consistency analysis among the different components of the scale.

Table 2. Consistency between the scale components

Scale	Cronbach's Alpha coefficient
Accounting disclosure	0.855
Accounting reporting quality	0.832

Results

Description the research variables

This study aims to examine how accounting disclosure influences and its impact on the FRQ. The research will focus on three banks listed on the ISE and will primarily utilize the arithmetic mean as a measure of central tendency, which is widely recognized and significant in various measurements. The arithmetic mean represents the central value around which all the different values of a variable are centered. The standard deviation is a crucial statistical measure that indicates the dispersion of the data. The coefficient of variation is used to compare the dispersion between two groups, allowing for a judgment on the dispersion based on the calculated values of dispersion measures. A lower coefficient of variation suggests less dispersion in the sample research answers. Based on these results, the importance can be ranked and the level of response to the opinions of the sample can be determined.

Accounting disclosure

Table 3. Sample's responses to the accounting disclosure variable

Statements	Mean score	Standard deviation	Coefficient of variation	Relative importance	Response level
1. Employees are interested in reviewing the information contained in banks' financial statements.	4.22	0.71	0.17	84.4%	Very good
2. The bank displays to employees their financial reports, such as salaries, bonuses, and benefits, through its financial statements.	3.87	1.01	0.26	77.4%	Good
3. The bank's management clarifies the information included in its financial statements to employees.	4.28	0.68	0.16	85.6%	Very good
4. Employees can directly view the financial statements.	4.32	0.69	0.16	86.4%	Very good
5. Employees are aware of the information contained in the statements issued by the bank.	4.26	0.76	0.18	85.2%	Very good
6. The bank's financial statements reflect the importance of employees to the same extent as they reflect to the rest of the bank's stakeholders.	4.19	0.81	0.19	83.8%	Good
7. The bank must disclose the risks and financial crises to which it is likely to be exposed.	4.35	0.71	0.16	87.0%	Very good
8. Employees believe that the financial information disclosed by the bank in its financial statements is not directed to them.	4.19	0.71	0.17	83.8%	Good
9. The financial information disclosed by the bank is considered insufficient for the use of employees.	4.06	0.80	0.20	81.2%	Good
10. Accounting disclosure makes it easier for beneficiaries to collect data and information for the economic unit, process it, and compare it with other economic units.	4.10	0.83	0.20	82.0%	Good
Total	4.18	0.77	0.19	83.7%	Good

Information reporting quality**Table 4.** Sample's responses to the information reporting quality variable

Statements	Mean score	Standard deviation	Coefficient of variation	Relative importance	Response level
1. The statements presented in the financial reports are public and can be viewed by everyone.	4.20	0.82	0.20	84.0%	Good
2. The information provided by financial reports meets a large part of the needs of beneficiary parties.	4.15	0.89	0.21	83.0%	Good
3. There are financial reporting statements that help investors predict the results of the bank's activity for future periods.	4.02	0.76	0.19	80.4%	Good
4. The information contained in financial reports is reliable and dependable.	4.06	0.75	0.18	81.2%	Good
5. Bodies preparing financial reports take the changing and emerging needs of investors into account.	4.26	0.72	0.17	85.2%	Very Good
6. Investors rely on auditors' reports in their assessment of the quality of financial reporting.	4.19	0.73	0.17	83.8%	Good
7. The information contained in the financial reports is sufficient for the beneficiaries to make any decision related to the bank.	4.00	0.85	0.21	80.0%	Good
8. Financial reports are submitted to all beneficiaries in the same form and content.	4.10	0.80	0.20	82.0%	Good
9. The financial reporting process is affected by the environmental, legal and legislative variables surrounding banks.	4.29	0.80	0.19	85.8%	Very Good
10. Financial reports meet the needs of their users and guide decisions.	4.23	0.84	0.20	84.6%	Good
Total	4.15	0.80	0.19	83.0%	Good

Testing correlations between research variables

This section focuses on testing the relationship between independent variables, i.e., accounting disclosure and the quality of financial reporting, and the dependent variable, which is profit management. The Pearson correlation coefficient will be used to determine the strength and direction of this relationship. The correlation is strong positive when it is (+0.3 to +0.7), and acceptable positive when it is (1 to +0.3). While the correlation is strong negative when it is (-0.3 to -0.7), and weak negative when it is (-0.3 to 0). However, if the correlation coefficient is (+1), this indicates a complete positive correlation, and (-1) indicates a negative correlation. Complete 0 indicates that there is no correlation, as the results of the correlation analysis were as shown in Table 10.

Testing H1: There is a significant correlation between accounting disclosure and financial reporting quality.

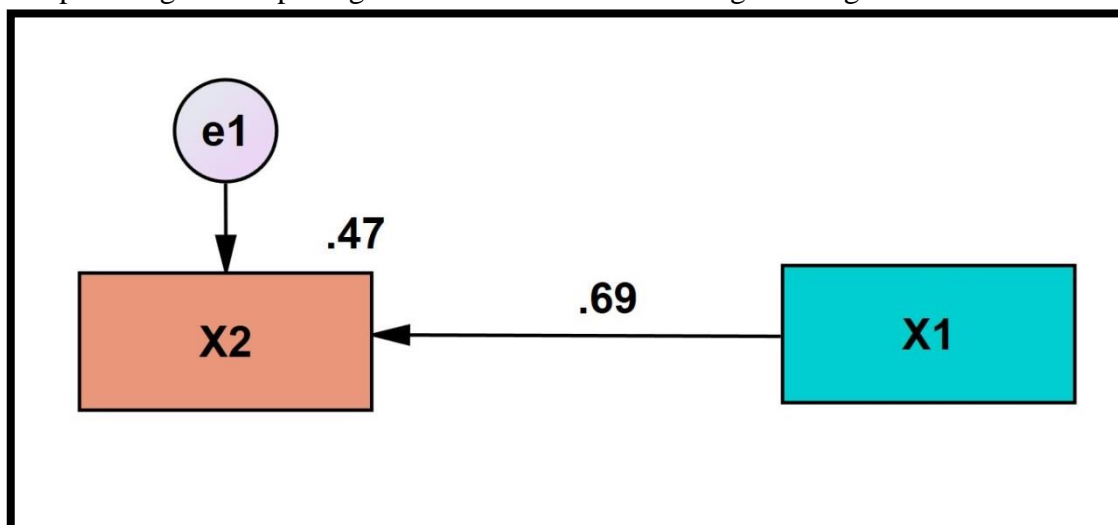
The correlation coefficient between accounting disclosure and the quality of financial reporting in table 5 reached (0.685) at the significance level (.000), This affirms the existence of a significant correlation between accounting disclosure and the FRQ. Accordingly the first main hypothesis is accepted.

Table 5. Correlation between accounting disclosure and FRQ management

Correlations			
		Accounting disclosure	Financial reporting quality
Accounting disclosure	Pearson Correlation	1	.685**
	Sig. (2-tailed)		.000
	N	177	177
Financial reporting quality	Pearson Correlation	.685**	1
	Sig. (2-tailed)	.000	
	N	177	177

Testing the influence relationships between study variables**Testing H2: Accounting disclosure has a significant impact on financial reporting quality**

This section tests the influence relationships of the independent variables (accounting disclosure on the dependent variable i.e., quality of financial reporting. In keeping with the nature of the study and its variables, non-parametric statistical tests were used to test the validity of the second hypotheses. The main principle using the simple regression coefficient and through the Figure 2.

**Figure 2.** The effect of accounting disclosure on the quality of financial reporting

In Figure 2, the standard estimates of the simple regression model are presented. The independent variable is accounting disclosure (X₁), and the dependent variable is financial reporting quality (X₂). The estimated value of Beta is 0.69, indicating that accounting disclosure has a significant and positive impact on FRQ. Furthermore, the R² value in Figure 2 is 0.47, meaning that 47% of the variation in financial reporting quality can be explained by the effect of accounting disclosure. The remaining 53% is attributable to external factors and other causes. Thus, the second hypothesis is proved.

Conclusion

1. Disclosing accounting information helps create a positive feeling among employees about the banks in which they work, just like other stakeholders, to achieve more democratic decision-making in them.
2. Commitment to audit quality, reliance on international accounting standards and generally accepted principles, limits the use of profits management in financial statements.
3. 3. There is a reciprocal relationship between accounting disclosure and the FRQ, and using profits management, the audit process is broader and more comprehensive.
4. Compliance with laws and instructions leads to not using misleading information for users.
5. There is a significant correlation and influence between the FRQ and the reduction of accounting disclosure and its impact on the decisions of financial statement users.
6. There is a significant correlation and influence between accounting disclosure and the FRQ.

Recommendations

1. The Iraqi Accounting and Regulatory Standards Board should issue a direct standard for disclosing unusual profits and losses and adhering to the rules of accounting conservatism.
2. The study proved that the information provided by accounting disclosure meets a large part of the needs of the beneficiary parties.
3. A set of guidelines and instructions should be provided for auditors to use for the purpose of discovering or reducing the phenomenon of profits management.
4. Not focusing solely on directing the financial statements to specific parties, but rather the necessity of directing them to all stakeholders whose decision-making activities affect banks to facilitate the process of self-evaluating their activity.
5. Enhancing the effectiveness and role of the FRQ and the continuity of its work by the relevant authorities in a better manner.
6. The ISE must expand the disclosure rules in a way that is consistent with the conditions found in the current study.

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