



THE IMPACT OF THE CHARACTERISTICS OF THE AUDIT COMMITTEE ON CORPORATE GOVERNANCE AND IMPROVING THE QUALITY OF FINANCIAL REPORTS: A STUDY IN THE CORPORATE DEPARTMENT

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Article history:	Abstract:
Received: September 3 rd 2022 Accepted: October 3 rd 2022 Published: November 6 th 2022	This study aimed to identify the role of the audit committee and its impact on improving the quality of financial reports, as well as its impact on the efficiency and effectiveness of the audit and the quality of information in financial reports. To achieve this goal, studies related to both governance, the audit committee, and the quality of financial reports have been extrapolated, and the characteristics of the audit committee, how it is formed, and what is the quality of financial reports and ways to measure them have been extrapolated. One of the most important results was that there is a positive relationship between the independence of the committee, scientific qualification and financial experience, and the quality of financial reports. The study concluded with a set of recommendations, the most important of which is the need to pay attention to the characteristics that must be available in the audit committee and to preserve their independence..

Keywords: Haracteristics Of The Audit Committee, Corporate Governance, Quality Of Financial Reports.

Chapter one: The general framework of the study

First: introduction

As a result of the great economic changes, and the lack of quality of published financial reports, the necessity of forming audit committees in joint stock companies in particular and individual companies in general, the characteristics, tasks and activities that are required to be available may differ from one country to another as a result of their different circumstances and according to the destination of the users of these reports, and the increased attention to the mandatory formation of registered companies and stock exchanges in order to prevent wrong practices in accounting and auditing (fraudulent reports, income smoothing, profit management) and financial collapse and scandals that have affected Major international companies have put forward this idea in order to support senior management to carry out its tasks efficiently and effectively, to strengthen the independence of the internal auditor, and to protect the impartiality of the external auditor, as well as improving the quality of the performance of the internal control system, as well as increasing the reliability of the financial statements prepared by the management and investors by raising the quality of financial information, and an essential resource that users of financial reports rely on to support their decisions, and the quality of that information has a significant and important role in the decision-making process.

Second: The problem of the study :

Audit committees are one of the mechanisms that enable management to control the quality of financial information and activate corporate governance, as activating its role in companies contributes to raising that quality, and there is no doubt that the efficient and effective performance of these committees' tasks requires the availability of several characteristics, and based on the foregoing, the basic problem can be formulated To study as follows:

-What is the role of audit committees in increasing the effectiveness of corporate governance and its impact on the quality of financial reports? From this we derive the following two questions:

-Is there a relationship between the characteristics of audit committees and activating the role of corporate governance?

-Is there a relationship between the characteristics of audit committees and improving the quality of financial reports?

Third: The aim of the study :

This study aims to achieve a main objective, which is to study and analyze the role of audit committees in increasing the effectiveness of corporate governance and its impact on the quality of financial reports by studying the reasons for increasing interest in corporate governance and highlighting the role of these committees as one of its mechanisms, and identifying the impact of these committees on increasing the quality of Financial reporting by activating the role of governance.



Fourth: The importance of the study:

The importance of the study stems from the importance of activating the role of audit committees because of their positive effects in the modern business environment, especially with the separation of ownership from management and the conflict of interests between the different parties to corporate governance and the inclusion of the different parties on their rights within the company and the importance of improving the quality of financial reports issued by the management because of this importance improving the public investment climate.

Study assignments :

The main hypothesis of the study is that there is a statistically significant relationship between the characteristics of audit committees and improving the quality of financial reports, and we derive from them the following hypotheses :

1-There is a statistically significant relationship between the independence of audit committee members and improving the quality of financial reports.

2- There is a statistically significant relationship between the financial and accounting experience of members of the audit committees and the improvement of the quality of financial reports.

3- There is a statistically significant relationship between the number of audit committees meeting and improving the quality of financial reports.

Chapter One: The role of audit committees in corporate governance

The first topic: corporate governance

Definition of corporate governance:

There have been many opinions among different writers and researchers in expressing the concept or definition of corporate governance, with their multiple interests and specializations , The Organization for Economic Cooperation and Development (OECD) defined it as "a set of relations between those in charge of the company's management, the board of directors, and other shareholders"⁽¹⁾.

Corporate governance, from an economic point of view, is, in the words of the Cadbury Committee, "the system by which companies are managed and monitored."The Cadbury Committee later developed its earlier concept of governance to give a broader understanding of legal rights and duties , Where she indicated that governance is "a tool to achieve a balance between economic and social goals and between individual and collective goals, and to achieve harmonization or approximation between the interests of individuals, companies and society as much as possible"⁽²⁾.

The Egyptian Guide to Corporate Governance defined it as "a set of foundations, principles and systems that govern the relationship between the board of directors on the one hand and the company's owners and other

parties dealing with it on the other hand, with the aim of achieving the best protection and balance between the interests of all parties"⁽³⁾.

As for the accounting and finance point of view, governance is "a tool that deals with the ways in which

Providers of financing to companies guarantee a return on their investment".

In view of the concept of governance and its multiple definitions, the term governance refers to the following characteristics :

1- Discipline: following appropriate and correct ethical behavior.

2-Transparency: presenting a true picture of what is happening.

3-Independence: that is, there are no unnecessary influences and pressures to work.

4-Accountability: that is, the possibility of evaluating the work of the Board of Directors and the Executive Management.

5-Responsibility: That is, there is a responsibility to all stakeholders in the facility.

6-Equity: that is, the rights of the various stakeholder groups in the facility must be respected.

7-Social Responsibility: That is, looking at the facility as a good citizen.

The second topic: - Audit committees

The concept of audit committees :

1- The Audit Committee is one of the modern concepts that attract the attention of many countries, given the role they play in monitoring the processes of financial reporting and disclosure to shareholders and ensuring their credibility, and in strengthening the independence of the audit process, which led some countries to issue legislation binding on their presence within companies working contribution. The idea of establishing and configuring them was proposed for the purpose of increasing the credibility and reliability of the financial statements prepared by the management for shareholders and investors⁽⁴⁾ and to support the senior management to carry out its tasks efficiently and effectively, to strengthen the independence of the internal auditor, and to protect the impartiality of the external auditor, as well as to improve the quality of the performance of the internal control system, and the subsequent raising of efficiency performance of the review process⁽⁵⁾.

The Audit Committee was defined as "one of the main committees emanating from the Board of Directors, and the main task is to verify the adequacy of the internal control system and the effectiveness of its implementation, and then make recommendations that would activate and develop the system to the Board of Directors in order to achieve the company's objectives and protect the interests of shareholders and other stakeholders with high efficiency⁽⁶⁾).

It was also defined as a permanent committee emanating from the board of directors and consisting of three non-



executive members , the committee delegates work powers in accordance with the established provisions, and also examines areas that fit its agenda.

The figure shows the importance of audit committees

external parties	internal audit	External Audit	Board of Directors
1- Increase transparency 2- Commitment to corporate governance 3- Fulfilling the requirements of the stock market	1- saving resources 2- Activate internal audit 3- increase independence	1- support independence 2- determination of fees 3- solving problems 4- Report review	1- Helping executive members. 2- Good communication between the board of directors and the external audit

The scope and functions of audit committees

The scope of work of the audit committees includes carrying out the work that enables them to achieve

Its duties include:

- 1- Study the annual and interim financial statements before approving and publishing them.
- 2- Studying the accounting policies that the company proves.
- 3- Investigate the adequacy of control activities.
- 4- Supervising the shortages related to the occurrence of fraud cases, or errors that occur in the facility, or any matter that the committee deems important about the shortage.
- 5- Study the reports and notes submitted by the chartered accountant.
- 6- The Audit Committee acts as a link between the external auditor and the Board of Directors.
- 7- Checking the independence of the internal auditors.
- 8- Ensuring the company's compliance with applicable laws and regulations.
- 9- Assistance in selecting external auditor.

Characteristics of audit committees :

The characteristics of the audit committees are as follows: (12)

- 1-Independence of members of the Audit Committee: The membership of audit committees is limited to non-executive members, as the ability of the Board of Directors to control greatly affects the degree of independence available to members.
- 2-Availability of financial and accounting competence:

The committee member is required to have financial and accounting competence due to the nature of his work in terms of supervising the process of preparing the financial statements.

3-The periodicity of the audit committee meetings: It is considered an important measure of the committee's ability to fulfill its responsibilities on the number of times the committee meets during the year, which depends on the size of its responsibilities and the nature of the circumstances in which it lives.

The third topic:- The role of audit committees in activating corporate governance

The Role of Audit Committees in Increasing the Effectiveness of Corporate Governance , the Audit Committee is one of the modern concepts that attract the attention of many countries, it is also recommended by many professional organizations to form them due to the role they play in the independence of the audit process, which led some countries to issue legislation binding on their presence within the joint stock companies operating in them.

The idea of its establishment and composition was put forward in order to increase the credibility and reliability of the financial statements prepared by the management for shareholders and investors (26)¹³ and to support senior management to carry out its tasks efficiently and effectively, to strengthen the independence of the internal auditor, and to protect the impartiality of the external auditor, as well as to improve the quality of the performance of the internal control system, and the consequent raising of The efficiency of the performance of the audit process (27)¹⁴.

The subject, in terms of its importance, formation and defining its responsibilities and duties, has attracted the attention of many professional organizations, legislative bodies and stock market regulators in developed countries to curb fraud in financial statements (28)¹⁵, especially studying its role and setting standards for its performance in strengthening the independence of the audit function, maintaining it and improving its quality. As a channel of communication between management and auditors, which ultimately leads to providing opportunities for the organization's management to implement the appropriate suggestions made by the auditor, and the consequent improvement in the quality of professional performance. In a field study conducted by John (29)¹⁶, it was concluded that 51% of the selected sample of executives in the United States of America, and 32% of the selected sample of executives in European countries emphasized the importance of the effective role of these committees in strengthening the behavior of executives. And each of (30)¹⁷ Larry & Dick adds that it should carry out the functions of supervising the external audits as well as the internal audit. Which resulted in the emergence of bankruptcies and financial failure in these countries. Audit committees shall be



formed from non-executive members of the board of directors who have competence and experience, provided that they are concerned with the following:

18(31) Examination and review of internal control procedures and ensure their effectiveness, Evaluation of administrative procedures to ensure compliance with rules and laws, Examination and review of the applied accounting policies and procedures followed in preparing the actual and estimated financial statements, Examination and evaluation of the work of the internal audit, Examination and evaluation of the work of the External Auditor and a proposal to appoint and determine his fees Verify the company's management's response to the comments and recommendations of the external auditor and the Capital Market Authority.

Chapter Two: The role of audit committees in improving the quality of financial reports

Preamble:

The financial scandals of some companies and what resulted in them led to cases of bankruptcy in the financial statements and reports due to the low quality of financial information and cases of fraud, which prompted the developed countries to seek real means in the field of activating control systems, increasing strength and improving quality, and was keen to establish audit committees Because of the importance of the role it plays in supporting the credibility of that information, increasing public confidence in reports and financial statements, and strengthening and coordinating between internal and external references and management. In this chapter, we will discuss:

The first topic: The role of audit committees in improving the quality of financial reports

The need for audit committees in joint-stock companies has become urgent due to the need for the control and audit environment to protect the interests of investors in them, and to strengthen the control structure in order to face the possibility of defects or lack of confidence in the regulatory system, and the resulting interest in the development of the stock market, which has witnessed significant growth in the volume of transactions, this necessitates the need to improve the process of preparing financial reports and to give them confidence and credibility as a basis for making an investment decision, and the financial statements are considered one of the general mechanisms as the means through which information is communicated to investors. and the obligation to implement it. Audit committees are formed with the aim of:

1-Increasing the reliability and credibility of the financial statements, ensuring the quality of information, and increasing the effectiveness of internal control systems.

2-Helping the company's board of directors to fulfill its

responsibilities, through formal channels of communication between the board's committees on the one hand, and the external and internal auditors and the internal control structure on the other hand.

3-Strengthening the independence of the audit function and improving its quality, through the nomination of external auditors who will be appointed, dismissed or changed.

4-Overseeing the internal audit function and strengthening its independence. Its objective is to supervise and follow up on all activities, draw conclusions and present its reports and recommendations to the Board of Directors.⁽³⁶⁾ The presence of the committee leads to the consolidation of the economic position by providing the rest of the board of directors with appropriate and sufficient information to improve the board's decisions in managing its affairs, It is an official line of communication between the executive and non-executive members of the board ⁽³⁷⁾ and the effects of the committees are reflected on several aspects and achieve many advantages, which are summarized in the following⁽³⁸⁾:

1-The availability of reliability and transparency in the companies' financial statements and reports supports their competitive capabilities, which is reflected in reducing costs, improving product quality, and increasing their market share.

2-Its presence in companies as one of the governance mechanisms increases their chances of increasing the export share, and thus foreign exchange earnings and achieving benefits for the national economy.

3-Its presence leads to focus on the variables affecting decision-making.

4-Increasing the confidence of dealers in the stock exchange, which is reflected in the high trading volume and stock prices.

5-Banks and corporate lenders do not require more guarantees and financing terms due to their confidence in the control environment and the credibility of financial reports.

Many countries have taken this approach. Audit committees have become one of the mainstays of the success of corporate governance ⁽³⁹⁾as they play a pivotal role, as evidenced by the following ⁽⁴⁰⁾:

1-Achieving effective coordination with external auditors by defining the scope of the audit.

2-Examining and evaluating the work of the Internal Audit Department to ensure the adequacy of their programs and evaluating the adequacy of their work team to fulfill the tasks entrusted to them.

3-Reviewing and evaluating the performance of accounts management and financial management

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The review committees are considered a good tool to achieve intellectual and cognitive mixing and convergence in a manner that is commensurate with the



Arab environment, its values, heritage and aspirations for modernization, change and positive in the economic, cultural and administrative environment. ⁽⁴¹⁾ The concept of quality must be defined. There are several concepts of quality in this field. According to the definition of (Financial Analysts Federation FAF), quality means clarity, transparency, and the availability of information in a timely manner. Accounting International Certified (AICPA). As for the Timeliness public accountant organization, the Financial Reporting Committee considers that quality is the extent to which information can be used in the field of forecasting, and its suitability for the objective. Quality is the transparent face of reports and financial statements, which reflects the nature of the organization. Nashwa⁴²

The level of quality and reliability in reports and financial statements can be evaluated by testing a set of metrics identified by Dorothy (43).

Dorothy's study concluded that there is a strong correlation between the presence of an audit committee and the level of quality and reliability in reports and financial statements. The study of Nashwa (44) indicates that the basis for quality is the availability of accounting standards, on the basis of which reports and financial statements are prepared, enabling them to make decisions.

Nashwa (45) believes that the audit committees will not greatly affect the quality of the reports and financial statements, as the tasks of the audit committees, as defined by (NYSE), (SEC) are concerned with auditing the accounting methods applied in the organization, and the audit committees do not have enough time to follow up on the details of those Reports and financial statements.

The formation of audit committees from experienced financial members can contribute to the quality of the reports and financial statements, according to the recommendations issued by the Blue Ribbon Committee emanating from The New York Stock Exchange (NYSE) of the American Stock Exchange, where the work of that committee resulted in ten recommendations, including those related to Improving the quality of reports and financial statements through full coordination between the external auditor and the audit committee (46).

In an attempt to activate the role of audit committees in improving the quality of reports and financial statements. From the foregoing, it can be said that there are different opinions about the extent of the ability of these committees. The first opinion is that the audit committees have the ability to improve the quality of reports and financial statements by ensuring the application of generally accepted accounting principles, and their ability to achieve full coordination between members of the Audit Committee and the

external auditor. This is on the one hand, and between the members of the Audit Committee and the internal auditor on the other hand, and to ensure the application of the internal control system. The second opinion is that the audit committees do not have a sufficient impact on the quality of the reports and financial statements, due to the nature of the composition of the committee and the variation in the specializations of its members, and the insufficient time they have.

Practical Side

The impact of the characteristics of audit committees and their impact on corporate governance and the quality of financial reports.... This title is a study in a sample of financial reports published by the auditors' offices in Baghdad, Karkh.

Brief summary of the research sample:

12 offices were taken from the auditors' offices on the Karkh side, and these offices were selected depending on the number of companies that these offices audit.

3-The field side.

3-1- questionnaire axes analysis

Before analyzing the questionnaire's axes, we get acquainted with the gentlemen to whom the questionnaire form was distributed to answer its axes. Sixty-one forms were distributed to a group of employees of Iraqi technical universities, including Al-Furat Al-Awsat University and its affiliated colleges. A group of job titles was selected, as shown in the table below, which includes four levels It is one of the publications of a group of accounting professors on the method of distributing the questionnaire form.

A table for introducing the questionnaire's evaluators

<p>1-career level Clerk : 4 Checker : 8 Observer : 8 Manager : 16 Accountant : 12</p>
<p>2-science qualification Secondary :10 Bachelor:14. Doctorate : 1. Diploma: 9 Master's : 4</p>
<p>3-scientific specialization Accounting : 18 Economics : 9 Administration : 11 Other : 10</p>
<p>4-Years of Experience 1-5 years : 8 6-10 years :21 11-15 years More than 15 years : 10</p>



Table No. (1) prepared by the researcher

We note from the above table, paragraph (1), that 0.083% of the study sample have a job title as an accounts clerk, 0.16% of the study sample have an observer job title, 0.16% of the study sample have an checker job title, and 0.33% of the sample members The study had a manager job title, while 0.25% of the study sample had an accountant job title, and this is another indicator to identify the extent of the use of this technology and its impact on all job level.

We note from the above table, paragraph (2), that 0.208% of the study sample members hold a secondary school certificate, 0.187% of the study sample members hold a diploma, 0.5% of the study sample members hold a bachelor's degree, and 0.083% of the sample members The study holds a master's degree, while 0.020% of the study sample hold a doctorate, and this is another indicator to identify the impact and importance of information technology for all academic qualification.

We note from the above table and in paragraph (3) that 0.375% of the study sample members are from the field of accounting, 0.229% of the study sample are from the administration, and 0.187% of the study sample belong to the economy, while 0.208% of the sample members The study is from other specialties, and this is another indication of the importance of the precise scientific competence of the employees in the Control and Audit Department and the extent to which they benefit from this technology to support their future plans to perform their assigned tasks to the fullest.

We note from the above table and in paragraph (4) that 16.666% of the study sample have work experience for a period ranging from 1 to 5 years, and that 0.187% of the study sample members have work experience for a period ranging from 6 to 10 years, and that 0.437% of The study sample members have work experience for a period ranging from 11 to 15 years, while 0.208% of the study sample members have work experience for a period ranging from 15 years or more, and this is another indication of what the technology used can offer on the control procedures, depending on what the research sample possesses. From the information and according to their years of experience, forty-nine questionnaire forms were returned from among the distributed forms, eight of which were neglected due to the lack of complete answers to all the questions

3-2-View search results :

Descriptive statistics were used to extract the arithmetic mean and standard deviation of the study questions. The results are summarized in the following tables for the research questions, which are as follows :

1-A table showing the arithmetic mean and standard deviation of the questions directed to the study sample for the first sub-hypothesis.

A table showing the arithmetic mean and

standard deviation of the questions directed to the study sample for the first sub-hypothesis

Question number	Arithmetic mean	Standard deviation
1	3.632	0.973
2	4.149	1.084
3	3.973	0.976
4	4.219	0.966
5	3.824	1.061

Table (2) prepared by the researcher based on computer outputs

From the above table, we note that the answers of the research sample are generally positive about all research questions because most of their arithmetic averages are greater than the average of the measurement tool, which is (3), so it formed the highest percentage of it (4.219), which is related to the question that says does the independence of members of the audit committees affect the Supervising and evaluating banking policies fairly, the lowest percentage (3.632), which refers to the question, does the independence of audit committee members affect the accuracy and reliability of the financial statements?, while the rest of the circles ranked according to their importance, and this indicates the stability of the first hypothesis that states **that there is a relationship between the independence of members of the audit committees and improving the quality of financial reports.**

2-A table showing the arithmetic mean and standard deviation of the questions directed to the study sample for the second sub-hypothesis

A table showing the arithmetic mean and standard deviation of the questions directed to the study sample

Question number	Arithmetic mean	Standard deviation
6	3.751	0.905
7	4.098	1.996
8	3.954	.872
9	4.127	0.958
10	3.851	1.047

Table (3) prepared by the researcher based on computer outputs

From the above table, we note that the answers of the research sample are generally positive about all research questions because most of their arithmetic averages are greater than the average of the measurement tool, which amounted to (3), so it formed the highest percentage of it (4.127), which is related to the question that says does the financial and accounting efficiency of the members of the committees affect Reviewing the appropriate selection of the accounting rules applied in the bank?, The lowest percentage was (3.751), which refers to the question: Does the financial and accounting efficiency of members of the audit committees affect the process of



preparing the financial statements for banks? the rest of the circles ranked according to their importance, and this indicates the stability of the first hypothesis, which states **that there is a relationship between the financial and accounting experience of members of the audit committees and the improvement of the quality of reports.**

3-A table showing the arithmetic mean and standard deviation of the questions directed to the study sample for the third sub-hypothesis.

A table showing the arithmetic mean and standard deviation of the questions directed to the study sample

Question number	Arithmetic mean	Standard deviation
11	4.244	0.969
12	4.022	0.872
13	3.981	1.084
14	3.081	0.902
15	3.653	.897

Table (4) prepared by the researcher based on computer outputs

From the above table, we note that the answers of the research sample are generally positive about all research questions because most of their arithmetic averages are greater than the average of the measurement tool, which is (3), so it formed the highest percentage of it (4.244), which is related to the question that says does the number of meetings of the review committees affect the number of times of meetings On the ability of the committee to fulfill its responsibilities and carry out its duties?, The lowest percentage (3.083), which refers to the question, does the number of times the audit committees meet with the directors of internal auditors and management in separate sessions to discuss issues of ethnicity affect the credibility of the financial statements? This indicates the stability of the first hypothesis which states **that there is a relationship Between the number of times the audit committees meet and improve the quality of reports**

3-Hypothesis testing :

3-3-1-The first sub-hypothesis:

There is a relationship between the independence of audit committee members and improving the quality of financial reports.

Table of results for the first hypothesis test

Calculate d T	Tabulate d T	Sig. (alpha)	Hypothesis result
5.35	3.47	0.00	Rejected

Table (5) prepared by the researcher based on computer outputs

The researcher used the statistical t-test on a set of questions related to the first hypothesis represented by

questions (1-5).

Then the researcher found that the value of (calculated T = 5.35) is greater than the tabulated t value, and also that the value of (Sig alpha) is less than (0.05).

Depending on these results and based on the decision rule, the null hypothesis adopted in the first hypothesis will be rejected and the alternative hypothesis accepted, that is, **there is a relationship between the independence of members of the audit committees and the improvement of the quality of financial report.**

3-3-2-The second sub-hypothesis:

There is a relationship between the financial and accounting experience of audit committee members and improving the quality of reports

Table of results for the second hypothesis test

Calculated T	Tabulated T	Sig. (alpha)	Hypothesis result
6.42	3.86	0.00	Rejected

Table (6) prepared by the researcher based on computer outputs

Through a set of questions related to the second hypothesis represented by (6-10), we find that the value of (calculated t = 6.42) is greater than its tabular value (tabular t), and also that the value of (alpha) is less than (0.05).

Depending on these results and based on the decision rule, the null hypothesis will be rejected and the alternative hypothesis accepted, and this means **that there is a relationship between the financial and accounting experience of members of the audit committees and the improvement of the quality of reports.**

3-3-3- The third sub-hypothesis

There is a relationship between the number of times audit committees meet and improving the quality of reports.

Table of results for the third hypothesis test

Calculated T	Tabulated T	Sig. (alpha)	Hypothesis result
4.78	3.48	0.00	Rejected

Table (7) prepared by the researcher based on computer outputs

Through the set of questions related to the third hypothesis represented by (11-15), we find that the value of (calculated t = 6.42) is greater than its tabular value (tabular t), and the value of (alpha) is less than (0.05).

Depending on these results and based on the decision rule, the null hypothesis will be rejected and the



alternative hypothesis accepted, and this means **that there is a relationship between the financial and accounting experience of members of the audit committees and the improvement of the quality of reports.**

Accordingly, through the results of testing the three sub-hypotheses, the main hypothesis proves **that there is a statistically significant relationship between the audit characteristics and the improvement of the quality of financial reports,** and this indicates that the audit characteristics lead to continuous improvement in financial reports and thus improves the quality of these reports.

Questionnaire form :

Honorable brother, dear sister I place in your generous hands the tagged research questionnaire form (the impact of the characteristics of audit committees and their impact on corporate governance and the quality of financial reports, a study in a sample of reports). Finance published by the auditors' offices in Baghdad, Karkh

So please put a tick (True) in one of the options that agree with your point of view, knowing that your answer is used for exclusive research purposes, so there is no need to mention the name and the researcher is ready to answer any questions or problems related to the conceptual aspect of the form. With respect

Researchers

Sequence	Paragraphs	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
	First: the independence of the audit committees					
1	Does the independence of audit committee members affect the accuracy and reliability of the financial statements?					
2	Does the independence of audit committee members affect investment decisions					
3	Does the independence of audit committee members affect the implementation of administrative					

	procedures and ensuring compliance with rules and laws?					
4	Does the independence of audit committee members affect the supervision and fair evaluation of banks' policies?					
5	Is the independence of audit committee members affected by the financial rewards granted by the bank or one of its subsidiaries?					
	Second: Availability of financial and accounting competencies:					
1	Does the financial and accounting efficiency of members of the audit committees affect the process of preparing financial statements for banks?					
2	Does the financial and accounting efficiency of audit committee members affect the creative application of accounting standards within banks?					
3	Does the financial and accounting efficiency of members of the audit committees affect the capital structures of the bank?					
4	Does the financial and accounting efficiency of members of the audit committees affect the appropriate selection of the accounting rules applied in the bank?					
5	Does the financial and accounting efficiency of members of the audit committees affect the integrity of the disclosure of the					



	information contained in the financial reports of the bank?				
	Third: Periodicity of Audit Committee Meetings:				
1	Does the number of audit committee meetings affect the committee's ability to fulfill its responsibilities and perform its duties?				
2	Does the size of banks and the nature of the circumstances in which they live affect the number of times the audit committees meet?				
3	Does the number of times the audit committees meet affect the evaluation of the independent auditors during their audit period?				
4	Does the number of times the audit committees meet with the directors of internal auditors and management in separate sessions to discuss relevant issues affect the credibility of the financial statements?				
5	Does determining the number of annual audit committee meetings affect the work of audit committees in banks?				

Conclusions

- 1- There is a positive effect of all study variables on the quality of financial reporting information.
- 2- Among the tasks and duties of the Audit Committee is the availability of accounting expertise and the efficiency of the Audit Committee, which was found to have no positive impact on the quality of financial reporting information.
- 3- The audit committee must have independence in order to be able to protect the independence of the external auditor and thus protect the interests of users of the information contained in the financial reports.
- 4- The audit committee is considered one of the main pillars of governance, so a clear and specific

mechanism must be established

Recommendations

- 1- The necessity of defining the concepts of independence that must be available in the members of the audit committee
- 2- The effective role of the audit committee in companies and the importance of its role in increasing the degree of confidence and credibility in the information published in the financial statements.
- 3- The Audit Committee plays a pivotal role in activating corporate governance and facing the risks it faces.

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