



Implications of achieving the quality of financial reports on the opinion of the external auditor

(An applied study on a sample of Iraqi local organizations)

Abdul Salam Abdullah Jassim
Jinan University
College of Business Administration
Mr. Dr. Qamar Mr. Ahmed
Jinan University
College of Business Administration

Article history:	Abstract:
Received: January 11 th 2023 Accepted: February 11 th 2023 Published: March 26 th 2023	This study aimed to identify the implications of achieving the quality of financial reports on the opinion of the external auditor of a sample of Iraqi local organizations According to the analytical descriptive approach and on the electronic form that was distributed to an intentional sample of (170) auditors . The most important results of the research are: the existence of a positive effect for each of the relevance, reliability, comparability, stability, and comprehensibility of the information on the opinion of the external auditor, and that local organizations contribute to providing the information that users need through financial reports that contribute to identifying the problems that the administration faces during work. In addition to assisting the administration in taking the necessary decisions to determine the need for employees and other issues, as the information obtained is returned to the decision-making centers according to their needs.

Keywords: Quality of financial reports, external auditor, auditors, Iraqi local organizations.

The introduction

Business organizations have recently witnessed an interest in the quality of financial reports, especially after the collapse of some major companies, as the quality of financial reports has a clear and important role in providing accurate information free from manipulation and bias. Nowadays, institutions have become distinguished by achieving the quality of their financial reports, and the quality of these reports has become a necessary requirement for the parties to the audit process in general and for the opinion of the external auditor in particular. That the audit process be carried out with high quality in order to give confidence to the financial statements, and the same applies to the beneficiaries, as they wish to do so in order to ensure the accuracy of the content of the financial statements and reports, and accordingly the investment decision-making process will take place

Achieving the quality of financial reports depends on the quality of information that must be appropriate, which helps the external auditor to have a clear and frank opinion, based on credibility based on evidence free of manipulation, fraud and fraud, and can be relied upon in making the right decision

Research problem

The problem of this study lies in the fact that financial reports are considered as communication tools between two parties. And the relationship between them has its implications, as the authors and issuers of these reports make it available to users who depend on their content and content, in making their economic investment decisions. This is based on the report of the external auditor, who gives his opinion in accordance with accounting standards in terms of compliance with the qualitative characteristics of the reporting information. Here, the problem of the study is embodied by answering the main question: "To what extent does achieving the quality of financial reports reflect the opinion of the external auditor

Research importance

The importance of this study appears in its ability to define the importance of achieving the quality of financial reports, diagnosing the reality of Iraqi local organizations, and evaluating the implications of achieving the quality of financial reports on the opinion of the external auditor in the Iraqi environment. Enjoy the quality of financial reports, to increase the confidence of users. In addition to the benefit of the results of the study to provide useful information about the Iraqi local organizations, for the benefit of the various users and help them in making various



economic decisions related to the organizations of the study sample, and enriching the arena with transparent and reliable data on the Iraqi local .organizations

Research objectives

:This study aims to

- 1- Identify the quality of financial reports in Iraqi .local organizations
- 2- the of each of Recognizing the effect appropriateness on the information , The reliability of the information , the comparability and stability of the information , the comprehensibility of the information , according to the opinion of the .external auditor on the Iraqi local organizations

Research hypotheses

:The research is based on a set of hypotheses

The main hypothesis: There is a significant effect of improving the quality of financial reports on the external auditor's opinion of the Iraqi local .organizations

1. The first hypothesis: There is a significant effect of appropriateness in the information on the opinion of the external auditor on the Iraqi local .organizations
2. The second hypothesis: There is a significant effect of the reliability of the information on the opinion of the external auditor on the Iraqi local .organizations
3. The third hypothesis: There is a significant effect of comparability and reliability in the information on the opinion of the external auditor on the Iraqi .local organizations
4. The fourth hypothesis: There is a significant effect of the comprehensibility of the information on the opinion of the external auditor on the Iraqi local .organizations

Research community and sample

The research community is represented by certified accountants and auditors, and the research sample consists of (109) individuals who are auditors, auditors and accountants working for them, and it is intentional in an attempt to benefit as much as possible from their points of view and obtain objective .results

Research Methodology

It relied on the analytical deductive approach in all its known and modern types, through the method of description and analysis in reviewing the literature, when dealing with the impact of the quality of the financial report lists on the opinion of the external auditor. It is based on a sample of chartered accountants , auditors , accounting experts and internal auditors.

Previous studies

1- Effect audit procedure on Quality reports Finance in institutions government in section ,Gaza2020 .

The study aimed to identify the reality of internal auditing in government institutions operating in the Gaza Strip and its impact on the quality of financial reports in government institutions, in addition to knowing the obstacles to developing internal auditing and increasing its effectiveness in achieving its objectives. The descriptive analytical approach and the inductive approach were used to draw the results and drop the recommendations. The study reached several results, including: The training of employees in internal auditing and internal control is carried out in government institutions in the Gaza Strip on a regular basis to inform them of the latest methods and techniques used in the field of auditing. And internal control in developing strategic plans for the institution. There are laws and legislations that regulate internal auditing in government institutions in the Gaza Strip.

Evaluating the role of accounting information characteristics in activating the quality .of financial reports, 2020

The study dealt with the most important main qualitative characteristics of accounting information, and its significant impact on the quality of financial reports according to the financial system. A field study was conducted on a sample of academics and professionals in the accounting field in order to investigate their opinions regarding the subject in the Algerian environment. The study has been processed By following the descriptive and analytical approach. The study concluded the following points: Economic institutions seek to provide the characteristics of relevance and reliability in light of strong competition between them, which leads to great care in the quality of financial reports. There is a direct relationship between relevance, reliability and activation of the .quality of financial reports

2- The impact of the characteristics of the audit committee on the opinion of the .external auditor, 2018

This study aimed to identify the impact of the characteristics of the audit committee on the opinion of the external auditor, an "applied study" on the banks listed on the Palestine Stock Exchange . The period from 2010-2016 AD using the logistic regression model for cross-sectional data over time, and a set of statistical methods were used that fit such relationships between the independent variables and the dependent variable by relying on the statistical .analysis program



Factors affecting audit quality from the viewpoint of external auditors, 2018

This study aimed to identify the factors affecting the quality of auditing from the point of view of external auditors. In analyzing the data, the researcher relied on the analytical descriptive approach, and designed a scientific questionnaire distributed to the study sample. The sample size was individuals. The study reached a set of results, the 52 most important of which is the existence of several factors that have a significant positive impact on the quality of auditing, including factors related to the audit office, the work team, professional competence, the academic qualification of the auditor, the availability of objectivity and independence, and factors related to audit fees.

3- Audit Committee Quality and Financial Reporting in Deposit Money Banks in Nigeria, 2021.

In this study, the researcher examined the impact of audit committee quality on the quality of financial reports of money deposit banks in Nigeria. A descriptive research was designed and secondary data taken from the annual accounts of seven financial deposit banks for a period of seven years were used to test the hypotheses of the study. Descriptive statistics, normality test, multiple linearity test, and regression analysis were used to examine the data. The study concluded that the quality of the audit committee is not a determining factor for the quality of financial reports in the financial deposit banks in Nigeria, and that capacity is of paramount importance for the appointment of members of the audit committee and advises the audit committee to always obtain sufficient information and consideration by management in decision-making.

The current study is distinguished from the previous studies that were presented in that it relied in its dependent variable on the opinion of the external auditor in the financial statements, in addition to the study community represented by local organizations in Iraq, which were not previously addressed to the knowledge of the researcher. where it rested On the opinion of chartered accountants and external auditors on the financial statements of local organizations in Iraq.

Conceptual framework for the quality of financial reports and the external auditor **Defining the quality of financial reports**

are the main outputs of any accounting system, as they summarize the financial events and operations that took place during a certain period in numbers, so their preparation is for the purpose of

decision-making, and these reports are in the form of accounting data "accounting information" (Muammar, .(p. 35 , 2015 It is defined as the communication of financial statements and related information from a) commercial enterprise to third partiesOpanyi , 2016, p: 163 . (

Financial reports have been known as one of the means by which the company expresses its activity during a specific period, and it is the final work of the accounting measurement operations during that period, and it also contributes to communicating the results of the evaluation to the concerned parties, whether they are internal, such as management and owners, or external, such as investors (Qorin). 2020, .(p. 189

The quality of the reports was also defined as the reports Finance outgoing from companies Contribute which cross on The veracity of the information own With all activities that get up with it companies in items displayed in That reports and then about prejudice And change misleading to be more benefit for my take decisions investment and a measure of nature the job organizer which you with it Enterprise and efficient And professional The ones who are in charge set up That Reports (Abu Laban, 2020, .(p. 67

The importance of quality financial reporting

The main objective of financial reports is to provide high-quality financial information related to the unit, useful in making economic decisions, and providing such information is of great importance to both investors and financial markets alike , as The information contained in the financial reports is the cornerstone on which the users of these financial reports base their decisions, and the report on high-quality information characterized by the completeness of content and transparency helps to reduce the information asymmetry between management and decision makers, especially investors, as the management of the enterprise, by virtue of its location, can access all the information it needs to make its decisions, while it is difficult for external users to obtain their information needs, which helps to reduce agency costs between the internal and external stakeholders in the facility, and also helps to reduce the cost of intellectual capital by reducing the uncertainty surrounding the risks and returns of investments. It also helps in the optimal allocation of resources by clarifying those opportunities that create value and thus increase the efficiency of the money market and increase economic growth (Al-Badri, 2016, .(p. 46

financial reporting objectives



The financial reports aim to (Ramzi, 2015, p. 44)

- 1- Providing useful information to investors, creditors, prospects, and other users, in making investment, credit, and other decisions in a rational manner, and this information must be able to be assimilated by individuals who understand commercial and economic activities reasonably, and have the desire to make an appropriate effort in studying the information
- 2- Providing information that helps investors, current and prospective creditors, and other users to estimate the amount, timing, and degree of certainty of expected cash receipts from distributions or interests, as well as proceeds from the sale, settlement, or maturity of securities or loans
- 3- Providing information about the financial position of the enterprise and its cash flows, through which useful information can be extracted for all users in making their decisions regarding their relationship with the enterprise (Al-Ghazwi, 2016, p. 56)

Characteristics of the quality of financial reports

The following are the characteristics of the quality of financial reports (Shaqfa, 2020, p. 14)

1. **Appropriateness:** The American Financial Accounting Standards Board (FASB) defined appropriate accounting information as that information that helps its users in making various decisions by predicting future events (Muhammad, p. 131). The relevance feature should include the following components: timeliness, feedback, and prediction (Al-Hayali, 2016, p. 72)
2. **Reliability:** Reliability has a special importance related to information when it is free of bias and error-free, and users rely on it as information that honestly expresses what they intend, express, or are reasonably expected to express. Useful, the information must be reliable and reliable (Abdul Aziz, and Khalil, 2018, p. 66)
3. **Comparability:** This feature enables the readers of the lists to identify the basic aspects of mastery and difference in economic phenomena as long as the aspects are not hidden by the use of asymmetric accounting methods or methods (Jiyad and Mahmoud, 2012, p. 130)
4. **Understandability of information** Understanding the accounting information in a clear and well-understood manner allows the user to benefit from it and appreciate its clarity, the clarity of what the data includes in the financial statements, and the clarity of the presentation based on the capabilities and competencies of the

users is the ability to be understood and absorbed (Al-Laith, et al., 2013, p. 109)

External Audit and External Auditor

The American Accounting Association's Committee on Auditing Concepts and Approaches defines an external auditor as essential to auditing as a systematic process of objectively obtaining and evaluating evidence regarding assertions about actions and economic events to ascertain the degree to which those assertions conform to applicable standards and to communicate the results to interested users. As a systematic process, the external auditor is a logical, purposeful, and structured approach to decision-making; It is not a random and irregular process (Al-Tamimi, 2006, p. 61)

External auditor in local organizations

The role of the external auditor enhances the credibility of management's assertions that are inherent in the financial statements and that are achieved through the collection and evaluation of audit evidence. The external auditors are placed in a position to suggest improvement in the customer accounting system and controls as well as provide ideas for improving financial planning, tax planning and clerical efficiency (Hassan, 2009, p. 77). The external auditor makes sure that the report prepared by the financial managers is in compliance with the provisions of the contracts. The external auditor's verification of the financial information adds credibility to the financial report and thus reduces information risks. It is likely to benefit both the owner and the manager (Al-Madhoun, p. 152). An external auditor is an easy way to ascertain whether the undertaking is in fact maintaining records and books of account as required by law. The personnel responsible for keeping books of accounts and other records are regular, accurate and methodical in their work. Mistakes and frauds committed by the company's employees can be detected immediately (Abu Mayyala, 2008, p. 65). An external audited account can be used to instill confidence among those who enter into any type of financial transaction with the local company or organization

any external auditors

The independence of the external auditors is crucial to ensuring the credibility of the results. However, they are subject to various threats that need to be addressed by regulators and standard-setters for the purposes of improving public perception of external and accredited audit firms. Although the independence of auditors is good for the purposes of the audit process, the critical issue is how users perceive the independence of the external auditor.



Obviously, the internal auditor is used to evaluate internal controls, they are put in a position to suggest improvement in the customer accounting system and controls as well as provide ideas for improving financial planning, tax planning and clerical efficiency however they are vulnerable to manipulation by management hence the need for external audit to add credibility to financial reports. Available studies from developing countries have identified many of the contributions of external auditing to management in financial management, and they include adding credibility to the financial reports of public companies and especially local organizations, ensuring the accuracy and validity of accounting and facilitating the identification of claims against a company or organization. (Juma, 2000, p. 70)

applied framework of the study

Data collection tool

The researcher relied on the questionnaire method as a basic tool for data collection, especially to find out the opinions and trends of the research. It includes at the beginning a description of the sample the research sample according to their personal data, and then the axes were divided according to the variables. A paragraph, and the second axis presents the paragraphs related to the dependent variable opinion of the external auditor" (23-30). It includes 8 "answers depend on the five-point paragraphs whose Likert scale. The stability of the resolution was tested

The stability of the resolution

The results in the following table show that Cronbach's alpha scored a higher percentage than the accepted percentage (0.66). Hence, it can be said that the questionnaire is stable, and the following table shows the details of the test at the level of the questionnaire as a whole and at the partial level

Table 1 The stability of the questionnaire :

Cornbach Alpha	paragraphs	variable type	variants
0.920	5-1	Sub independent	appropriateness in the information
0.880	11-6	Sub independent	The reliability of the information
0.916	16-12	Sub independent	Comparability and constancy of information
0.908	22-17	Sub independent	The comprehensibility characteristic of information
0.852	22-1	independent	Quality of financial reports
0.935	30-23	continued	The opinion of the external auditor
0.967	30-1	The general indicator of the study tool	

Demographic variables for the research sample

represented by gender, educational attainment, professional experience, and place of work will be presented to the research sample consisting of 109 students. individuals, and the following tables and figures show the distribution of the sample of participants according to their personal data

Table No 2 Distribution of sample members according to gender :

percentage	the level	variable
% 76.15	Male	gender
% 23.85	feminine	
100	the total	
77.98 %	CPA	Educational attainment
12.84 %	Masters plus CPA	
9.17 %	PhD plus CPA	
100 %	the total	
4.59 %	From 1-5 years	Professional Experience
22.94 %	From 5-10 years	
72.46 %	10 years and more	
100%	the total	
%29.36	Licensed audit firm	Workplace
%70.64	Certified accountant	



100%	the total	
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It is noted from the previous data that the male category, which represents 76.15 % percent, is more than the female category estimated at 23.85 % of the sample. It was also found that the largest percentage (77.98%) of the sample hold the CPA professional certificate As for the years of experience, it was found that (72.46%) of the sample has more than 10 years of practical experience, and that while (70.64%) of the respondents work as certified auditors

Description and analysis of field work results

1. achieving the quality of financial reports :The first axis Opinions analysis vocabulary sample about

.Table No3appropriateness in the : Descriptive analysis of the paragraphs of the first dimension : information contained in the financial reports

mattress	orientation	standard deviation	SMA	Strongly agree	I agree	neutral	I do not	Strongly disagree	Frequencies and ratios	phrase number
The organization presents the information in the financial statements in its entirety										1
4	I agree	1,057	3.89	36 33	42 38.5	16 14.7	13 11.9	2 1.8	T %	
The organization indicates any change in accounting policy										2
2	I agree	0.967	3.99	36 33	48 44	15 13.8	8 7.3	2 1.8	T %	
organization provides financial reports and presents them to its users in a timely manner										3
1	I agree	.948 0	3.99	34 31.2	52 47.7	13 11.9	8 7.3	2 1.8	T %	
Financial reports contain information that helps predict financial events related to future activity										4
5	I agree	0.938	3.83	27 24.8	49 45	22 20.2	10 9.2	1 0.9	T %	
The reports contribute to identifying the problems that management faces during work, and assist them in										5
3	I agree	0.966	3.89	28 25.7	55 50.5	15 13.8	8 7.3	3 2.8	T %	
I agree		0.849	3.91	The general arithmetic mean of the appropriateness dimension in the information included in the financial reports						

of relevance in the information included in the financial reports indicated that the dimension (3) Table achieved an arithmetic mean (3.91) of the total scale area, with a standard deviation of (0.849) , which indicates is from The point of view of the study of relevance in the information included in the financial reports that the level The organization provides financial reports and : sample . It was also found that Paragraph No. (3), which states It ranked first with an arithmetic mean of (3.99) and a standard . a timely manner in them to its users presents The financial reports contain information that helps to predict the financial events related to . (deviation of (0.948 on the lowest arithmetic mean, which amounted to (3.83) and with a standard deviation of (" the future activity . (0.983

.Table No4second dimension of the first axis : reliability of the information contained in the financial reports

mattress	orientation	standard deviation	SMA	Strongly agree	I agree	neutral	I do not	Strongly disagree	Frequencies and ratios	phrase number
The information you display is characterized The financial reports are complete , accurate and objective										1
4	I agree	0.923	3.98	33	52	14	9	1	T	



				30.3	47.7	12.8	8.3	0.9	%	
characterize The financial reports of the organization are faithful representation about economic events										
2	I agree	0.843	4.11	37	55	9	8	0	T	2
				33.9	50.5	8.3	7.3	0	%	
The accounting information contained in the financial reports faithfully reflects the operations and other events in a sound , honest manner, and is free from any intentional manipulation										
1	I agree	0.784	4.16	38	55	11	5	0	T	3
				34.9	50.5	10.1	4.6	0	%	
The organization relies on a set of control procedures to ensure the validity of data processing										
5	I agree	0.857	3.93	28	53	20	8	0	T	4
				25.7	48.6	18.3	7.3	0	%	
_ information you display The financial reports are empty _ Fundamental errors										
3	I agree	0.810	4.03	31	56	16	6	0	T	5
				28.4	51.4	14.7	5.5	0	%	
Accounting entries are supported by sufficient evidence										
6	I agree	0.816	3.96	26	61	14	8	0	T	6
				23.9	56	12.8	7.3	0	%	
I agree		0.663	4,027	The general arithmetic mean of the reliability dimension in the information included in the financial reports						

indicated that the dimension of the reliability characteristic of the information included in the (4) Table financial reports achieved an arithmetic mean (4.027) of the total scale area, with a standard deviation of (0.663) , which indicates that the level of the reliability characteristic of the information included in the financial reports High, the " which states that , (from the point of view of the study sample . It was also found that Paragraph No. (3 accounting information contained in the financial reports truthfully reflects the operations and other events in a sound ranked first with an arithmetic average of (4.16) . And with a " honest and free from any intentional manipulation , Accounting entries are : which states , (6) .standard deviation of (0.784) , on the other hand, paragraph No lowest arithmetic mean, which amounted to (3.96) and a standard reinforced by sufficient evidence " on the . deviation of (0.816)

.Table No5Comparability and reliability : Descriptive analysis of the paragraphs of the third dimension : of the information included in the financial reports

mattress	orientation	standard deviation	SMA	Strongly agree	I agree	neutral	I do not	Strongly disagree	Frequencies and ratios	phrase number
The extracted accounting information is clear and short, which helps to make comparisons between them										
5	I agree	0.924	3.67	19	50	25	15	0	T	1
				17.4	45.9	22.9	13.8	0	%	
The extracted accounting information can be used to compare the results of different years										
4	I agree	0.873	3.82	23	52	26	7	1	T	2
				21.1	47.7	23.9	6.4	0.9	%	
of the financial statements enable comparison of the actual reality with what is planned										
3	I agree	0.908	3.83	25	52	22	9	1	T	3



				22.9	47.7	20.2	8.3	0.9	%	
The comparability of accounting information in financial reports provides an increase in its efficiency and effectiveness in decision-making										
1	I agree	0.820	3.94	26	57	19	7	0	T	4
				23.9	52.3	17.4	6.4	6.40	%	
The organization relies on the same accounting procedures from one fiscal year to another when preparing financial reports										
2	I agree	0.824	3.93	26	56	20	7	0	T	5
				23.9	51.4	18.3	6.4	0	%	
I agree		0.752	3.83	The general arithmetic mean of the dimension of comparability and reliability in the information included in the financial reports						

indicated that the third dimension, comparability and reliability in the information included in the (5) Table financial reports, achieved an arithmetic mean (3.83) of the total scale area, with a standard deviation of (0.752) , which indicates that the level of comparability and reliability in the information it contains Financial reports from the point of view of the study sample . It was also found that Paragraph No. (4) , which states " the comparability of accounting information in financial reports to increase its efficiency and effectiveness in decision-making," ranked first with an arithmetic mean of (3.94) and a standard deviation of (0.820) . On the other hand, the paragraph obtained The extracted accounting information is characterized by clarity and conciseness, which : which states , (1) .No helps to make comparisons between them on the lowest arithmetic mean, which amounted to (3.67) and a standard . deviation of (0.924)

.Table No6comprehensibility of information : Descriptive analysis of the items of the fourth dimension :

matress	orientation	standard deviation	SMA	Strongly agree	I agree	neutral	I do not	Strongly disagree	Frequencies and ratios	phrase number
Financial reports provide information that helps you make decisions more mature										
6	I agree	0.892	3.96	33	46	24	5	1	T	1
				30.3	42.2	22	4.6	0.9	%	
advance m Financial reports provide clear and understandable information										
1	Strongly agree	0.625	4.21	34	65	9	1	0	T	2
				31.2	59.6	8.3	0.9	0	%	
Understanding the outputs of financial reports requires a minimum level of knowledge with its functions										
3	I agree	0.778	4.07	32	58	14	5	0	T	3
				29.4	53.2	12.8	4.6	0	%	
The more the accounting information is understandable, the more quality the financial reports will be										
2	I agree	0.685	4.11	30	63	14	2	0	T	4
				27.5	57.8	12.8	1.8	0	%	
The organization 's accounting software is presented by Dr _ Provide information in an easy, smooth and										
5	I agree	0.745	4.02	26	64	14	5	0	T	5
				23.9	58.7	12.8	4.6	0	%	
The financial statements include additional tables and graphs that allow an understanding of the financial										
4	I agree	0.726	4.03	26	64	15	4	0	T	6



				23.9	58.7	13.8	3.7	0	%	
I agree	0.617	4.06	The general arithmetic mean of the comprehensibility dimension in the information							

indicates that the information comprehensibility dimension achieved an arithmetic mean (4.06) of (6) Table the total scale area, with a standard deviation of (0.617) , which indicates that the information comprehensibility financial " Paragraph No. (2) , which states that It was also found that .level is from the point of view of the sample ranked first with an arithmetic mean of (4.21) " ,reports provide information in an understandable and clear manner Financial reports, information that helps to make more rational decisions" on the lowest . with a dispersion of (3.96) . arithmetic mean, which amounted to (3.96) , with a dispersion of (0.892)

2. the opinion of the external auditor :The second axis Opinions analysis vocabulary sample about .Table No7Descriptive analysis of the paragraphs of the second axis : the opinion of the external : auditor

matress	orientation	standard deviation	SMA	Strongly agree	I agree	neutral	I do not	Strongly disagree	Frequencies and ratios	phrase number
Organizations are obligated to disclose financial statements and reports in accordance with accounting										
5	I agree	0.828	4.02	31	56	15	7	0	T	1
				28.4	51.4	13.8	6.4	0	%	
The external auditor establishes planning, implementation and supervision procedures in accordance with										
1	I agree	0.678	4.06	26	65	16	2	0	T	2
				23.9	59.6	14.7	1.8	0	%	
The external auditor makes sure that the work done by the accountants is done in accordance with professional standards and regulatory requirements										
6	I agree	0.776	4.01	29	56	20	4	0	T	3
				26.6	51.4	18.3	3.7	0	%	
The external auditor enjoys complete independence and impartiality in his work										
2	I agree	0.652	4.04	24	66	18	1	0	T	4
				22	60.6	16.5	0.9	0	%	
The organization's management relies heavily on the external auditor's report in making its decisions										
7	I agree	0.751	3.97	24	63	17	5	0	T	5
				22	57.8	15.6	4.6	0	%	
The quality of financial reports contributes to reducing the difficulties of the external auditor profession										
3	I agree	0.679	4.04	24	68	14	3	0	T	6
				22	62.4	12.8	2.8	0	%	
The quality of the financial reports of the organization reflects realistically the reality of the organization										
8	I agree	0.775	3.86	21	57	26	5	0	T	7
				19.3	52.3	23.9	4.6	0	%	
All parties benefit from the report prepared by the external auditor										
4	I agree	0.694	4.02	24	66	16	3	0	T	8
				22	60.6	14.7	2.8	0	%	
I agree	0.606	4.00	The general arithmetic mean for the second axis: the opinion of the external auditor							



the external auditor's opinion on the quality of financial reports that the axis of indicates (7) .Table No achieved an arithmetic mean (4.00) of the total scale area, with a standard deviation of (0.606) , which indicates the external auditor's opinion on the quality of financial reports This is from the point of view of the that the level of study sample . It was also found that Paragraph No. (2), which states that " the external auditor works to establish planning, implementation and supervision procedures in accordance with the required quality standards," ranked first , (7) .with an arithmetic mean of (4.06) and a standard deviation of (0.678), and on the other hand Paragraph No which states " the quality of the organization's financial reports reflects realistically the reality of the organization," got . the lowest arithmetic mean, which amounted to (3.86), with a standard deviation of (0.775)

Hypothesis testing

First hypothesis: There is a significant impact of the appropriateness of the information on the opinion of the . external auditor

Table8 Results related to the first hypothesis :

The value of the coefficient of determination R ²	R correlation coefficient	Sig.	F value	P- Value	T value	transactions B	Sample
0.343	0.586	0.000	55,968	0.000	10,528	2,361	Constant
				0.000	7,481	0.418	appropriateness in the information

The statistical results showed that the determination coefficient(R²) for the total relevance variable in the information amounted to (0.343) so it contributes to explaining the ratio (34.3%). From the external auditor's opinion , the value has been reached F) with high significance, which means that there is an effect of ,(55.968) (appropriateness in the information on the opinion of the external auditor, and thus proving the validity of the first hypothesis. The marginal slope coefficient was also valued 0.418β₁ = This shows that whenever interest in relevance in information increases by one unit, the opinion of the external auditor changes at a rate of (0.418) , and the value of(t) Calculated (7.481) at the level of significance (0.000). What is the value of the fixed limit = 2.361 β₀ ? It . means that the opinion of the external auditor is no less important if the marginal slope value is equal to zero

The second hypothesis: There is a significant effect of the reliability of the information on the opinion of the .external auditor

Table9 Results related to the second hypothesis :

The value of the coefficient of determination R ²	R correlation coefficient	Sig.	F value	P- Value	T value	transactions B	Sample
0.533	0.730	0.000	122,146	0.000	5,334	1,314	Constant
				0.000	11,052	0.667	information reliability

The statistical results showed that the coefficient of determination(R²) for the total reliability variable in the information amounted to (0.533) so it contributes to explaining the ratio (53.3%). From the external auditor's opinion , the value has been reached F) with high morale, and this means that there is an effect of ,(122.146) (appropriateness in the information on the opinion of the external auditor, and thus proving the validity of the second hypothesis. The value of the marginal tendency of the reliability of the information (0.667β₁ = This shows that (whenever the interest in reliability of information increases by one unit, the opinion of the external auditor changes at a rate of (0.667) , and the value of(t) Calculated (11.052) at the level of significance (0.000). As for the value of the fixed limit (1.314β₀ = it means that the opinion of the external auditor is no less important if the value of the , (. marginal tendency of reliability in the information is equal to zero



third hypothesis : There is a significant effect of the comparability and reliability of the information on the opinion . of the external auditor

Table10Results related to the third hypothesis :

The value of the coefficient of determination R^2	R correlation coefficient	Sig.	F value	P-Value	T value	transactions B	Sample
0.527	0.726	0.000	119,119	0.000	8,391	1,758	Constant
				0.000	10,914	0.585	Comparability and constancy of information

The statistical results showed that the coefficient of determination(R^2) for the total variable of comparability and stability In information, it reached (0.527) , so it contributes to explaining the percentage (52.7%). From the external auditor's opinion , the value has been reachedF) and with high significance, which means the (119.119) (presence of the effect of comparability and stability In the information on the opinion of the external auditor and thus prove the validity of the third hypothesis. The value of marginal propensity for comparability and reliability was also reached in the information ($0.585\beta = 1$) This shows us that whenever the interest in comparability and stability in (information increases by one unit, the opinion of the external auditor changes at a rate of (0.585) , and the value of (t) Calculated (10.914) at the level of significance (0.000). As for the value of the fixed limit (1.758 $\beta = 0$) it means , (that the opinion of the external auditor is no less important if the value of the marginal tendency for comparability . and stability in the information is equal to zero

The fourth hypothesis: There is a significant effect of the comprehensibility of the information on the opinion of the . external auditor

Table11Results related to the fourth hypothesis :

The value of the coefficient of determination R^2	R correlation coefficient	Sig.	F value	P-Value	T value	transactions B	Sample
0.506	0.712	0.000	109,800	0.000	4,228	1,160	Constant
				0.000	10,479	0.699	Understandability of information

The statistical results showed that the coefficient of determination(R^2) for the total comprehensibility variable in the information was (0.506) so it contributes to explaining the ratio (50.6%). From the external auditor's opinion , the value has been reachedF) and with high significance, which means that there is an effect of (109.800) (comprehensibility in the information on the opinion of the external auditor, and thus proving the validity of the fourth hypothesis. The value of marginal propensity for comparability and reliability was also reached in the information ($0.506\beta = 1$) This shows us that whenever the interest in understanding the information increases by one unit, the (.opinion of the external auditor changes at a rate of (0.506)(t)Calculated (10.479) at the level of significance . As for the value of the fixed limit (1.160 $\beta = 0$) it means that the opinion of the external auditor is no less , (. important if the value of the marginal propensity for comprehensibility in the information is equal to zero

The main hypothesis: There is a significant effect of improving the quality of financial reports on the opinion of the . external auditor

Table12Results related to the main hypothesis :

transaction table Coefficients				Variance analysis ANOVA		Form summary Model summary		dependent variable
P-Value	T value	transactions β	Dimensions	Sig.	F value	coefficient of determination	R correlation	



						R2	coefficient	
.0010	3,329	0.819	fixed limit					
.3610	.9180	0.053	appropriateness in the information	0.000	47,467	0.646	0.804	The opinion of the external auditor
.0020	3,099	0.276	The reliability of the information					
.0030	3,014	0.231	Comparability and constancy of information					
.0100	2,616	0.240	Understandability of information					

statistical results showed that the determination coefficient(R2) for the total variable of improving the quality of financial reports amounted to (0.646) so it contributes to explaining the ratio (64.6 From the external auditor's opinion , the value .(% has been reachedF) and with high (47.467) (significance, which means that there is an effect to improve the quality of financial reports on the opinion of the external auditor, and thus prove the validity of the main hypothesis. The value of the marginal tendency for each of the characteristics of reliability in the information , ability For comparability and constancy in information , the property of comprehensibility in information($\beta = 0.276, 0.231, 0.240$), respectively, with significant significance This shows us that .respectively ,(0.010 ,0.003 ,0.002) the greater the interest in the characteristic of reliability in information , the portability For comparison and stability in the information , the comprehensibility characteristic of the information, respectively , by one unit, the opinion of the external auditor changes(0.276, 0.231, 0.240) .respectively ,

As for the value of the fixed limit ($1.160\beta = 0$) it means that the opinion of the external auditor is , (no less important if the value of the marginal tendency to improve the quality of financial reports is equal to . zero

He was left out After relevance in the information , there is no effect on improving the quality of financial reports within the group The value of significance is greater than the level of significance (. (0.05

Results

1. Achieving the quality of the financial reports would limit the fraud shown by the external auditor in his report and within the controls that contribute to . increasing the effectiveness in this field

- The credibility of the received data and financial reports is supposed to be characterized by objectivity and reliability, and this limits the methods of misinformation, manipulation, . corruption and financial fraud
- The importance of the quality of financial reports to the extent that they help in predicting what may happen in terms of events related to future activity in terms of identifying the problems that management faces, especially when these reports are reliable and free from any fraud, manipulation or errors, and this contributes to making .appropriate decisions in a timely manner
- Based on the quality financial reports, the external auditor carries out the necessary plans, supervision and implementation, in accordance with quality standards, after making sure that the information provided is in accordance with . professional standards
- The concerned department takes decisions based on the external auditor's report, as the quality and realism of the financial reports benefit all parties .based on the opinion of the external auditor

Recommendations

In light of the results shown by this study in both theoretical and applied aspects, some recommendations and suggestions are necessary, :including

- Paying attention to completing the Iraqi environment and examining the extent to which Iraqi local organizations are able to switch to financial reporting quality standards and benefit from the experiences of countries that have .succeeded in conforming to these standards
- Require Iraqi local organizations to apply standards International accounting , especially after the emergence of the positive effects of



these standards in improving the reports of the .external auditor and its reflection on his opinion

3. The need for Iraqi local organizations to pay attention to developments in international accounting standards and related matters in terms of disclosure and transparency in order to achieve the quality of financial reports, which gives a positive signal to investors about the validity of the external auditor's opinion and increases their .confidence in the financial statements
4. The need for Iraqi local organizations to pay attention to the quality of financial reports, to provide training courses for accountants and external auditors, and to acquire the necessary expertise in preparing and reviewing financial .statements

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