THE EXTENT OF COMPATIBILITY OF REPORTING IN THE BANKS OF THE IRAQI STOCK EXCHANGE WITH THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK AND ITS RESPONSE TO THE REQUIREMENTS OF INVESTORS

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ABSTRACT

The current research aims to show the level of compatibility of current reporting with the international integrated reporting framework (IIRF) and the extent to which this reporting meets the information requirements of investors. To achieve the objectives of the research, the researchers relied on the model that was designed by (Zhou et al. 2017) to measure the level of compatibility with the IIRF from the reality of the annual reports of ten banks listed on the Iraqi Stock Exchange for the years 2018-2020. In addition, a questionnaire was prepared and distributed to show the extent to which the current reporting meets the requirements of investors, and the researchers concluded that the level of compatibility between the reporting in the research sample banks and the integrated reporting framework amounted to (45.8056%). This percentage represents a low level of compatibility, in addition, it has been concluded that the current reporting reality in the Iraqi environment contains many shortcomings, and therefore it does not meet all the requirements of investors, as investors need more information in order to rationalize their investment decisions.

Keywords: Integrated Reporting, Quality, International Integrated Reporting Framework

INTRODUCTION

The annual reports issued by economic units are in a state of continuous development due to the increasing demands of investors and other stakeholders for transparency and non-financial information as well as financial information. To meet these demands, integrated reporting has emerged, as an innovative tool, aimed at demonstrating the ability to create and maintain value over time. These reports have become one of the most important topics in recent years. The topic of integrated reporting has received a lot of interest from researchers, especially after the publication of IIRF by the International Integrated Reporting Council (IIRC). Expand the use of 1

The International Integrated Reporting Council (IIRC): is a global alliance that includes the International Accounting Standards Board (IASB), the International Federation of Accountants (IFAC), the World Business Council for Sustainable Development (WBCSD) and the Global Reporting Initiative (GRI), headquartered in the United Kingdom. The goal of this council is to develop an internationally accepted, integrated reporting framework that helps economic units to provide essential information on strategy, governance, performance and their future outlook in a clear, concise and comparable way (https://www.theiirc.org).
integrated reporting in many countries, to the extent that some of them have adopted it obligatory in their financial markets.

Although the adoption of integrated reporting provided several benefits, and constituted a quantum leap in the reports of economic units, this reporting faced a number of challenges. The most important of these challenges is the quality of integrated reporting, as the adoption of integrated reporting without taking into account quality will limit its ability to achieve the desired purpose. Therefore, the economic unit cannot provide the best and most complete reporting unless this report is of high quality. Quality is of paramount and critical importance to achieving the expected results. The level of quality is an important strategic decision for any economic unit because of its importance in increasing the transparency of the information it provides.

RESEARCH PROBLEM

Although the economic units (banks) listed on the Iraq Stock Exchange may voluntarily report part of the requirements of the integrated reporting, this reporting does not follow IIRF. In addition, reporting in the local environment in its current form does not meet all the requirements of investors, as they need to report more financial and non-financial information for the economic units integrated in one report, and provide a comprehensive view. The research problem can be expressed in the following questions:

1. What is the level of compatibility of the current reporting of banks listed in the Iraq Stock Exchange with IIRF?
2. Does the current reporting of the economic units listed in the Iraq Stock Exchange meet all the requirements of investors?

AIMS OF RESEARCH

1. Shedding light on integrated reporting and its quality.
2. Measuring the level of current reporting compatibility with the IIRF for a sample of banks listed in the Iraq Stock Exchange.
3. Indication of whether the current reporting meets the information requirements of investors.

RESEARCH IMPORTANCE

The importance of the research comes from the novelty of the topic of integrated reporting in contemporary accounting thought, and what this reporting
contributes by providing various information, which helps investors and other stakeholders to form a comprehensive picture of the economic unit and its ability to create value. As well as a presentation of quality as a critical factor in the work of the integrated reporting, and an indication of the compatibility of the current reporting of the banks listed on the Iraq Stock Exchange with the IIRF.

RESEARCH HYPOTHESIS

The research seeks to test the following hypotheses:

The first hypothesis: Weakness of the level of compatibility of the current reporting of Iraqi banks listed on the Iraqi Stock Exchange with the IIRF.

The second hypothesis: The current reporting of the economic units listed in the Iraqi Stock Exchange does not meet all the requirements of investors.

THEORETICAL FRAMEWORK OF RESEARCH

The Limitations of Traditional Reporting

Financial reports are the primary means, which investors use to obtain information about economic units. Although the quest to improve information reporting is not new, the changes and the great complexity of the economic environment and the series of collapses that occurred in the units in the late last century and the beginning of this century made many users question the appropriateness and reliability of the annual financial reports of economic units as a basis for making decisions.

(Menicucci) believes that the disclosure of historical information cannot meet the needs of investors for diverse information. Historical information is not able to provide sufficient future insights to users regarding success factors such as critical, risks, opportunities, and management plans (Menicucci, 2013:30). Along the same lines, the financial information has been criticized for its insufficiency in making future assessments of matters relating to the economic, social and environmental impact of economic units on societies (Ayoola & Olasanmi, 2013:31).

In response to many pressures calling for changes in disclosure practices, sustainability reports emerged. (Arnold et al) pointed out that sustainability reporting with financial reports has become an increasingly important topic for capital markets, in order to highlight non-financial
information, and its strategies to address and deal with environmental, climate or regulatory risks. This is because these non-financial items may affect the future financial indicators of economic units (Arnold et al, 2012:5).

The separate reports were criticized for inadequate descriptions of the relationships between financial performance and organizational strategy and key non-financial metrics. Meanwhile, sustainability reports lack focus and frequently fail to highlight the interconnectedness between ESG issues and strategic objectives (Atkins & Maroun, 2015:200). The financial information in the financial statements and the non-financial information in the sustainability report are reported separately, with little correlation between the two. Thus, the method adopted by this reporting hinders the effective integration of non-financial information with financial information in the future evaluation of economic units, which in turn generates doubts about the usefulness of the reported information.

The current research shows that as a response to all the shortcomings and recurring financial crises resulting from looking at economic units from a narrow perspective, the need has arisen for a more comprehensive and integrated approach that reshapes disclosure practices and reflects the economic, environmental and social context in which the economic unit operates and provides a comprehensive picture of how to create sustainable value.

The Concept of Integrated Reporting

Integrated reporting is an innovative tool for business reports for economic units, as the study (Oll & Rommerskirchen) indicates that the emergence of integrated reporting quickly as an accounting practice, as the latest attempt to overcome the shortcomings in financial reporting and sustainability in their traditional forms (Oll & Rommerskirchen, 2018 :19). Thus, as a growing concept, it has received great attention in the past few years, and as a result of the continuous development of integrated reporting from (IIRC) and other related parties to the integrated reporting framework, many definitions of this reporting emerged by those interested:
Table (1): Definitions of Integrated Reporting

<table>
<thead>
<tr>
<th>Source</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Owen, 2013:340)</td>
<td>IR includes “a strategic rather than operational or transactional focus; longer-rather than short-term outlook; prospective rather than retrospective analysis; qualitative commentary as well as quantitative information; and reports on wider business performance metrics rather than on narrower external financial reporting data or audit compliance”</td>
</tr>
<tr>
<td>(van Bommel, 2014:1158)</td>
<td>Integrated reporting is a hybrid practice that spans between the different worlds of financial reporting and sustainability reporting. It aims to provide a “true and fair” view of firm value and thereby attempts to account for sustainability</td>
</tr>
<tr>
<td>(Haller &amp; Staden, 2014:1191)</td>
<td>The concept of IR is a reaction to the challenge companies face to create value and the related demands of users of corporate reports to receive decision useful information on the companies’ potential for future value creation.</td>
</tr>
<tr>
<td>(Rinaldi et al. 2018:2)</td>
<td>The aim of an integrated report is to provide managers, investors and other stakeholders with information about several interrelated dimensions that affect or can be affected by organisations, including the external environment, six forms of capital employed to create value and the value creation process (which describes how organisations interact with both the external environment and the capitals).</td>
</tr>
<tr>
<td>(Ghosh, 2019:365)</td>
<td>Integrated reporting brings together information about an organization’s strategy, governance, performance, risks and opportunities in such a manner that it reflects the economic, social and environmental context within which it operates.</td>
</tr>
</tbody>
</table>

The researchers believe that there are some commonalities between the definitions mentioned in Table 1. Accordingly, integrated reporting can be defined as a modern model for reports of economic units with a comprehensive information perspective through which the essential information (financial and non-financial) is communicated in a coherent and balanced manner. It also provides a comprehensive and concise view for investors and other stakeholders of the overall performance of the economic unit (economic, environmental, social, strategic, governance, ethical, and risk) to enable them to assess the unit's ability on how to use resources or different forms of capital to create sustainable value. And thus assisting investors in rationalizing decisions by predicting the future performance of the economic unit.

**International Integrated Reporting Framework**

IIRC published its first IIRF in December 2013, with the aim of providing a more
realistic model for reporting the value of an economic unit to improve the quality of information available to investors and other stakeholders. A revised framework was issued in early 2021. The revisions focused on improving visibility on the quality and integrity of the reporting process. In addition to a clearer distinction between outputs and outcomes, and an increased focus on balanced reporting of results and scenarios for preserving and eroding value. In order to achieve the purpose of integrated reporting in reducing the accounting information gap and integrating the business model of the economic unit, governance, strategy, and social and economic performance. The framework includes a number of guiding principles and content elements, which are as follows (IIRC, 2021:4):

- Guiding principles: include strategic focus and future direction, information communication, relationships with stakeholders, materiality, brevity, completeness and reliability, consistency and comparability.
- Content elements: including an overview of the economic unit and its external environment, governance, business model, opportunities and risks, strategy and resource allocation, performance, outlook, foundations for preparation and presentation.

These Guidelines are applied individually or in combination for the purpose of preparing and presenting an integrated reporting. The main difficulty is to apply the principles of integrated reporting when personal judgment is required to apply them, especially when there is a clear conflict between them, for example between brevity and completeness. Therefore, the principles must be understood first, and then finding the most appropriate ways to express them within the economic unit to reach a good level of reporting.

As for the content elements, which are among the basic elements of information that are included in the integrated reporting, they are basically linked to each other and there is no standard structure for their arrangement in the integrated reporting. Instead the information is presented in the integrated reporting in a way that makes the links between these content elements clear.

IIRF adopts a new perspective of focusing on forward-looking information to provide a long-term view of sustainable value
creation. (Maama & Mkhize) point out that the IIRF does not contain any mandatory disclosure requirements for integrated reporting. The perspective of the economic unit is respected in reporting its value creation process, which means that the economic unit is free to incorporate any form of non-financial information about value creation that it deems appropriate to communicate with investors and other stakeholders (Maama & Mkhize, 2020:3). As a result of the dependence of the integrated reporting content of an economic unit on its individual circumstances, the content elements are presented in the form of questions rather than as lists of specific disclosures. Thus, personal judgment is exercised when applying the Guidelines, which serve as the criteria for evaluating the elements of content and their alignment with the purpose of integrated reporting when determining what information to report and how to report.

**Integrated Reporting Quality**

Recently, interest has shifted from mere preparation to an interest in the quality of integrated reporting. According to (Eccles & Krzus), it is not limited to the number of economic units that are integrated reporting, but the quality of integrated reporting is the most important. In addition, the comprehensiveness and comparability of this reporting begins with the quality of work frameworks and standards for reporting non-financial information. Although economic units may achieve an integrated report by other means, the effectiveness of application and standards will determine the usefulness of these reports to investors (Eccles & Krzus, 2014: 191).

(Pistoni, et al) explained that quality for information users refers to the ability of integrated reporting to present strategic items that describe the performance of an economic unit and value creation (Pistoni, et al, 2018:491). (Cooray et al) defines quality as the extent to which an integrated reporting report presents strategic items that describe value creation for an economic unit using the qualitative characteristics of integrated reporting (Cooray et al, 2020:8). (Vitolla et al) noted that integrated reporting quality is a means to an economic unit. To better show investors the interdependence between different business areas and different capitals as well as better present the strategy, risk, business model, and value creation process (Vitolla et al, 2020:525).
In the current research, the researchers consider that the quality of integrated reporting is the ratio between the degree of actual reporting of the economic unit and the highest degree of reporting that can be achieved through the full implementation of the IIRF.

**The Importance of Quality in Integrated Reporting**

Regarding the importance of integrated reporting quality, (Barth et al) found a positive relationship between integrated reporting quality and liquidity, capital market impact, and between integrated reporting quality and expected future cash flows, which may have an impact on the capital market. A correlation was also found between the quality of integrated reporting and investment efficiency. Economic units with a higher internal rate of return have a higher efficiency than investments (Barth, et al 2017:60). (Vitolla et al) concluded that the adoption and quality of integrated reporting supports a long-term vision of the senior management and improves the spread of the culture of sustainability within the economic unit and launches the integrated thinking mechanism that represents an innovative strategic and cultural approach to managing the economic unit (Vitolla et al, 2019:524-525). (Zhou et al) demonstrated that greater compatibility between integrated reporting with IIRF may improve the quality of analyst forecasts and provide a subsequent reduction in the cost of capital (Zhou et al, 2017:94). (Hoang et al) points out that greater compliance with the IIRF reduces misreporting practices for economic units because it can reduce information asymmetry, mitigate moral hazard incentives for economic unit managers, and increase the readability of disclosed reports (Hoang et al., 2020: 366).

**RESEARCH METHODOLOGY**

**First: Description of the Research Sample and Methodology**

1. **Research Sample**

The research includes two samples:

- The first sample is represented by ten banks listed in the Iraqi Stock Exchange out of a total of 41 banks, equivalent to (24%) of them, and these banks were chosen intentionally.
- The second sample includes a group of investors in the Iraqi Stock Exchange, whose opinions were surveyed.
2. Research Methodology

The researchers in current study relied on the (zhou et al., 2017) model to measure the extent to which the current reporting is compatible with the IIRF from the reality of the annual reports of the banks of the research sample, and the model consists of 31 items across eight dimensions. The disclosure of the partial components of the content elements required by the IIRF equals (1) if the bank displays information on most of the specific partial components, and in the event that the content element or partial components are not disclosed, the disclosure equals (0).

A questionnaire was also prepared, and distributed electronically to a random sample of investors in the Iraqi Stock Exchange, in order to obtain the data required to show the reality of the current reporting in meeting the requirements of investors, and the researchers obtained (120) answers.

3. Social variables for the research sample (investors) in the questionnaire form

a) Gender

The results of the questionnaire showed that the percentage of male respondents in the sample of investors reached 80%, which is higher than the percentage of females of 20%. Table no. 2 shows the distribution of the research sample by gender.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>96</td>
<td>24</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>80</td>
<td>20</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Prepared by the two researchers

b) Academic achievement

The percentage of holders of a bachelor’s degree within the investor sample reached 60%, which is the highest percentage among the respondents, followed by other certificates with a percentage of (30%), then a master’s degree holders with a percentage of (10%), and Table No. 3 represents the number of research sample members according to academic achievement.
Table no. (3): Distribution of the researcher’s respondents according to academic achievement

<table>
<thead>
<tr>
<th>Degree</th>
<th>Bachelor</th>
<th>Higher diploma</th>
<th>MCs</th>
<th>PhD</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>72</td>
<td>-</td>
<td>12</td>
<td>-</td>
<td>36</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>60</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Prepared by the two researchers

C- Years of experience

Most of the investors sample members are of those whose experience exceeds five years and less than ten years, as their percentage reached 43.3%, and Table No. 4 illustrates this.

Table no. (4): Distribution of the researcher’s respondents according to years of experience

<table>
<thead>
<tr>
<th>Years of experience</th>
<th>Less than 5</th>
<th>5-10</th>
<th>11-15</th>
<th>More than 15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>32</td>
<td>52</td>
<td>24</td>
<td>12</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>26.7</td>
<td>43.3</td>
<td>20</td>
<td>10</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Prepared by the two researchers

SECOND: ANALYSIS OF RESULTS AND TESTING OF HYPOTHESES BY USING PRELIMINARY STATISTICAL TECHNIQUES

1- Measuring the level of conformity of current reporting with the requirements of the IIRF

The level of concordance, which represents (the quality of integrated reporting) was measured from the reality of the annual reports of the banks of the research sample for the years (2018-2020) and the first hypothesis test, and Table No. 5 shows the quality of integrated reporting:
It is clear from Table (5) that the disclosure of the research sample banks according to the integrated reporting framework was increasing for most banks in the year 2020, and this is due to the increased interest in disclosing non-financial information, and the Corona pandemic that affected the world, which requires disclosure of non-financial information. It also shows that the highest level of disclosure was for the Bank of Baghdad in the year 2020, reaching (61,2904), while the lowest level of disclosure was due to the United Bank for Investment in the year (2018), reaching (32,2581), while the rest of the banks maintained close ratios of disclosure. It also shows that the general average of the ten banks, the research sample for the three years, which represents the ratio of the current reporting compatibility with the IIRF amounted to (45.8065%), which is a weak level. Thus, the validity of the first hypothesis is accepted, which states "Weakness of the level of compatibility of the current reporting of Iraqi banks listed on the Iraqi Stock Exchange with the IIRF".

2- The reality of the current reporting

Table (6) shows the frequency distributions, percentages, averages, standard deviations, coefficient of variation and level of interest for the results of analyzing the answers of the members of the investors sample, which represent the data measuring the answers about the current reporting reality.
Table (6) analysis of answers about (the reality of the current reporting)

<table>
<thead>
<tr>
<th>No.</th>
<th>Questions</th>
<th>Answer</th>
<th>Arithmetic mean</th>
<th>Standard deviation</th>
<th>Variation coefficient %</th>
<th>Relative importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is an information gap between the current preparers of reporting and the investors as a result of non-disclosure of many non-financial items.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
<td>0%</td>
</tr>
<tr>
<td>2</td>
<td>The current reporting does not provide future information that enables investors to predict stock prices and assess the going concern of the economic unit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
<td>0%</td>
</tr>
<tr>
<td>3</td>
<td>The current reporting does not provide information on medium- and long-term value creation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15th</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
<td>20%</td>
</tr>
<tr>
<td>4</td>
<td>Investors consider that the current reporting of the economic unit is considered in isolation without exploring the environment of the economic unit and external influences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7th</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>The current reporting does not present integrated information that shows the interaction between strategy, risks, opportunities, and the current performance of the economic unit</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>37</td>
<td>71</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
<td>30.8%</td>
<td>59.2%</td>
</tr>
<tr>
<td></td>
<td>The current reporting provides some indications of the economic unit's ability to exploit opportunities and manage risks to rationalize investors' decisions</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>35</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>29.2%</td>
<td>70.8%</td>
</tr>
<tr>
<td></td>
<td>The current reporting suffers from a lack of brevity and clarity in the presentation of information from the point of view of investors</td>
<td>12</td>
<td>0</td>
<td>12</td>
<td>12</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10%</td>
<td>0%</td>
<td>10%</td>
<td>10%</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td>Current reporting focuses more on compliance with accounting standards than on increasing transparency by reporting on non-financial aspects that improve communication with all stakeholders.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>48</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>The current reporting does not provide information on measures of non-financial performance</td>
<td>0</td>
<td>0</td>
<td>24</td>
<td>24</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>20%</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>Presents current reporting historical data rather than reflecting the future direction or strategy of an economic unit</td>
<td>12</td>
<td>12</td>
<td>0</td>
<td>24</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10%</td>
<td>10%</td>
<td>0%</td>
<td>20%</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>Current reporting focuses on profit only in performance appraisal</td>
<td>12</td>
<td>0</td>
<td>24</td>
<td>0</td>
<td>84</td>
</tr>
</tbody>
</table>
without looking at the social performance of economic units | 10% | 0% | 20% | 0% | 70% | 10<sup>th</sup> | 20.58
---|---|---|---|---|---|---|---
12 | The current reporting suffers from shortcomings in keeping pace with developments in the field of reporting financial and non-financial information, which negatively affects the ability of the economic unit to obtain the necessary funding. | 0% | 10% | 0% | 20% | 70% | 4.50 | 0.962

Current reporting does not consider non-financial information and present it in a comprehensive framework of social, environmental and governance as well as financial aspects | 0% | 0% | 0% | 30% | 70% | 4.70 | 0.460

There is a shortcoming in current reporting to reduce asymmetry of financial and non-financial information | 0% | 0% | 0% | 28.3% | 71.7% | 4.72 | 0.453

The current reporting does not provide information on the financial effects of multiple capitals in the unit | 0% | 20% | 0% | 10% | 70% | 4.30 | 1.192

Total | 4.46 | 0.821 | 18.40 | n=120

Source: Prepared by the two researchers
Table No. (6) indicates that the average value of the paragraphs of the current reporting reality axis was (4.46), and the general agreement on the answers was at a very high level, and the paragraphs ranged for the average between (3.70-4.90), while the paragraphs ranged for standard deviation (0.301-1.493). This shows that there is a dispersion in the answers. The coefficient of variation, its paragraphs ranged between (6.14%-40.35%), and the varying percentages indicate that the differences in the sample answers were somewhat large, as the lowest coefficient of variation (6.14%) for the first paragraph came in the first place, with an average value of (4.90) and the least standard deviation (0.301), and this indicates that there is a gap between the current preparers of reporting and investors as a result of non-disclosure of many non-financial items. The highest value of the coefficient of difference between the answers of the research sample members (40.35%) for the third paragraph, as the mean value reached (3.70), and the highest standard deviation (1.493), and this reflects that the current reporting does not provide information on value creation in the medium and long term, and the rest of the paragraphs Between the first and last order in order of importance, and the direction of the answers of the sample members between high to very high. Thus, the validity of the second hypothesis is accepted, which states, "The current reporting of the economic units listed in the Iraqi Stock Exchange does not meet all the requirements of investors."

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. The high level of compatibility of reporting with the integrated reporting framework is a critical factor in determining the success of reporting, because it enables the presentation of all relevant matters and provides the possibility of comparison between economic units.

2. Integrated reporting came as a result of many criticisms faced by the traditional reporting of economic units, as it is a development in the reporting landscape by presenting all financial and non-financial data, and this provides investors with a
better preparedness to face risks and seize opportunities.

3. The results of the analysis using the model (zhou et al, 2017) showed a low level of compatibility of the current reporting (for the research sample banks) with the integrated reporting framework, which amounted to (45.81%).

4. The results of the analysis showed that the current reporting provided by the Iraqi economic units does not meet all the requirements of investors, as there is a need for integrated and high-quality information about the economic unit, in order to help investors better understand in order to take the appropriate decision.

Recommendations

1. The need for the competent authorities to raise awareness of economic unit departments about the benefits of integrated reporting, and urge them to adopt the IIRF, because it presents transparent information for good and bad news, and this helps to prepare to face negative matters and support the positive, and thus provide a comprehensive picture for users to help them correct their decisions.

2. Investors and other stakeholders in the Iraqi environment should be made aware of the importance of preparing economic units for their reports by following the IIRF because of the many benefits it provides, and make them press in this direction.

3. The Iraqi Stock Exchange should keep pace with global developments in the field of economic unit reports, and benefit from them in order to create an appropriate investment environment.

4. The necessity for Iraqi universities to include integrated reporting reports and methods of preparing them in the curricula of accounting departments.
REFERENCES


