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An applied study in the iraqi market for securities and its relationship to corporate governance and its impact on the quality of financial reports

Conducted By: Feras Madhar Nayef Amran
Graduate Institute of Commercial Studies in Sousse
Email: feras.amran@gmail.com

Supervisor: Dr. Faten Al-Zoghlami
Lecturer at the Higher Institute of Accounting and Institutional Management, Manouba University
Email: faten.zoghlamishili@yahoo.fr

Republic of Tunisia

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Abstract

The aim of the study is to show the impact of corporate governance on the quality of financial reports of banks listed on the Iraqi financial market for trading. And after research and in the Iraqi commercial banks by using the descriptive analytical approach and after analysis and attention accurately and based on the data on that method to know the extent of commitment to applying the mechanisms of corporate governance. This study was applied to Iraqi banks with a commercial nature, registered and accredited in Iraq. The number of banks is (10) and the duration of the basic study is a period between the years (2012-2021). In the Iraqi markets, there is a statistically significant effect at the level of significance (0.10) commitment to applying some corporate governance mechanisms, namely (the characteristics of the board of directors represent the independence of the board of directors and women's participation and size. The characteristics of the audit committee represent the size of independence) multiplied by profitability.

Keywords

corporate governance, quality of financial reports, the Iraqi financial market "Tadawul", characteristics of the board of directors, characteristics of the audit committee, profitability multiple.

Introduction

Many of the developed and developing countries of the world paid great attention to international institutions and organizations after many different economic and financial collapses that occurred in many companies, especially in developed countries. These setbacks are mostly due to administrative and accounting corruption in general and financial corruption in particular, taking into account that Accounting corruption is due in one of the important aspects, especially after the financial crisis that afflicted the countries of the world for the year (2008), which led the capitalist countries to an economic recession that cast a shadow not only on the investment and financing operations, but also on the lifestyle of the ordinary person, and these collapses and financial crises, which occurred were Due to an administrative defect resulting from a failure in planning, organizing, controlling and supervising all the work of companies and organizations, especially financial matters. As the defect is represented in the lack of transparency of accounting information, and the lack of adherence to the application of sound accounting principles and standards. Governance came with its renewed model during the last decade to achieve more transparency in management and organize the relationship between the groups of the financial community and give more confidence to the information contained in the financial reports published by these companies and organizations. To check and for the purpose of achieving the ability of quality financial reports.

On the basis of this, the starting point appears, it is necessary to search for a way to control these practices, restore confidence of investors, and restore confidence in the financial statements to serve the stakeholders, and coinciding with these crises and a remedy for them, new management concepts have been developed that have been adopted by international and professional organizations, represented in governance as the way out and an integrated and effective solution. To ensure the reliability and credibility of accounting information and an antidote to financial corruption, which helps to make sound decisions, through its internal mechanisms represented in the Board of Directors, the Audit Committee, and the participation of women applied by institutions. In light of this and the important role that corporate governance plays in banks, the Central Bank of Iraq issued in 2004 the Corporate Governance Guide for Iraqi banks, and a version was revised from the end of 2018 to help commercial banks enhance the general framework of corporate governance and good governance, as the corporate governance of banks is considered "A set of comprehensive systems that define the relationship between the board of directors and the executive management of banks, and other stakeholders," according to what was stated in the corporate governance guide for Iraqi banks, in addition to providing assistance to members of the board of directors and executive management, not to evil, and following up on the activities carried out by the bank, as well as ensuring The rights of depositors and stakeholders.

Research Problem

From the foregoing, the problem of the study is represented in the main question: What is the impact of the internal mechanisms of governance in limiting profit management practices in economic institutions? In order to answer the problem, the following sub-questions were asked:

1- The first main hypothesis: H01 1 - There is no statistically significant effect at the level (α≤0.10) of the characteristics of the board of directors on the profit multiplier in the Iraqi private banks included in the significance of (the Securities Commission?

2- The second main hypothesis: H02 There is no statistically significant effect at the level of significance (0.10 (α≤) of the characteristics of the audit committee on the profit multiple in the Iraqi private banks listed in the Securities Commission?

3 - The third main hypothesis: H03 There is no statistically significant effect at the level of significance (0.10 α≤) of the ownership structure on the profit multiple in the Iraqi private banks listed in the Securities Commission?

It is important for the accounting information shown in the financial reports to be an interface that reflects the true picture of the activities and work of banks and clear periods of time, through which it is possible to evaluate the institution's position and judge the financial situation and performance, so that all relevant parties can take various rational decisions, and this information may be exposed To manipulation and misrepresentation by the administration, on certain methods and policies in response to many motives and pressures, which leads to misleading users alone to confront management practices in the manipulation of profits. He considered the search for ways through which the phenomenon of profit management can be confronted, especially after it caused the collapse of financial institutions. What is known as corporate governance has been activated, which works to reconcile the interests of management with the interests of other relevant parties.

Research Importance

The importance of the study in the importance of research and clarification of the wrong administrative and financial operations that represents a non -regular and even immoral type from the administration, as an auxiliary basis to shareholders, and because of their direct relationship with the financial reports in preparation, and that is based on the achievement and greatness of its own benefits on the account of these shareholders, Management has an abnormal role in financial policies, the endeavor of accounting to influence the facts of accounting numbers in general, and the results achieved from profits and the proportions of its distribution and so on in particular, as a result of the existence of easy work in the field of accounting, especially in the use of the scope of binding accounting standards through non-compliance with those standards, which This led to interest in the aspect of corporate governance and its characteristics, and thus the possibility of preserving private capital in banks.

Research Objectives

Knowing the relationship between the independence of the board of directors and profit management practices in commercial banks. Identifying the relationship between the size of the board of directors and profit management practices in contributing to the extent of the impact of the size of the board of directors, the relationship between profit management, the relationship between board meetings, the independence of the board of directors, and the independence of the audit committee. And the independence of women and the relationship between earnings management and the dimensions of the financial control.

Theoretical framework and previous studies

The concept of corporate governance and its importance:

Today, the countries of the world have taken an increasing interest on an annual basis in corporate governance as a result of economic developments in global markets, the expansion of the size of institutions, transfers of funds, the separation of ownership from management, and the weakness of control systems towards managers as a result of these factors, which led to the collapse of some financial institutions, including commercial banks, for example.

To reach an integrated theoretical conceptual framework based on the field study. The term governance represents one of the most important modern management concepts, although its roots go back to 1932. This topic has received great international attention in recent years, especially after the problems encountered by some major American companies, such as Enron Energy Company, which called for the need to find administrative and legal rules and standards that govern the performance of Institutions, in order to avoid the recurrence of such crises and preserve the interests of all concerned parties, also led to an increase in the demand for the necessity of a set of ethical and professional controls, customs, and principles, to achieve confidence and credibility in the information contained in the financial statements, which is needed by many users of the financial statements, especially investors (Al-Ajmi 2011, p. 23).

The term governance was officially and internationally recognized for the first time in 1999 by the Organization for Economic Cooperation and Development, where it issued a report entitled Principles of Corporate Governance. These principles included the application of corporate governance, the preservation of shareholder rights, the provision of fairness, and an emphasis on the responsibility of the Board of Directors to ensure the disclosure of information.

WORLDCOM and ENRO, and as a result of the collapse of a number of major American companies, including 3 Oguz, 2016: 3 first for energy and the second for communications.

This law, the US government issued in 2002 the OXLY-SARBANES law, which clarifies (the most important thing in it is disclosure and transparency) and the formation of independent audit committees to maintain the integrity of financial reports.

In 2004, the Organization for Development and Economic Cooperation amended the principles of governance that were issued in the year 1999, in order to keep pace with the changes taking place in the countries of the world.

Governance Concept

After the widespread use of the term corporate governance, because specialized writers, researchers and scholars have differed among themselves about defining its concept, due to its overlap in many organizational, economic, financial and social matters for companies, which affects society and the economy as a whole. Governance is finding and organizing sound applications and practices for those in charge of managing the company in a manner that preserves the rights of shareholders and others, bondholders, employees of the company, and stakeholders by examining the implementation of the forms of contractual relations that bind them, on the basis of due disclosure and transparency standards and by using sound financial and accounting tools (Abu Al-Ataa, 10:2007).

William Sun defined corporate governance as the set of arrangements aimed at bringing about alignment between shareholders and managing directors.

She defined governance as a system through which IFC institutions are managed and their business is controlled, meaning that governance means the existence of systems that control the relationships between the basic objectives that affect performance, and it also includes the elements of strengthening the institution in the long run (Parsoli Fawzia, 2019:30).

The importance of governance:

Achieving the goals of the institutions according to the regulatory framework. Achieving them by providing appropriate incentives for the members of the Board of Directors and the executive management to work on achieving the goals of the institutions that take into account the interests of shareholders.

Opening up to international markets and attracting a broad base of investors to finance expansion projects.

- Establishments that apply governance gain by increasing the confidence of investors because the rules of governance guarantee the protection of their rights.

Cares about protecting the rights of shareholders

A set of rules according to which the institution is managed and supervised according to a specific structure that includes the distribution of rights and duties among those involved in managing institutions such as management magazines, executive directors, and shareholders (Nasr, 2007: 28-30).

The internal governance mechanisms of public institutions can be found and classified into the following:

A- Board of Directors:

Both Singh and Haryanto consider the board of directors the best tool for monitoring the behavior of management, whether in private or public institutions, on the need for each public institution to be led by an effective board of directors that exercises leadership and directs the institution with integrity and wisdom and works in the interest of the institution with transparency and responsibility so that the board of directors can In order for public institutions to carry out their duties in directing and controlling, they resort to forming a group of committees from among their non-executive members, most notably the Audit Committee and the Remuneration Committee. (Al-Jilani, 2014, 138).

B- The Audit Committee, which obligated all institutions to form an audit committee because of its important role in preventing the occurrence of such financial collapses in the future, through its role in the process of preparing financial statements, as well as in increasing the independence of the committee (Abi Khalida, 2017: 471).

The audit committee is one of the main committees of the management body as a development of the audit process, as this committee aims to strengthen the credibility of the annual financial statements and reports and the quality of information for users (Al-Anati, 9, 2005).

The audit committees are a group consisting of a number of people selected from among the members of the board of directors of an organization and consist of three to five members and may extend to seven members and at least one of my members owns a non-executive background from the board of directors so it is the responsibility of the committees to include a review of principles and policies Accounting applied within the business organization, and it can be said that it is a committee composed of non-executive board members who enjoy accounting and financial experience and competence, provided that the internal control procedures are examined and reviewed and ensure their effectiveness, as well as the examination of accounting policies.

Concept of profit management

There are many definitions that the management derives from these definitions: deliberate interference in the process of preparing external financial reports with the intention of achieving private gains, and some have defined it as any behavior carried out by the management that affects the income that appears in the financial statements, achieves real economic benefits, and may lead to damages in the long term. (Al-Ashqar, 2010: 21-22).

Earnings management is achieved when managers use personal judgment in preparing financial reports and preparing the structure of operations in order to adjust the best for financial reports. There may be misleading shareholders regarding the performance of economic institutions, and these contracts are based on accounting figures (Healy and Wahlen, 1999: 369).

Earnings management is meant as a deliberate distortion of profits, which in turn leads to the emergence of accounting figures that are fundamentally different from what they would have been in the absence of such intervention and when management takes decisions that are not subject to strategic reasons, but merely to adjust profits (Partha, 2003).

It can be defined as representing a group of key managers in an organization who take decisions and activities for the purpose of distorting the real performance of the organization to achieve their own goals without realizing the truth.

Earnings management strategies

- The strategy of increasing profits: the management of institutions resorts to this strategy in order to reach its target level, in addition to avoiding the appearance of losses in the financial statements.

- The strategy of reducing profits: the management of institutions follows this strategy to achieve tax gains or avoid the political costs imposed on them by governments and the demands of trade unions to increase workers' wages.

Income smoothing strategy Income smoothing as “the process of reducing reported profits in the enterprise, in the good period, and postponing it to the period that may witness a loss, an attempt by the management to present a stable picture of the income flow over time periods at the level of economic institutions (Nama for Economics and Trade, 2022: 155).

Earnings Management Motives and Agency Theory

Since earnings management is linked to the management of the institution on the basis that it is the decision-maker in this work and has the greatest interest in adopting this method and for various reasons, therefore, the motives of management in managing profits can be classified as follows:

1. Efficiency motive

It guarantees maintaining the survival and continuity of institutions in the market in terms of achieving a competitive advantage and demonstrating the strength of the institution in terms of financial terms for investors and users of financial statements, and what indicates the extent of the efficiency of the management of the facility in its work during the financial period, and he believes (Al-Baroudi, 2002, pp. 85-86)2 that Earnings management in the financial statements motivated by the survival and continuity of the enterprise may be a double-edged sword, as on the one hand it may gain the confidence of shareholders if it is within the limits of flexibility in generally accepted accounting principles, but on the other hand, if the management resorts to deviating from the norm of generally accepted accounting principles And used the accounting art, it will have a negative impact on the fate of the facility and its management and financial data

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2. Self-motivation for management

This comes when self-benefits are achieved for management, and profit management has a substantial impact on the real position of the enterprise. As the management always has a strong incentive to influence the financial statements in order to achieve its interests. The most important intrinsic motives for management are: (Defond 1997 p 115-139).

First – Negatively affecting stock prices, and then acquiring them.

Second: Preserving the reputation of the management in order to enhance their position in retaining their job positions. If the evaluation of the management's performance is based on a target profit number or last year's profit number, or on the basis of the rate of growth in profits, so that the management has a motive in influencing the profit number in order to be consistent with its vision (Holthawsen 1990 p207-21) that the large incentives for management have motives to influence the profit figure as a result of the incentive plan used in the establishment, especially if the management incentives are linked to the reported profit figures.

Earnings management entries

When management resorts to profit management, it relies on the following justifications:

Earnings management has significance for many of the strategies and methods that management follows in pursuing earnings management, which affect accounting information in terms of form and content, especially when preparing financial statements in the manner it deems appropriate and to different degrees. The method adopted by management differs according to the type of decision taken by it in accordance with predetermined goals.

Ethical Perspective and Earnings Management

The agency's theoretical assumptions state that this behavior, regardless of the ethical perspective, can be considered as morally reprehensible or forbidden, as it is not fair to users as it involves an unfair exercise of power and works to weaken the authority of regulators, when systems and laws are breached without penalty, which results in Lack of respect for her and her procedures.

Fundamentally, it is prudent and logical to question the validity of the activities involved in masking sound financial data to present a picture that the underlying economic activity cannot fully justify.

or theories of selective misrepresentation", and he considered that the problem relates to both managers and shareholders and indicates that each of them can benefit from poorly formulated accounting standards, which allows freedom of

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action in determining the time of income and profits, as their holders can benefit from the fact that managers are able to manipulate earnings to "level out" income.

The concept of repeat profitability

It represents one of the most important criteria used in the scientific reality to measure the extent of (Price/ Earnings E/P).

Decrease) in the share price of any company in the market in view of the return it achieves. The share price can be calculated to its return (earnings multiple) by dividing the market price of the company's share by its share return.

Despite the importance of the profitability ratio as an indicator used by many investors, the total reliance on this indicator is not a risk (Arqaam, 2019).

The reason for the very high price-to-earnings ratio of a particular company compared to the market average (and thus the low attractiveness of the stock for the investor), is that investors believe that the company has great expansion prospects and is able to fulfill its promise of achieving large profits in the future.

The main role of the dividend repeater

The earnings multiplier plays one of the important tools, as it measures the ratio of the commercial share price to its annual profit. The higher the earnings multiple for a particular share, this indicates that investors pay a higher price for each unit of profit, and vice versa. This is due to its ease of calculation and concept.

It should also be known that if the current earnings multiple is less than the calculated one, then it is a good opportunity to buy, but if the current earnings multiple is greater than the calculated one, it is a negative sign for not buying the stock and indicates that its price is exaggerated, and therefore the earnings multiple may cause correction and decline. (Alaa: 2022).

The earnings multiple is one of the methods used to find out the fair price of a share and should not be relied upon entirely. It is better to support it by using other fundamental analysis methods as well to come up with the best possible investment decision.

Previous Studies

3. Emudainohw (2017)

(E/P, as a result of the analysis and tests, the effect of the negative dividend growth rate on the earnings multiple ratio).

The results were insufficient to explain the movement of the earnings multiple of non-financial companies on the New York Stock Exchange during the study period, however, the results indicate an inverse relationship between the dividend growth rate and the profitability multiple ratios, contrary to what is suggested by the agency theory.

4. (Afza-and Tahir, 2012)

The main determinant of the ratios to the multiple of profits is the presence of the current rate of return, which is an inverse correlation with the ratio of the multiple of profits, and this study was supported by the influence of the characteristics of the board of directors.

5 (Abu-Salem, 2019: 113)

This result can be explained according to the agency theory that increasing the number of audit committee meetings helps improve management performance and mitigate agency conflicts, but there may be no effectiveness of audit committee meetings in increasing profits and improving the quality of financial statements due to their preoccupation with oversight of the internal performance of the executive management. The variable number of meetings of the audit committee on earnings management in banks listed on the Iraq Stock Exchange indicates the negative impact of the number of meetings of the audit committee on earnings management; The more times the audit committee meets, the more this leads to a reduction in profit management in Iraqi banks

6 (Yermak, D. 1996: 185-211)

The process of controlling the process of preparing the financial statements is one of the functions of the board of directors, and therefore the size of the board affects the effectiveness of control. Some studies indicated that the board of smaller size is more effective in control. As a result, the study found that there is a direct relationship between the size of the board of directors and financial performance, and therefore it is It is expected that there will be a relationship between the size of the board of directors and the quality of profits and the profitability multiple. That was the hypothesis to choose the relationship between the size of the board and the quality of profits and its impact on the profitability multiple.

7 Dar-Hsin Chen & All, (2007/11:)

Signal TheoryThis theory is based on the assumption that information is not available to all dealers at the same time and that information asymmetry is the basic rule in the market. Company managers use dividends as a tool to send useful information to the financial market about present and future financial profits and the possibility of companies' growth. They are similar in terms of results and support the theory of adequacy of distributions and the theory of signal, despite the different data and characteristics of the markets in which these studies were conducted. We also noticed that most of these studies flow into only two aspects of the independent variables, which reflect the profit distribution policy, namely

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"cash dividends and earnings per share", which is some of the shortcomings that characterize these studies, as free distributions and their role in influencing the value of the institution and thus effect on the earnings multiple (11). There is an inverse relationship between the size of the board of directors and the distribution of profits, and thus affects the earnings multiple

8 Oroud, Yazan. (2019:104-113)

The stakeholder theory believes that the presence of the audit committee in companies can reduce the severity of conflicts of interest by providing financial reports that are characterized by high quality and reliability to the parties interested in the company's work. Which contributes to improving the value of the company, achieving the objectives of profit management, and enhancing profitability in the eyes of investors. The characteristics of audit committees have an important position in order to ensure the accountability of shareholders, not to management, and to provide a true and fair model for the company's performance. Also, the audit committee members' exercise of the tasks of supervising the preparation of the company's financial reports enhances the possibility of its characteristics playing an effective role in improving the performance of the audit committee (14) and thus achieving profits and repeating the profits of shares.

This chapter deals with the statistical analysis of the study data, where a description of the variables of the study was presented, testing the suitability of the data for the study model, and then testing the hypotheses, based on the annual data of the Iraqi private banks listed in the Securities Commission, for the period (2012-2021).

Table No. (1-1): Descriptive statistics of the repeat profit for the period (2012-2021)

No.	Bank Name	Scale			
		Arithmetic Mean	Standard Deviation	Lowest Value	Highest Value
1	Commercial bank	12. 33	4. 18	3. 1	17. 7
2	Iraqi Investment Bank	13. 21	10. 21	0. 65	29. 7
3	United Investment Bank	10. 77	9. 19	0. 32	23. 3
4	Middle East Bank	15. 93	14. 96	0. 18	44
5	Mansour Bank	17. 09	6. 75	7. 7	31. 5
6	Bank of Babylon	14. 40	7. 99	1. 5	23. 3
7	Baghdad Bank	12. 52	6. 13	3. 4	22. 5
8	Sumer Bank	31. 62	30. 05	0. 25	78. 1
9	National Bank	17. 37	12. 75	4. 6	42. 7
10	Credit Bank	13. 41	14. 11	0	39. 5
Total Banks		15. 87	7. 37	0	78. 1

Table (1-1) presents a description of the profit multiple index in the Iraqi private banks listed in the Securities Commission during the period (2012-2021), as the arithmetic mean was (15.87%), with a standard deviation of (7.37%). The highest arithmetic average was in Sumer Bank (31.62%), while the lowest arithmetic average appeared in the United Investment Bank, which amounted to (10.77%). The lowest recorded value was (0%) and it was with the Credit Bank, while the largest value appeared in the Sumer Bank, which amounted to (78.1%). The ratios values indicate a relative convergence between banks in terms of profitability.

Multicollinearity Test

The assumption of independence of the independent variables in the General Linear Model (GLM) is the basis for the validity of the application of this model, and the model cannot be considered suitable for the parameter estimation process unless this hypothesis is fulfilled, and this phenomenon indicates that there is an almost complete linear correlation between two or more variables, It inflates the value of the coefficient of determination R2 and makes it greater than its actual value. Therefore, the values of the correlation coefficient were calculated between the variables of the independent study.

The results were as follows

Table No. (4-14): Correlation Matrix for Independent Variables

VAR	WIND	WS	BIND	BSIZE	BMEET	CMS	AIND	ASIZE	AMEET	OMSH	FORE	INSTIT
WIND	1. 00											
WS	0. 24	1. 00										
BIND	0. 05	0. 07	1. 00									
BSIZE	0. 04	0. 16	0. 41	1. 00								
BMEET	-0. 02	-0. 11	-0. 06	-0. 24	1. 00							
CMS	0. 00	0. 16	-0. 18	0. 17	-0. 07	1. 00						
AIND	-0. 13	-0. 12	-0. 21	-0. 46	0. 08	-0. 41	1. 00					
ASIZE	-0. 04	-0. 05	0. 23	0. 15	0. 24	-0. 16	0. 30	1. 00				
AMEET	-0. 15	-0. 01	-0. 19	-0. 25	0. 46	-0. 21	0. 36	-0. 03	1. 00			
OMSH	0. 04	-0. 16	-0. 13	0. 01	-0. 06	0. 03	-0. 25	0. 19	-0. 25	1. 00		
FORE	-0. 04	0. 18	0. 15	-0. 06	-0. 09	0. 06	0. 09	-0. 20	0. 07	-0. 29	1. 00	
INSTIT	-0. 01	-0. 05	0. 14	0. 06	0. 18	-0. 01	-0. 08	0. 15	0. 02	0. 06	0. 05	1. 00

Table (2-14) shows that the value of the correlation coefficient between the two variables (the independence of the audit committee) and (the size of the board of directors) is (-0.46), a value that indicates the absence of the phenomenon of multiple linear correlation between the independent variables, as it was less From (0.80 ±) Therefore, it can be said that the sample is devoid of the problem of high multiple linear correlation, and to confirm the previous result, the values of the variance inflation coefficient (Variance Inflation) were calculated

Factor (VIF) for each variable, and it can be predicted that there is an overlap in the dimensions of the variables when the test value (VIF) is increased by (3) an integer number. The results were as follows:

Table No. (4-15): Results of the multiple correlation test between the independent variables

Variable	**Tolerance**	**VIF**
WIND	0. 893	1. 120
WS	0. 828	1. 208
BIND	0. 584	1. 712
BSIZE	0. 526	1. 900
BMEET	0. 550	1. 819
CMS	0. 684	1. 461
AIND	0. 340	2. 943
ASIZE	0. 463	2. 159
AMEET	0. 563	1. 777
OMSH	0. 649	1. 541
FORE	0. 790	1. 266
INSTIT	0. 918	1. 089

Table (4-15) shows that the values of the variance inflation coefficient were all greater than the number 1 and less than the number 3, which indicates that there is no problem of the multiple linear correlation between all the variables of the study.

The following is a presentation of the results of testing the hypotheses branching from the first main hypothesis, based on the regression coefficients table.

Table No. (4-19): Regression coefficients for the first main hypothesis

Regression Coefficients				
Independent Variables	(B) Transactions	Standard Deviation	Calculated T Value	Sig (T)
WIND	60. 270	17. 635	3. 418	0. 001
WS	0. 103	0. 755	0. 136	0. 892
BIND	1. 173	15. 126	0. 078	0. 938
BSIZE	0. 693	1. 129	0. 614	0. 541
BMEET	0. 207	0. 105	1. 967	0. 052
CMS	-0. 156	0. 070	-2. 212	0. 029
Regression Constant	10. 347	20. 808	0. 497	0. 620

Results of testing the first sub-hypothesis H01-1

The value of the regression coefficient (60.27) indicated the effect of the independence of women's participation on the accounting conservatism multiple of profit, which is a significant effect, as the value was (3.418) t and the level of significance (Sig. = 0.001).

Accordingly, we reject the first sub-null hypothesis, and accept the alternative that states:

(For the independence of women's participation at $\alpha \leq 0.10$, there is a statistically significant effect at the level of significance)

Profit multiple in the Iraqi private banks listed in the Securities Commission

Table No. (4-21): Regression coefficients for the second main hypothesis

Regression Coefficients				
Independent Variables	(B) Transactions	Standard Deviation	Calculated T Value	Sig (T)
AIND	-48. 326	58. 856	-0. 821	0. 414
ASIZE	5. 843	2. 922	1. 999	0. 048
AMEET	0. 534	0. 223	2. 400	0. 018
Regression Constant	-3. 413	10. 836	-0. 315	0. 754

Testing the third main hypothesis and its ramifications

The third main hypothesis: H03 There is no statistically significant effect at the level of significance (0.10 α≤) of the ownership structure on the profit multiple in the Iraqi private banks listed in the Securities Commission.

Table No. (4-22) Model summary and ANOVA analysis of variance

Dependent Variable	**Form Summary**			**ANOVA analysis of variance**	
	The square of the coefficient of determination R	Modified coefficient of determination	The standard error of the model	Calculated T Value	SIG (F)
Profitability RepeaterPERATIO	0. 003	-0. 027	13. 7	0. 127	0. 944

Table (4-22) shows the significance of the model, where the value was (0.127 (F = 0.127) and the level of significance (0.944 (SigF = 0.944), which is greater than 0.10, and this confirms that the model is not significant, as indicated by the value of the coefficient of determination (0. 003 (R2=) indicates that (0.3%) of the variance in (accounting conservatism repeated profit) can be explained through the variance in the independent variables, with any other factors remaining constant.

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Accordingly, we accept the third major null hypothesis, which reads:

“There is no statistically significant effect at the level of significance (ɑ ≤ 0.10)) of the ownership structure on the profit multiple in the Iraqi private banks listed in the Securities Commission.”

Table No. (4-23): Regression coefficients for the third main hypothesis

Regression Coefficients				
Independent Variables	(B) Transactions	Standard Deviation	Calculated T Value	Sig (T)
OMSH Major Shareholders Ownership	1. 783	9. 601	0. 186	0. 853
FORE foreign ownership	0. 340	1. 415	0. 240	0. 811
INSTIT CORPORATE OWNERSHIP	3. 466	7. 177	0. 483	0. 630
Regression constant	13. 169	7. 661	1. 719	0. 089

Results of testing the first sub-hypothesis H03-1

The value of the regression coefficient (1.783) indicated the effect of ownership of major shareholders on accounting conservatism, which is a non-significant effect, as the t value was (0.186) with a significance level of (Sig. = 0.853).

Accordingly, we accept the first sub-null hypothesis, which states:

There is no statistically significant effect at the level of significance (0.10 (ɑ ≤) for the ownership of major shareholders on the profit multiple in the Iraqi private banks listed in the Securities Commission

Results of testing the second sub-hypothesis H03-2

The value of the regression coefficient (0.34) indicated the effect of foreign ownership on accounting conservatism, which is a non-significant effect, as the t value was (0.24) with a significance level of (Sig. = 0.811).

Accordingly, we accept the second sub-null hypothesis, which states:

"There is no statistically significant effect at the level of significance (0.10ɑ≤) for institutional ownership on the profit multiplier in the Iraqi private banks listed in the Securities Commission"

Results of testing the third sub-hypothesis H03-3

The value of the regression coefficient (3.466) indicated the impact of institutional ownership on accounting reservations, which is a non-significant effect, as the t value was (0.483) with a significance level of (Sig. = 0.63).

Accordingly, we accept the second sub-null hypothesis, which states:

For institutional ownership on a repeater ɑ≤0. 10 There is no statistically significant effect at the significance level

Profit in the Iraqi private banks listed in the Securities Commission.

Conclusion

The results of the experimental application (Likelihood Ratio) and (Hausman) to determine the appropriate model to use in the analysis revealed that the random effects model is the most accurate in estimating the models of the study's hypotheses.

The main and sub-study hypotheses were also subjected to multiple regression analysis using the (E-Views) software in order to test them. The results indicated that all the study's main hypotheses were rejected except for the third hypothesis. As for the sub-hypotheses, the first, fifth and sixth sub-hypotheses related to women's independence and board meetings were rejected. And the salary of the managing director, and the acceptance of the second, third, and fourth sub-hypotheses related to the size of women's participation, the independence of the board of directors, and the size of the board of directors. The third is related to the ownership of major shareholders, foreign ownership and institutional ownership.

The results of hypothesis testing were also discussed and compared with the results of previous studies in terms of agreement and disagreement.

Recommendations

Based on the findings of this study, the following recommendations can be made:

- For institutions that expect their business to flourish, it is possible to increase the percentage of profits and benefit from them, and reduce the percentage of operating profits repeated. Relying on an increase in capital by reducing shareholder profits.
- This study recommends that investors in the shares of Iraqi institutions not rely entirely on the dividend index because it is adversely affected by the dividend distribution rate.
- If the investor is to adopt a profitability index, the investment decision-making takes into account the primary role in activating profits management and not influencing the stakeholders' decision.
- This study recommends conducting more scientific research regarding the multiple of profits in Iraqi commercial institutions and banks and activating the oversight role of the audit committees.
- Activating the role of women in the participation of the Board of Directors with their experience and influence in the decision.