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THE ROLE OF JOINT AUDITING TO IMPROVING THE QUALITY OF THE ELECTRONIC AUDITOR'S REPORT IN IRAQI BANKS

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ABSTRACT

This study aims to demonstrate the impact of joint auditing on improving the quality of the electronic auditor's report in Iraqi banks, by examining whether the banks that have been audited by independent auditors are of high quality in the electronic audit report from the banks that are audited by a single auditor. In addition, to test the hypotheses, the study used a sample of 10 Iraqi banks during the period from 2015 to 2020. The results of multiple regression analyzes show that the companies that were audited by joint auditors are of high quality in the electronic audit report from the banks that were audited by individual auditors. . However, the results showed that electronic audit reports are more appropriate in banks that use joint audit, and the results also showed that the electronic audit report is more understandable and has an honest representation in banks that use joint audit.

Keywords: *Joint audit, quality of electronic audit report, adequacy.*

INTRODUCTION

The 2008 financial crisis triggered the European Commission Green Paper (2010) to increase audit quality and develop market competition. Thus the term joint audit emerged which allowed more than one auditor to share the client audit which improved competition and enhanced audit quality. After the emergence of the green paper, there were conflicting views on the impact of mandatory joint audits of the Big Four firms (Amirham and Jihan, 2019). Although mandatory joint audits may bring many benefits, they may also increase audit cost and workload, so mandatory joint audits have become a major criticism of countries that have imposed this approach (Hussain et al., 2018).

In recent years there has been a growing concern about auditor independence, which is a necessity for audit quality. There have been calls for more regulation

and governance to improve auditor independence, with the ultimate goal of restoring confidence in the quality of financial statement audits (André, et all, 2016).). A recent example is the green paper "Audit Policy: Lessons from the Crisis" issued by the European Commission which aims to stimulate debate on how to improve audit regulation to increase audit quality (and market competition audit). The Green Paper suggested several regulatory measures as potential remedies to the alleged lack of market confidence in auditor independence, such as joint audits, auditor rotations, audit committees, and restrictions on the services that auditors are allowed to provide to their clients (Aobdia, 2019).

A large number of the literature agreed that there were individual differences between the reviewers. These differences are levels of knowledge, experience, and risk preference (Knechel 2012; Baldauf &

Steckel, 2012; Kermiche & Piot, 2018). These differences relate to the industry and its trends in accounting and auditing so that they can be shared by sharing through joint audit participation. Thus, achieving an effective audit may improve the quality of financial reporting. Accordingly, joint auditing may be one of the forms that ensures the preparation of high-quality financial reports through network links that allow the exchange of experiences and knowledge and the formation of professional links (Bianchi, 2018).

The banking system is one of the main tools for the process of economic growth. This is due to the main role in financing productive projects, where the banking market plays an important role in the national economy, and the importance of the role it plays as a link between investors and savers, as the banking system contributes to transferring funds from their owners. They do not have opportunities to invest them for those who need them and they have investment opportunities, thus raising the level of economic activity, achieving economic growth and alleviating and addressing economic problems. Bank balances divided into statutory balances imposed by the central bank and surplus balances have two purposes. The first is used by the bank to face withdrawals or to secure its financial position, and the second is by using the remaining balances

in various loans and investments (Sabih, 2015).

This study aims to measure the impact of the joint audit through the characteristics of the audit committees, which include the experience of the joint audit committees, the independence of the committees, the size of the joint audit committees and the periodicity of the meetings of these committees on the quality of the electronic audit report through (appropriateness), this study was applied to Iraqi banks registered in The Iraqi stock market, and a judgmental sample of (10) ten Iraqi banks (banks) has been identified for a period of (6) years extending from 2015 to 2020.

RESEARCH PROBLEM:

Proponents of joint audits argue that two audit firms auditing the same client will increase the accuracy of the overall information Deng et al. 2014)). After (DeAngelo, 1981) definition of audit quality as the probability that the auditor will detect (efficiency), report (independence) and exhibit (appropriateness) an accounting error, the probability of detecting an accounting error should be greater within the framework of a joint audit scheme, where there are two audit firms looking for accounting misstatements potential (the so-called "four eyes" argument). Furthermore,

(Bédard et all. 2014) notes that under a joint audit, the two audit firms benefit from their mutual technical and geographic expertise. Regarding the potential impact of joint audits on the dimension of relevance and independence of audit quality (Bédard et all. 2014: 12) he claims that "[...] a joint audit would provide auditors with greater incentive to stand their ground in the event of disagreement between a single auditor and the subject company to check". Besides, Deng et al. (2014) note the stronger difficulties (and higher costs) of "bribery" two auditors rather than one. This is also the opinion (Nurunnabi et all. 2020), which indicated that accounting professionals attribute many benefits to joint audits.

However, there are also arguments for the negative impact of joint audits on audit quality in favor of the "free-riding" problem (Deng et all. 2014) that under joint audits each audit firm has incentives to provide audit resources, and thus the result can be poor quality audit. Another argument emphasizes operational problems where joint audits require a clear definition of audit assignments between audit firms (Bédard et al. 2014). In addition, Quick & Schmidt, 2018) points out the same difficulties faced by the same audit firms that compete to retain the client in the coming years and cooperate closely in auditing that same client and similarly

(Quick and Schmidt, 2018) argue that joint audits may undermine The independence of the auditor because both auditors may compete to satisfy the client. Finally, (Hoos et all. 2019) note that under joint audit auditors may be less willing to issue modified opinions on going concern.

Hence, this study came to measure the impact of the joint audit through the characteristics of the audit committees (the financial and accounting experience of the members of the audit committee, the independence of the audit committee, the size of the audit committee, and the periodicity of the audit committee meetings) on the quality of the audit committee's electronic report in terms of (the suitability of the report), in banks Iraq during a period of time between 2006 and 2020.

Where the problem of the study is to ask the following general question: What is the impact of the joint audit (the level of expertise of the joint audit committees, the independence of the joint audit committees, the size of the joint audit committees, the periodic meetings of the joint review committees) on the quality of the electronic audit report (appropriateness)?

Based on the study problem, the following questions can be formulated:

Is there a statistically significant effect at the significance level ($\alpha \leq 0.05$) of the joint

audit (the level of expertise of the joint audit committees, the independence of the joint audit committees, the size of the joint audit committees, the periodic meetings of the joint audit committees) on the quality of the electronic audit report (appropriateness)?

From which the following sub-question arises: Is there a statistically significant effect at the significance level ($\alpha \leq 0.05$) of the joint audit (the level of experience of the joint audit committees, the independence of the joint audit committees, the size of the joint audit committees, the periodic meetings of the joint audit committees) on the suitability?

RESEARCH OBJECTIVES:

- 1- Studying the most important characteristics of the joint audit committees.
- 2- Shed light on the concept and standards of the quality of the electronic audit report (appropriateness).
- 3- Studying the impact of joint auditing through the characteristics of audit committees on the quality of the electronic audit report (appropriateness).

THE IMPORTANCE OF RESEARCH:

The importance of the research is evident by measuring the impact of the

joint audit committees on the quality of financial reports in terms of appropriateness. As these variables have a big and important role in the business environment on both the audit profession and the decisions of banks related to their financial reports and financial position. The importance of the research increases the scarcity of research that examines the relationship between the joint audit through the characteristics of the audit committees (the level of expertise of the joint audit committees, the independence of the joint audit committees, the size of the joint audit committees, the periodic meetings of the joint audit committees) and the quality of the electronic joint audit reports (appropriateness,) In the environment of Iraqi banks in the period between 2015-2020.

QUALITY OF ELECTRONIC REPORTS:

The quality of financial reporting has been defined as "the provision of financial statements with true and fair information on operational performance and financial position, and this definition reflects the specific financial reporting objectives in organizations and bodies that set accounting standards such as the International Accounting Standards Board (Ismail, 2016).

The quality of financial reporting has also been defined as “the clarity and transparency of financial reporting and the timely availability of information and as defined by the(AICPA) the Special Committee on Financial Reporting considers quality to be the extent to which information can be used in forecasting, and the suitability of the information for the purpose of obtaining it (Ahmed, 2015).

Where the concept of quality in accounting information means the credibility of the information and the benefit it brings to users and is free from distortion, and that it is prepared in the light of a set of technical, supervisory and professional standards, which helps to achieve it. The purpose of its use, the quality of reports in general means that the information is free from errors, misrepresentation, forgery and fraud, realistic and without exaggeration, and quality in this area means the credibility of the accounting information contained in the financial reports and the benefit that they achieve. To achieve this for users it must be free from distortion and misleading and must be prepared in light of a set of legal, regulatory, professional and technical standards to achieve the purpose of its use (Lerf, 2017). Electronic disclosure is one of the most important advanced uses of the Internet, as this led to a fundamental change in the environment of reports that depend on the

Internet, and the traditional method of disclosure through papers took a long time to provide and communicate it to stakeholders. In light of the many advantages that companies derive from the electronic publication and disclosure of accounting information, this has led to many companies adopting this advanced technology and building websites for them on the Internet, which include a huge amount of financial and non-financial information. About the company, which can be updated when needed and at no cost, which facilitates the task of easy and direct communication with stakeholders at any time (Al-Shahnawy, 2012).

Improving the quality of financial reports and reducing the inconsistency of accounting information is one of the most fundamental problems facing the financial markets in light of the separation of ownership from management and according to the agency theory, which leads to a conflict of interest between dealers in these markets through the investors' possession of private information about the company. While there are other investors who do not have access to this information, which affects their ability to make sound and timely decisions. Therefore, it is necessary to search for a way to reduce this problem in light of the inability to coordinate between the conflicting parties of interests and the

difficulty of completely neutralizing financial information brokers on the other hand. Therefore, the expansion of electronic accounting disclosure and increasing its effectiveness is one of the most important tools proposed to improve the quality of financial reports and reduce the inconsistency of accounting information (Arbeed and Qurtali, 2016).

The use of technology in accounting disclosure is a necessary condition for all parties whether they belong to the financial community or not part of it. Because it is not only necessary to achieve efficiency in rationalizing economic decision-making and reaching the largest base of investors and clients in the world, but also to maintain financial stability and face financial crises (Benboualia & Berberib, 2018). Thus, electronic accounting disclosure of reports and financial statements represents one of the methods of accounting disclosure that depends on the possibility of making use of the means of modern communication techniques in communicating the results of the work carried out by the economic unit to the relevant authorities (Al-Muhi, 2016).

The main objective of financial reporting is to provide high-quality financial and non-financial information about the reporting entity that is useful to stakeholders in making their decisions, and this information shows the economic

resources of the entity in a way that shows its actual value in illustrating the true value of the entity provided that this information is provided to stakeholders in an understandable manner. It helps them to make their own economic decisions (Morcas, 2017).

Financial reports include traditional financial statements, supplementary notes, and additional disclosures to financial statements. Since the traditional financial statements are not able to show all the events related to the entity and they do not provide much information that stakeholders need about the entity. Thus, financial reports are more comprehensive than the concept of financial statements and therefore include many financial and non-financial information (Mustafa, 2016). Given the importance of accounting information to express honestly and fairly the real situation of the facility, the accounting literature has increased its interest in studying the quality of financial reports and the quality and usefulness of the accounting information disclosed in those reports. Accounting information for its users. Several studies dealt with the effects of the quality of financial reports and the accounting information they contain and the impact of publishing this information on the modification of all parties related to the facility to their future

expectations regarding the value of that facility (Ahmed, 2015).

PREVIOUS STUDIES:

First: Arabic Studies:

Study (Rashwan and Abu Rahma, 2018):

The study aimed to identify the impact of electronic disclosure of financial information on the efficiency of the Palestinian capital market in the light of international financial reporting standards. The researchers relied on the descriptive analytical approach, and the study concluded that the use of electronic disclosure by companies listed on the Palestine Stock Exchange made financial reports more understandable by investors, and also contributed to increasing the volume of investment in companies listed on the Palestine Stock Exchange.

Study (Al-Shatnawi, 2018):

The study aimed to clarify the concept of electronic accounting disclosure, by clarifying the nature of electronic accounting disclosure, its stages of development and components, and its role in improving the quality of financial reports and reducing information asymmetry gap in the Jordanian business environment, with the aim of helping users of financial reports to make rational decisions. The researcher adopted both the descriptive analytical approach and the

inductive and deductive approach to achieve the goal of the study, and a field study was conducted in the Jordanian environment by surveying the opinions of a sample of financial analysts in financial brokerage companies. The results of the study showed a statistically significant role for electronic accounting disclosure in improving the quality of financial reports, as well as a statistically significant role for electronic accounting disclosure in reducing the information asymmetry gap in the Jordanian business environment.

Study (Rashwan and Abu Mustafa, 2017):

The study aimed to identify the impact of the use of Reporting Language (XBRL) as a tool for electronic disclosure on the quality of financial reports under the International Accounting Standards (IFRS). The study relied on the descriptive analytical approach and used the questionnaire as a research tool and was distributed to the research sample consisting of financial managers, heads of departments and accountants working in companies listed on the Palestine Stock Exchange, and their number is (86) male and female employees. The study concluded that disclosure in accordance with international accounting standards enhances the use of (XBRL) language which led to an improvement in the qualitative characteristics of the quality of

accounting information contained in the financial reports.

Study (Al Zoubi, 2017):

The study aimed to know the extent to which Jordanian commercial banks apply electronic disclosure of their financial statements and the impact of this application on the efficiency of the Amman Stock Exchange. To achieve the objective of the study, an indicator was used to measure the extent of the application of electronic disclosure, which contains 52 mandatory and optional elements, by distributing them into seven groups. The efficiency of the financial market was measured through four indicators, and content analysis was used for Jordanian commercial banks during the period 2010-2015. The study found that banks apply 72.3% of the indicators of electronic disclosure, and the study showed the impact of applying electronic disclosure on the efficiency of the Amman Stock Exchange.

Second: Foreign Studies:

Study (Benboualia and Berberib, 2018):

The study aimed to shed light on the role of electronic accounting disclosure using the XBRL list in activating the efficiency of the stock exchange and its reflection on increasing the quality, transparency and integrity of financial reports. In countries that have applied XBRL language (Malaysia, South Africa, Romania, Oman)

to measure the relationship between XBRL language and the quality of financial information, and thus the efficiency of the stock market. The study found a positive relationship between the use of XBRL and the quality of financial information. Financial reports and stock exchange efficiency, which enhances the quality of decisions taken.

Study (Momany et al., 2014):

The study aimed to show the status of online financial reports for companies operating in an emerging economy that is Jordan. To achieve the objectives of this study, 127 companies listed on the first Amman Stock Exchange for the fiscal year ending in 2008/2009 were surveyed. The company displays its financial statements on its websites, and 32 out of 44 companies (about 73%) publish all of their financial information on their websites. The study also found that the form of disclosure of financial and non-financial information for companies differs from the form of information published by the Amman Stock Exchange on its website.

Study (Erlane, K. G., et al, 2014):

The study aimed to identify the extent to which the financial report preparers in Malaysia are aware of the expanded language for financial reporting, which is a new tool for financial reporting, its availability and electronic disclosure, and its compatibility with the existing

accounting information systems in Malaysia. Financial reports are compatible with existing accounting information systems in organizations and will improve the usefulness of accounting information and strengthen governance mechanisms.

Study (Kim, et al., 2013):

This study tested the effect of using the language (XBRL) in reducing the volume of accounting receivables for companies registered in the American stock market, and the study included a comparison between the volume of estimated receivables before and after applying the language. (XBRL) The study concluded that the application of this language led to a reduction in the size of voluntary benefits, and also concluded that the use of this language is useful in reducing administrative opportunism in the preparation of financial reports, and this would improve transparency and comparability of financial reports.

TRANSFORMATIONS OF THE IRAQI BANKING SECTOR

The banking system is one of the main tools for the process of economic growth. This is due to the main role in financing productive projects, as the banking market plays an important role in the national economy, and the importance of the role it plays as a link between investors and savers, as the banking

system contributes to transferring funds from their owners. They do not have opportunities to invest it for those who need it and they have investment opportunities, thus, raising the level of economic activity, achieving economic growth, and alleviating and solving economic problems. Bank balances divided into statutory balances imposed by the central bank and surplus balances have two purposes. The first is used by the bank to face withdrawals or to secure its financial position, and the second is by using the remaining balances in various loans and investments (Sabih, 2015).

Iraq has witnessed many transformations and stages in the banking sector, which can be included in the following: (Al-Mazouri, 2016)

The first phase from 1890 to 1935

The prominent mark was the establishment of the first branch of a foreign bank operating in Iraq and the establishment of other branches of foreign banks whose main objective was to obtain a profit to finance the commercial activities of those countries, most of which were Ottoman and then English.

The second stage from 1935 to 1941

It was the beginning of the emergence of national banks in Iraq, and it was the first bank (the Iraqi State Agricultural and Industrial Bank).

The third stage from 1941 to 1964

The stage began with the establishment of the first Iraqi commercial bank, Al-Rafidain Bank. This stage is characterized by the growth of banking activity in Iraq, in which the activity of establishing banks, whether governmental or private, increased, as well as the increase of many different banks. During this period, the Real Estate Bank (1948), mortgages (1951) and the cooperative (1954) were established. In addition to the establishment of a number of Al-Ahly Bank such as Credit, Baghdad, Commercial Bank and Al-Rasheed. In addition, at this stage the emergence of central banking activity in Iraq began with the establishment of the National Bank of Iraq (1947) and in the year (1956) it was called the Central Bank of Iraq. .

The fourth stage from 1964 to 1988

The landmark at this stage is the issuance of the Banks Nationalization Law under Law No. (100) for the year (1964). During this stage, the development was clear to changes in the nature of the banking system and the occurrence of mergers and reductions in the banking system significantly, so that it became four main groups, namely:

Bank of Baghdad Group, Credit and Credit Bank. Al-Rasheed Bank was merged with Al-Rafidain Bank, and in the seventies the Baghdad, credit and commercial banks

merged and formed what is known as the Commercial Bank of Iraq. In 1974, the Commercial Bank of Iraq was merged with the Rafidain Bank.

The fifth stage from 1988 to 1996

This stage witnessed a clear development of a kind of openness and expansion of the banking system in the establishment of many private and governmental banking institutions. A notable sign was pluralism in banking. Al-Rasheed Bank was established in the year (1988) under Law No. (52) and at this stage Law No. (12) was issued and amended the Law of the Central Bank of Iraq, which authorized the Central Bank to allow the private sector entities to be established.

The official website of the Central Bank of Iraq indicates today that the number of local and foreign banks operating in the country is 78, including 7 government banks and 45 private banks, as well as 17 branches of foreign banks operating in the country.

In 2004, Iraq issued Banking Law No. (94), and based on the market economy methodology, the interest rate was liberalized, credit plans were cancelled, and the door to work for foreign banks was opened, whether by participating in or opening local banks. Its branches, as well as facilitating the money transfer law and releasing the freedom of external transfer, except for the requirements of the Anti-

Money Laundering and Terrorist Financing Law (Quarterly Reports of the Iraqi Islamic Bank for Investment and Development, 2017).

The application of joint review has spread in most countries of the world, whether it is mandatory or optional, and some countries have tended to cancel the mandatory application of joint review and make it optional, while other countries still apply joint review compulsorily to all sectors, other countries combine mandatory and optional applications. Denmark is one of the first countries to implement joint audits compulsorily since 1930. In an effort to improve the quality of audit services, the Danish Companies Act required all companies whose financial statements are on stock exchanges to be audited by two audit firms, and in 2005 the requirement Compulsory implementation of joint audits and making them optional in order to reduce additional costs associated with coordination and organization processes between joint audit offices (Abu Jabal, 2016).

As for the situation in Iraq, interest has begun to apply the voluntary joint audit approach to Iraqi joint stock companies in accordance with Article No. (103) of the Companies Law No. 159 of 2005, which states that "the joint stock company shall have one or more auditors who meet the conditions stipulated in the Law Practicing

the profession of accounting and auditing, appointed by the General Assembly and whose fees are estimated. In the event of multiple observers, they shall be jointly liable." Companies Law No. 159 of (2005), as well as insurance companies since 2008 in accordance with Insurance Supervision and Control Law No. 10 of 2008, and factoring companies since 2013 in accordance with the decision issued by the Financial Supervisory Authority No. 72 of 2013 Mandatory, and for real estate finance companies since 2010 under Article No. 33 of Mortgage Finance Law No. 148, banks since 2007 in accordance with the text of Article No. (83) of the Central Bank, Banking System and Monetary Law No. 88 of 2007, which states: "Without prejudice to the provisions of the Central Auditing Organization Law, the bank's accounts shall be audited by two auditors, chosen by the bank from among those registered in the register. It is prepared for this purpose, in consultation with the Central Bank and the Central Auditing Agency, and the Governor of the Central Bank, for the reasons he deems fit, may entrust a third auditor to carry out a specific task, whose fees the Central Bank shall bear" (Atwa and Al-Abd, 2019).

After 2003, Iraq sought to open up to the global economy and integrate into the international business environment to gain

investments and accelerate the economic growth the country needed. There is no doubt that compatibility and approximation with international accounting standards leads to the production of information characterized by a set of basic and supporting characteristics that can be read and understood by all users around the world and thus improve the quality of accounting information. The Central Bank of Iraq obligated banks and insurance companies to apply international standards in preparing and submitting electronic financial statements by the end of the year. 2016 (Bhuiyan, 2020)

The weak compatibility between Iraqi accounting rules and international accounting standards led to the establishment of some Iraqi companies listed on the Iraqi Stock Exchange, which merged with other companies as a result of openness to foreign investment to prepare their financial statements with two models, a model with international standards and a model under the Iraqi rules in order to cover the needs of users of accounting information, and this is what some Iraqi banks that merged with foreign banks followed. In all cases, all banks are obligated to implement international financial transactions. 2016 Financial Statement Reporting Standards But the question is whether a basis has been

prepared for compliance with these standards (Bhuiyan, 2020).

STUDY METHOD

In order to achieve the objectives of the study, the researcher used the descriptive analytical method, which is the scientific method that meets the purposes of the study because it depends on the study of reality as it is on the ground and expresses it quantitatively and qualitatively. It dealt with the nature of the relationships between the independent variable and the dependent variable in order to provide a clear and accurate description to determine the effect between these variables and the nature of the relationships that link the independent variable and the dependent variable.

STUDY MODEL

$$\text{RELV}_{i,t} = \beta_0 + \beta_1 \text{Joint Audit}_{i,t} + \beta_2 \text{ACIND}_{i,t} + \beta_3 \text{ACEXi}_{i,t} + \beta_4 \text{SIZE}_{i,t} + \beta_5 \text{BSIZE}_{i,t} + \beta_6 \text{LEV}_{i,t} + e_{i,t}$$

whereas :

$\text{RELV}_{i,t}$: convenience

β_0 : gradient constant

$\text{JAUDIT}_{i,t}$ β_1 : Joint Review

$\beta_2 \text{ACIND}_{i,t}$: Independence of Audit Committee Members

$\beta_3 \text{ACEX}_{i,t}$: The financial and accounting experience of the members of the audit committee

β_4 ACSIZE_{i,t}: The size of the review committees.

β_5 BSIZE_{i,t} : Bank Size

β_6 LEV_{i,t} : Leverage
e_{i,t} : the random part.

RESULTS

Table (1) The practical measures used to measure the dependent variable, the quality of the electronic audit report

Variables	Statement	Mean	Std. deviation
Convenience	Annual reports disclose forward-looking information	3.24	0.75
	Annual reports reveal information in terms of business opportunities and risks	3.45	0.45
	The Bank uses fair value as the basis for measurement	3.25	0.46
	The annual report provides feedback information on how various market events and significant transactions affect the Bank?	3.87	0.55
Total		3.45	0.55

We note from Table (1) that:

As for the appropriateness, it was found from the table that (the annual report provides feedback information on how various market events and important transactions affect the bank) at the highest average, which amounted to (3.87) and with a standard deviation of (.55), as this result indicates that the bank's financial reports are sample. The study is appropriate, while the least result from the

Before starting the statistical analysis, it is necessary to indicate the practical measures used to measure the dependent variable, the quality of the electronic audit report, through its dimensions (appropriateness), as shown in Table (1).

above table was (annual reports disclose forward-looking information).

11 . statistical analysis

Table No. (2) presents a summary of the data of the independent variable forms (the application of joint auditing), where the number 1 was given to the banks that use the joint audit, while the number (0) was given to the banks that do not apply the joint audit.

Table (2) iterative for the joint audit variable.

Year	Variable	Repetition	Percentage
2018	Use of joint revision 0	4	40%
	1	6	60%
	Total	10	100%
2019	Use of joint revision 0	3	30%
	1	7	70%
	Total	10	100%
2020	Use of joint revision 0	3	30%
	1	7	70%
	Total	10	100%

We note from Table (2) that the sample banks of the study consisting of (10) operating in Iraq use the joint audit in the audit process, as the table shows that 60% of the banks appointed to the study use the joint audit in the year 2018, whereas, in the

year 2019, one of the banks has directed to use the joint review, as the table shows that the percentage of banks that use the joint review for the years 2019 and 2020 reached (70%).

Table (3) shows the results of the descriptive statistics for the study variables, as follows:

Variable	lowest value	highest value	Mean	Std. deviation	Skew ness	Flattening coefficient
Relev	0.062	0.45	0.20	0.08	1.08	0.867
Common audit dimensions	0.519	98.2	2.2	1.7	1.78	3.51
Bsize	5.29	9.99	8.55	0.73	1.3-	4.75
Leve	0.00	0.51	0.09	0.001	1.8	3.1

Through Table (3) we note the following:

- The arithmetic mean value of the report quality index is (0.20) with a standard deviation of (0.08), which indicates that the quality of the electronic auditor's report in the study sample in light of the application of the joint audit is medium to a large extent.
- The arithmetic mean value of the joint audit dimensions index (the independence of the members of the audit committee, the financial and accounting experience of the members of the auditor's committee, the size of the audit committees, the frequency of meetings of the audit committees) is (2.2) with a standard deviation of (1.7), which indicates a high index of the joint audit dimensions index. (Independence of audit committee members, financial

and accounting experience of audit committee members, size of audit committees, frequency of audit committee meetings), which affects the quality of the electronic audit report.

- The mean value of the size of the bank is (8.55) with a standard deviation of (0.73), which indicates a high indicator of the size of the bank in the study sample in light of the use of joint audit, which affects the quality of the electronic audit report.
- The arithmetic mean value of financial leverage is (0.09) with a standard deviation of (0.001), which indicates the weakness of the financial leverage indicator for banks in the study sample under the use of joint audit.

PEARSON CORRELATION MATRIX ANALYSIS

The researcher extracted the correlation matrix between the dimensions of the joint audit variable and the variable of appropriateness of reports to test the

Table (4) Matrix of correlation coefficients between the dimensions of the joint audit variable and the reporting adequacy variable:

	Leve	Bsize	Csize	Cexpe	Cinde:	Joint Audit	Relev:
Leve	1						
Bsize	.085	1					
Csize	-.032	-.001	1				
Cexpe	.583**	.463**	-.051	1			
Cinde:	.188*	.314**	-.050	.328**	1		
Joint Audit	.318**	.346**	.684**	.551**	.565**	1	
Relev	.214*	.105	.519**	.283**	.360**	.668**	1

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

The results shown in Table (4) above show the following:

- There is a direct correlation with a significant significance at the level (1%) between the dimension of the committee's size and the variable of convenience. The value of the simple correlation coefficient between them was (0.519).
- There is a direct correlation with a significant significance at the level (1%) between the dimension of the committee's experience and the variable of relevance. The value of the simple correlation coefficient between them was (0.283).
- There is a direct correlation with a significant significance at the level (1%) between the dimension of the committee's independence and the variable of appropriateness. The value of the simple correlation coefficient between them was (0.360).

strength and direction of the relationship between the independent variables and the dependent variable, in light of the control variables, as shown in Table (4), which was extracted using the statistical program (SPSS vr. 26).

(1%) between the commission's independence dimension and the appropriateness variable. The value of the simple correlation coefficient between them was (0.360).

- There is a direct correlation with a significant significance at the level (1%) between the joint audit variable and the appropriateness variable. The value of the simple correlation coefficient between them was (0.668).

With regard to the control variables, the following results emerged:

- There is a weak direct correlation with a significant significance at the level (5%) between the financial leverage and the variable of

convenience. The value of the simple correlation coefficient between them was (0.214).

- Weak and insignificant correlation between the size of the bank and the variable of convenience. The value of the simple correlation coefficient between them was (0.105).

Impact Hypothesis Test

For the purpose of testing the impact hypothesis, the study will depend on the structural model using the structural or

structural modeling (SEM) equation approach, using the AMOS vr.24 program. And as follows:

A model was built showing the nature of the relationship between the dimensions of the joint audit variable and the appropriateness of reports variable, as shown in Figure (1) and Table (5) below.

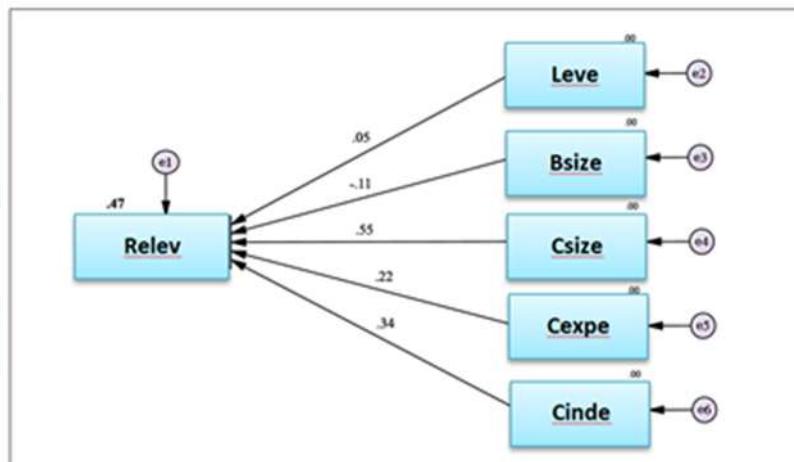


Figure (1)

Structural model for the impact of the dimensions of the joint audit variable and the adequacy variable of reports

Table (5) The effect of the dimensions of the joint audit variable and the adequacy variable of reports

P	R ²	C.R	S.E	Standard Estimates	Path
.558	.474	.586	.033	.048	Relev <--- Leve
.188		-1.317	.042	-.107	Relev <--- Bsize
***		6.689	.035	.546	Relev <--- Csize
***		2.698	.057	.220	Relev <--- Cexpe
***		4.150	.055	.338	Relev <--- Cinde

*** The probability of getting a critical ratio as large as 5.077 in absolute value is less than 0.001.

It is noted from the results shown in Table (5) and the data shown in Figure (2) that:

- There is a significant effect of the committee's size dimension in the variable of relevance, as the value of the effect coefficient reached (.546) with a critical percentage of (6.689).
- There is a significant effect of the committee's experience dimension in the variable of relevance, as the value of the impact factor was (.220) with a critical percentage (2.698).
- There is a significant effect of the committee's independence dimension in the variable of relevance, as the value of the effect coefficient reached (.338) with a critical percentage of (4.150).

And the lack of influence of the control variables (financial leverage and bank size), and the dimensions of the joint audit variable explain its percentage (47.4%) of the change in the relevance variable.

CONCLUSION

This study examines whether the joint audit affects the quality of the electronic audit report in Iraqi banks. In addition, we investigate whether this relationship is affected by the type of joint audit systems and the mix of joint auditors assigned. The results of multiple regression analyzes show that banks audited by joint auditors showed their financial statements to be of

higher quality than banks audited by individual auditors. However, we did not find a significant difference in the quality levels of the electronic audit report between banks that were audited by joint auditors mandatorily and banks that were audited by joint auditors voluntarily. We also did not find a significant difference in the quality levels of the electronic audit report between banks that were audited by two senior auditors and banks that were audited by non-senior auditors or by a senior auditor.

RECOMMENDATIONS

Based on the problem and objectives of the study, this study came out with a number of recommendations as follows:

First: The necessity of holding more courses and seminars for auditors in banks, which helps in understanding the way the joint audit works.

Second: The necessity for banks to go to a joint audit, which will benefit the financial statements so that their financial statements become more credible.

Third: The necessity for countries to enact legislation and laws that would activate the joint review, whether it is in the banking sector or in other sectors.

Fourth: The necessity of doing more research and studies that would demonstrate the importance of joint

auditing to increase the quality of electronic financial reports.

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