



INVESTIGATING THE IMPACT OF ESTABLISHING AN ACCOUNTING INFORMATION SYSTEM ON ORGANIZATIONAL PERFORMANCE CONSIDERING THE MEDIATING ROLE OF FINANCIAL REPORTING QUALITY

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Article history:	Abstract:
Received: June 20 th 2022 Accepted: July 20 th 2022 Published: August 30 th 2022	The purpose of this study was to investigate the effect of establishing an accounting information system on organizational performance with respect to the mediating role of financial reporting quality. Descriptive-correlation method was used to conduct this research. The statistical population of the present study included 700 accountants and auditors of companies listed on the Iraqi Stock Exchange, which according to the Cochran's formula, a total of 248 required sample size was determined. A questionnaire with 32 questions was used to examine the research variables. The reliability of the questionnaires was confirmed by Cronbach's alpha coefficient, the content validity of the questionnaires was confirmed by a group of university professors and their construct validity was confirmed by confirmatory factor analysis. Parametric inferential statistical methods such as Kolmogorov-Smirnov test have been used to ensure the normality of the data and structural equation modeling and path analysis using LISREL software to test the hypotheses. The most important research findings showed that; Establishment of accounting information system has a positive effect on the quality of financial reporting. Establishment of accounting information system has a positive effect on organizational performance. The quality of financial reporting has a positive effect on organizational performance. Establishment of accounting information system through the mediating variable of financial reporting quality has a positive effect on organizational performance.

Keywords: Accounting Information System, Organizational Performance, Financial Reporting Quality, Iraqi Stock Exchange

1 .INTRODUCTION

Today, the establishment of the accounting information system has a very important role in the activity of the organization and plays an important role in the economic environment of the countries. Many economic decisions are made based on the information obtained from these systems (GOFWAN, 2022). In the implementation of accounting information systems, relevant, important and reliable information should be provided to users of financial reports to be used in decision-making models (Fatima et al., 2021).

Accounting information systems are considered among the main and fundamental systems of management information systems, and its task is to meet the

information needs of different levels of managers in the fields of planning and resource control, performance evaluation and decision-making (Yosef Elahi, 2021). Also, in recent years, due to the high speed of changes in competitive markets, improving organizational performance is one of the most important goals of managers. For this reason, the correct use of organizational capabilities and capabilities is known as one of the important factors in increasing performance (Shafizadeh, 2021). The accounting information system is responsible for converting information data into useful financial reports and presenting them to internal management and external authorities for decision-making (Shabani,



2018). The optimal implementation of accounting information systems has improved the performance and maximized the value of the company and its profitability. Therefore, the accounting information system can affect the value of companies in the form of management accounting techniques and be useful and effective in advancing the goals of the organization (Khaleghi Tabar et al., 2018). Based on the contingency theory, the implementation of accounting information systems leads to achieving optimal performance in the organization. Therefore, the implementation of accounting information systems can have an effect on organizational performance (Moghimi Monfared, 2021).

Organizational performance shows the degree of success of the organization in achieving its goals, and in today's competitive world, maintaining and improving performance has become necessary in order to satisfy the demands of shareholders and also attract new investors. Therefore, it is claimed that the performance of organizations is often considered. Investors, lenders, managers and governments, therefore, the quality of financial reporting is one of the factors that have the potential to influence in this field, they affect the quality of financial reporting of organizations and the decisions made based on them, so it is predicted that with the increase in the quality of reporting the financial performance of the organization improves (Abdul Rahimian and Mobad, 2017).

It can be said that the organization of customer data in the database in order to respond better and faster to their demands and needs leads to the stabilization of the customer's relationship and loyalty to the organization, and in this context, with the establishment of the customer relationship management system along with the accounting information system and as a result Effective access to customer information at the level of the company's external environment (market), their favorable image and loyalty, and increasing the desire to use goods and services again, which guarantees the company's survival (Khasanah, 2022). Alignment and alignment of accounting information system and close communication and its effect on different parts of the company leads to success and improvement of organizational performance (Ha, 2020). Also, the quality of financial reporting improves the usefulness of financial information. It is clear that legislators and investors agree to have more high-quality financial reporting, the quality of financial reporting is a prerequisite for the proper functioning of organizations (Malo et al., 2021).

Therefore, the main problem of the research is as follows: Does the establishment of the accounting information system have an effect on the organizational performance according to the mediating role of the quality of financial reporting?

2. THEMATIC BACKGROUND OF THE RESEARCH

1.2. The most topical issue of establishing an accounting information system

An information system, which is sometimes called a data processing system, is an artificial system that consists of a complete set of manual and computer components designed to collect, store and manage data and provide information needed by users (Sharafati and Fathi, 2021).

The accounting information system is an essential part of the management information system that receives the data (inputs) obtained from financial events and after processing them, provides useful financial information for users (internal or external) (time ratio and Nadi Moghadam, 2021).

Disclosure of important financial information about the business unit is not a suitable place in the independent audit report. But in the following cases, the said report can be used to disclose the following types of information:

- A- Important works resulting from the use of accounting methods different from the accepted methods.
- B- Significant effects resulting from changing one accepted method of accounting to another accepted method.
- C- Disagreement between the independent auditor and the commercial unit under consideration regarding the acceptability of one or more accounting methods used in the financial reports of the said unit (Molvi and Mohammadi, 2021).

The independent auditor also evaluates the accounting information system and the internal control system of the organization and presents a report called the management letter, which contains the weak points of the system and the auditor's suggestions for correction, in fact, it can be useful and used be placed (Mashoor and Shahraki, 2021).

Accountants generally deal with various systems in their professional activities; therefore, they can gain enormous benefits by studying the concepts and applications of today's advanced accounting systems. Designers and evaluators of accounting systems are accountants and according to their responsibilities The method of studying and evaluating them is different (Shamakhi, 2019).



Tax experts always use the accounting information system to prepare tax income and obtain information for planning, and like financial accountants, they evaluate a part of the accounting information system according to the obtained information and make suggestions. For example, when changing the tax laws, it is necessary for them to provide the necessary suggestions to adapt the accounting information system to the new laws (Alizadeh and Janjal, 2021).

Other accountants and auditors, such as industrial and management accountants or independent and internal auditors, use the accounting information system to obtain the information they need and provide it to the management or other users, and in this process, they always evaluate the accounting information system and make suggestions. present their correction (Khasanah, 2022).

The accounting information system as a part of the management information system always provides the most amount of information to the management for the execution of his planning, control and other duties, the providers of this information are the accountants who use the accounting information system to process the data and They provide the requested information to the management and other users (Putra & Windiarti, 2021).

A well-designed accounting information system can provide useful and beneficial information and have the ability to provide information at any time with high reliability and reliability. Therefore, the acquaintance of accountants (at all levels) with accounting systems and its theories can provide a lot of help in creating an accounting information system, because they always evaluate the system and offer their correction suggestions (Al-Attar, 2021).

The performance of employees in facilitating organizational effectiveness is considered an important task of human resource management. In recent years, much attention has been paid to the role of employee performance. According to experts, an effective organizational performance evaluation system can bring a lot of advantages to organizations and their employees (Sha'bani, 2018). Longenecker and Nykodym (1996) have stated that the performance evaluation system; a) It provides specific functional feedback to improve the performance of employees, b) It determines the training requirements of employees, c) It provides and facilitates the development of employees, d) It establishes a close relationship between personnel conclusions and performance, and e) Motivation and productivity of employees. increases. Also, Roberts and Pavlak (1996) believe that evaluating organizational performance for multiple

purposes of supervision and development, including, a) to evaluate individual organizational performance according to organizational needs, b) providing feedback to employees in order to improve or strengthen their behavior and c) allocation Rewards and job promotion of people are used.

Organizational performance is a general structure that refers to how organizational operations are performed. The most famous definition of performance is provided by Neely et al. (2002): ((the process of explaining the quality of effectiveness and efficiency of past actions)). According to this definition, performance is divided into two components: 1) efficiency, which describes how the organization uses resources in the production of services or products, that is, the relationship between the actual and desired combination of inputs to produce certain outputs; and 2) effectiveness, which describes the degree of achievement of organizational goals (Rahnvard, 2017)

There are two major approaches in performance measurement: objective and subjective, and both approaches have their own merits and demerits (Asiaei et al., 2021). Objective scales are more realistic, but in terms of scope, they are limited to financial data and others. They do not explain organizational dimensions. On the other hand, subjective scales are less realistic but provide a rich description of organizational effectiveness. These scales allow a wide range of organizations in different industries to be compared. Therefore, the ability to generalize findings based on subjective scales is more (Ardiansah et al., 2021). Also, subjective scales cover elements of perception-based analysis, which has found a special place in social science research. The question of which of these approaches should be considered in measuring performance depends on the organizational orientation and the type of attitude of managers (Lovett et al., 2022).

There are two main trends in performance measurement. The economic point of view that emphasizes the importance of external market factors such as the competitive position, and the organizational point of view that is based on our behavioral and sociological views and their compatibility with the environment. (Andrews 1971) emphasizes the relationship with strategy evaluation of both economic and organizational factors as effective factors affecting performance (Singh & Misra, 2021).

The quality of financial reporting refers to the extent to which the company's financial reports measure and honestly present its economic status and performance over a period of time. Although the literature related to the quality of financial reporting and especially the



quality of profit by emphasizing the principles governing financial reporting has implicitly focused on the quality of financial statements, a comprehensive discussion on the quality of financial reporting should go beyond the quality of financial statements because companies provide financial information. They can publish themselves using other methods as well (Razmanesh and Suri, 2021). On the other hand, financial reporting is not just a final product, but a process consisting of several components, and the quality of financial reporting ultimately depends on the quality of each part of the financial reporting process (Modres and Hisarzadeh, 2015).

Francis and his colleagues introduce quality as an information characteristic in a separate-parallel manner from other information characteristics. While such an interpretation of quality in accounting is unconventional. Because, for example, in the theoretical framework of accounting, quality is not considered as a separate information characteristic - parallel to other information characteristics, and especially the goal of the standard setters is to compile quality characteristics such as honest presentation or relevance, to provide quality information (Lennox & Wu, 2022). In other words, high-quality information is the goal that financial reporting pursues by putting different quality features together, and even the committees compiling accounting standards consider quality as a feature parallel to other features. quality, have not been added to the conceptual framework (Accounting Standards Compilation Board, 2017).

Accounting information and corporate disclosure are critical to the efficient functioning of a capital market. Companies provide disclosure through statutory financial reports, including financial statements, accompanying notes and management's discussion and analysis, and other legally prescribed items. In addition, some companies make legal disclosures through voluntary communications such as management forecasts, conversations and telephone presentations to analysts, material published in the media, websites and other corporate reports. Finally, corporate disclosure can be done through information intermediaries such as financial analysts, industry experts, and financial press (Elemes & Filip, 2022).

2.2. Research background

Shafizadeh (2021), investigated the impact of structural equation modeling of the accounting information system on financial performance in different areas of Shiraz municipality. The results showed that the accounting information system has a significant impact on financial performance.

Sotoudeh (2021) investigated the moderating role of organizational culture on the relationship between accounting information system and operational performance of small and medium-sized companies (case study: companies in the Asalouye special region). The results showed that the organizational culture has a moderating role on the relationship between the accounting information system and the operational performance of small and medium enterprises in the special region of Asalouye; Therefore, the use of organizational culture indicators such as participation, instability, mission and versatility can be useful in creating innovations, technologies and emerging technologies in addition to having an effect on the relationship between the accounting information system and the operational performance of small and medium-sized companies and facilitate the recording of accounting information. .

Zamani Nasab and Moghadam (2021) investigated the effect of organizational culture on accounting information system and company performance (case study: South Khorasan Regional Water Company). The results showed that organizational culture has a positive and significant effect on the accounting information system and financial performance of South Khorasan Regional Water Company.

Shah Walizadeh and Foman (2019) investigated the impact of using performance-based budgeting on improving the quality of financial reporting (case study: social security of Ardabil province). The results showed that the application of performance-based budgeting has a positive and significant effect on improving the quality of financial reporting of the social security organization of Ardabil province.

Karimi et al. (2018) investigated the effective relationship between audit committees and internal audit performance and its impact on the quality of financial reporting of companies. The results showed that the performance of internal audit has a positive and significant effect on the quality of financial reporting of the company, that is, with the increase of performance of internal audit, the quality of financial reporting of the company increases. The size of the audit committee has a positive and significant effect on the quality of the company's financial reporting, that is, with the increase in the size of the audit committee, the quality of the company's financial reporting increases. The independence of the audit committee has no significant effect on the quality of the company's financial reporting. The financial experience of the audit committee has no significant effect on the quality of the company's financial reporting.



Ardiansah et al. (2021), investigated whether electronic commerce affects the accounting information system and the performance of organizations. The results showed that the characteristics of management and organizational readiness as characteristics of e-commerce mainly determine accounting information systems. The performance of the organization was directly affected by accounting information systems, management performance and financial performance. The accounting information system has mediated e-commerce towards financial and management performance.

Macgregor & Ibanichuka (2021), investigated the quality of accounting information and performance of listed oil and gas companies in Nigeria. The results showed that the quality of accounting information is significantly related to the company's performance.

Ha (2020), investigated the effect of organizational culture on the accounting information system and operational performance of small and medium enterprises in Ho Chi Minh City. The results showed that mission, participation and instability in organizational culture have a positive effect on the accounting information system of small and medium enterprises in Vietnam. In addition, mission, participation and adaptability in the organizational culture have positive effects on the operational performance of the company. Also, the accounting information system has a positive effect on the operational performance of small and medium enterprises in Vietnam.

Hutahayan (2020), investigated the mediating role of human capital and management accounting information system in the relationship between innovation strategy and internal process performance and its impact on the company's financial performance. the results showed that. The business unit as the unit of analysis in this research is a part of the organization that: (1) is responsible for the production and marketing of a product or a set of products. (2) It is formed based on the type of product. (3) has its own competitors that are different

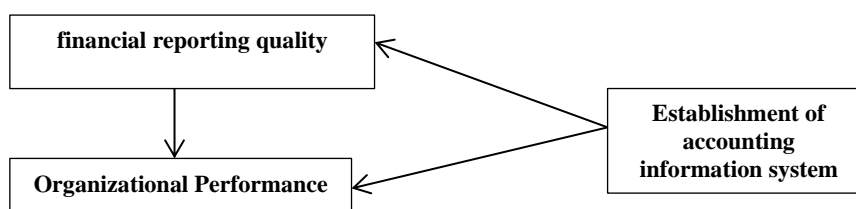
from those of other business units or divisions within the parent company. (4) having a responsible manager with authority over planning and implementing strategies to achieve a specified profit target. Innovation strategy has a significant impact on financial performance. Human capital does not significantly mediate the relationship between innovation strategy and financial performance. Capital performance and internal performance do not mediate the relationship between innovation strategy and financial performance. Management accounting information system does not mediate the relationship between innovation strategy and financial performance. Internal process performance mediates the relationship between innovation strategy and financial performance. Management accounting information system and internal process performance mediate the relationship between innovation strategy and financial performance.

Romney et al. (2019) investigated the effect of financial reporting quality on the financial performance of companies listed on the Canadian Stock Exchange. The results showed that the test of the hypotheses indicates their disconfirmation at the 95% confidence level and indicates that the quality of financial reporting of companies does not have a significant effect on their financial performance.

According to the research literature and conducted research, it can be concluded that the establishment of accounting information system has a positive effect on the quality of financial reporting. Establishing an accounting information system has a positive effect on organizational performance. The quality of financial reporting has a positive effect on organizational performance. The establishment of accounting information system has a positive effect on organizational performance through the mediating variable of financial reporting quality.

3. Research model and hypotheses

According to the stated content, the conceptual model of the current research can be drawn in the form of diagram 1:



Graph 1- Conceptual model taken from the research of Setianingsih et al(2021)



Therefore, the research hypotheses are presented as follows:

H1: The establishment of accounting information system has a positive effect on organizational performance according to the mediating role of financial reporting quality.

H2: The establishment of accounting information system has a positive effect on the quality of financial reporting.

H3: The establishment of accounting information system has a positive effect on organizational performance.

H4: The quality of financial reporting has a positive effect on organizational performance.

H5: The establishment of accounting information system has a positive effect on organizational performance through the mediating variable of financial reporting quality.

4. RESEARCH METHODOLOGY

In terms of its purpose, the current research is an applied research, and in terms of the method of data collection, it is a descriptive (non-experimental) and a field study. And since in this research, the researcher

seeks to investigate the impact of establishing an accounting information system on organizational performance, considering the role of the mediating variable of financial reporting quality. Therefore, this research is based on the field research method and the method of conducting is survey. The most important thing is that this research is based on the research method of correlational research and the method of conducting it is a survey, the most important advantage of which is the ability to generalize the obtained results.

1.4. Society and statistical sample

The statistical population of this research includes accountants and internal auditors and financial managers of Iraq stock exchange companies, which number is 700. To determine the minimum required sample size, the second formula of Kekran was used for the limited population, so the minimum required sample size was 248 people. It is worth mentioning that non-random sampling method is available due to the lack of access to all the people of the studied society. The demographic characteristics of the respondents are as follows:

Table 1- Characteristics of the respondents

Characteristics of the respondents		Frequency	Frequency rate
gender	Male	193	0/78
	Female	55	0/22
Age	Less than 30 years	109	0/44
	31-40 years	55	0/22
	41-50 years	60	0/24
	More than 51	24	0/10
education	Bachelor's degree	69	0/28
	Master's degree	171	0/69
	P.H. D	8	0/3
Organizational position	manager	114	0/46
	deputy	49	0/20
	expert	85	0/34
Field of Study	Accounting management	102	0/41
	Economy	89	0/36
	other fields	57	0/23

2.4. Data collection

Data was collected through a questionnaire. 280 questionnaires were distributed and collected in person in the research community during 2 weeks. The respondents were assured that their name and their organization will be completely confidential and will not be disclosed in any way. Out of 280 distributed questionnaires, 260 questionnaires were returned, of which 246 completed questionnaires were used in the analysis. The average return rate of the questionnaire

was 92%. Considering the research culture in the country, the rate is satisfactory.

3.4. Measurement scale and validity and reliability

The present research questionnaire consists of three parts. The first part is related to how to complete the questionnaire; The second part is related to the demographic characteristics of the respondents and finally the third part is related to the research



variables. Therefore, this questionnaire contains 48 questions depending on the description of table (2). The reliability of the questionnaires was confirmed by Cronbach's alpha coefficient, the content validity of the questionnaires was confirmed by a group of university

professors and their construct validity was confirmed by confirmatory factor analysis, which was more than 0.7 for both variables, which indicates the reliability of the questionnaire.

Table 2- The structure of the questionnaire

Variable	Dimensions	QTY of questions	Number of questions	Sources
Establishment of accounting information system	merge	2	2-1	Setianingsieh et al (2021)
	flexibility	2	4-3	
	accessibility	2	6-5	
	officialization	2	8-7	
financial reporting quality	to be relevant	3	11-9	
	to be on time	3	14-12	
	To be reliable	3	17-15	
	ability	3	20-18	
	to be understood	3	23-21	
Organizational Performance	Cost effective	3	26-24	
	Efficient	3	29-27	
	Effective	3	32-30	

5. FINDINGS AND ANALYSIS

Findings related to descriptive statistics:

According to the SPSS output listed in table number (3), since the average of all variables is higher than

the theoretical average (3), which shows the appropriate state of the research variables.

Table 3- Descriptive statistics of research variables

Variable	Number	Average	standard deviation
Establishment of accounting information system	248	3/31	0/55
Effectiveness of accounting information system	248	4/18	0/55
Sustainable performance	248	4/31	0/64

Findings related to the data significance analysis:

According to the output of Lisrel software listed in table number (4), since all the variables have a

significance level greater than 5%, therefore, the significance level of the assumption of normality of the research variables was confirmed.

Table 4- The results of the Kolmogroph-Smirnov test to determine the normal distribution of research data

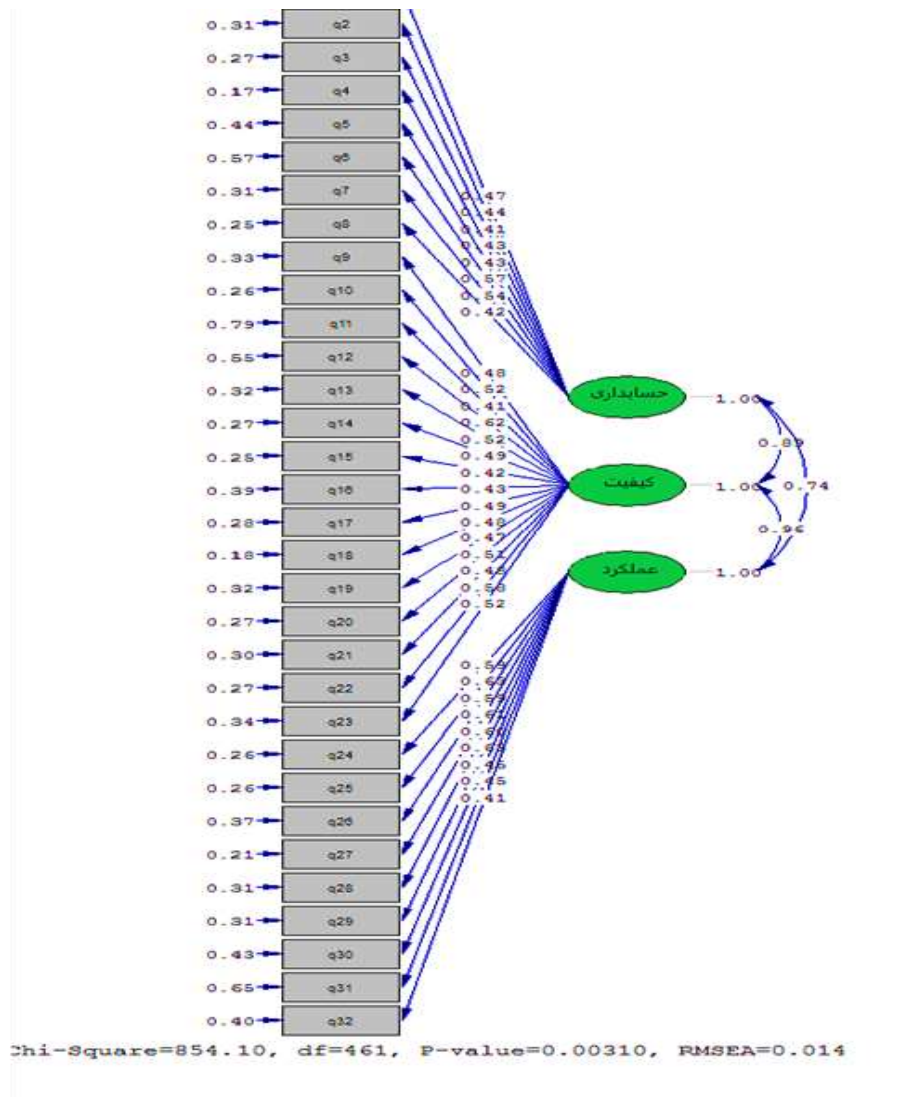
Variable	Acceptance of accounting information system	Effectiveness of financial reporting	Sustainable Organizational Performance
Z	0/81	1/06	1/52
Sig	0/31	0/24	0/09
N	248	248	248

Findings related to confirmatory factor analysis of questionnaire constructs

In this study, the variables of accounting information system deployment, financial reporting quality, and organizational performance were used to conduct the research.

Findings related to standard coefficients of research structures:

According to the output of the Lisrel software shown in the graph (2), the coefficient of the standard path of the relationships is higher than 0.4, so it can be said that the questions in question have good explanatory power.

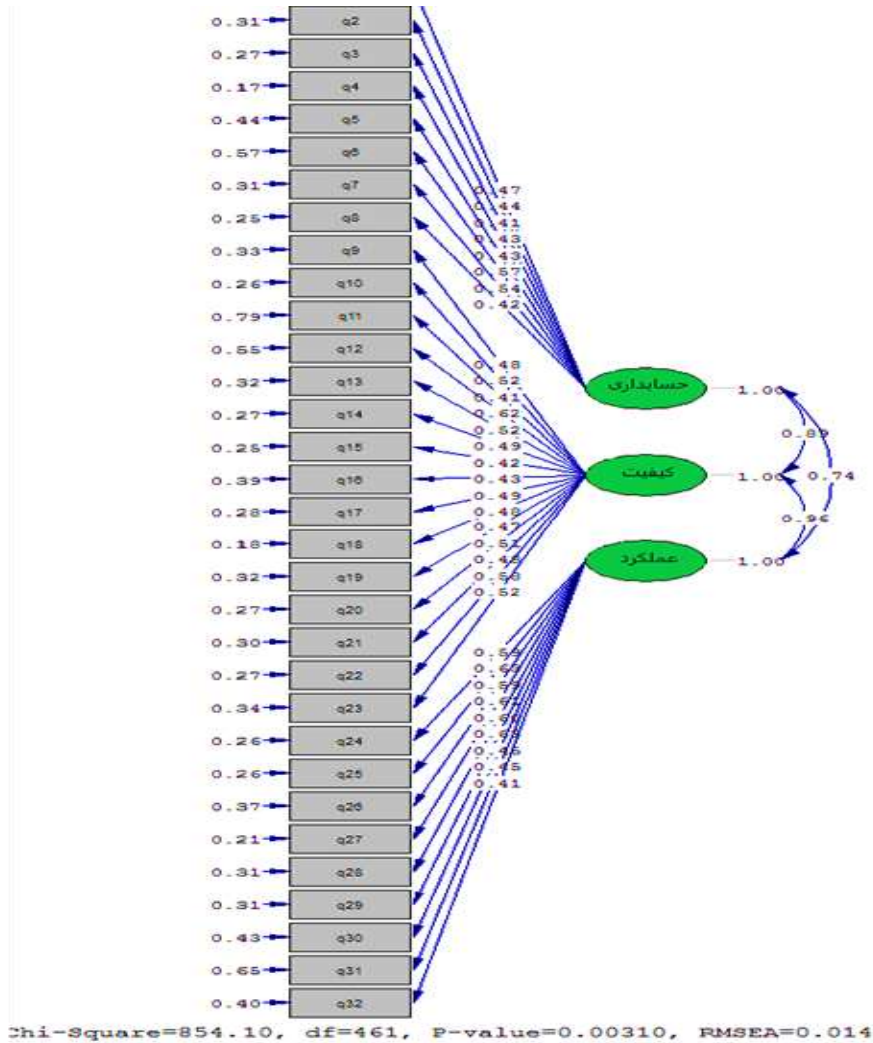


Graph 2- Analysis of the confirmatory factor of the questionnaire in the standard mode

Findings related to the significant coefficients of research structures:

According to the output of the Lisrel software shown in the graph (3), the significance of the standardized

path coefficient of the relationships is higher than 1.96, so it can be said that all the factor loadings and path coefficients of the model are significant.



Graph 3- Analysis of the confirmatory factor of the questionnaire in the significance mode

Findings related to fit indices of factor analysis of structures:

According to the output of Lisrel software listed in table (5), all the general fit criteria of the confirmatory

factor analysis indicate the general fit of the proposed model with the data and indicate the appropriate fit of the variable measurement model.

Table 5- Analyzing of fit indices

Fit indices		proper values	High values	Research values	Fit result
χ^2/df	Chi-square division by degree of freedom	≤ 3	≤ 2	1/98	proper fit
Root Mean Squared Error of Approximation (RMSEA)	The root mean square of the estimation error	$\leq 0/1$	$\leq 0/08$	0/014	proper fit
Normed Fit Index (NFI)	Soft fit index	$\geq 0/9$	$\geq 0/95$	0/93	proper fit
Non-Normed Fit Index (NNFI)	Non-smooth fit index	$\geq 0/9$	$\geq 0/95$	0/94	proper fit
Comparative Fit Index (CFI)	Comparative fit index	$\geq 0/9$	$\geq 0/95$	0/94	proper fit

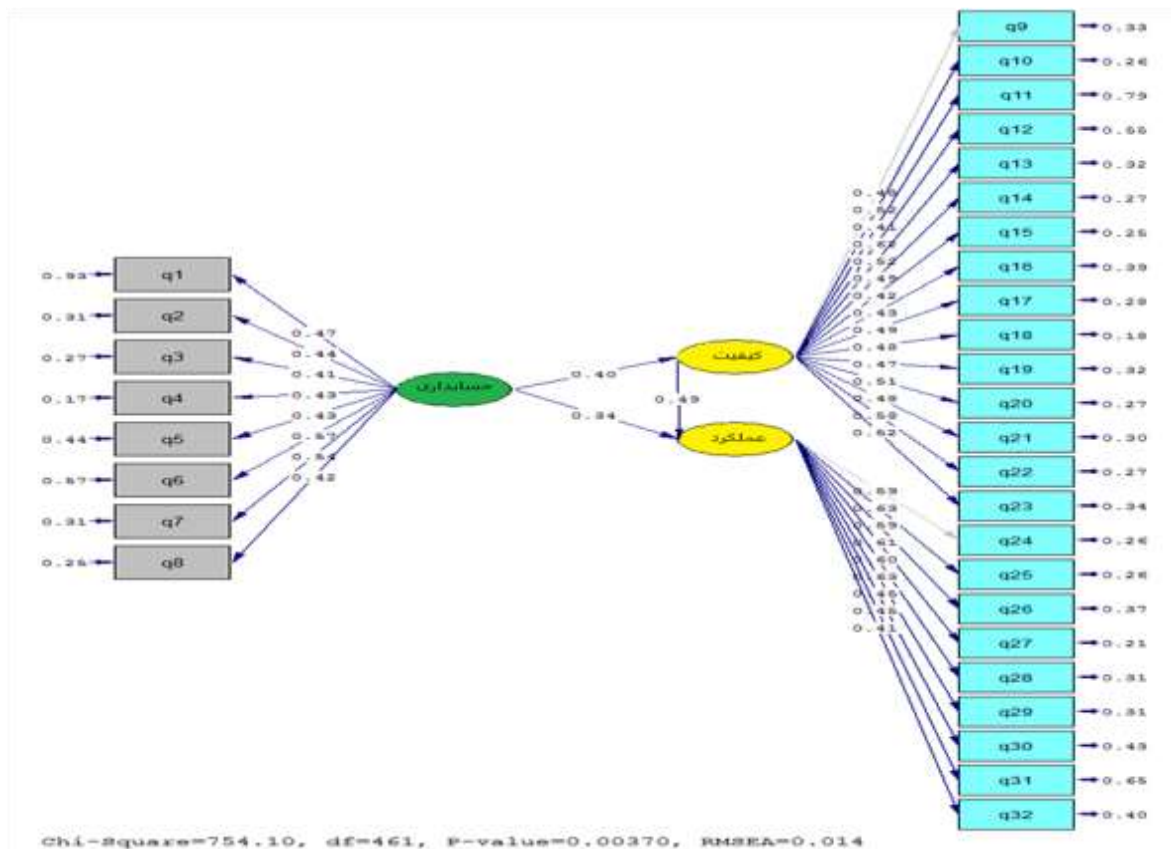


Incremental Fit Index (IFI)	Incremental fit index	$\geq 0/9$	$\geq 0/95$	0/92	proper fit
Goodness of Fit Index (GFI)	goodness of fit index	$\geq 0/9$	$\geq 0/95$	0/93	proper fit
Adjusted Goodness of Fit Index (AGFI)	Adjusted goodness of fit index	$\geq 0/8$	$\geq 0/9$	0/90	proper fit

Analyzing research hypotheses

The findings of the investigation of the standard path coefficients related to the research hypotheses:

According to the output of the Lisrel software shown in the graph (4), the coefficient of the standard path of the relationships is higher than 0.3, so it can be said that all factor loadings are confirmed.



Graph 4- Structural model of research hypotheses in standard mode

The findings of the significance analysis of the standard path coefficients related to the research hypotheses:

According to the output of Lisrel software listed in the graph (5), the significance of the standardized path

coefficient of the relationships is higher than 1.96, so it can be said that all factor loadings and path coefficients of the model are significant.

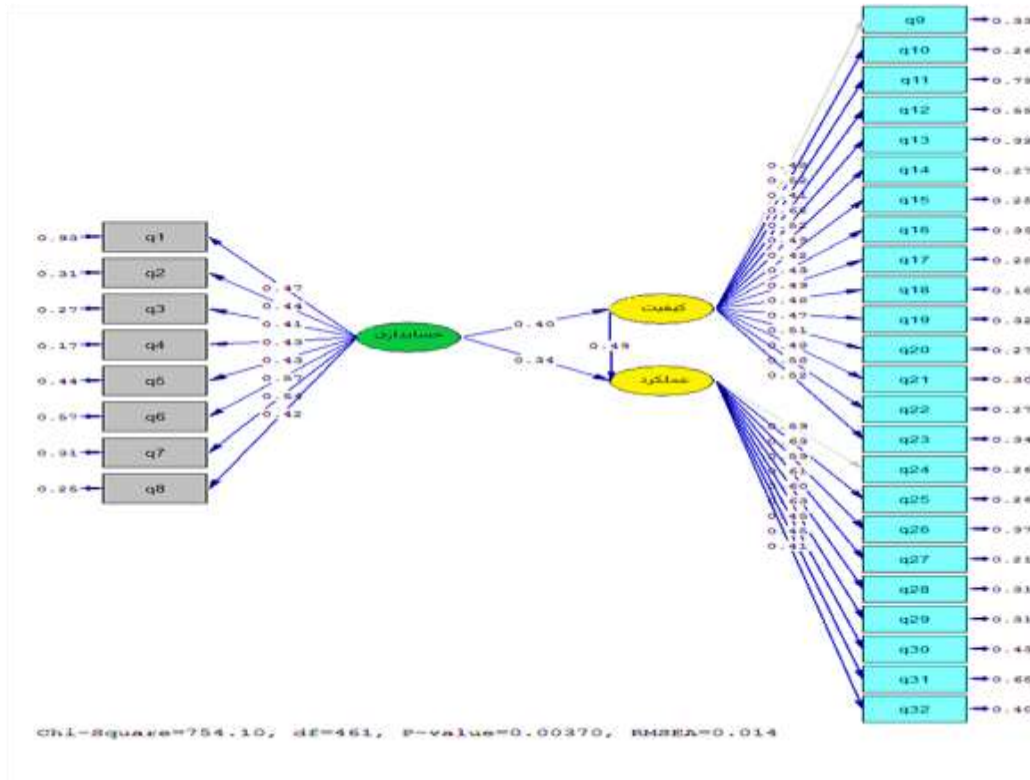


Diagram 5- The structural model of the research hypotheses in the meaningful state

Findings related to the fit indices of the conceptual model:

According to the output of Lisrel software listed in table (6), all the general fit criteria of the confirmatory

factor analysis indicate the general fit of the proposed model with the data and indicate the proper fit of the desired model.

Table 6- Examination of fit indices

Fit result	Research values	High values	proper values	Fit indices
proper fit	1/63	≤2	≤3	χ^2/df
proper fit	0/014	≤0/08	≤0/1	RMSEA
proper fit	0/90	≥0/95	≥0/9	NFI
proper fit	0/88	≥0/95	≥0/9	NNFI
proper fit	0/92	≥0/95	≥0/9	CFI
proper fit	0/90	≥0/95	≥0/9	IFI
proper fit	0/89	≥0/95	≥0/9	GFI
proper fit	0/91	≥0/9	≥0/8	AGFI

Analyzing research hypotheses

The final result of the hypothesis analyzing of this research is reported in table (7).

Table (7): The result of analyzing research hypotheses

Hypotheses	direct coefficient (significant)	Result
The establishment of accounting information system has a positive effect on the quality of financial reporting.	0/40 (11/08)	confirm
The establishment of accounting information system has a positive effect on organizational performance.	0/34 (7/71)	confirm



The quality of financial reporting has a positive effect on organizational performance.	0/49 (14/80)	confirm
The establishment of accounting information system has a positive effect on organizational performance through the mediating variable of financial reporting quality.	0/19	confirm

The mediating effect is obtained from the product of the path coefficient of the independent-mediating variable and the path coefficient of the mediating-dependent variable. According to Table 7, the establishment of accounting information system through the mediating variable of financial reporting quality has a positive effect of 0.19 on organizational performance. Therefore, the research hypotheses are confirmed.

6. DISCUSSION, CONCLUSIONS AND SUGGESTIONS

The first hypothesis: The establishment of accounting information system has a positive effect on the quality of financial reporting.

The coefficient of influence between the variable of accounting information system establishment and the quality of financial reporting is equal to 0.40 percent. So, it can be concluded that the establishment of the accounting information system has a positive and significant relationship with the quality of financial reporting because the accounting information system can ultimately help the decision makers and managers of the organization in their strategic plans by providing quality and intelligent financial reports. He said that the establishment of the accounting information system has a positive effect on the quality of financial reporting by accountants and auditors of companies admitted to the Iraqi Stock Exchange. Therefore, the first hypothesis of the research is confirmed and the opposite hypothesis is rejected.

The second hypothesis: The establishment of accounting information system has a positive effect on organizational performance.

The coefficient of influence between the variable of accounting information system deployment and organizational performance is equal to 0.34 percent. So, it can be concluded that the establishment of accounting information system has a positive and significant relationship with organizational performance. As a result, the establishment of the accounting information system has a positive effect on the organizational performance of the accountants and auditors of companies admitted to the Iraqi Stock Exchange because the accounting information system, as part of the management information system, provides the most information to the management for the implementation of tasks, which results in the implementation Tasks improve organizational

performance. Therefore, the second hypothesis of the research is confirmed and the opposite hypothesis is rejected.

The third hypothesis: The quality of financial reporting has a positive effect on organizational performance.

The coefficient of influence between the quality variable of financial reporting and organizational performance is equal to 0.49 percent. So, it can be concluded that the quality of financial reporting has a positive and significant relationship with organizational performance. Because the increase in the quality of financial reporting leads to the reduction of information asymmetry, the reduction of the possibility of wrong choice, as well as the reduction of risk, and ultimately affects the financial performance. As a result, it can be said that the quality of financial reporting has a positive effect on the organizational performance of accountants and auditors of companies admitted to the Iraqi Stock Exchange. Therefore, the third hypothesis of the research is confirmed and the opposite hypothesis is rejected.

The fourth hypothesis: The establishment of accounting information system has a positive effect on organizational performance through the mediating variable of financial reporting quality.

The effect that the establishment of the accounting information system indirectly and through the financial reporting quality variable has on the improvement of organizational performance is equal to 0.19 percent. Therefore, it can be concluded that the quality of financial reporting positively and relatively mediates the relationship between the variable of accounting information system deployment and the improvement of organizational performance. Because financial reporting, as the main product of the accounting information system and the most important source of financial information, plays an essential role in the decisions of capital market actors, and if this information is of the necessary quality, the probability of correct decisions will increase and improve organizational performance. As a result, it can be said that the establishment of the accounting information system through the quality of financial reporting has a positive effect on the improvement of organizational performance in companies admitted to the Iraqi Stock Exchange. Therefore, the fourth hypothesis of the



research is confirmed and the opposite hypothesis is rejected.

7. CONCLUSION

The developments of recent years in the field of information technology have been associated with extensive effects on accounting information systems. Few organizations or companies can be found that have not experienced the use of information systems based on modern technology. Increasing global competition and continuous changes in information processing technology, for managers and auditors responsible for implementing, creating and monitoring internal standards in the organization, challenges It creates something new. On the other hand, many organizations have found it difficult to acquire technical skills to implement policies and procedures due to rapid changes. Since the most important task of a manager is to make different decisions in different conditions, in an era where unstable competitive conditions have put a very variable environment in front of organizations, the only factor that can make the organization and managers succeed in facing these conditions is having effective and efficient information. Information that is necessary to make decisions in strategic and contingency situations. Information systems can provide such information to managers and users. Information systems have played an important role in modern organizational life and have dramatically transformed the world of business, trade and management.

The accounting process is one of the most important processes of the organization, which is managed and executed by the accounting information system. This process consists of three key functions, including the organization's data collection and storage; Accounting information processing and reporting is designed for decision-making and control environment management. In order to ensure the achievement of the goals of the organization's accounting system in the form of providing high-quality information as well as effective management of internal controls, the accounting process must respond quickly and easily to these changes, and this can be achieved through a flexible accounting information system.

In general, in this research, the impact of establishing an accounting information system on organizational performance was investigated with regard to the mediating role of financial reporting quality, and based on the results of the research, there was a positive and significant relationship between these variables. And the establishment of the accounting information system had a positive and meaningful effect on the

organizational performance, and the quality of financial reporting as a mediating variable led to the improvement of this relationship and increased the relationship between the establishment of the accounting information system and the organizational performance of the companies admitted to the Iraqi Stock Exchange. Therefore, the managers of the companies admitted to the Iraqi Stock Exchange can pay attention to the establishment of the accounting information system as well as their components and improve the quality of financial reporting by knowing the importance of each of the above variables. take more effective steps in order to improve the performance and create the conditions for improving and increasing the organizational performance of the studied companies in a favorable way.

According to the results of the analysis of the hypotheses, the following suggestions can be made:

- It is suggested that the Iraqi Stock Exchange and Securities Organization oblige companies to disclose the status of the internal audit unit for each of the internal audit quality criteria. It is important that in this regard; The disclosed criteria of each company should be fully or randomly verified. It is recommended to use the professional capacities of the Internal Auditors Association. If necessary, the approval of the law or relevant guidelines should be considered. Certainly, the transparency resulting from the disclosure of the mentioned information creates a competitive environment between companies. will be As a result, it will help to improve the quality of the internal audit unit.
- The Securities and Exchange Organization should improve the quality of the internal audit unit of the companies under supervision by strengthening supervisory tools and other appropriate mechanisms; Therefore, it is suggested to carry out the necessary researches and investigations regarding the discovery of the mentioned mechanisms.
- It is suggested that more researches be conducted regarding the identification of internal audit quality criteria for the Iraqi environment in order to help make the aforementioned criteria more valid and if necessary, modify the current criteria.
- The accounting information systems of the companies admitted to the Iraqi Stock Exchange should be able to adapt to environmental changes and have easy access to accounting information.



- In these companies, the accounting information system has the ability to integrate with the sub-accounting information systems and facilitate the acquisition of information in the functional area.
- In these companies, the information provided in the financial statements allows users to meet their expectations and then predict the future.
- In these companies, the main information of the items should be presented in the financial statements, and the information in the financial statements should include all the accounting information that affects the decisions.

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World Bulletin of Management and Law (WBML)
Available Online at: <https://www.scholarexpress.net>
Volume-13, August-2022
ISSN: 2749-3601

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