

Transparency of Financial Reporting According to the S&P500 Indices and its Implications for Accounting Information Risks - Evidence from the Iraq Stock Exchange

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ABSTRACT. The current research aims to test and analyze the relationship between the level of transparency of financial reporting and the risks of accounting information for a sample of private commercial banks in the Iraq Stock Exchange. The transparency of financial reporting was assessed using the S&P500 indices, and the level of accounting information risk was evaluated using the S&P500 indices, representing fragmented and reduced risks. Unanswered information within the S&P500 indices' requirements consists of 98 conditions. To achieve the research objectives and test its hypotheses, the applied approach was used to evaluate the research variables in a sample of commercial banks listed on the Iraq Stock Exchange, which amounted to (10) selected banks for the period (2016-2021). In comparison, the inferential statistical method was used to test and analyze the research hypotheses using Excel and SPSS26 programs. The research reached a set of conclusions, the most important of which was the low level of transparency in private commercial banks, especially in the two main categories of (S&P500) indicators: ownership structure and shareholder rights, and the board of directors and management procedures, as both had the largest share of risks, which indicates a high risk of accounting information. The research concluded with several recommendations, the most important of which was working to oblige banks to expand disclosure and work with the mechanisms of S & P500 indicators and apply them annually to follow up on the level of transparency development in them to reduce the risks of accounting information.

Keywords: Transparency, S&P500, Accounting Information Risks Financial Reports

(JEL) Classification : D81,M41, G32.

1. Introduction

With the development and complexity of the business environment, the cases of uncertainty widened, and the volume of accounting information risks increased due to the spread of misleading and fraud in the announced financial statements and the asymmetry in that

information. This led to an increase in the demand for transparency of financial reports, which prompted many international economic and professional organizations to issue many regulatory and indicative indicators in the field of transparency, including the S&P 500 transparency indicators. However, the scope of the S&P500 study project focused on disclosing individual items; It did not seek to assess the overall quality of the information provided, nor was it intended to determine any legal disclosure that might be incorrect or fraudulent. As the S&P500 measure is based on the information disclosed in vital public documents, It did not include all types of disclosure for the facility. It did not require companies to measure requirements that were not disclosed and were neglected by the measurers. Therefore, this measure established the inevitability of the emergence of risks in accounting information. In less than five years of its use, spread, and reliance on it in measuring transparency, the global crisis occurred in 2008 due to focusing on the accounting form in financial reports without checking its content. It became necessary to examine the content and impact of the (S&P500) transparency scale and to discover its determinants and the consequent risks in accounting information. Therefore, the research problem is based on the practical aspect of the following central question: Is there a relationship and impact of the transparency of financial reporting measured according to the 500 S&P indicators on the risks of accounting information in commercial banks, the research sample?

Thus, the research aims to test the relationship and the effect of transparency of disclosure according to the 500S & P indicators on the risks of accounting information for commercial banks, the research sample. Therefore, the importance of the research is embodied in contributing to the measurement of information risks resulting from the use of the 500S&P scale for transparency of the financial reports of Iraqi private banks listed on the Iraq Stock Exchange in its three main categories, resulting from the use of the scale in a negative way so that some of the requirements are neglected (or not answered).) as well as not verifying the validity of the data relied upon in the measurement.

In light of this, the following central research hypothesis was adopted: "There is a relationship and a statistically significant effect of the transparency of accounting disclosure measured through the S&P500 in the accounting information risk variable measured by the adoption of the S&P500 indicators and in the presence of the controlling variable represented in the size of the bank." In order to achieve the goal of the research, the applied approach was adopted in evaluating and analyzing the main research variables based on the financial reports of the commercial banks, the research sample, and the Iraq Stock Exchange bulletins. As well as the statistical inferential approach in testing and analyzing research hypotheses by adopting inferential statistical analysis tools.

In this context, you have dealt with the research subject through four main axes, the first of which dealt with the methodological introduction. In contrast, the second dealt with the theoretical review of the research variables and their relationships in the light of previous studies, while the third axis dealt with the evaluation of the research variables and testing its hypotheses, while the last axis dealt with the most significant conclusions and recommendations that were made reach it.

2. BACKGROUND

According to Banerjee et al. (2015), investors demand transparency of disclosure, objectivity, and credibility of presentation in order to enable them to estimate the risks and benefits that their investments will obtain and that financial reports containing transparency in the content of their disclosure have a positive impact on the reputation and performance of the enterprise, as "transparency is a significant driver For the company's reputation, "transparency has multiple benefits, the most prominent of which is a high value in the business world. Zeratul et al. (2015) indicated that transparency in accounting disclosure is

of high value in the business world due to its positive effects on companies' performance (according to Shaban (2015)). These companies that fail to meet transparency requirements face a loss of investor confidence. Banerjee et al. (2015) believe that it is a significant driver of the company's reputation, while Banerjee et al. (2015) indicated that transparency is a means to gain investor and lender trust and that financial reports contain transparency. In the content of its disclosure, it has a positive impact on the reputation and performance of the establishment. It is reflected in the accounting information if it is comparable, understandable and accessible promptly. Al-Ardi (2021) believes that Transparent accounting disclosure represents a powerful tool to reduce the level of accounting information asymmetry between management and investors in particular, as well as the positive effects on the investment community in general with its various parties. Disclosure of financial information helps make investment and lending decisions when it is an honest and relevant representation. By decision, it is often disclosed at a minimum and in the manner and image that management desires to achieve the interests of one party without the other party, so there is a gap and asymmetry in information. According to Nichita & Vulpoi (2016), transparency reduces that gap. It reduces information asymmetry between market participants, Insiders and non-insiders, and the need for transparency in disclosure to provide excellent and valuable data for decision-making in estimating the risks facing the enterprise and the stakeholders of shareholders and lenders. It represents a lack of good, timely data and systems to capture, report and measure the correct information

2. Literature Review

2.1 S&P500 Transparency Indexes

Patel & Dallas (2002) believes that the Standard & Poor study on transparency and Disclosure is the first pioneering study that brought the scale into practice. It was the basis on which the S&P measure of transparency was built, which is a special assessment of several types of Disclosure for more than 1500 companies to evaluate the practices of Disclosure and transparency, as the study identified 98 items (indicators) for Disclosure. However, the study focused specifically on annual reports as a significant corporate disclosure source. We believe that the reason for this is that the annual report is the only means considered one of the most important reports prepared by companies and is the focus of the disclosure index because the annual report is generally considered one of the most important sources of information for the company. In contrast, Knutson (1992) believes that the annual report is The main document and every other financial report is in some respects subordinate to it. Botosan (1997) indicated that annual reports are the primary communication tool available to companies. According to Al-Karawi (2019), annual reports are a significant source of information and of great importance to investors, and their accuracy gives excellent reliability. When disclosed.

Patel & Dallas (2002) also believes that one of the advantages and improvements of the scale is that it is possible to repeat the measurement of companies' disclosure levels annually according to the requirements of the scale for comparison purposes. The S&P study is based on the information disclosed in key public documents; It does not include all the different types of company disclosures that may exist, nor does it include fair value measurement. Patel & Dallas (2002) believe that there is an increasing focus on conflicts of interest facing external auditors who act, on behalf of shareholders, in the audit process. On the other hand, They look to management to generate consulting fees.

2.2 Accounting Information Risks

According to TD (2016), obtaining information is vital for investors to assess expected risks and direct their investment opportunities by making investment decisions. Quality information often leads to lower levels of uncertainty and more efficient capital allocation to encourage economic growth. Nichita & Vulpoi (2016) believe that not all information

has the same amount of importance, or the same ability to influence, as its use may result in risks affecting the decision-making process, which is reflected in the generation of other risks resulting from mismanagement associated with decision-making, as well as the risks of accounting information. There is a gap in the information between its compilers on the one hand and its users of stakeholders on the other hand (the understanding gap and the information asymmetry gap). Al-Zaki (2019) indicated that the information gap indicates that the disclosed accounting information is insufficient for the information users. The researchers gather on a group. One of the risks of accounting information, and both (Tan et al. (2017) believe that false information can be sent intentionally to mislead in many cases, while managers may withhold their. Siegel & Marconi (1989) and Al-Zanki (2019) agree that the sender of information may report intentionally false information resulting from reporting information inaccurately or through complete information systems.

John (2021) believes that mistrust of information establishes an information gap: Managers express varying degrees of trust when asked about the security of their information. They often need clarification, but Moumen et al. (2015) indicate that this lack of clarity means incomplete information, which makes shareholders and stakeholders unwilling to trust managers and the company.

Diamond & Verrecchia (1991) comment by saying: Information asymmetry: Asymmetry is related chiefly to disclosure, mainly with a decrease in accounting information asymmetry between its compilers and users, while Marco & Marco (2018) believe that information asymmetry is not limited to The asymmetry between management and investors, but another type is added to it, which is the asymmetry of information between large and small investors. Nichita & Vulpoi (2016) indicate that managers' reluctance to disclose some private information leads to the imposition of a monopoly cost and thus puts the enterprise in A negative attitude; if it is leaked or obtained for a cost, then the cost of capital will increase, while Ahsan (2005) believes that information about the enterprise affects the cost of capital (information risks are priced) and those risks cannot be diversified. Semper & Beltrán (2014) believe) Information risks are one of the categories of accounting information that suffer from deficiencies in disclosure, and according to Abdullah et al. (2015) as it is considered to have a positive impact on the company's value and reputation by improving its practices for disclosing its risks. Mer & Cheng (2021) Information risks, through the language in which the financial reports were written, so I resorted to textual analysis and that the appropriateness of the overall information risk value cannot be observed statistically unless the distinction is made in the way it was written. Kothari et al. (2009) have that information risks are increasingly crucial in traditional accounting information. They do not consider the appropriateness of the value of the disclosure method, while Kieso et al. (2020) believe that the use of enterprises is the classic method of managing profits, as they resort to reducing current profits in order to increase income. In the future. Earnings management in this way will distort the information, resulting in information risks that negatively affect the quality of the profits.

2.3 Transparency According to S&P500 Indices and Accounting Information Risks

According to Abu Khazana (2009), every piece of information was not disclosed; It causes risks of relative importance because unavailable information cannot reduce uncertainty. Disclosure of all indicators reduces information risks, narrows the information gap between management and stakeholders regarding uncertainties, and helps better evaluate the company's performance. Instead, it raised all the indicators related to performance and evaluation from the model. Saadawi and Al-Saadi (2020) believe that the S&P500 indicators used in measurement (with a high percentage of information) are cut off, especially in Iraqi and Arab studies. The percentage of bias in the measurement is due to the one who performs the measurement process (the accountant) because he uses the measurement system

incorrectly or exaggeratedly due to poor experience or error in the application. It is considered a (major characteristic) of the qualitative characteristics of accounting information, while Al-Khader (2016) believes that blocking some of the indicators causes a defect in the measurement used. It results in risks associated with weighing the information that makes up the scale. The withholding of some of the indicators intentionally or unintentionally establishes the bias and lack of objectivity of the person making the measurement. "With bias, there is no impartiality and the description of the information presented through personal intervention in determining the results of the measurement process through subjective judgments and uncertain possibilities of occurrence, and according to Benedict et al. (2015), any attempt to reduce the disclosure of risks related to information will make what the facility provides more complicated, It must be more transparent to enable investors to obtain more information to make informed decisions. Aksu & Kosedag (2006) indicate that transparency of disclosure is an important and influencing factor on the firm's attractiveness to investors, as it reduces the information gap and reduces asymmetry (and thus enhances investor confidence). on their investments) as well as being a vital element in corporate governance. Semper & Tirado (2014) confirm that professional organizations and much literature need to disclose information risks, as disclosing those risks reduces the uncertainty that investors perceive.

3. Methodology

3.1 Applied study methodology and tools

The research deals with the following variables within the framework of the applied side: The first primary variable (independent): Transparency in light of the S&P500 indices: The level of transparency will be measured through the S&P500 indices, which is a digital measure for measuring the transparency of companies traded in the financial markets of Standard & Poors. It consists of three main categories. The first main category: is related to ownership concentration, voting procedures and shareholder meetings; It includes (28) indicators; The second main category: is financial transparency and disclosure of non-financial information: it includes indicators: concentration of work, presentation of accounting policies, details of accounting policies, subsidiaries and transactions with related parties, and information about auditors; It includes (35) indicators and the third main category: the structure of the board of directors, the training and rewards of board members, and compensation for implementation and evaluation; It also includes (35) indicators (Patel & Dallas, 2002, p. 19). The measurement is carried out in three stages: (1) at the level of sub-indicators, (2) at the level of the main categories, and (3) at the level of the sample. The second primary variable: is accounting information risks: information risks are extracted from what was used from the S&P500 indices and are represented in each item that was not disclosed, neglected, or not included in the measurement, and the ratio of the total risks for the undisclosed items to the total indices according to the formula Below, see the percentage of new information to the total S&P500 indices. Which will be calculated by applying the following equation:

$$\frac{(\text{Disclosed Non-Index Total})}{(\text{S\&P Indices Total})} \times 100 = \text{Information risk due to lack of transparency}$$

The controlling variable (bank size) (BSIZE): Many variables have a modulating or controlling effect when evaluating the relationship between the variables of transparency, the risks of accounting information, and the value of the establishment. The quality of accounting information or its impact on the firm's market value. Drainage size was chosen as a control variable to indicate its effect on the results. As large banks have significant accounting variables such as enormous book value and large profits, it is crucial to control the difference in the size of banks. The control variable will be measured by the natural logarithm of the bank's total assets at the end of the year (Mohammadi, 2012).

After evaluating the variables and their descriptive analysis using descriptive statistical analysis tools and data quality testing, the research turns to experimental tests of the relationship between research variables using inferential statistical analysis tools. As the standard multiple regression will be used using the (EViews) program, given that the data used in the analysis is of the type of sectional data (Panel Data), the research hypothesis will be tested, as the multiple regression equation was used to show the extent of the effect of transparency in light of the S&P500 indices on the risks of accounting information. Therefore, the following statistical model was formulated:

$$\text{AIR}_{it} = \beta_0 + \beta_1 \text{TRA}_{it} + \beta_2 \text{SIZE}_{it} + \varepsilon_{it}$$

whereas:

β_0 : the magnitude of the constant.

β_2, β_1 : the coefficients of the two variables expressing transparency and the size of the bank as a control variable.

TRA: It expresses the level of transparency measured by the S&P500 indices.

SIZE: expresses the size of the bank as a control variable and is measured by the natural logarithm of the size of the bank's assets at the end of the year.

ε : is the random error in the model.

As for the tools used to obtain data from the field of study, which is the commercial banks listed in the Iraq Stock Exchange, the reports of the Board of Directors, and the annual financial reports of the research sample banks listed in the Iraq Stock Exchange were used for the period of the research (2011-2021).

The local commercial banks were chosen as a sample for the research, and (25) local commercial banks represented them. This is because the local commercial banks are the largest (10) companies in terms of shares traded in the Iraqi market. Furthermore, those banks have a rate of change (+ 81.6%) from their last census in the annual report for the year 2020. Furthermore, the banking sector is the largest locally. Its turnover is the highest among sectors, as it amounted to (127.8 220) million dinars in the reports of the third quarter of 2021, out of the total circulation of (966.4 237) million dinars, i.e. (92.5%) of all trading and for all sectors, which is a very high percentage of the total trading value in the Iraq Stock Exchange. The research sample was selected according to a set of determinants, the most prominent of which is the continuity of trading the shares of the Commercial Bank during the research period (2016-2021) and the non-stop trading of its shares for all or part of the period for a period not exceeding six months. The availability of an integrated, consistent, symmetrical and uninterrupted data series for each selected bank. Moreover, they are similar in the application of accounting standards, noting that the selected banks applied (IFRSs) according to the requirements of the Central Bank of Iraq starting from the fiscal year (2016). According to these conditions, the selected research sample that fulfilled the above conditions reached (10) banks out of the total number of local commercial banks, amounting to (25).

3.2 Evaluating the Level of Transparency Through (S&P500) Indices.

The axis deals with collecting and analyzing the results of the total indicators for the three main categories, which total (98) indicators, and calculating the arithmetic mean and standard deviation for each sample bank.

Table1: The overall results of the transparency indicators for the Ashur Bank for the period (2016-2021)

	2016	2017	2018	2019	2020	2021	
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	7	7	1	9	13	13	
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	13	17	15	20	20	20	
Total Board and Management Transparency Indicators (out of 35 indicators)	9	10	0	10	11	13	year average
Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	29	34	16	39	44	46	34.67
The arithmetic means of the transparency indices.	0.30	0.35	0.16	0.40	0.45	0.47	0.35
The standard deviation of the transparency indices	1.705	2.064	1.482	2.385	2.599	2.690	2.15

It is noted from Table (1) above that the general average of the transparency of the Ashur Bank for the period (2016-2021) is (34.67) and that the average of the averages has reached (0.35), which represents the rate of the bank's response to the requirements of transparency according to the S&P500 indices, and that the general average of the standard deviation values of the averages It is (2.15), which indicates the dispersion of the indicators' values from their arithmetic mean. It also indicates that the best level of transparency achieved for the Ashur Bank was in 2021, with an arithmetic mean of (0.47), as the highest transparency index for the Ashur Bank was (46) disclosures in 2021. The lowest level of disclosure was (16) in 2018 (in order to summarize its disclosure based on the auditor's report for that year). The general average of the bank's transparency was (34.67), while the mean of the averages was (0.35), which represents the degree of the bank's response to transparency, and the standard deviation represents a minuscule difference and dispersion is (1.482) in 2018. The average general deviation was (2.15).

Table2: The overall results of the transparency indicators for the Bank of Baghdad for the period (2016-2021)

	2016	2017	2018	2019	2020	2021	
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	6	6	13	14	14	14	
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	13	14	21	21	21	21	
Total Board and Management Transparency Indicators (out of 35 indicators)	10	9	12	13	13	14	year average

Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	29	29	46	48	48	49	41.50
The arithmetic means of the transparency indices.	0.30	0.30	0.47	0.49	0.49	0.50	0.42
The standard deviation of the transparency indices	1.723	1.735	2.717	2.817	2.814	2.862	2.44

It is clear from the above table that the highest transparency index in the Bank of Baghdad is (49) disclosures in 2021, and it is the highest disclosure among Iraqi banks along with the National Bank of Iraq, and the lowest level of disclosure was (29) in 2016 and 2017. The general mean of transparency for the Bank of Baghdad was (41.50), and the mean of the averages was (0.42), representing the extent of the bank's response to the requirements of transparency. As for the standard deviation, it was (2.44).

Table 3: The overall results of transparency indicators for the Commercial Bank of Iraq (2016-2021).

	2016	2017	2018	2019	2020	2021	
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	5	5	9	11	13	14	
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	14	19	20	20	20	20	
Total Board and Management Transparency Indicators (out of 35 indicators)	4	6	1	9	9	10	year average
Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	23	30	30	40	42	44	34.83
The arithmetic means of the transparency indices.	0.23	0.31	0.31	0.41	0.43	0.45	0.36
The standard deviation of the transparency indices	1.518	2.031	2.171	2.428	2.522	2.611	2.21

It is noted from the above table that the Commercial Bank of Iraq achieved the highest indicators of transparency in 2021, reaching (44) disclosures, and the lowest level of disclosure was (23) in 2016. The general average for the period from 2016 to 2021 was (34.83), and the mean arithmetic score is (0.36), which represents the degree of the bank's response to the transparency indicators, while the general average of the standard deviation was (2.21).

Table 4: The overall results of transparency indicators for Khaleeji Commercial Bank for the period (2016-2021)

	2016	2017	2018	2019	2020	2021	
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	5	6	12	13	13	13	
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	13	14	21	22	22	22	
Total Board and Management Transparency Indicators (out of 35 indicators)	9	10	11	11	12	12	year average
Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	27	30	44	46	47	47	40.17
The arithmetic means of the transparency indices.	0.28	0.31	0.45	0.47	0.48	0.48	0.41
The standard deviation of the transparency indices	1.634	1.788	2.627	2.761	2.799	2.799	2.40

The above table shows that the highest transparency index for Gulf Bank was (47) disclosures in 2020 and 2021, and the lowest level of disclosures was (27) in 2016. The overall average of transparency was (40.17), and the average of the averages (was 0.41), which represents the bank's response to transparency. As for the general mean of the standard deviation, it was (2.40).

Table 5: The overall results of the transparency indicators of the Investment Bank of Iraq for the period (2016-2021)

	2016	2017	2018	2019	2020	2021	
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	2	7	9	10	13	13	
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	7	19	20	20	20	20	
Total Board and Management Transparency Indicators (out of 35 indicators)	3	9	2	9	9	10	year average
Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	12	35	31	39	42	43	33.67
The arithmetic means of the transparency indices.	0.12	0.36	0.32	0.40	0.43	0.44	0.34
The standard deviation of the transparency indices	0.753	2.191	2.176	2.385	2.522	2.559	2.10

The above table shows that the highest transparency index was (43) disclosures in 2021 and the lowest level was (12) in 2016. The overall average of transparency for the investment bank was (33.67), and the average of the averages is (0.34) representing the bank's response to transparency, while the general average for the standard deviation was (2.10).

Table 6: The overall results of the transparency indicators for the Middle East Bank for the period (2016-2021)

	2016	2017	2018	2019	2020	2021	
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	1	7	9	10	13	13	
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	0	17	18	18	18	18	
Total Board and Management Transparency Indicators (out of 35 indicators)	0	9	2	8	8	10	year average
Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	1	33	29	36	39	41	29.83
The arithmetic means of the transparency indices.	0.01	0.34	0.30	0.37	0.40	0.42	0.30
The standard deviation of the transparency indices	0.083	2.018	1.993	2.180	2.329	2.404	1.83

As for the Middle East Bank, the results showed that the highest transparency index was (41) disclosures in 2021, and the lowest level of disclosures was (1) in 2016 because what was published in the financial reports is only one page stamped with the bank's seal. As for the general mean of transparency, it was (29.83), and the mean of the mean was (0.30), which represents the bank's response to transparency. As for the general mean of the standard deviation, it was (1.83).

Table 7: The overall results of the transparency indicators for the National Bank of Iraq for the period (2016-2021)

	2016	2017	2018	2019	2020	2021
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	7	7	13	14	14	14
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	13	14	21	21	21	21

Total Board and Management Transparency Indicators (out of 35 indicators)	12	10	12	13	13	14	year average
Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	32	31	46	48	48	49	42.33
The arithmetic means of the transparency indices.	0.33	0.32	0.47	0.49	0.49	0.50	0.43
The standard deviation of the transparency indices	1.881	1.823	2.717	2.817	2.814	2.862	2.49

The results of the National Bank of Iraq show that the highest index of transparency is (49) disclosures in 2021, and it is the highest disclosure among Iraqi banks and the Bank of Baghdad. The lowest level of disclosures was (31) in 2017, and the general average of the bank's transparency was (42.33). The average of the averages (0.43) represents the bank's response to transparency, and the general average of the standard deviation was (2.49).

Table 8: The overall results of the transparency indicators of Al-Mansour Investment Bank for the period (2016-2021)

	2016	2017	2018	2019	2020	2021	
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	3	9	9	11	13	13	
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	6	17	18	18	19	19	
Total Board and Management Transparency Indicators (out of 35 indicators)	3	9	2	9	9	10	year average
Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	12	35	29	38	41	42	32.83
The arithmetic means of the transparency indices.	0.12	0.36	0.30	0.39	0.42	0.43	0.34
The standard deviation of the transparency indices	0.697	2.094	1.993	2.265	2.442	2.481	2.00

The results of Al-Mansour Bank show that the highest index of transparency was (42) disclosures in 2021 and the lowest level of disclosures was (12) in 2016. The general average of transparency for Al-Mansour Bank was (32.83). The average of averages is (0.34) and represents the bank's response to transparency, while the average general standard deviation was (2.00).

Table 9: The overall results of the transparency indicators for the Sumer Commercial Bank for the period (2016-2021)

	2016	2017	2018	2019	2020	2021	
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	2	7	9	10	13	13	
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	6	16	17	17	17	17	
Total Board and Management Transparency Indicators (out of 35 indicators)	3	9	2	9	9	10	year average
Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	11	32	28	36	39	40	31.00
The arithmetic means of the transparency indices.	0.11	0.33	0.29	0.37	0.40	0.41	0.32
The standard deviation of the transparency indices	0.663	1.934	1.902	2.137	2.289	2.330	1.88

It is clear from the above results of Sumer Bank that the highest index of transparency was (40) disclosures in 2021 and the lowest level of disclosures was (11) in 2016. The general average of transparency of Sumer Bank was (31.00), and the mean average (0.32) represents the bank's response to transparency. The general mean of the standard deviation was (1.88).

Table 10: The overall results of the transparency indicators of the United Investment Bank for the period (2016-2021)

	2016	2017	2018	2019	2020	2021	
Total indicators of ownership structure transparency and shareholder rights (out of 28 indicators)	3	9	9	11	13	1	
Total indicators of transparency of financial and non-financial information (out of 35 indicators)	7	15	15	15	16	6	
Total Board and Management Transparency Indicators (out of 35 indicators)	3	9	2	9	9	1	year average
Total indicators of the transparency of the Ashur Bank (out of 98 indicators)	13	33	26	35	38	8	25.50

The arithmetic means of the transparency indices.	0.13	0.34	0.27	0.36	0.39	0.08	0.26
The standard deviation of the transparency indices	0.783	1.934	1.725	2.033	2.215	0.575	1.54

The results of the United Investment Bank show that the highest indicator of transparency is (38) disclosures in 2020, and in 2021 only (4) pages of the third quarter report for the year 2021 were submitted. It was approved, and the lowest level of disclosures was (13) in 2016, and the average general transparency was (31.00), the mean of the means was (0.26), and the general mean of the standard deviation was (1.54).

In summary, the results of the transparency indicators for all banks can be shown according to the averages of the main categories of the research sample through Table (11) below.

Table 11: The general average of the transparency indicators of the banks, the research sample, according to the S&P 500 indicators

Bank	Average transparency of ownership structure and shareholder rights	Average transparency of financial and non-financial information	Average board and management transparency	averages
Ashur International Investments	8.50	18.00	7.50	11.33
Baghdad Bank	11.17	18.50	11.83	13.83
Iraqi Commercial Bank	9.50	18.83	6.50	11.61
Gulf Commercial Bank	10.33	19.00	10.83	13.39
Iraqi Investment Bank	5.83	17.67	5.83	9.78
Middle East Bank	8.83	14.83	6.17	9.94
The National Bank of Iraq	11.50	18.50	12.33	14.11
Mansour Investment Bank	9.67	16.17	7.00	10.95
Sumer Commercial Bank	9.00	15.00	7.00	10.33
United Bank for Investment	9.67	12.83	5.67	9.39
The overall average for the three groups	9.4	16.933	8.066	11.47

standard deviation	1.58477	2.35959	2.56839	
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From the above table, it is clear that the transparency of disclosure in Iraqi private banks is concentrated in the second category, which includes (concentration of work, presentation of accounting policies, details of accounting policies, structure and transactions of related parties, and information about auditors), which derives most of its information from the auditor’s report, so it was recorded A general average of (16.933), which is the highest disclosure, ahead of the first category, which averaged (9.4), and the third category, which reached (8.066). As for the standard deviation, the information was less dispersed and less divergent in the first category, as it reached (1.58477), which is the lowest in the second category, amounting to (2.35959), and the third amounting to (2.56839). As for the average results for the banks of the research sample, it was as follows: The three best banks in terms of the average averages of the main categories (Al-Ahly Bank of Iraq, Bank of Baghdad, and Khaleeji Commercial Bank), as their results were respectively (14.11, 13.83, 13.39).

3.3 Evaluating and analyzing information risks considering the S&P500 indicators

The measured transparency results were examined and reviewed to show transparency indicators and information that were not disclosed or neglected and excluded, representing incomplete information that reflects the degree of information risk in light of the S&P500 indicators scale as the disclosed indicators were subtracted from the total requirements of each main category to extract the indicators that were not disclosed or neglected and that constitute information risks in light of the S&P 500 indicators.

It is evident through the comparison in terms of the relative importance that the three best banks in terms of transparency of disclosure according to the S&P500 indicators in the research sample were respectively (Al-Ahly Bank, Bank of Baghdad, and Gulf Bank) and their results were, respectively (42.33, 41.5, 40.17). Accordingly, the standard deviation extracted from the square root (Var variance) supported the results of the risk examination under the indicators of the original model of the S&P500, so the results for the first three banks were the least dispersed with the National Bank of Iraq with a value of (0.0587), and with the most minor risk indicators as It reached (55.67), and the highest transparency, as its arithmetic mean among Iraqi private banks for 6 years reached (42.33), followed by the Bank of Baghdad with a standard deviation of (0.0589), and risk indicators that are higher than the National Bank and less than other banks, as it reached (56.05), And the second highest average of transparency among Iraqi private banks, as its arithmetic mean reached 6 years (41.50), and the third rank in terms of relative importance was the Khaleeji Commercial Bank with a standard deviation value of (0.0598), and risk indicators are higher than Al-Ahly Bank and Baghdad and less than other banks, as It reached (57.83), and the second highest average of transparency among Iraqi private banks, as its arithmetic mean for 6 years reached (42.33).

3.4 Test the Normal Distribution of the Data

The test for the normal distribution of data is vital in determining the type of statistical test. When the data distribution is expected, the test is parametric. When the distribution is abnormal, the test will be nonparametric, as the applicability of the parametric test is for variables only. while the nonparametric test applies to both variables and traits. Therefore, the normal distribution was tested with two tests, the Kolmogorov-Smirnov test and the data nature test, the Shapiro-Wilk test, and the test results were as shown in the following table (12).

Table 12: Tests for the normality of the research variables

No.	Variables	Kolmogorov-Smirnov			Shapiro-Wilk		
		Statistic	df	Sig	Statistic	df	Sig
1	TR (S&P ⁵⁰⁰)	.128	60	.08	.924	60	.06
2	AIR (S&P ⁵⁰⁰)	.097	60	.200	.922	60	.06

It is noted that all the variables that were tested under (Kolmogorov-Smirnov and Shapiro-Wilk) tests were at a significant level higher than the approved level of significance (0.05). This confirms that these variables are distributed normally and fulfil the condition of the parametric test on the variables.

The following is a test of the research hypothesis of the relationship between the transparency of accounting disclosure measured through the S&P500 and the accounting information risk variable as a dependent variable in the presence of the controlling variable represented in the size of the bank according to the following statistical model:

$$AIR_{it} (S\&P500) = \beta_0 + \beta_1 TR_{it} (S\&P500) + \beta_2 BSIZE_{it} + \epsilon_{it}$$

Table (13) shows the results of the association test between the model variables and the following:

Table 13: Tests for the normality of the research variables

		AIR S&P ⁵⁰⁰	Tran S&P ⁵⁰⁰	B size
Pearson Correlation	AIR S&P ⁵⁰⁰	1.000	-.970	-.213
	Tran S&P ⁵⁰⁰	-.970	1.000	.203
	B size	-.213	.203	1.000
Sig. (1-tailed)	AIR S&P ⁵⁰⁰	.	.000	.051
	Tran S&P ⁵⁰⁰	.000	.	.060
	B size	.051	.060	.

There is a correlation between information risks under the S & P500 (AIR), and the level of transparency measured through the S & P500 indicators (Tran) reached (-0.970), which is a strong inverse relationship. There is also a correlation between information risks under the S&P500 and the size of the bank, which amounted to (-0.213), which is a weak, inverse and non-significant relationship, as the calculated level of significance reached (0.051), which confirms that accounting information risks are adversely and weakly affected by the size of the establishment. That is, the larger the establishment's size, the fewer information risks are not significant.

While the value of (R²) amounted to (0.941), and the value of (Adj.R²) amounted to (0.939), which confirms that the independent variable represented (transparency measured through the S&P500 indices and with the size of the bank as a control variable) explains approximately (94%) From the change in the dependent variable (the risks of accounting information measured according to the (S&P500) indices). This indicates that the risks of accounting information result mainly from the lack of transparency in accounting disclosure. While the results of the ANOVA analysis of variance indicate that the value of (F) reached (452.114) with a significant level of (0.000), which confirms the significance of the model used and the presence of an effect of the independent variables (the level of transparency measured through the S&P500 indices and the size of the bank as a control variable) on the dependent variable (risk Accounting information in light of the S & P500 indices). The results of the regression equation, which show the following results, as shown in Table (14):

Table 14: The results of the regression equation coefficients for the model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.355	1.138		5.584	.000
	Tran S&P ⁵⁰⁰	-.983	.034	-.966	-29.337	.000
	B size	-.051	.098	-.017	-.518	.606
a. Dependent Variable: AIR S&P ⁵⁰⁰						

It is clear from Table (24) that the coefficient of influence of the independent variable (transparency under the S&P500) on the dependent variable (accounting information risks under the indicators (S&P500) reached (-0.983) with a significant level (0.00), which confirms that transparency explains (98%)) from the change occurring in one unit of the change occurring in the risks of accounting information, while the coefficient of the effect of the variable controlling the size of the bank was (-0.051) with a significant level of (0.606), which is not significant.

In light of the above results, the model equation becomes according to the following formula:

$$[AIR]_{it} = 6.355 - 0.983 [TRA]_{it} - 0.051 [Bsize]_{it}$$

The graph shows the normal distribution of the model data, as shown in Figure (1):

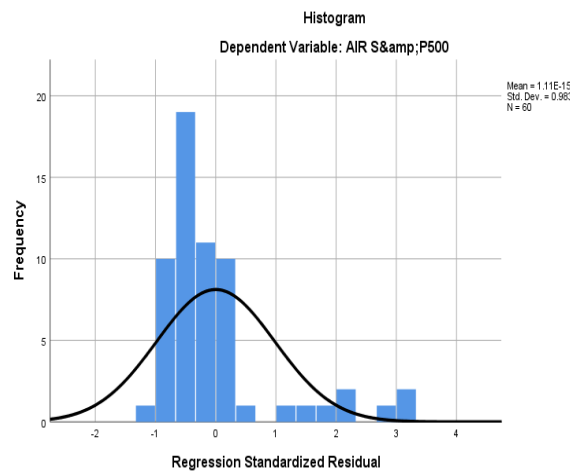


Figure 1: Histogram of the normal distribution of the model variables

4. Conclusion

The research sample companies were not obligated to measure the requirements that were not disclosed according to the S&P500 indicators of transparency and corporate governance and sustainability guidelines, so the S&P500 indicators, although broad, are not comprehensive. Banks noted low transparency of disclosure and high information risks that vary in the amount of disclosure, Including those who contented themselves with the auditor's report only. It was found that the disclosed companies are (80) companies out of the total number of (103) companies registered in the Iraq Stock Exchange in (8) main sectors. That is, the percentage of companies that failed to disclose reached (22.3%), which is a small percentage. The percentage will be higher if the number of companies that disclose outside the legal period is added.

The three best banks in terms of average averages for transparency for the main categories (National Bank of Iraq, Bank of Baghdad, and Khaleeji Commercial Bank) respectively, as their results were respectively (14.11, 13.83, 13.39), and the three best banks in terms of

disclosure transparency were According to the S&P500 indices, in the research sample. The best banks in terms of the amount of disclosure for the year 2021 were, respectively: the Bank of Baghdad with (211) pages, the Middle East Bank (158) pages, the Gulf Bank (134), and the National Bank (124) pages. The arithmetic mean extracted from the banks' data for risk indicators, in light of the use of the S&P500 indicators, appeared to be identical to the measure of the risk ratio extracted from the mathematical equations for all years. The results also showed that the best regression model of the test models was Model No. (1) for measuring information risk Accounting in light of the S&P500 indicators as a dependent variable and the independent variables associated with it, and that there is an effect of transparency measured according to the S&P500 indicators on the risks of accounting information measured under the indicators (S&P500), as the impact coefficient reached (0.98), which is a high impact factor with a significant level of (0.00), which is what is up Refer to the fact: that transparency has a significant impact in reducing the level of accounting information risks, while the statistical results confirm that accounting information risks are adversely and weakly affected by the size of the establishment, i.e. the higher the size of the establishment, the fewer information risks are not significantly.

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