



Reliability Of Accounting Information Reduces Financial Fraud According To The International Standard (ISA1)

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Abstract. *The research aimed to Highlighting the International Accounting Standard No (1) Presentation of financial statements and Identify the concept of reliability of accounting information and The nature of financial fraud and the extent to which it can be reduced through documented accounting information. The research problem was as follows from the fact that any lack or deficiency in the reliability of the accounting information for the financial statements will reduce the degree of reliance on them, which affects those lists prepared by financial institutions (banks) operating in Iraq that failure to take the standard of presentation of financial statements No (1) will inevitably lead to the lack of credibility and reliability of accounting information, which results in misleading accounting outputs that will be a door to financial fraud in its various forms Hence. the main research problem can be crystallized by the following question: Will enhancing the reliability of accounting information in accordance with Financial Statement Presentation Standard No (1) reduce financial fraud?. The research reached many conclusions, the most important of which are - The accounting information is presented in the form of accounting reports prepared in accordance with an accounting system called financial reports, as these reports are the final product of the accounting system for any economic unit because of its role in supplying and providing stakeholders in the economic unit with information that contributes to economic decision-making and that financial reports are a means of informing external parties benefiting from various financial information about the activities of the economic units issued by them. - The honesty of accounting information, impartiality and objectivity make the financial statements and reports reliable and credible, enabling users of various orientations to rely on them in making any of the financial decisions.*

Keywords: *Reliability of Accounting Information, Financial Fraud, International Standard (ISA1).*

Abstrak. Penelitian ini bertujuan untuk Menyoroti Standar Akuntansi Internasional No (1) Penyajian laporan keuangan dan Mengidentifikasi konsep keandalan informasi akuntansi dan Sifat penipuan keuangan dan sejauh mana hal itu dapat dikurangi melalui informasi akuntansi yang terdokumentasi. Masalah penelitian ini adalah sebagai berikut dari fakta bahwa setiap kekurangan atau kekurangan dalam keandalan informasi akuntansi untuk laporan keuangan akan mengurangi tingkat ketergantungan terhadap laporan tersebut, yang mempengaruhi daftar yang disiapkan oleh lembaga keuangan (bank) yang beroperasi di Irak yang gagal. Mengambil standar penyajian laporan keuangan No (1) mau tidak mau akan mengakibatkan rendahnya kredibilitas dan keandalan informasi akuntansi, yang berakibat pada keluaran akuntansi yang menyesatkan yang akan menjadi pintu terjadinya penipuan keuangan dalam berbagai bentuknya. masalah utama penelitian dapat dikristalisasi dengan pertanyaan berikut: Apakah peningkatan keandalan informasi akuntansi sesuai dengan Standar Penyajian Laporan Keuangan No (1) mengurangi penipuan keuangan?. Penelitian ini mencapai banyak kesimpulan, yang terpenting adalah - Informasi akuntansi disajikan dalam bentuk laporan akuntansi yang disusun sesuai dengan sistem akuntansi yang disebut laporan keuangan, karena laporan tersebut merupakan produk akhir dari sistem akuntansi untuk setiap unit ekonomi. karena perannya dalam menyediakan dan memberikan informasi kepada pemangku kepentingan di unit ekonomi yang berkontribusi terhadap pengambilan keputusan ekonomi dan bahwa laporan keuangan merupakan sarana untuk menginformasikan kepada pihak eksternal yang memperoleh manfaat dari berbagai informasi keuangan tentang kegiatan unit ekonomi yang dikeluarkan oleh mereka. - Kejujuran informasi akuntansi, ketidakberpihakan dan objektivitas membuat laporan dan laporan keuangan dapat diandalkan dan kredibel, memungkinkan pengguna dari berbagai orientasi untuk mengandalkannya dalam membuat keputusan keuangan apa pun.

Kata Kunci: Keandalan Informasi Akuntansi, Penipuan Keuangan, Standar Internasional (ISA1).

1. INTRODUCTION

The phenomenon of financial fraud is one of the dangerous phenomena that threaten countries, especially developing countries, including Iraq as it gnaws at the body of society, and financial fraud is deviant behavior or illegal behavior committed by the management of economic units in order to obtain personal benefits, which leads to damage to those economic units and then the country as a whole and financial fraud is influential in different sectors and the financial sector in particular, as it directly affects the activity of different sectors, and from here it is necessary to take a serious stand To reduce this phenomenon, which has begun to spread (Al-Rammah:2016:2).

Accounting information plays an important and vital role in the success of economic units, their continuity and development, as information is one of the most important tools that help management in making various decisions at the level of operation, investment or financing, in addition to the use of resources in an economical and sound manner, and there are those who consider it a very important commodity after the information revolution because it is meaningful and significant facts that can be used in decision-making (Moskov 123:2002).

The new era of accounting, as the application of international accounting standards will achieve a historic breakthrough on the financial statements in order to provide more transparent and quality information, which provides the most accurate vision for users of financial statements, as many economic institutions, especially financial institutions, suffer from problems and events as a result of their failure to keep pace with the developments that occur in their business environment, including their failure to identify the relevant international accounting standards, which affects the credibility of the financial statements (Al-Burki: 2022:16).

Motivations for Study

1. The importance of the issue of credibility and reliability of accounting information because it is one of the important and vital issues in the economy of any country, for the following reasons:
 - a. The reliability of accounting information represents the basis on which accountants and beneficiary parties in economic units rely and thus transparent and clear data through which we can judge the conditions of these institutions and the extent of manipulation in their accounts or not.

- b. International accounting standards represent the result of what has been reached by the oldest international accounting organizations and institutes, and that relying on them in preparing financial statements and then accounting information allows any country to communicate properly and correctly with various financial institutions in a way that enhances the ability and potential of any country within the international system.
2. Reducing or reducing financial fraud is a challenge for most economic units because of its negative impact on the work of those units.

Study Problem

The problem of the study stems from the fact that any lack or deficiency in the reliability of the accounting information for the financial statements will reduce the degree of reliance on them, which affects those lists prepared by financial institutions (banks) operating in Iraq that failure to take the standard of presentation of financial statements No (1) will inevitably lead to the lack of credibility and reliability of accounting information, which results in misleading accounting outputs that will be a door to financial fraud in its various forms Hence. the main research problem can be crystallized by the following question:

Will enhancing the reliability of accounting information in accordance with Financial Statement Presentation Standard No (1) reduce financial fraud?.

Objectives of Study

1. Highlighting the International Accounting Standard No (1) Presentation of financial statements.
2. Identify the concept of reliability of accounting information.
3. The nature of financial fraud and the extent to which it can be reduced through documented accounting information.

Study Hypotheses

Based on the problem of the study, two hypotheses were formulated:

- **H1:** the accounting information is documented according to the presentation of the financial statements.
- **H2:** There is a significant impact relationship for the accounting information documented according to the presentation of the financial statements to reduce financial fraud.

Part One: Reliability and Accounting Information

First: Reliability

Reliability means the type of information that proves that such information is free from error and bias and that there is credibility in what it presents or presents to a reasonable degree, as indicated by the Financial Accounting Standards Board (FASB) in statement No (2) in 1980. It is also defined as providing a sufficient amount of objectivity for accounting information that makes decision makers trust it and rely on it as a source of information and forecast-building. It also refers to information that is free from material error and bias that the user relies on, to represent what you mean to represent truthfully or what is expected, and this requires that the information be provable and verifiable and requires a commitment to a sufficient degree of impartiality in measurement and disclosure, which is necessary for people who do not have the time and experience sufficient and necessary, to evaluate the actual content of the information (Al-Najjar, 2012:91).

The measurement and disclosure methods chosen to extract and present the results that are concerned with the reliability feature are appropriate to the circumstances surrounding them, and that these methods were applied in a way that allows other people, independent of those who applied them the first time, to reuse them and verify those results and information that has been provided expresses the essence of the events involved without being affected by significant distortion and also free from bias as it is honest information that can be trusted, as the information Reliability increases their usefulness (Al-Najjar, 2012:91).

To achieve reliability, accounting information must be characterized by the following:

b. Error-free

There are no errors or omissions in the description of phenomena, and that the process used to produce the information decided on them has been selected and applied without any errors, however, this does not mean complete freedom from errors, because many measurements in the financial statements involve estimates based on the professional judgments of management (Arab Society of Certified Accountants, 2011:11).

c. Impartiality

The term neutrality is largely related, but not identically or identifiably with the term free from bias, so neutrality can also mean that the person does not make bias in the report in advance and this implies that the preparers of the financial statements do not have a goal in their minds when preparing those financial statements, But it means that the goal should not affect the predetermined results, so impartiality is a particularly imperative necessity for accounting information, but neutrality remains a relative controversial issue that cannot be

reached absolutely as long as there is a conflict of interest for the parties that have a relationship with the company That information (Ismail and Naoum, 2012:295).

d. Completion

It is if the financial statements contain all necessary and necessary information, as any exclusion or omission would lead to false or misleading information, and therefore will not be useful to users of the financial statements (Kieso, 2012:51).

Second: The concept of accounting information

Data is one of the basic sources and components of accounting information systems, and is often used as a synonym in practical life, with the intention of indicating one meaning despite the fundamental differences between them, and the concept of information is one of the controversial concepts, as there is confusion in the distinction between data and information, so the criterion of benefit by the recipient (beneficiary) is the basis, to distinguish between data and information, and is based on two basic characteristics to distinguish between them, namely: (Qasim, 2003:12).

- a. **Cognitive Addition:** If the data leads to the addition of knowledge in the recipient and turned into information, otherwise it remains within the framework of the data.
- b. **Correlation:** Data is considered information if it is related to a specific event that is decided on and affects the decision taken, it either leads to a sound decision or confirms that the decision taken is sound, or leads to a change or modification of the decision.

Types of Financial Statements

There are two types of financial statements, which are annual financial statements and interim financial statements (periodic) and usually there is a semi-identical in terms of the type and form of annual and interim financial statements and the difference is in the time period covered by each of them and the timing of their issuance, and then the interim financial strength as a means of disclosing information about a certain period is prepared in a manner corresponding to the annual financial statements, In accordance with the same accounting principles applied when preparing and publishing the annual financial statements for the purpose of achieving consistency between the interim and annual financial statements (Obaid & Al-Sayed, 2007:124).

Types of Financial Reports

The financial reports include all information expressing the results of the business that the economic unit is required to submit periodically or voluntarily, such as the income statement, the statement of financial position, the statement of cash flows, and other notes and disclosures that represent a complementary part of the financial statements. These reports also contain the report of the Board of Directors, the internal audit report and the auditor's report, and these components will be clarified below, with a focus on the financial statements as contained in the International Accounting Standards, which IASB indicated that they constitute the backbone of financial reports as follows:

- a. Financial Statements
- b. Management Report
- c. Internal Audit Report
- d. Auditor's Report

It is known that the financial reports of all kinds need to be approved by the external auditor and express his technical and impartial opinion on the extent to which these reports represent the work of the entity or not, and therefore the work of the external auditor and the rules governing his work will be addressed:

First: Audit Standards

Auditing standards are important, because they represent a tool for excellence, and with the presence of standards, the profession gains greater confidence and sobriety because it depends on a scientific and practical basis, while sobriety comes from relying on standards issued by professional organizations and associations, including the American Institute of Certified Public Accountants, which represents the first institute that has formulated and published the requirements for practicing the profession, as well as the fact that it has developed standards, principles and rules that must be followed by practitioners (Arins&Luebck, 2008:38).

Second: Definition of Audit Standards

The auditor must gain the trust of society because the judgment entrusted to the profession is related to the fairness and credibility of the presentation of the financial statements of the reality of the unit under audit, and in order to reach this goal, the professionals need

standards in order to organize their work in a way that ensures the quality of performance (Lotfi, 2007:645).

Third: Types of Auditing Standards

These standards have been classified into three groups, the first covers the personal standards that must be met in the person in order to be able to carry out audit services according to the required quality levels, the second group was associated with field work that auditors must adhere to when performing audit services, and the third group covers the requirements for expressing an opinion and writing a report on the financial statements subject to audit (Judge & Dahdouh, 2009:64).

Part Two: International Accounting Standards (ISA1) and Financial Fraud

The developments in the business environment and the increase in the trend towards the establishment of joint stock companies and the revitalization of capital markets, to increase the need for useful financial information that can be used in making various economic decisions and to protect the rights of stakeholders in the institution, it requires the need for accounting standards that determine the methods that must be followed to measure the operations and events that affect the financial position of the economic unit aimed at achieving profit and the results of its business, and communicate this relevant and reliable information to its beneficiaries (Jabbar,2016:234).

First: Definition of International Accounting Standards

Accounting standards, which are procedures and rules for practical application, are also affected by these inherited accounting norms and practices.

There are many views towards the definition of the standard, there are those who believe that the standard is a tool to rationalize the application trying to narrow the gap between it and the theoretical basis of accounting (Tangerines, 2011:102).

The standard is also defined as general models or guidelines that lead to the guidance and rationalization of practical practices in accounting and auditing (Al-Qadi, 2003:33).

Second: Accounting Standard No (1) (ISA1) Presentation of Financial Statements

The objective of this standard is to state the basis for the presentation of the general purpose financial statements to ensure that they can be compared with the financial statements

of the economic unit for previous periods and the financial statements of other economic units. (Kandori, 2012:89).

To achieve this objective, this standard specifies the overall considerations for the presentation of the financial statements, the guidelines for their structure and the minimum requirements for the content of the financial statements, and the most important of what is stated in this standard with regard to the disclosure of parties related to the economic unit are:

- a. Among the information that must be presented either in the statement of financial position or in the notes (decomposition of receivables into amounts due from trading clients and other members of the group, receivables from related parties, advance payments and other amounts). (International Federation of Accountants, 2014: 606).
- b. The economic unit must disclose either in the body of the balance sheet or in the balance sheet notes other sub-classifications of the items presented classified appropriately for its operations, and each item must be classified into sub-types when appropriate according to its nature, and the amounts credited and debit must be disclosed independently to the parent company, subsidiaries, associates and related parties. (Abdullatif, 2013:23).

In addition, it provides explanatory notes and accounting policies that will help its users predict future cash flows (Association of Accountants and Auditors L12-13) .

This standard applies to accounting information and lists published by financial institutions and other institutions to serve the beneficiaries of accounting information and financial statements, and financial institutions of various legal forms, domicile or sizes are subject to the provisions of this standard.

Third: Financial Fraud in Economic Units

Financial fraud represents the manipulation of information that the company uses to prepare its financial statements to show a false image of the company's financial position, and this type of manipulation is called management fraud. It hinders performance, wastes scarce money and resources, and harms the enterprise, its reputation and competitiveness. Fraud may take several forms other than the financial loss itself, whatever its value, such as (fraud - error - bribery and others), the greatest damage may be that caused to the performance of the facility, its reputation, credibility, market and public confidence in it, and ultimately may lead to exposure to multiple risks.

The concept of fraud

Defined terminologically as the intentional act of one or more individuals from management, control officials, employees or external parties involving the use of deception to obtain an unfair or illegal benefit (ACFE,2004:3).

The American Anti-Fraud Institute defined it as the exploitation of a person of his position in the economic unit in order to obtain personal wealth through intent (intentionality) in the misuse of assets or misimplementation of the unit's resources and has several forms (Al-Dhahabi, 2005:426):

- a. **Bribery:** It means that the individual obtains a benefit that is often financial to pass the business contrary to the laws and legislation or the principles of his profession.
- b. **Embezzlement:** means the seizure by an individual of the funds in his possession by virtue of his position or by virtue of his legal capacity with the intention of seizing them and covering this disposal by misrepresentation in accounting books and records.
- c. **Forgery:** It is the change of truth with the intention of fraud in financial securities, documents and other accounting books by one of the material or moral methods proven by law in a way that would cause damage to the public interest or to a person.
- d. **Fraud:** It is the process of deliberately deleting, changing or organising restrictions with the aim of concealing a deficit, manipulation or concealment of a certain fact in financial conditions
- e. **Financial Violations:** It is a violation of laws, regulations, instructions and financial statements, or negligence and negligence that leads to loss or waste of funds

Types of financial fraud

a. Fraud

Defined fraud idiomatically description of deliberate errors that are made by action and intention and intention (Mahmoud,2007:5) implicitly defined in (Article 467) of the Iraqi Penal Code No 111 of 1969 amended as one of the crimes punishable by law has determined that article imprisonment penalty not more than two years for each of the fraud in the goods or nature or essential character or in the elements involved in the composition and in the type of goods or source or amount and number, whether It was contracted or not contracted (Iraqi Penal Code No 111 of 1969, as amended).

b. Embezzlement

Embezzlement was defined as the seizure by a person of money in his possession by virtue of his job (Arab Society of Certified Public Accountants: 2001, 169) and also defined as the illegal disposal of the property of the enterprise and the state (Tawfiq, 1988:4)

The third topic

Practical side

The impact of accounting information documented in accordance with the standards of presentation of financial statements to reduce financial fraud

a. Data collection methods:

The data was collected through a questionnaire distributed to each of the academics in universities, employees in the Iraq Securities Market and some workers in banks, as the questionnaire was prepared in its initial form and presented to a group of arbitrator professors and after taking their observations and opinions, the questionnaire was designed and then distributed in its final form.

b. Research population and sample

The research community consists of three groups as follows:

The first group: It consists of (59) teachers and doctoral students in Iraqi and Tunisian universities, and the actual answer was (48) of the total sample

The second group . The two years in banks of various types of these banks, as (50) employees of various grades were selected as a target sample and (41) answers were obtained from the target sample.

The third group: employees in the Iraq Securities Market and some employees in those companies with their various jobs and job addresses by (50) users as a sample and the actual response was (32) of the total target sample. Total number of forms distributed (159) forms and actual answers (121) form

c. Descriptive analysis of the dimension of presentation of the financial statements

Table (1) presents a statistical description represented by the arithmetic averages, standard deviations, the level of answer and its importance for the variables of the presentation of the financial statements, which is represented by (3) paragraphs, as the total arithmetic mean of this variable reached (4.4381) with a standard deviation (0.7576), and this indicates the agreement of the members of the study sample that this dimension was high.

Paragraph (3), which contains (the most important thing that external parties rely on in making decisions related to the economic unit is the financial statements prepared in

accordance with the presentation of the statements in International Standard No. 1), obtained the highest arithmetic averages by (4.5714) and a standard deviation of (.83888).0) This shows the consistency of the responses of the study sample towards this paragraph and within the level of the answer "very high". Paragraph (2) refers to (through the presentation of the financial statements, the possibility of finding explanatory notes and accounting policies that would help its users predict cash flows in the future). On the lowest arithmetic averages with an arithmetic mean of (4.3429) and a standard deviation of (79171 0.This indicates the compatibility of the answers of the study sample, and despite the fact that this paragraph obtained the least arithmetic averages, it still enjoys a very high level of answers according to the answers of the sample members.

Table (1) Statistical description of the dimension of presentation of the financial statements

t	Paragraphs	Arithmetic mean	Standard deviation	Answer Level	Materiality
1	The basis for presenting financial statements prepared for general use is clarified by IAS1) Thus, its possibility of comparison for this period or subsequent periods and comparison with the financial statements with the economic units that operate.	4.4000	0 64219	Very high	2
2	Through the presentation of financial statements, the possibility of finding explanatory notes and accounting policies is available, which will help its users predict cash flows in the future.	4.3429	0 79171	Very high	3
3	The most important thing that external parties rely on in making decisions related to the economic unit are the financial statements prepared in accordance with the presentation of the statements in International Standard No. 1.	4.5714	0 83888	Very high	1
	For the whole dimension	4.4381	0.7576	Very high	

Source: Prepared by the researcher based on the results of statistical analysis (SPSS)).

d. Hypothesis testing, analysis and interpretation of results

Hypothesis testing is the essence of research work, so this requirement includes testing the hypotheses of the main and subsidiary study and analyzing and interpreting its results through the nature and level of direct impact relationships between variables, in light of the answers of the sample members through the impact of the independent variable (reliability of accounting information according to International Accounting Standard No. (1)) on the dependent variable (financial fraud in economic units) in order to reach the results of testing and interpreting research hypotheses. As follows: The above sub-hypotheses will be tested through the One-Sample Test

The first hypothesis: the accounting information is documented according to the presentation of the financial statements.

The results of the test were as in Table (2) below, as it is clear that there is support by the sample members on the importance of presenting the financial statements to increase reliability, as the value of t was at a significant level of less than 5%, which confirms the proof of the hypothesis of the study, i.e. accounting information documented by the presentation of the financial statements.

Table (2) Results of the first sub-hypothesis test

One-Sample Test						
	0 = Test value					
	T value	Degree of freedom	Moral degree (2-tailed)	Average difference	95% confidence interval for difference	
					inferior	Top
Presentation of financial strengths	165.519	419	0.000	4.45000	4.3972	4.5028

Source: Prepared by the researcher based on the results of statistical analysis (SPSS)).

The second hypothesis: there is a significant impact relationship for the accounting information documented according to the presentation of the financial statements to reduce financial fraud.

For the purpose of testing this effect, we will employ the simple linear regression equation defined by the following mathematical function:

Whereas, It is the dependent variable (the financial fraud in economic units), It is the independent variable represented by (reliability of accounting information according to international accounting standards) and (reliability of accounting information according to auditing standards), is the fixed term, is the marginal slope, is the limit of random error that is distributed according to the normal distribution with a mean of zero and a standard deviation .

As the above equation will be employed by studying the effect of the relationship between (reliability of accounting information according to accounting and auditing standards) on (financial corruption in government units) as well as employing the T test), and employing the (F) test, and the coefficient of determination or interpretation ((R²) to know the percentage of interpretation of the independent variable of the approved variable. This hypothesis states

(there is a significant impact relationship for the accounting information documented according to the presentation of the financial statements to reduce financial fraud)

For this purpose, the regression equation was analyzed between the approved variable represented in financial fraud in economic units and the independent variable represented by the reliability of accounting information according to the presentation of the financial statements as shown in Table (3):

From the results presented in the table below, when the value of the presentation of the financial statements is increased by one unit, the value of the financial fraud limitation 'will be affected by the increase by, which means that there is a positive and significant impact of a variable for the reliability of accounting information documented by presenting financial statements on reducing financial fraud, and from here it can be said that the accounting information documented by presenting the financial statements will have a positive role in reducing financial fraud in economic units and that is clear through testing (T) for the value of the beta coefficient which amounted to (5.330), which is evidence of the significance of the beta coefficient below the level of significance 0.05, and through the above results we accept the hypothesis that

(there is a significant impact relationship for the accounting information documented according to the presentation of the financial statements to reduce financial fraud)

As well as through the calculated value of (F) (25.43), which is a significant value below the level of significance 0.05, we conclude that the studied model between the reliability of accounting information in the presentation of financial statements and the reduction of financial fraud, is highly compatible with the phenomenon under research.

In addition, it is noted from Table (3) that the coefficient of determination (R^2) amounted to (99.8%) and the corrected coefficient of determination of (97.3%), which shows that the interpretability of the regression equation is high and indicates that (97.3%) of the changes that occur in reducing financial fraud is due to the accounting information documented in the presentation of the financial statements, meaning the greater the commitment to the presentation of the financial statements in accordance with accounting standard No. 1 IAS1)) Accounting information will be documented and will reduce financial fraud in economic units.

Table (3) shows the values of the coefficient of determination, the value of the regression parameter and the value of the presentation of financial statements on the reduction of financial fraud

Sig	Calculate d F	coefficient Selection Debugger	Coefficient of determination (R ²)	Reducing financial corruption in economic units			Dependent variable
				Sig	Calculated T	Estimated Value	Independent variable
0.0001	25.43	0.973	0.998	0.342	1.841	0.324	Fixed limit
				0.0019	5.330	0.523	Accounting information documented according to the presentation of the financial statements

Source: Prepared by the researcher based on the results of statistical analysis (SPSS).

2. CONCLUSIONS AND RECOMMENDATIONS

First: Conclusions

1. By reliability we mean the quality of information free from error and bias and that there is credibility in what it presents or presents to a reasonable degree, and it provides a sufficient degree of objectivity for accounting information that makes decision makers trust it and rely on it as a source of information and building expectations.
2. The accounting information is presented in the form of accounting reports prepared in accordance with an accounting system called financial reports, as these reports are the final product of the accounting system for any economic unit because of its role in supplying and providing stakeholders in the economic unit with information that contributes to economic decision-making and that financial reports are a means of informing external parties benefiting from various financial information about the activities of the economic units issued by them.
3. The honesty of accounting information, impartiality and objectivity make the financial statements and reports reliable and credible, enabling users of various orientations to rely on them in making any of the financial decisions.
4. International accounting standards play a major role in raising the efficiency and quality of accounting performance as they represent a model that describes what should be the accounting application and therefore the accounting standards lead to the unification of the presentation of financial reports in a way that provides transparency and disclosure in them, which represents a protection tool for investors in the Iraq stock market.

5. Financial accounting information can be documented through the presentation of financial statements in accordance with International Accounting Standard No. (1) In addition, the preparation of the cash flow statement will give a clear picture of cash flows and their financing, investment and operational activities.

Second: Recommendations

1. It must enhance the reliability of accounting information because of its important role for decision makers because it provides information free from error and bias and thus be more credible for what it presents or provides of objectivity to accounting information.
2. The need for the regulators of the global and local accounting profession to determine the objectives of the basic and future financial statements in a way that can be used mainly and directly to meet the needs of the beneficiaries of the financial statements, including banks registered in the Iraq Securities Market, so that the process of preparing financial statements is directed to the management and beneficiaries of the market.
3. The need to emphasize the credibility of accounting information, impartiality and objectivity, and thus will give additional impetus to financial reports to be with a high degree of reliability and credibility and thus enable users of various types and classifications to adopt them in making their financial decisions.
4. Emphasizing the commitment of all financial and non-financial institutions to apply international accounting standards because of their key role in raising the efficiency and quality of accounting performance as they represent a model that describes what should be the accounting application, because the standards unify the presentation of financial reports in a way that provides transparency and disclosure and represents a protection tool for investors in the securities market.
5. The need for the accounting information to be documented through the application of International Accounting Standard No. (1), which is represented by the presentation of the financial statements in a way that meets the possibility of comparing them with this period or subsequent periods and the possibility of comparison with the financial statements with the economic units operating in the same field.

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