A new decade for social changes
The Effect of Ownership Structure and Audit Quality in Producing High-Quality Financial Statements - Evidence from the Iraq Stock Exchange

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Abstract. The research aims to measure the impact of the ownership structure and auditing quality in producing high-quality financial statements for a sample of commercial banks on the Iraqi Stock Exchange. Banks remain (23) banks; accordingly, (13) commercial banks were selected as a sample for the research. Their percentage was (57%) of the sample size, as the volume of traded shares, according to the reports of the Iraq Stock Exchange for the year 2020, amounted to (368,460,287497) shares, with a value of (193627218281). Pdt. To achieve the objectives of the research, the researcher used data for the research sample bank for the years (2011-2020), and the ownership structure of the company was measured through the following equation: Ownership structure = (number of shares owned by the company ÷ number of outstanding shares), while the quality of the audit was measured using a variable It is fictitious, where 1 is given to companies that have been audited by the four major auditing companies and 0 if the company is audited by other local companies, and the researcher will use the method of quantitative and statistical analysis together to reach the results and conclusions, and the most important conclusions reached by the research is that the structure of Ownership of major shareholders does not have a significant effect on the financial statements in the banks of the research sample, and the structure of administrative, family, governmental, foreign and exchange ownership does not have a positive moral effect on the financial statements in the banks of the research sample, while the structure of institutional Ownership and concentration of Ownership have a positive moral effect on the financial statements in the companies listed on the Iraq Stock Exchange, as for the quality of the audit, the results showed that there is a direct correlation between the application of the audit. The subscriber and the high-quality financial data and the results also showed that the financial data in the Iraqi banks in the research sample are appropriate, and this means that there is an impact on the accounting information (earnings per share, cash flow per share, book value per share) on the share price in the Iraqi stock market.

Keywords. Ownership Structure, Audit Quality, High-Quality Financial Statements, Iraq Stock Exchange

1. Introduction

Given the critical importance of the ownership structure, which is necessary to achieve the goals that companies seek to attain while maximizing their profits, as well as drawing their future policy, such as the decision to finance, distribute profits, investment and other decisions that have a direct impact on the financial performance of companies, and the ownership
structure expresses the identities of the stockholders in the company and the size of their properties. After the expansion of companies’ businesses and the diversity of their activities, the separation of corporate ownership from its management created what is known as agency problems. To reduce these problems, governance emerged, the focus of many organizations, government agencies and bodies, especially after the financial crises that swept the world. The ownership structure refers to the number of shares owned by the company and the nature of its owners, which entails the distribution of powers and responsibilities within the board of directors, the election of the executive management, the right to vote, and the right to take appropriate strategic decisions, in distributing wealth to members of society, and being the mainstay and engine of the financial market and therefore the diversity of stakeholders who are directly or indirectly interested in the performance of the company and the development of its indicators. Proceeding from the role of the banking sector in advancing the reality of the Iraqi banking system in general and Iraqi private banks in particular, and helping these private banks to overcome the problems and obstacles they face as well as the various risks they face as a result of their large and diverse transactions, it was among the measures taken by the Central Bank Al-Iraqi issued his decision to implement the joint audit method in the Iraqi private banks, starting from the final accounts for the 2016 fiscal year, to raise the level of external audit performance and which will later reflect positively on the performance of these banks.

The collapse of many international companies raised many questions about the causes of these collapses, especially after investigations proved that the main reason behind these collapses is the existence of fundamental financial irregularities and manipulations that the auditor did not discover and report in the audit report, which called for proposing a series of far-reaching reforms and on Headed by the proposal of the mandatory rotation rules for audit firms and auditors, the Mandatory Audit Rotation, which would enhance the independence and objectivity of the external auditor and thus increase the quality of auditing to raise the financial community’s confidence in the audit profession, which set out to regulate and enhance the independence and objectivity of the auditor. As the financial market reflects an essential mechanism for achieving economic development, attracting investments, and directing them optimally towards available investment opportunities, providing companies with their needs of those funds at the lowest possible cost, in addition to the availability of appropriate accounting information for decision-making and seeking to protect investors from management’s opportunistic behaviour, reducing the risks of uncertainty surrounding investment decisions, and enhancing The efficiency of the financial market, and the presence of auditors specialized in a specific activity is an essential mechanism for monitoring the incentives of corporate management in order to avoid opportunistic behaviour and reduce the chances of smoothing profits to contribute to enhancing the quality of accounting profits for these companies.

2. Background
The study of Pattaraporn (2016) found that companies in terms of concentration of ownership are inversely related to the quality of financial statements. Therefore they have low-quality terms of financial reports, and family ownership is negatively related to the quality of financial reports. In contrast, institutional ownership is positively related to the quality of financial reports. Hoang's study (2017) found positive effects of the concentration of ownership on the company's performance. That government ownership has an impact on the company's performance because the performance of companies is affected by the regulations and legislation set by governments. The study by Ratnawati et al. (2018) shows that the analysis of institutional ownership and the size of The company affects the company's value, in addition to
tax evasion reducing the impact of institutional ownership and the size of the company on its value. Qawqzeh et al. (2019) found that board member ownership, family ownership and audit quality have a significant positive impact on (FRQ) by reducing management Profits, while institutional ownership has a significant negative impact on FRQ According to Kurawa et al. (2021) with the study of Qawqzeh, et al., institutional, foreign and administrative ownership has a significant negative relationship with earnings management, which is reflected in the quality of the reports.

Concerning audit quality, Muchugia's study (2018) indicated that there is a positive and substantial relationship between financial performance and audit quality, in addition to a positive relationship between financial performance, compliance with auditing standards, auditor independence and the auditor's professional specialization, while Ali et al. (2019) study on There is a significant negative relationship between the company's voluntary audit turnover and audit quality. In addition to the existence of an important positive relationship between the timing of the audit and the quality of the audit, and the same context, the results of the study revealed an insignificant relationship between the voluntary joint audit in the Iraqi Stock Exchange and the quality of financial reports, in other words, the joint audit does not affect the improvement of the quality of financial reports.

As for studies dealing with high-quality data, Sunday et al. (2020) indicated a negative relationship between the quality of financial reports and the profitability of banks listed on the Nigerian Stock Exchange. The Bukenya study (2021) showed that relevance, reliability, ease of understanding, accuracy and timeliness were fundamental measures. Of the quality of accounting information through T-tests and analysis of financial ratios, and that high-quality information reflects higher levels of financial performance. Alasbahi & Ishwara's (2021) study concluded that the qualitative characteristics of accounting information are a reliable indicator of the quality of accounting information and are helpful in decision-making. It showed that the most acceptable characteristics are relevance, reliability, honest representation, comprehension, comparability, and appropriate timing.

2. Literature Review

2.1 ownership structure and audit quality

The concept of ownership structure refers to the distribution of the company's equity between the internal stockholders (the directors) and the external stockholders (the owners) and this distribution affects the decisions of the board of directors in terms of voting as well as in the size of the company's capital ALkurdii et al., (2017), and see Cho, 2018 that the ownership structure has two identities, the first identity expresses the stockholders and the second is related to the company's tool, and the ownership structure has two types, the first focuses on the company's ownership with a minor or limited number of stockholders, and the second disperses ownership with an unlimited number of stockholders, and the ownership structure has a significant impact on the company's performance, thus reflecting on the two Company profits Cho, (2018), and others believe that the ownership structure is a group of shares that make up the company's capital, and that these shares belong to either individuals or groups (groups) and that this difference in financial shares affects the administrative and financial decisions of a company Bao & Lewellynb, (2017), defined the ownership structure in terms of two aspects. The first aspect concerned itself with the distribution of property rights. Concerning the votes of stockholders and the company's capital, the side was interested in determining the identity of the stockholders. Thus the influence of the two sides on the efficiency of the company Wahl, (2006), and the ownership structure may include internal as well as external owners; the internal
owners are managers and employees, and the external owners are people Investmen or
government organizations, owners can also be distinguished as the founders or foreigners

The differences in the ownership structure affect the conspiracy between the objectives
of managers and the objectives of the stockholders and thus reduce the efficiency of the
corporate Elvin & Hamid (2015). The ownership structure is essential to corporate governance.
The improper arrangement of owners significantly impacts policies such as earnings,
investment, management, etc. It will have a more significant impact on the behaviour of small

2.2 Ownership Structure Determinants

The financial and accounting literature has focused on the ownership structure as an
essential component of the job, taking into consideration the company’s ownership in
improving and maximizing the performance of companies. Ownership is known as the agency,
where the ownership structure is one of their money. The state of their stocks and creditors, and
this contradiction arises from the motives of managers to move towards strategies and policies
that maximize their interests at the expense of maximizing the wealth of the Barin, which
represents the main goal for them to appoint Malek for their Spiceland. et al., (2020), a
theoretical theory emerged to solve the problem of conflicting interests of the different parties
in the company, and through its comprehensive view of the products of a series of your orders
set in the company Purbawangsa & Rahyuda (2021) it is considered under ownership,
ownership, ownership property, property, property, property, property, property, property,
property, property, property, property, property E, Ownership Business Performance, Ownership Structure
Mendoza et al., (2019).

2.3 Concentration of ownership in companies

The concept of concentration of ownership means the number of shareholders, who own
the most significant total percentage of the shares issued by the company to the public, and
founders with an enormous mass of shares (5%) usually own at least 5% of the issued shares
Dess et al., (2019). Because the shareholders’ significant holdings of stocks provide them with
an incentive to gather information and monitor managers, it leads to the creation of another
problem among stakeholders within the company Peng & Sauerwald, (2012), and some
researchers consider it one of the mechanisms of internal corporate governance aimed at
mitigating the impact of the agency problem Babić & Nikolić, (2016), Concentration of
Ownership Controlling shareholders enrich themselves at the expense of minority shareholders,
The tasks of the own focus are summarized in drawing the strategic direction of the company
and the decisions related to it, expressing an opinion on the features of the company, as well as
monitoring the actions of the company’s board of directors and executives Hitt et al (2017).

2.4 Audit quality and high-quality financial data

2.4.1 Audit quality

AL-Qatamin, & Salleh (2020) indicated that commercial and industrial banks rely on
audited financial statements from a neutral technical body to express their opinion on the
financial position of the company that intends to borrow from these banks. Thus, the quality of
external audit will facilitate the borrowing processes and credit facilities for the projects that
apply for loans and credit facilities for government agencies, they rely on audited financial
statements for many purposes, including planning, control, imposing taxes, setting prices and
subsidies, and Detzen & Anna (2021) believes that to achieve audit quality, the auditor must discover fundamental deviations, errors and gaps in the financial statements and report. These deviations are included in his report, and Wijaya (2020) indicated that it is the possibility that the auditor will show the weaknesses of the client’s accounting system and report them. Carp & Istrate (2021), Amma, (2021) & Fadilah indicated that audit quality is a process that results in more reliable financial reports.

Fossung & Verges (2022) considered that the quality of the audit is the probability that the auditor will find appropriate evidence to support his report when the general situation surrounding the audit process is turbulent or ambiguous, while Watkins et al. (2004) indicated that achieving its quality of audit can be achieved. By measuring the ability to audit to reduce bias to improve the quality of accounting information, the quality of audit is achieved when it reflects the economic conditions of the client. Thus, the quality of the financial information will be clear and affected by the auditor’s ability and objectivity through the absolute independence he enjoys. Indarti & Widiatiwoko (2021) pointed out that the auditor's reputation affects the credibility of financial and accounting information, and the quality of the audit does not go beyond the general concept of quality, as it is a set of qualitative characteristics of the audit process that leads to the service of other parties to an acceptable degree. In finance and Accounting, Ndubisi et al. (2017) added another dimension to audit quality based on "specialization in auditing the client’s industry.

While Holm & Zaman (2012) concluded that there is a reciprocal relationship between audit quality and adherence to professional standards, where adherence to professional standards leads to the performance of the audit process with high quality and the performance of the audit process at a high level of quality means that auditors adhere to professional standards, while Khalaf et al (2020) indicate that audit quality represents a common interest for all parties benefiting from auditing, including auditors, companies subject to audit and bank administrations, as well as the adoption of a system for control of audit quality that can achieve many advantages, including giving reasonable assurance that the services and functions that It is carried out by the audit office and conforms to professional requirements and generally accepted auditing standards. Taylor & Glezen (2007) believes that the research confirmed the use of audited financial statements by investors, where it was observed that there are reactions in the market to different types of auditors' reports.

Ali, et al (2019) indicated that two (or more) auditors carry out the audit. They jointly sign the audit report together with the joint audit, and this audit has been carried out in France since 1966 for joint-stock companies that publish consolidated financial statements Herbinet (2014) considers that the joint audit is that a company appoints two audit firms or independent auditing firms to express an opinion on its financial statements jointly. There is another definition of joint auditing as "the audit of financial statements by two independent auditors with audit efforts Shared single audit report signed by all auditors and joint responsibility for both auditors.

As for the individual audit, Lesage et al. (2011) see that each auditor seeks to protect his professional reputation through his commitment to auditing standards and the rules of professional conduct and thus bears responsibility for the results of his work.

2.4.2 High-quality financial data

Munteanu (2020) pointed out that the accounting information represents the outcome of the operational processes that take place on the accounting data and which are used by internal and external parties that are related to the economic unit to achieve the benefit from its use,
while Zong & Zhonghua (2020) sees that both data and information Accounting is essential components of accounting information systems. They are often used in practical life as synonymous terms to denote one meaning despite their fundamental differences. According to Spiceland et al. (2020), encouraging factors for high-quality financial reporting include the conceptual framework-based financial accounting standards as a coherent system of interrelated objectives and fundamentals that improve financial reporting by encouraging consistent standards and defining the nature, and function and limits of accounting and financial reporting. Al-Jubouri (2022) believes that the quality of accounting information is achieved at present by taking into account the qualitative characteristics of accounting information on the one hand and adopting legal, professional and regulatory standards on the other hand to increase its quality and benefit. It is worth noting that the quality of accounting information has not yet risen to the scientific level. Instead, it is a quality related to reality and accounting circumstances. That is, it is affected by the environment surrounding accounting. Therefore, any talk about the existence of fixed standards for the quality of accounting information is related to the stability of the accounting environment. As long as this environment is Variable depending on the change in economic, social, legal and professional factors, these characteristics will remain to change according to what is dictated by the need. Agreement on the set of characteristics that determine quality will remain a ruler in determining the quality. The appropriate environment must be created for this purpose to produce high-quality financial reports.

3. Research Methodology
This section will address the research problem and ways to address it in a way that includes objective testing of hypotheses, achievement of objectives, presentation and determination of its objectives and importance, the supposed solution to the problem and the method of its application, as well as a review and discussion of the literature related to the subject:

3.1 Research Importance
The practical importance of the research is to draw the attention of the beneficiaries of the financial statements to the extent of the impact of the ownership structure and the quality of the external audit in producing high-quality financial statements for rational decision-making regarding their investments.

3.2 Problem of the Research
The research problem lies in the following questions:
1- What is the effect of the ownership structure on producing high-quality financial statements?
2- What is the impact of the external audit's quality on producing high-quality financial statements?
3- What are the effects of the ownership structure and the quality of the external audit on the production of high-quality financial statements.

3.4 Research Aims
The research seeks to achieve the following objectives:
1. Discussion of the literature on the ownership structure, external audit quality, and high-quality financial data.
2. Statement of the ownership structure's effect on producing high-quality financial statements.
3. Statement of the impact of the external audit's quality on producing high-quality financial statements.

3.5 Hypotheses
Through the questions that were addressed in the research problems, the current research is based on a set of hypotheses, which are:
1. There is a statistically significant relationship between the ownership structure and the production of high-quality financial statements.
2. There is a statistically significant relationship between the quality of the external audit and the production of high-quality financial statements.
3. There is a statistically significant relationship between the ownership structure, company size, and audit quality in producing high-quality financial statements.

3.6 Research variables and measure
The research variables (independent, dependent, and intermediate) and their measurement methods can be identified as follows:

The independent variable: ownership structure and audit quality, including:
a. The following equation measures the ownership structure:
   B. Ownership structure of the company = (number of shares owned by the company ÷ number of shares outstanding)
c. The quality of the audit is measured according to the following:
   The extent to which the auditor can report his results well or not regarding a violation that occurred in the client’s accounting system.
   In this paper, audit quality is measured using a dummy variable, where one is given for firms audited by the four major audit firms and 0 if other local firms audit the firm.

The dependent variable: production of high-quality financial reports and includes:
High-quality financial statements are measured according to the financial statement information, which should be presented honestly and correctly by the qualitative characteristics of accounting information and the provisions of financial accounting standards. In this research, it was measured using the conservatism index, as the conservatism index is used for reasons related to determining the conservatism in which financial data are presented that are less than their actual value and that involve fewer risks than the exaggerated financial data. Conservatism was measured using (1) a nominal and (0) an optimistic scale. The measure of conservatism is this.

4. Findings and Discussion
This research relied on the financial data of a sample of 13 commercial banks out of 23 listed on the Iraqi Stock Exchange after excluding the 21 Islamic banks to test the impact of the research hypotheses and achieve its objectives. The professional profession of the audit office takes into consideration all the private joint-stock companies listed in the Iraqi Stock Exchange (the stock market and the second market) that were audited by auditing offices and companies during the specified research period between (2011-2020), as it was calculated by the level of professional specialization that you own Auditing offices and companies according to this measure by multiplying the market share ratio by the percentage of the portfolio share for those offices and companies while measuring the market share with the portfolio’s share and the cut-
off for each of them and for each auditing company, which audited a sample of Iraqi banks listed in the market.

As for the measurement of high-accuracy financial data, it was done through the qualitative characteristics of the accounting information, and the level of the financial statements of the Iraqi commercial banks listed in the Iraqi market was measured for the research sample for the years from 2011- to 2020, as the two types of research depended on the measurement of high-accuracy financial statements on the qualitative characteristics that characterize them. Accounting information, as the two types of research, we’re limited to the measurement process on two main characteristics, namely (proper property) and (real representation property.)

4.1 Research Hypothesis Testing

To test this hypothesis, the researcher unified the results of the indicators of the two main characteristics of accounting information that were measured in the previous section, namely, relevance and honest representation, to provide an appropriate measure for high-quality financial data, given that quality is conforming to specifications and qualitative characteristics are only specifications that must be met in the lists. In corporate finance, in order to provide a single composite measure for the dependent variable, the composite measure is a measure that is derived from a series of observed facts that reflect the situation of the phenomenon under study, where the composite measure is formed by merging some separate indicators into one index based on a specific model; therefore, we find that the composite scale measures the multi-dimensional concepts in an ideal way that combines the characteristics and dimensions provided by the individual measures that cannot be reached through a single individual scale. This is done by using the principal components, which convert the values of the significant individual measures into standard values to strip them of their different units and transform them into homogeneous and standard values, which can then be unified into a single composite measure.

To test this hypothesis, the following "linear regression" model was formulated:

$$HQD_{it} = B_0 + B_1 MO_{it} + B_2 FaO_{it} + B_3 IO_{it} + B_4 InO_{it} + B_5 CO_{it} + B_6 FOO_{it} + B_7 GO_{it} + \varepsilon_{it}$$

Where:
- $\varepsilon_{it}$ = Estimation errors or what is called statistical residuals.
- $B_0$ =The regression equation constant represents the dependent variable's value when the independent variables' value is zero.
- $B_7$-$B_{1}$= regression slope, used to measure the type and amount of an effect.

Using the SPSS statistical program, the results were as follows:

Table 1 Regression Model Summary

<table>
<thead>
<tr>
<th>Model Summaryb</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>R</td>
<td>R Square</td>
<td>Adjusted R Square</td>
</tr>
<tr>
<td>1</td>
<td>.386a</td>
<td>.149</td>
<td>.100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>.947107</td>
</tr>
<tr>
<td>a. Predictors:</td>
<td>(Constant), GO, MO, IO, CO, InO, FaO, FOO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Dependent Variable: HQD</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The table above shows the model summary above that the correlation value (R) between the variables was 0.386, and the R Square coefficient of determination was 0.149, which represents the explanatory power of the model used, or in other words, the ownership structure explains 14.9% of the change in high-quality data, and that the Std. Error of the Estimate was 947107.0, and the fewer this type of error, the better it was from a statistical point of view.

Table 2 Variation of the first hypothesis test

<table>
<thead>
<tr>
<th></th>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>18.997</td>
<td>7</td>
<td>2.714</td>
<td>3.025</td>
<td>.006a</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>108.538</td>
<td>121</td>
<td>.897</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>127.536</td>
<td>128</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table above shows the variance above ANOVA that the calculated F value amounted to 3.025, which is greater than the tabular value calculated according to the degrees of freedom df (121,7), which is 2.09 at the level of significance of 5%, and that the level of significance of the test Sig amounted to 0.006, which is less than the value of the accepted error in science Social and predetermined by 0.05, and this indicates the appropriateness of the statistical model used in testing the hypothesis, and that the sample data provided convincing evidence for the acceptance of the research hypothesis to prove the effect from a statistical point of view.

Table 3 The coefficients of the regression function for the first hypothesis

<table>
<thead>
<tr>
<th></th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-.651</td>
<td>.699</td>
</tr>
<tr>
<td></td>
<td>MO</td>
<td>-.864</td>
<td>.851</td>
</tr>
<tr>
<td></td>
<td>FaO</td>
<td>-.467</td>
<td>.472</td>
</tr>
<tr>
<td></td>
<td>IO</td>
<td>4.424</td>
<td>1.626</td>
</tr>
<tr>
<td></td>
<td>InO</td>
<td>.220</td>
<td>.202</td>
</tr>
<tr>
<td></td>
<td>CO</td>
<td>1.514</td>
<td>.694</td>
</tr>
<tr>
<td></td>
<td>FOO</td>
<td>.093</td>
<td>.386</td>
</tr>
<tr>
<td></td>
<td>GO</td>
<td>.571</td>
<td>2.790</td>
</tr>
</tbody>
</table>

The above table shows the amount, type and significance of the effect of each of the seven types of ownership structures that were measured in the research, as follows: -

1- Both institutional ownership (IO) and concentration of ownership (concentrated ownership) CO, their individual effects were significant in the dependent variable (high-quality data) because their significance value amounted to 0.007 and 0.031, respectively, which is less than the acceptable level of error in social sciences determined in advance by 0.05. Each of them is shown by the value of the regression coefficient, as the effect of institutional ownership is...
4.424% in producing high-quality data. The effect of concentration of ownership is 9.3% in the production of high-quality data. The positive value of the coefficient indicates that this effect is a direct effect between the two variables.

2- As for the rest of the other types of ownership structure, they did not have a significant individual effect on producing high-quality data because the level of its significance is greater than the accepted error level in social sciences, which was predetermined by 0.05.

The following figure presents the histogram, which shows the normal distribution of the regression equation's residuals and the accuracy of the previous regression equation.

![Figure 1: The histogram of the remainders of the first hypothesis](image)

The following figure shows that the conditions of the regression analysis test are fulfilled graphically, which shows the distribution of points around the straight line. This proves that the statistical residuals follow a normal distribution.

4.2 The second hypothesis test
To test this hypothesis, the following "linear regression" model was formulated:

$$HQD_{it} = B_0 + B_1AR_{it} + B_2JA_{it} + B_3Pro_{it} + \epsilon_{it}$$

Using the SPSS statistical program, the results were as follows:

**Table 4: Summary of the second hypothesis test model**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.345a</td>
<td>.119</td>
<td>.098</td>
<td>949697</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), JA, AR, Pro

b. Dependent Variable: HQD

The table above shows the summary of the model above that the value of the correlation (R) between the variables amounted to 0.345 and that the coefficient of determination R Square amounted to 0.119, which represents the explanatory power of the model used, or in other words that the quality of the audit explains 11.9% of the change in the high-quality data, and that Std. The error of the Estimate was 949697.0, and the fewer errors of this type, the better.
Table 5 Variation of the second hypothesis test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>15.354</td>
<td>3</td>
<td>5.118</td>
<td>5.675</td>
<td>.001*</td>
</tr>
<tr>
<td>Residual</td>
<td>113.642</td>
<td>126</td>
<td>.902</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>128.997</td>
<td>129</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table above shows the variance above ANOVA that the calculated F value amounted to 5.675, which is greater than its tabular value calculated according to the df (126.3) degrees of freedom of 2.68 at a significance level of 5%, and that the level of significance of the test Sig amounted to 0.001 which is less than the value of the accepted error in science Social and predetermined by 0.05, which indicates the appropriateness of the statistical model used in the hypothesis test, and that the sample data provided convincing evidence for the acceptance of the research hypothesis to prove the effect from a statistical point of view.

Table 6 The coefficients of the regression function for the second hypothesis

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.606</td>
<td>.141</td>
</tr>
<tr>
<td>Pro</td>
<td>.537</td>
<td>.165</td>
</tr>
<tr>
<td>AR</td>
<td>.034</td>
<td>.175</td>
</tr>
<tr>
<td>JA</td>
<td>.494</td>
<td>.168</td>
</tr>
</tbody>
</table>

The above table shows the amount, type and significance of the effect of each of the three audit quality indicators that were measured in the research, as follows:

1- The professional specialization Pro and the joint audit JA had significant individual effects on the dependent variable (high-quality data) because their significance value amounted to 0.001 and 0.004, respectively, which is less than the acceptable level of error in social sciences determined in advance by 0.05. The value of the effect of each of them is shown by the value of the regression coefficient, as the effect of professional specialization is 53.7% in the production of high-quality data, and the effect of joint auditing is 49.4% in the production of high-quality data, and the positive value of the coefficient indicates that this effect is a direct effect between the two variables.

2- The auditor's turnover index did not have a significant individual effect on producing high-quality data because its significance level is greater than the level of error accepted in the social sciences, which was predetermined by 0.05.

The following figure presents the histogram, which shows the normal distribution of the regression equation's residuals and the accuracy of the previous regression equation.
The following figure shows that the conditions of the regression analysis test are fulfilled graphically, which shows the distribution of points around the straight line. This proves that the statistical residuals follow a normal distribution.

4.3 The third hypothesis test
To test this hypothesis, the following "linear regression" model was formulated:

\[ HQD_{it} = B_0 + B_1 \text{MO}_{it} + B_2 \text{FAO}_{it} + B_3 \text{IO}_{it} + B_4 \text{InO}_{it} + B_5 \text{CO}_{it} + B_6 \text{FOO}_{it} + B_7 \text{GO}_{it} + B_8 \text{Size}_{it} + B_9 \text{AR}_{it} + B_{10} \text{JA}_{it} + B_{11} \text{Pro}_{it} + \varepsilon_{it} \]

Using the SPSS statistical program, the results were as follows:
Table 7 Summary of the third hypothesis test model

<table>
<thead>
<tr>
<th>Model Summary&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>.474&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.225</td>
<td>.159</td>
<td>.915163</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Pro, CO, AR, GO, JA, MO, IO, Size, InO, FaO

b. Dependent Variable: HQD

The table above shows the summary of the above model that the value of the correlation (R) between the variables amounted to 0.474 and that the coefficient of determination R Square amounted to 0.225, which represents the explanatory power of the model used, or in other words, the ownership structure and the quality of the audit explain the value of 22.5% of the change in high-quality data. And the of the Std. Error of the Estimate was 915163.0, and the lower this type of error, the better it was from a statistical point of view.

Table 8 Variation of the third hypothesis test

<table>
<thead>
<tr>
<th>ANOVA&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Regression</td>
<td>28.708</td>
<td>10</td>
<td>2.871</td>
<td>3.428</td>
<td>.001&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>98.828</td>
<td>118</td>
<td>.838</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>127.536</td>
<td>128</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table above shows the variance above ANOVA that the calculated F value amounted to 3.428, which is greater than its tabular value calculated according to the degrees of freedom df (118,10), which amounted to 1.91 at a significance level of 5%, and that the level of significance of the test Sig amounted to 0.001 which is less than the value of the accepted error in science Social and predetermined by 0.05 and this indicates the appropriateness of the statistical model used in the hypothesis test, and that the sample data provided convincing evidence for the acceptance of the research hypothesis to prove the effect from a statistical point of view.
Table 9 The coefficients of the regression function for the third hypothesis

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-1.201</td>
<td>3.952</td>
<td>-.304</td>
<td>.762</td>
</tr>
<tr>
<td>MO</td>
<td>-.758</td>
<td>.773</td>
<td>-.090</td>
<td>-.980</td>
</tr>
<tr>
<td>FaO</td>
<td>-.483</td>
<td>.457</td>
<td>-.106</td>
<td>-1.057</td>
</tr>
<tr>
<td>IO</td>
<td>3.648</td>
<td>1.642</td>
<td>.199</td>
<td>2.221</td>
</tr>
<tr>
<td>InO</td>
<td>.183</td>
<td>.194</td>
<td>.090</td>
<td>.945</td>
</tr>
<tr>
<td>CO</td>
<td>1.456</td>
<td>.677</td>
<td>.181</td>
<td>2.149</td>
</tr>
<tr>
<td>GO</td>
<td>-.167</td>
<td>2.641</td>
<td>-.063</td>
<td>-.950</td>
</tr>
<tr>
<td>Size</td>
<td>.030</td>
<td>.324</td>
<td>.008</td>
<td>.091</td>
</tr>
<tr>
<td>AR</td>
<td>-.008</td>
<td>.171</td>
<td>-.004</td>
<td>-.046</td>
</tr>
<tr>
<td>JA</td>
<td>.489</td>
<td>.170</td>
<td>.246</td>
<td>2.869</td>
</tr>
<tr>
<td>Pro</td>
<td>.361</td>
<td>.178</td>
<td>.186</td>
<td>2.035</td>
</tr>
</tbody>
</table>

The above table shows the amount, type and significance of the effect of the sub-dimensions of the independent variables that were measured in the research, as follows:

1- The institutional ownership IO, CO concentration, joint audit JA, and professional specialization of the auditor Pro had significant individual effects in the dependent variable (high-quality data) because their significance value was less than the acceptable level of error in social sciences, which was predetermined by an amount of 0.05 in producing high-quality data. The positive coefficient value for these dimensions indicates a direct effect.

2- As for the rest of the other types of ownership structure, company size, and auditor turnover, they had no significant individual effect on producing high-quality data because their morale level is greater than the acceptable level of error in social sciences determined in advance by 0.05.

The following figure presents the histogram, which shows the normal distribution of the regression equation's residuals and the accuracy of the previous regression equation.

4.2 Descriptive analysis

From Table 2 below, we note that the standard deviation, arithmetic mean, and variance of the 24 questionnaire questions indicate that the study model meets the requirements of the scales' internal consistency and convergent validity.
The following figure shows that the conditions of the regression analysis test are fulfilled graphically, which shows the distribution of points around the straight line. This proves that the statistical residuals follow a normal distribution.

**Figure 5 The normal distribution of the residuals of the third hypothesis**

The following figure shows that the conditions of the regression analysis test are fulfilled graphically, which shows the distribution of points around the straight line. This proves that the statistical residuals follow a normal distribution.

**Figure 4 The histogram of the remainders of the third hypothesis**

5. **Conclusion**

Opinions differed about the relationship of the ownership structure with the audit quality of the research sample banks, indicating a positive relationship between them. At the same time, other opinions were saying that there was a negative relationship between them, that this difference resulted from the difference in the environment of economic units, laws, nature and size of the sample, and that the ownership structure of Major shareholders has no significant
effect on the financial statements of the research sample banks listed in the Iraq Stock Exchange. The structure of an administrative, family, governmental, foreign and mutual ownership have no positive moral effect on the financial statements in the banks, the research sample listed in the Iraq Stock Exchange. The Iraqi private sector is listed on the Iraqi Stock Exchange. As a result of applying the joint audit, the departments of the research sample banks have borne additional burdens. The difficulty of distributing audit work and then distributing wages between the two offices when one of the two offices or two companies or an office and an audit company at the same time is more familiar with the specialization of the economic unit and its field of work, with the presence of repetition in some tasks, which leads to repeated requests for information, files, or evidence From the audit office or other auditing company, and the most important areas for improving audit performance can be diagnosed in increasing the independence of the auditor To an external party, and that choosing two auditing offices or companies and their participation in the audit work will lead to obtaining a variety of experiences, as a result of the distribution of audit work, the performance of these works will be more efficient because each auditor focuses on a specific work. The research also found that there is a direct correlation between the application of joint auditing and high-quality financial data, as the majority of the research sample prefers joint auditing over individual auditing, with the desire to make some modifications to the method currently used in joint auditing. Professional skepticism in the audit process, and this usually results from the length of time that the auditor spends in the same place, and in this case, he becomes a non-renewable view and does not reach sufficient and appropriate new evidence other than what he found in the past, and the turnover of the external auditor is a way to enhance independence and quality because of preventing the consolidation of the relationship between the auditor and senior management, as a distinction must be made between audit firms oriented towards the capital market, and audit firms that are not oriented towards the capital market, and The quality of the audit in itself is a goal for auditing offices and companies, and it is linked to the auditor’s report as a product, and this product should satisfy the benefits of those who demand it, and the issue of the independence, impartiality and objectivity of the external auditor is one of the important matters that professional and academic organizations in universities should pay attention to because it represents a valve Safety for shareholders in joint-stock companies and users of the information presented by companies in their financial statements, whose degree of security and confidence in this information increases as the objectivity and independence of the external auditor, who has ensured its accuracy and ratification, increases. Contributes to supporting the application and keeping pace with international auditing standards related to knowing and understanding the nature of the client’s activity and the environment in which he works and assisting the auditor in planning the audit process, detecting fraud and errors, and assessing the risks of the audit process. The views of researchers in determining the dimensions of the concept of professional specialization of the auditor, some of them see it as synonymous Because he possesses general knowledge and professional experience in a particular field of activity, and the other finds that it checks the extent of the auditor’s control over the audit operations in a particular activity and obtaining a greater market share in that activity, or it is determined according to the limits of the level at which the auditor works when performing the audit task, which may be in The limits of local or international levels, but in general, they agree that auditors have sufficient understanding, experience and practice when auditing activities of certain levels (city, country, world) through the use of the components of the audit profession and professional standards in the implementation of effective, distinguished and high-quality audits for their clients in That activity, and indicators of determining the extent to which audit
offices and companies that practiced auditing banks have the professional specialization according to the weighted market share, revealed that it owns a professional specialization in this activity and constituted a percentage of (72%), as confirmed by the results of the statistical analysis that concluded that there An acceptable level of professional specialization in auditing offices and companies that audit banks, the research sample, which is an important positive indicator for improving the professional competence of auditors and can contribute to reducing risks and increasing the ability and competence of the auditors to discover or limit the manipulation of accounting profit information that may be practiced by the management of banks.

The financial data in the Iraqi banks, the research sample, is appropriate, and this means that there is an impact of the accounting information (earnings per share, cash flow per share, book value per share) on the share price in the Iraqi market for securities, and the availability of honest representation in Iraqi banks the research sample means that there is The correlation of the operating profit of banks and the cash flows from their operational activities, which indicates a decrease in the management’s interventions in measuring profitability and this reflects the actual situation of the banks (honest representation) of the financial statements, despite the availability of qualitative characteristics of the accounting information that was measured in the research (appropriateness, honest representation). Overall, although the percentages were high for some banks, the research sample in some years they were not at the high level that users of the financial statements depend on, and the availability of qualitative characteristics of accounting information contributes to the development of financial performance levels in the economic unit and helps in the process of change and development in the Economic business unit and in providing workers with new skills at work to improve financial performance, and helps in facilitating the process of making other decisions A strategy in the economic unit, and decision-makers must have honest and appropriate accounting information, which facilitates the process of making appropriate decisions, and thus helps in achieving the goals and strategic aspirations of the institution.

References


