

INTERNATIONAL ACCOUNTING STANDARDS AND THEIR ROLE IN ENHANCING THE QUALITY OF INTEGRATED REPORTING FOR IRAQI COMMERCIAL BANKS (A SURVEY STUDY AT THE GULF COMMERCIAL BANK OF IRAQ)

BY

Ali Nadhem Abdulameer¹ Haider Layedh Meteab² Basimmohammedmerhej³*Al-Muthana university Al-Muthana university Al-Muthana university**Administration and economic collage Administration and economic collage Administration and economic collage***1-Abstract:**

The study examines in-depth the role of International Financial Reporting Standards (IAS/IFRS) and their applications in enhancing the quality of integrated reporting for Iraqi commercial banks. The study began by discussing the importance of adopting these standards in unifying accounting procedures and preparing financial reports according to recognized international frameworks and standards, which contributes to raising the level of transparency and reliability of financial information provided by banks.

The study indicated that the implementation of international accounting standards in Iraq was a response to several challenges, such as a lack of transparency and weak disclosure in the banking sector prior to 2003, where there were clear deficiencies in the quality of financial statements provided. With the increasing implementation of these standards, the quality of data and disclosures has improved, helping to provide more accurate and reliable reports to various users of financial reports, including investors, auditors, and other stakeholders.

The study focused on International Financial Reporting Standard (IAS) 1, one of the most important financial reporting standards, which promotes relevance, consistency, fair representation, and comparability. This enhances the quality of financial reports for Iraqi banks and more accurately reflects the reality of financial performance. The study also discussed the IFRS9 standard for financial instruments and highlighted the challenges facing Iraqi banks in implementing this standard, given its complexity and the fair value requirements for evaluating financial assets, which directly impact equity and financial statements.

Through surveys and data analysis from a sample of Iraqi banks, the study revealed that implementing these standards faces obstacles such as a lack of technical capacity and human resources, high implementation costs, and the need for support from regulatory and governmental bodies to overcome these obstacles. However, there is widespread appreciation for the motivations for adopting these standards, such as improving disclosure and transparency and helping build a strong financial reputation for banks inside and outside the Iraqi market.

Keywords: Financial instruments, Financial statements, Accounting procedures, Data quality

2. Introduction:

International Accounting Standards (IAS) are prior to the adoption of International Financial Reporting Standards (IFRS). IAS are developed and issued by the International Accounting Standards Committee (IASC) and they are still the authoritative standards for purposes of IFRS. For instance, IFRS-7 derives directly from IAS-30 and IAS-32 on how to report financial instruments, whereas IFRS-5 “Non-current Assets Held for Sale and Discontinued Operations”

derives from IAS-35 “Discontinuing Operations” (Ojo, 2012).

Integrated reporting is increasingly becoming a vital and essential requirement for organizations across the globe to thoroughly account for all of their operations, activities, and the various related economic consequences that stem from them (Nicolò et al.2023). By providing relevant, comparable, and reliable information, integrated reporting successfully presents a comprehensive view of an entity’s performance while also encouraging integrated thinking and

responsible disclosure throughout the organization. (Velte, 2022) This innovative reporting approach is evolving into a significant global phenomenon, transcending the recent focus on sustainability reporting, which aims to clearly illustrate how value is created, enhanced, or sometimes diminished by a firm over time. The task of measuring and exhibiting such complex phenomena in a transparent, coherent, and easily comprehensible manner necessitates the existence of robust standards that allow market discipline to function effectively. In this context, the International Integrated Reporting Council's (IIRC) framework, which was introduced in December 2013, serves as a crucial and fundamental standard for integrated reporting. It offers valuable and insightful guidance regarding what specific elements should be included in the content of integrated reports. By adhering to this comprehensive framework, organizations can ensure that their reporting aligns with established global best practices while also effectively communicating their impact and value creation process to stakeholders and interested parties in a meaningful way. This adherence not only enhances transparency but also builds trust among investors, customers, and the broader community, facilitating a deeper understanding of the organization's strategic objectives and long-term sustainability goals. (Ismail Hossain, 2013)

3-Research Problem:

The research problem is the challenges facing Iraqi entities in implementing International Financial Reporting Standards (IAS/IFRS). These difficulties do not exist in accomplishing the tasks set forth in this report. Despite the importance of this matter in improving transparency and accuracy in financial estimation, the practical reality in Iraq is witnessing shortcomings in its full implementation. This is due to several factors, including weak technical and administrative talent, a lack of resources, and poor organizational and legal accuracy, in addition to implementation costs. This situation leads to the submission of financial reports of lower quality in terms of integrity and transparency, which hinders the ability to attract investment due to the trust of individuals and various users of financial reports. Hence, it is impossible to research this problem, identify the influencing factors, and how to control

them and improve the quality of the integrated procedures for Iraqi banks through the effective implementation of international financial reporting.

4-Research importance:

The significance of the research lies in the fact that the implementation of International Financial Reporting Standards (IAS/IFRS) in Iraqi commercial banks is an essential tool for improving the quality and integrity of financial reporting, increasing the transparency and accuracy of financial information, which is essential for making sound financial decisions by investors and stakeholders. The research enhances understanding of the motivations for implementing these standards, such as the need to improve financial disclosure and transparency, and reveals the challenges and obstacles faced by Iraqi banks in fully and effectively implementing these standards, both technically, financially, and organizationally.

The research also highlights the importance of building human capacity through specialized accounting training and education to ensure the successful implementation of the standards. It also highlights the role of regulatory and governmental bodies in supporting this transformation, which positively impacts banks' ability to attract investment and achieve better financial stability in a changing economic environment. The research serves as an important reference for decision-makers in the banking sector and regulatory bodies to improve the quality of financial disclosure and contribute to the development of the Iraqi financial sector in line with international standards.

5-Research objectives:

- 1- A study of the role of international accounting standards in improving the quality of integrated reporting for Iraqi commercial banks, in terms of increasing transparency, accuracy, and reliability of financial information.
- 2- Analyzing the challenges and obstacles facing Iraqi banks in effectively implementing these standards.
- 3- Evaluating the impact of implementing international standards (IAS/IFRS) on the financial performance and disclosure of banks.
- 4- Providing recommendations to enhance banks' ability to implement international accounting

standards in a comprehensive manner that supports the development of the banking sector.

- 5- Enhancing the understanding of regulatory bodies and banking institutions of the importance of international standards in improving the quality of financial reporting and keeping pace with global developments.

Objectives of the research for Iraqi banks:

- 1- The research provides a scientific framework that helps banks improve their accounting and financial practices by adopting recognized international standards, which enhances the quality and integrity of financial reporting.
- 2- It contributes to raising the level of transparency and credibility in financial reporting, which enhances the confidence of investors, customers, and the public in Iraqi banks.
- 3- It provides practical solutions to overcome the challenges facing banks in implementing international standards, whether in terms of technical training or developing accounting systems.
- 4- It supports achieving better financial stability for banks through accurate and comprehensive financial reports, which contribute to attracting investments and improving banks' competitiveness in local and international markets.
- 5- It supports decision-makers in banks and regulatory bodies in developing policies and procedures that contribute to raising the efficiency of financial and accounting performance and ensuring banks' compliance with international standards.

6-Research model:

The research model in this study focuses on analyzing the relationship between the implementation of International Accounting Standards (IAS/IFRS) and the quality of integrated reporting in Iraqi commercial banks.

The model includes an independent variable, the implementation of international accounting standards, and a dependent variable, the quality of integrated reporting, which includes financial and non-financial

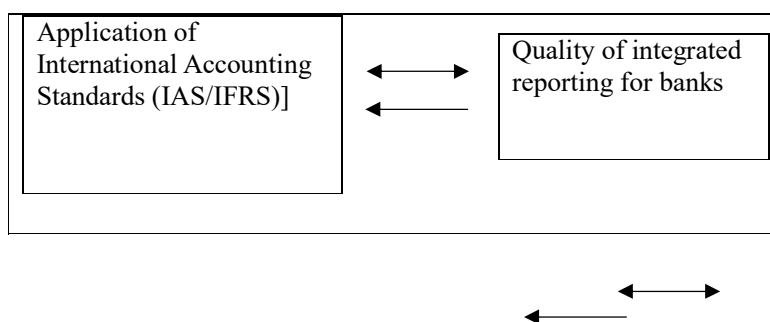
reports relevant to Iraqi banks. The model measures the impact of implementing these standards on several dimensions of integrated reporting quality, such as transparency, accuracy, comparability, and credibility.

The model also focuses on analyzing internal factors, such as the technical capabilities of bank employees, the quality of training, and regulatory and institutional challenges that may affect banks' ability to effectively implement these standards. The model also considers the role of regulatory bodies, such as the Central Bank of Iraq, in supporting the implementation of the standards and providing oversight and regulation.

Using this model, the study aims to understand the impact of implementing accounting standards on the quality of integrated reporting, as well as to identify the obstacles and facilitators that affect this implementation. This is achieved by analyzing banking data and financial performance reports using appropriate statistical methods.

This model allows us to evaluate the role of international accounting standards in developing the performance of Iraqi banks by improving the quality of integrated reporting in line with international standards and local market requirements. The research model focuses on the relationship between the implementation of International Accounting Standards (IAS/IFRS) and the quality of integrated reporting in Iraqi commercial banks. In this model, the implementation of accounting standards is the independent variable, while the quality of integrated reporting is the dependent variable. The model examines the impact of implementing these standards on aspects such as transparency, accuracy, credibility, and comparability in financial reports.

The model also takes into account factors influencing implementation, such as staff technical capabilities, organizational and legal support, and the various challenges facing Iraqi banks in implementing the standards. The model includes an analysis of statistical data and financial reports to monitor and analyze the relationship between the variables, with the aim of assessing the impact of the standards on reporting quality and enhancing the development of the banking sector in Iraq.



7-Research hypothesis :

The first main hypothesis: (H1) There is a statistically significant relationship between International accounting standards and the quality of integrated reporting for banks.

The second main hypothesis: (H2) There is a statistically significant effect between international accounting standards and the quality of integrated bank reports.

8-limitations of research :

The research limitations in studying the role of international accounting standards in enhancing the quality of integrated reporting for Iraqi commercial banks include several environmental, regulatory, and technical factors that influence the success of implementing these standards:

- 1- **Legal and regulatory determinants:** These include the development of the local accounting system, the role of oversight bodies such as the Central Bank of Iraq in supporting the implementation of standards and activating the role of the local accounting and oversight standards board, and the extent to which the unified accounting system is consistent with international standards.
- 2- **Economic, political, and social environment:** These include the stability of the economic and political environment in Iraq, which affects banks' ability to adopt accounting changes, in addition to the social and cultural influences on the implementation of standards.
- 3- **Technical and administrative capabilities:** These include the availability of qualified human resources with sufficient knowledge and experience in implementing international accounting standards, and the level of

professional training and education available to accountants and bank employees.

- 4- **Technical and organizational challenges:** These include the difficulty of implementing certain standards (such as IFRS9 for financial instruments), implementation costs, weak accounting infrastructure, and internal resistance to change.
- 5- **The level of compatibility between local accounting rules and international standards:** Banks may face difficulties in reconciling Iraqi accounting rules with international standards, which constitutes a challenge in implementation.

the research focuses on understanding their impact on the adoption and implementation of international accounting standards in Iraqi banks and the extent to which this impacts the quality of integrated reports provided to users.

Theoretical framework

1- Overview of International Accounting Standards

The International Accounting Standards Board (IASB) occupies a fundamentally important position in the intricately woven financial landscape by providing a comprehensive and meticulously detailed set of guidelines that are collectively and widely known as the International Accounting Standards (IAS). These rigorously established standards thoroughly outline the appropriate accounting treatment for a wide variety of specific transactions and significant events that various entities may encounter in their operations. Their primary objective is to promote transparency, accountability, and efficiency within financial markets on a global scale, ensuring that all entities adhere to a uniform framework that enhances the reliability and usefulness of financial information (Nurunnabi2021).

The IAS framework is specifically designed to produce general-purpose financial statements that convey at least the essential minimum information regarding an entity's financial position, performance, and cash flows in a clear, concise, and understandable manner, allowing various stakeholders to grasp the financial health of entities easily. This framework operates on the fundamental premise of going concern, which assumes that an entity will continue to operate and remain viable for the foreseeable future. This important principle underpins the entire foundation of the standards, guiding entities in their financial reporting practices (Hassan). In addition to ensuring clarity and transparency in financial reporting, the standards also aim to enhance the comparability of financial statements across different entities and sectors. This comparability is critical, as it provides extensive advantages and benefits to both businesses and investors alike. Investors can make informed decisions based on coherent and consistent financial information, which ultimately facilitates more strategic investment choices and supports better economic performance overall. Moreover, by promoting standardization, the IASB contributes significantly to effective communication among all market participants, thus fostering trust and confidence in financial markets, which is indispensable for driving sustainable economic growth in diverse sectors worldwide. (Ismail Hossain, 2013)(Ojo, 2012).

2- The Concept of Integrated Reporting

Integrated reporting is an extensive and detailed process that culminates in the creation of a concise yet cohesive communication intended to effectively express an organization's value creation journey over a significant period of time in a clear, comprehensive, and engaging manner that appeals to diverse audiences (Ribeiro et al.2024). This innovative and forward-thinking approach seeks to amalgamate a variety of crucial facets of performance—financial, manufactured, intellectual, human, social, and natural capitals—within a singular, streamlined document that effectively encapsulates all essential information. By doing so, it enhances both the breadth and depth of information available to stakeholders, providing them with a holistic view that encompasses multiple dimensions of the organization's operations and impact. The underlying objective of integrated

reporting is to facilitate a more comprehensive understanding of value generation over time, as opposed to merely relying on isolated financial metrics that can often overlook critical aspects of organizational health, sustainability, and overall societal impact (Young-Ferris & Roberts, 2023). Such inclusive integrative reporting practices are currently gaining notable prominence and traction worldwide, particularly among various sectors such as commercial banks, insurance companies, and different types of investment entities, which operate under intense scrutiny from a diverse array of interested parties seeking greater levels of transparency and accountability. This trend emphasizes the growing need for a more sophisticated form of communication that encapsulates an organization's enduring value creation narrative in a format that resonates well with both current and prospective stakeholders, ensuring that they can grasp the multifaceted contributions an organization makes to economic, social, and environmental well-being. (Gibassier et al., 2016).

4. Importance of Integrated Reporting for Commercial Banks

Reporting constitutes a vital and essential element in the realm of financial transparency, playing a decisive and crucial role in significantly bolstering the monitoring capacity of commercial banking institutions and enhancing their ability to fulfill both national and international obligations effectively (Dafe & Engebretsen, 2023). This form of detailed reporting is progressively adopted by an increasing number of Iraqi banks, driven primarily by escalating pressures from the banking sector, the Central Bank of Iraq, and the Association of Banks in Iraq. Enhanced transparency and comprehensive disclosure within financial markets generate further and substantial economic benefits for investors, while simultaneously facilitating lower funding costs for banking institutions, leading to a more favorable economic environment (Sari and Muslim2024). Linking financial performance to other overarching dimensions has a direct, positive, and beneficial impact on the financial stability of banking institutions by ensuring greater accountancy transparency, rigorous oversight, and the reliability of information provided to all stakeholders involved. Furthermore, integrated business model disclosures that vividly depict the operational manner

of the banking institution and take into account related environmental, social, and governance risks significantly augment the comparability and reliability of the information provided to institutional and retail stakeholders, as well as to customers. These disclosures support the robust functioning of financial markets and ensure a well-ordered and effective capital allocation process that ultimately contributes to the sustained development of the banking institution and the broader economy, fostering a stable and resilient financial landscape for the future. (Gibassier et al., 2016)

5. Current State of Integrated Reporting in Iraq

Integrated Reporting (IR) in Iraq is currently in its initial stages. However, it is attracting a growing level of interest from numerous companies operating within the country, especially considering its potential to promote long-term sustainability and accountability. This interest stems from an increasing recognition that comprehensive and transparent reporting practices can enhance overall corporate governance. Nevertheless, the journey toward the successful implementation of IR involves navigating numerous unresolved issues that continue to challenge organizations (Salehi et al. 2023). There remains a significant gap in detailed guidelines that can help companies move beyond basic transparency and efficiency measures to truly innovative and transformative methods of value creation. Furthermore, the pivotal and proactive roles of accountants and auditors in this process cannot be understated. Their contributions are essential, as they act as key facilitators that can drive the transition toward integrated reporting practices. Their support and engagement are crucial for ensuring that these practices are effectively adopted across different rungs of the corporate ladder. Achieving successful integration of IR necessitates a substantial alignment with the existing organizational culture (Orobia et al., 2023). Moreover, it requires the seamless integration of various information systems that can efficiently manage the diverse forms of data that companies generate. This is vital for ensuring comprehensive disclosures that meet both regulatory requirements and stakeholder expectations. Addressing these complex dynamics appears to be an essential precondition for advancing the practice of integrated reporting in the unique context of Iraq, which is still evolving in

response to global trends in corporate reporting. (Gibassier et al., 2016)

6. Challenges Faced by Iraqi Commercial Banks

Iraqi banks currently face two significant and critical barriers in adopting comprehensive integrated reporting practices that could greatly enhance their transparency and accountability. First and foremost, the Iraqi Council of Ministers has not yet issued any formal, authoritative instructions or directives that would obligate banks to provide detailed integrated reports as part of their regular reporting mechanisms. Although some pioneering banks have taken the initiative and prepare such reports voluntarily, the absence of supportive legislative measures drastically limits the potential for widespread adoption across the entire banking sector (Ahmed et al., 2024). This lack of a robust regulatory framework not only hinders progress but also creates inconsistencies and disparities in reporting practices among different banks, leading to confusion and inefficiency. Second, many Iraqi banks do not possess the necessary technological infrastructure that is essential for producing comprehensive and high-quality integrated reports. Integrated reporting requires the meticulous collection, verification, and analysis of a substantial amount of diverse and often complex data. Without adequate systems in place and the requisite expertise within their teams, banks find this intricate and multifaceted task particularly daunting, which further impedes their ability to adopt integrated reporting effectively and hampers their overall growth and development in a competitive market environment (Sabir, 2022).

7. Role of International Accounting Standards in Integrated Reporting

Integrated reporting fundamentally reshapes the landscape of traditional financial communication by seamlessly integrating both financial and non-financial disclosures. These disclosures take into account various economic, social, and environmental value streams, reflecting the multifaceted impact of organizations on multiple fronts. This integration is achieved through the application of International Accounting Standards (IAS), which serve as a robust foundational framework. This framework is crucial for measuring, aggregating, and connecting the material elements within a well-structured content framework

that organizations can adopt. The overarching goal of this approach is to provide a clear, transparent overview of an organization's strategy and how it is implemented, particularly with a focus on sustainable value creation (Hamed et al.2024). In the context of Iraqi commercial banks, there has been a notable tendency to resist the compulsory adoption of international accounting standards. This phenomenon is exemplified by the IAS/IFRS transition. The reluctance to embrace these standards often arises from various attitudinal biases among stakeholders, which underscores the critical need for disseminating best practices and relevant information. Such dissemination is essential to facilitate a smoother and more successful implementation process of these standards. While the journey toward adoption can be fraught with numerous implementation issues and challenges, it is crucial to recognize that international accounting standards significantly enhance the quality of integrated reporting. This enhancement is achieved by ensuring that the information presented is precise, transparent, comparable, and consistent across different reporting entities, thus aiding stakeholders in making informed decisions based on reliable data. (Gibassier et al., 2016) .

8. Comparative Analysis: Iraq vs. Global Practices

A comparative analysis of integrated reporting practices for Iraqi banks relative to international standards serves as a foundational tool for identifying areas of improvement and contextualizing the current state of financial reporting. This comparative approach informs an examination of the gulf between local and global practices and uncovers insights for refining integrated reporting within Iraq.

Compliance with International Accounting Standards (IAS) is essential for ensuring consistency, compliance, and quality in integrated reporting. Several Iraqi commercial banks demonstrate adherence

to IAS, and a favorable correlation exists between IAS compliance and enhanced reporting quality (Doski et al., 2013). Given IAS's capacity to facilitate integrated reporting and improve report quality, their widespread adoption is pivotal for emphasizing integrated reporting within the commercial-banking sector. Among Iraqi banks, some already implement IAS throughout their integrated-reporting processes, indicating a groundwork for broader implementation.

In a context where Iraqi banking closely parallels international norms, the impracticality of diverging from global accounting standards is evident (Ismail Hossain, 2013). Cross-border operations generate diverse reporting practices among entities; thus, adherence to IAS, especially within commercial banks, is vital to enabling effective integrated reporting and maintaining transparent financial markets.

The analytical framework

Firstly testing Reliability of the Study Scale

Before conducting the statistical tests for this study, it was important to determine the reliability of the scale used to collect data. To verify the reliability of the research instrument, Cronbach's alpha coefficient was calculated. The reliability coefficient was also determined using the questionnaire method. To verify the validity and reliability of the questionnaire, the internal consistency approach was used. While there may be no hard and fast rule for determining the Cronbach's alpha values that are considered sufficient, it appears that almost everyone agrees that for applied research, Cronbach's alpha coefficient should be at least 0.60. This criterion was met for all items of the scale, according to Table (1), as the theoretical framework of the study consists of two variables. As shown in the table below, the coding of the study's scales and the number of items for each dimension facilitates the presentation of the results.

Table (6) Cronbach's Alpha coefficient for the study scale

Variable	Dimension	The symbol	Cronbach's alpha	Number of phrases
International Accounting Standards		A	0.745	15
Integrated reporting quality		S	0.842	20

Source: Based on the results of the SPSS 24 program

Secondly. Analysis of the characteristics of the research community:

Questionnaire Distribution and Response Analysis:

We distributed an online Questionnaire to 110 people, and surprisingly, we returned 0 .

The research sample consisted of lecturers, accountant, auditors working in Iraqi universities and golf bank , and the sample size was estimated based on this.

Ultimately, we had 110 Questionnaire ready for analysis, meaning a very high response rate of 100%

1-(Gender): table 1 shows the distribution of sample members by genderWe observe from Table (1) that the sample consisted of (66) males, while the sample consisted of (44) females out of the total number of the sample, which was (110) individuals.

Table 1 distribution of sample members by gender

Gender	Frequency	Percent	Valid percent	Cumulative Percent
Male	66	66.4%	60 %	60 %
Female	44	33.6%	40%	100%
Total	110	100%		

Source : prepared by researcher .

2- academic qualification: table 2 shows the contribution to correlation researchsample.

Table 2 distribution of sample members according to academic qualification

Academic achievement	Frequency	Percent	Valid percent	Cumulative Percent
Bachelor	15	13.63%	13.63%	13.63%
Higher diploma	6	5.46%	5.46%	19.09%
Master	24	21.82%	21.82%	40.91%
Ph.D.	65	59.09%	59.09%	100%
The total	110	100%	100%	

Source: prepared by researcher.

3-years of experience: we notice from table 3 that the sample from 20-28 years of experience with 38 individuals equivalent to (34.54%) and this contributes Positively by enhancing the soundness of research.

Table 3 distribution of sample members according to years of experience

years of experience	Frequency	Percent	Valid percent	Cumulative Percent
Less than 5 years	8	7.27%	7.27%	7.27%
From 5-12 years	23	20.91%	20.91%	28.18%
From 12-20 years	22	20%	20%	48.81%
From 20-28 years	38	34.54%	34.54%	82.72%
More than 28 years	19	17.28%	17.28%	100%
The total	110	100%	100%	

Source: prepared by researcher.

4-age in years:we note from table 4 that most of the accountants and auditors that employees in Iraqi universities and golf bank are aged between (25 years and less than 32years) with 41 individuals equivalent to 38.68% of the age of the group which means that the employees of Iraqi universities have youthful energies and capable to performing challenges and complex tasks that required double efforts.

Table 4 distribution of sample members according to age

Age group	Frequency	Percent	Valid percent	Cumulative Percent
Less than 25 years old	25	22.72%	22.72%	22.72%
25 to 32 years old	36	32.72%	32.72%	55.44%
32 to 40 years old	27	24.54%	24.54%	79.98%
More than 40 years old	22	20%	20%	100%
The total		100%	100%	

Source: prepared by researcher.

Secondly: describe and diagnoses of research variables

1-Independent variable the **International accounting standards**: table 6 display the general mean, standard division and the relative importance of the employees of Iraqi universities. And golf bank through the response of the sample members, we note that the general mean was **4.6285** the standard division was **0.5385**.

Table (6): Description of the impact of International accounting standards

Seq	International accounting standards	General mean	Standard division	Answer level	Relative importance
1	Contributing to improving the relevance and quality of financial reports and statements	4.2157	0.7647	V .good	8
2	Improving the levels of disclosure and transparency in the outputs of the accounting system	4.3533	0.7853	V .good	5
3	Trusting the source of transparency and openness	3.8625	0.9003	good	13
4	Share financial reporting standards to improve the reliability and trustworthiness of financial reporting for all beneficiaries	4.4863	0.5535	V .good	3
5	Improving the level of accuracy, speed and completeness in the information available to the beneficiaries	3.6652	0.7933	good	14
6	Completing financial reports easily and quickly	4.1469	0.8675	V .good	10
7	The application of financial reporting standards helps to increase the use of information in financial statements	4.3992	0.6379	V .good	4
8	Contributing to the improvement of the possibility of comparison between financial reports for the adoption of unified and agreed accounting standards	4.1148	0.9212	V .good	9
9	Contributing to the development and building of an attractive exploitation climate for foreign and regional investments	4.2891	0.7337	V .good	7
10	There is a quick response to meet the goals of international accounting	4.5735	0.836	V .good	2
11	Improving the decision maker's ability to compare the financial information of the commercial expenses	4.6285	0.5385	V .good	1
12	Strengthening the ability of the beneficiaries to understand the financial reports of the economic unit	3.5873	1.2122	good	15
13	Contribute to improving the ability of all beneficiaries of financial reports to make decisions	3.9726	0.9974	good	11
14	The availability of the upper management of international accounting requirements	3.8487	0.961	V .good	12
15	Help to adapt financial reporting standards in enhancing the reliability of financial data information, which increases the ability to understand	4.3166	0.7093	V .good	6
For all dimension		4.1649	0.4448	Very good	

Source : prepared by researcher based on the output of (spss.v.27)

2-the dependent variable : is **The impact of accountants' expectations on their knowledge of blockchain** table 7 display the General mean Standard division ,Relative importance of the variable Professional Ethics in Accounting through the response of the research sample members , we noted that the general mean 3.98387 , the standard division 0.834443 and the relative importance 78% .

Table (7): Description theQuality of integrated reporting for banks

Seq	Quality of integrated reporting for banks	General mean	Standard division	Answer level	Relative importance
1	Management tends to highlight its role in serving social and environmental issues in integrated reports.	4.1194	0.66131	good	14
2	Management reflects its relationships with stakeholders through the information disclosed in integrated reports.	4.0597	0.82089	good	16
3	The code of professional conduct influences the quality of integrated reports.	3.7478	0.84548	good	20
4	Integrated reports identify risks and opportunities that affect the economic entity's ability to generate value .	4.5781	0.59637	V.good	4
5	The quality of integrated reports enhances stakeholders' ability to mitigate decision-making risks.	4.6331	0.67423	V.good	2
6	The quality of integrated reports helps stakeholders identify risks and opportunities and the effectiveness of internal controls.	4.4909	0.68723	V.good	6
7	The quality of integrated reports contributes to assessing the impact and future prospects of risks from the stakeholders' perspective..	4.4588	0.64448	V.good	8
8	Management maintains consistency in disclosing the relative importance of uncertainties in integrated reports	4.5964	0.55348	V.good	3
9	Management's procedures include identifying internal risks, which enhances the quality of integrated reports.	4.4863	0.55342	V.good	7
10	Management's disclosure procedures lead to increased clarity and a lack of tolerance for uncertainties in integrated reports.	3.9267	0.90778	good	19
11	Management ensures that the potential impact of anticipated risks and uncertainties is included in integrated reports.	4.6331	0.48308	V.good	1
12	Management assumes its responsibility for internal controls to protect the interests of others in the uncertainties of integrated reports.	4.1928	0.65785	good	10
13	Inherent uncertainty risks are a persistent threat that can only be completely eliminated through the use of integrated reporting .	4.3212	0.72964	V.good	9
14	Integrated reporting reflects the board's vision in light of the objectives set for the business unit.	4.0000	0.95523	good	17
15	When setting objectives, management plays a role in assessing the business environment within integrated reporting.	4.0873	0.73537	good	15
16	The board of directors defines the business model in light of the anticipated future interests within the business environment within integrated reporting.	3.9359	0.79487	good	18
17	The board's vision is integrated into its relationship with stakeholders when preparing integrated reporting.	4.1285	0.79285	good	13
18	Management is concerned with defining strategy, risks, opportunities, and performance in light of its	4.1698	0.65368	good	11

	objectives disclosed in integrated reporting.				
19	Management's communication with stakeholders is based on loyalty and protection when preparing integrated reporting.	4.1423	0.71388	good	12
20	Integrated reporting enhances confidence in the financial statements through the data disclosed in integrated reporting .	4.5139	0.55342	V.good	5
	For all dimension	4.2610	0.39246	V.good	

Source : prepared by researcher based on the output of (spss.v.27)

Third testing research hypothesis :

1: Testing the First Main Hypothesis:

The simple Pearson correlation coefficient will be used to test the first main hypothesis regarding the relationship between the independent variable (international accounting standards) and the dependent variable (the quality of integrated banking reports). To assess the strength of the correlation coefficient, it will be evaluated based on its division into five categories, as shown in Table ():

Table () Interpretation of the simple Pearson correlation coefficient

Interpretation of the Correlation Relationship	Correlation Coefficient Value
No correlation	$r = 0$
Perfect positive or negative	$r = \pm 1$
Weak positive or negative	$(0.30 - 0.00) \pm$
Strong positive or negative	$(0.31-0.70) \pm$
Very strong positive or negative	$(0.71-0.99) \pm$

Source : Saunders, M., Lewis, P., & Thornhill, A. (2009). " Research methods for business students " 5th ed , Pearson Education Limited : Prentice Hall , England , P.459.

The correlation table will include correlation values that prove the relationship at a significance level of (0.01), i.e., with a confidence level of (99%).

The first main hypothesis: (H1) There is a statistically significant relationship between international accounting standards and the quality of integrated bank reports.

The results of Table () reveal a strong, positive, and significant correlation between the international accounting standards variable and the quality of reports, with a correlation ratio of (0.628**). This confirms the basis of the relationship and the correlation between the two variables at the level of the study sample banks at a significance level of (0.01).

Based on the above, this relationship can be interpreted as the adoption by the management of the banks in the research sample of these standards in their banking operations, in terms of their interest in improving levels of disclosure and transparency in the outputs of the accounting system and the preparation of financial reports. This is to enhance the reliability of financial reports for all beneficiaries, as well as the accuracy, speed and completeness of information, as well as the rapid response to achieve international accounting objectives. This, in turn, will lead to improved procedures and dimensions of the quality of integrated reports in the banks under study. Based on the above, the validity of the first main hypothesis was proven.

Table() Correlation Test (Simple Pearson's R value)

		International Accounting Standards	Integrated reporting quality
International_Accounting_Standards	Pearson Correlation	1	.623**
	Sig. (2-tailed)		.000
	N	115	115

Integrated_reporting_quality	Pearson Correlation	.623**	1
	Sig. (2-tailed)	.000	
	N	115	115
**. Correlation is significant at the 0.01 level (2-tailed).			

2. Testing the second main hypothesis:

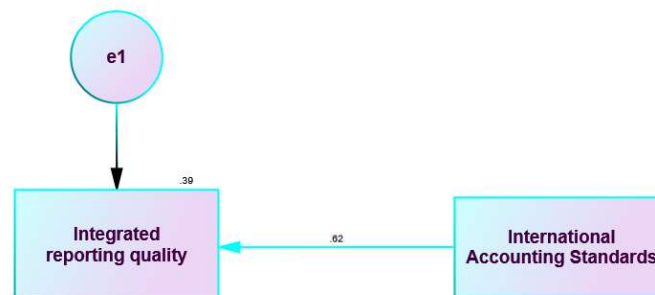
Modern research relies on structural equation modeling (SEM) to assess the influence of variables. This advanced technique identifies the level of direct influence, visualizes relationships in models that specify the type and direction of relationships between independent and dependent variables, and estimates direct, indirect, and interactive effects:

The second main hypothesis (H2) states that there is a statistically significant effect between international accounting standards and the quality of integrated reports in banks. Figure () illustrates the extent of the influence of the international accounting standards variable as an independent variable on the quality of integrated reports as a dependent variable at the level of sample responses in the research sample banks, it is evident that there is a statistically significant effect of the international accounting standards variable on the quality of integrated reports, as the standardized effect ratio reached (0.62), indicating that the international accounting standards variable affects the quality of integrated reports by (62%) at the level of the research sample banks. This indicates that a change of one unit deviation from international accounting standards in the banks under study will lead to a change in the quality of integrated reports by (62%). This value is considered statistically significant because the critical ratio (C.R.) according to Table () reached (8.500), which is highly statistically significant.

Figure () shows that the coefficient of determination (R^2), which expresses the amount of explanation or explained variance, reached a value of 0.39. This value indicates that approximately 39% of the changes occurring in the dependent variable, the quality of integrated reports, can be explained or attributed to changes in the independent variable, namely international accounting standards. This conclusion is based on an analysis of the responses collected from the banks that comprise the research sample.

In contrast, the complementary percentage of the coefficient of determination is 61%. This percentage demonstrates and reflects the presence of other factors and variables, in addition to international accounting standards, that effectively and significantly contribute to changes occurring in the quality of integrated reports. In other words, there are factors that were not considered or included in the current research, but they play an important role in determining the level of quality of integrated reports.

Given what was analyzed and explained previously, we can conclude and prove the validity of the second main hypothesis proposed at the beginning of the research. This hypothesis assumes the existence of a significant influence relationship between international accounting standards and the quality of integrated reports, which is confirmed by the results of the analysis of the coefficient of determination and its complementary ratio.



Figure() Test the effect relationship

Table () Regression weights for testing the effect relationship

PATH		Estimate	S.E.	C.R.	P
Integrated reporting quality	<--- International Accounting Standards	.616	.072	8.500	***

Conclusions:

The main conclusions of the research on "International Accounting Standards and Their Role in Improving the Quality of Integrated Reporting for Iraqi Commercial Banks" are :

- 1- International Financial Reporting Standards (IFRS) are an essential tool for improving the quality of integrated reporting, as they ensure transparency, reliability, and comparability in financial statements .
- 2- International standards contribute to supporting integrated thinking within banks by linking financial performance with environmental, social, and governance (ESG) factors, enhancing the ability to demonstrate long-term value creation.
- 3-Sustainability disclosure standards (IFRS S1 and IFRS S2) contribute to integrating non-financial information into primary financial reports, supporting integrated reporting and enhancing its credibility with investors and regulators .
- 4- Iraqi commercial banks benefit from adopting international standards by improving their credit profile, increasing their attractiveness to foreign investors, and enhancing their access to global financial markets .
- 5-Iraqi commercial banks face challenges in implementing these standards in the Iraqi context, such as a lack of technical expertise, weak digital infrastructure, and a lack of awareness of the importance of integrated reporting. However, these challenges can be overcome through training and organizational support .
- 6-Integrated reporting based on IFRS is more comprehensive and accurate, enhancing stakeholder confidence and supporting sound economic decision-making .
- 7-The transition to integrated reporting is not just about compliance; it represents a strategic opportunity for Iraqi banks to improve governance, increase operational efficiency, and build a sustainable competitive advantage .

Recommendations:

The main recommendations of the research on "International Accounting Standards and Their Role in Improving the Quality of Integrated Reporting for Iraqi Commercial Banks" are :

- 1- Iraqi commercial banks should fully and effectively adopt International Financial Reporting Standards (IFRS) to ensure financial reporting is consistent with international practices and enhance transparency and reliability.
- 2- Gradually implement the Integrated Reporting Framework (IRF), by integrating financial information with environmental, social, and governance (ESG) aspects into consolidated annual reports .
- 3-Adopting Sustainability Disclosure Standards (IFRS S1 and IFRS S2) to standardize and improve the quality of disclosures related to climate risks and environmental performance, in line with international expectations of investors and regulators.
- 4-Providing specialized training programs for accountants and auditors in Iraqi banks, focusing on understanding and applying international standards and integrated reporting, in collaboration with professional bodies such as accounting and auditing bodies.
- 5-Supporting the Central Bank of Iraq and regulatory authorities to implement these standards by issuing clear instructions, providing incentives for compliant banks, and setting a timetable for transitioning to integrated reporting .
- 6-Banks invest in digital systems to manage financial and non-financial data, facilitating the collection and analysis of information required for integrated reporting, and ensuring its accuracy and reliability .
- 7-Promoting a culture of integrated thinking within banks by linking financial performance to sustainability and enhancing transparency in communication with stakeholders .
- 8-Conducting periodic assessments of the quality of integrated reporting to identify gaps and continuously improve performance in the areas of financial disclosure and sustainability .

9-Enhancing cooperation with international institutions and global experts to exchange knowledge and transfer best practices in the field of integrated reporting .

10-Publishing pilot integrated reports by leading banks to serve as a model for others to follow .

References :-

- 1- A Abdurazzak, E. (2013). The perception of Iraqi people on the Malaysian Islamic Banking System. [\[PDF\]](#)
- 2- Ahmed, D. M., Azhar, Z., & Mohammad, A. J. (2024). The Role of Corporate Governance on Reducing Information Asymmetry: Mediating Role of International Standards for Accounting (IAS, IFRS). *Kurdish Studies*. [researchgate.net](#)
- 3- Ali Awad, S. (2018). The Impact of Accounting Disclosure on the Efficiency of Investment Decisions in Sudanese Banks (2007 to 2017). [\[PDF\]](#)
- 4- Alkali Mohammed, Y. & Asma Lode, N. (2015). The Value Relevance of Accounting Disclosures among Nigerian Financial Institutions after the IFRS Adoption. [\[PDF\]](#)
- 5- Barghathi, Y., Collison, D., & Crawford, L. (2017). Earnings management in Libyan commercial banks: perceptions of stakeholders.. [\[PDF\]](#)
- 6- Dafe, F. & Engebretsen, R. E. H. (2023). Tussle for space: the politics of mock-compliance with global financial standards in developing countries. *Regulation & Governance*. [wiley.com](#)
- 7- Doski, S., Marane, B., & Asaad, Z. (2013). Analyzing Growth Strategies of Banking Sectors: A case study on Kurdistan International Bank. [\[PDF\]](#)
- 8- Ebrahim, S. (2017). The relevance of integrated reporting for companies to attract investors within the construction sector in the KZN region. [\[PDF\]](#)
- 9- Gibassier, D., Rodrigue, M., & Arjaliès, D. L. (2016). From Share Value to Shared Value: Exploring the Role of Accountants in Developing Integrated Reporting in Practice. [\[PDF\]](#)
- 10- Hamed, A. F., Hassan, H. M., Mohammed, M. T., & Hatem, F. (2024). Advanced Theories in International Accounting Standards. *Journal of Ecohumanism*, 3(5), 281-292. [researchgate.net](#)
- 11- Hassan, H. H. (). ... of the basic concepts of financial accounting between the updated unified accounting system (2024) and international accounting and financial reporting [researchgate.net](#). [researchgate.net](#)
- 12- Ismail Hossain, M. (2013). Compliance of Corporate Governance of the State Owned Commercial Banks : An Empirical Study. [\[PDF\]](#)
- 13- Lai, A., Melloni, G., & Stacchezzini, R. (2018). Integrated reporting and narrative accountability: the role of preparers. [\[PDF\]](#)
- 14- Maleki, A. & Rahimi, F. (2013). XBRL and its impact on internationalization of Iran capital market. [\[PDF\]](#)
- 15- Nicolò, G., Zanellato, G., Tiron-Tudor, A., & Tartaglia Polcini, P. (2023). Revealing the corporate contribution to sustainable development goals through integrated reporting: a worldwide perspective. *Social Responsibility Journal*, 19(5), 829-857. [emerald.com](#)
- 16- Nurunnabi, M. (2021). Disclosure, transparency, and international financial reporting standards. In *International Financial Reporting Standards Implementation: A Global Experience* (pp. 199-311). Emerald Publishing Limited. [\[HTML\]](#)
- 17- Nwobu, O. (2016). The Relationship between Corporate Sustainability Reporting and Profitability and Shareholders Fund in Nigerian Banks. [\[PDF\]](#)
- 18- Ojo, M. (2012). The need for global adoption and adaptation of International Financial Reporting Standards (IFRS): post Enron consequences and the restoration of confidence to capital markets following the 2008 financial and stock market crises. [\[PDF\]](#)
- 19- Orobias, L., Nturaninshaba, R., & Bananuka, J. (2023). The association between accountant's competences, organisational culture and integrated reporting practices. *Journal of Financial* [uncst.go.ug](#)
- 20- Ribeiro, C. D. M. D. A., Ezequiel, F., Perez Zotes, L., & Vieira Neto, J. (2024). Nonfinancial value creation of integrated reporting. *Journal of Financial Reporting and Accounting*, 22(3), 677-700. [\[HTML\]](#)
- 21- Sabir, R. A. (2022). ... Reporting Standards (IFRS) to Encourage International Investments

- in the Kurdistan Region-Iraq: An applied study on a sample of banks listed in the Iraqi Academic Journal of Nawroz University. [semanticscholar.org](https://www.semanticscholar.org)
- 22- SafriHaliding, S. (2014). The Critical Aspect on Fair Value Accounting and Its Implication to Islamic Financial Institutions. [\[PDF\]](#)
- 23- Salehi, M., Ammar Ajel, R., & Zimon, G. (2023). The relationship between corporate governance and financial reporting transparency. Journal of Financial Reporting and Accounting, 21(5), 1049-1072. [\[HTML\]](#)
- 24- Sari, R., & Muslim, M. (2024). Corporate transparency and environmental reporting: Trends and benefits. Amkop Management Accounting Review (AMAR), 4(1), 1-18. stieamkop.ac.id
- 25- Shamim Hossain, M. & Alim Baser, A. (2011). Compliance of IAS-30: A Case Study on the Specialized Banks of Bangladesh. [\[PDF\]](#)
- 26- Üç, M. & Haxhiraj, E. (2015). The Perceptions on IIA's Standards and Internal Audit Quality: Evidence from Albania Banking Industry. [\[PDF\]](#)
- 27- Velte, P. (2022). Archival research on integrated reporting: a systematic review of main drivers and the impact of integrated reporting on firm value. Journal of Management and Governance. [springer.com](https://www.springer.com)
- 28- Watkins, J. (2012). Converging transnational financial reporting standards: Validating the joint FASB/IASB concept of information quality. [\[PDF\]](#)
- Young-Ferris, A. & Roberts, J. (2023). 'Looking for something that isn't there': a case study of an early attempt at ESG integration in investment decision making. European Accounting Review. [ssrn.com](https://www.ssrn.com)