**INTERNATIONAL JOURNAL ON ECONOMICS, FINANCE AND SUSTAINABLE DEVELOPMENT**
**E-ISSN: 2620-6269**

**IJEFSD**

Available online at www.researchparks.org

**RESEARCH PARK**

https://journals.researchparks.org/index.php/IJEFSD

Vol. 5 No. 11 | Nov 2023

# The Impact of Banking Governance Principles on the Enhancement of Financial Report Quality: A Field Study on Employee Perspectives at the Bank of Baghdad

**Salah Awad Mohamed**
College of Computer Science and Information Technology, Kirkuk University
salahawad@uokirkuk.edu.iq

**Khaled Aziz Farhan**
College of Education for the Humanities, Kirkuk University
Khalid.aziz@uokirkuk.edu.iq

**A B S T R A C T**

This study focuses on key subjects within the banking industry, specifically banking governance and the integrity of financial reports. The objective of this study was to provide a comprehensive analysis and explanation of the theoretical and scientific consequences associated with these variables. The study is bifurcated into two primary sections: the initial section delineates the research technique and the conceptual framework of the research variables. Regarding the subsequent section, it explores the analytical framework of the study hypotheses, together with its findings and suggestions. The objective of this study was to examine the impact of banking governance principles on the improvement of financial reporting quality, as perceived by a selected group of Bank of Baghdad staff. The achievement of this study involved the examination of the linkages and effects between the variables under investigation, namely banking governance and financial report quality. The

A R T I C L E I N F O

*Article history:*
Received 10 Sep 2023
Received in revised form 13 Oct 2023
Accepted 6 Nov 2023

**Keywords:** Banking Governance Principles, Financial Report Quality.



E-mail address: info@researchparks.org
Peer review under responsibility of Emil Kaburuan.

study employed a descriptive-analytical technique, with a sample size of 73 individuals. A questionnaire was utilized as the measurement tool. The research hypotheses pertaining to the correlation and influence of the research variables were validated using statistical analysis using SPSS. This analysis involved the utilization of multiple regression and correlation coefficients. The research findings highlight the paramount importance of banking governance principles in enhancing the performance of financial institutions, specifically banks. These principles are crucial in effectively managing banking operations and ensuring optimal monitoring. The research findings suggest that the study offers a number of recommendations. One such proposal is for bank management to prioritize banking governance principles and implement them in order to attain the bank's objectives, as outlined in the study.



## Introduction

In recent years, a number of banking organizations have been involved in various accounting scandals and financial crises. These incidents have had a detrimental impact on investor confidence in financial reports and have led to widespread criticism over the overall quality of such reports. The lack of reliable financial information and inadequate governance processes have been widely recognized as significant factors contributing to the emergence of successive financial crises. Hence, financial institutions are actively pursuing the implementation of proactive strategies to improve the accuracy and reliability of their financial statements, which can be accomplished through the proper utilization of banking governance principles. The significance of governance in banks is progressively growing in comparison to other organizations owing to their distinct characteristics. The impact of bank insolvency extends beyond stakeholders, including clients, depositors, and borrowers, to encompass the overall stability of other banks within the financial system, as a result of interrelationships between them. The provision of accurate information to decision-makers by the government yields benefits, as it enables the assessment of banking performance and the protection of money, so bolstering financial stability and, consequently, fostering economic stability.

The importance of this research is derived from its contribution to the development of a conceptual framework that encompasses the domains of banking governance principles and financial report quality, as well as their respective dimensions. The objective is achieved through an examination of the theoretical trajectories found in specialized literature, followed by the presentation of conceptual perspectives that elucidate the prevailing interpretive patterns pertaining to crucial topics within the banking industry. The categorization of theorists' opinions is based on the extent of coverage and the level of study of their content and variables.

## Chapter One: Research Methodology

### First: Research Problem

Recent advancements have brought about substantial changes in the business environment of the banking sector, particularly in Iraq and the Bank of Baghdad. The aforementioned modifications can be attributed to the progressions in technology and the intricate nature of financial operations. As a result, there has been a decline in the degree of adequacy, trustworthiness, and stability of financial report information. Consequently, it is possible that financial reports may not offer users a thorough and lucid depiction of banks' overall performance. Consequently, financial institutions are making efforts to embrace contemporary financial ideologies in order to effectively tackle these difficulties.

The topic of banking governance has garnered significant interest in both developed and developing nations in recent decades. This philosophy is regarded as a framework that establishes structured and exceptionally transparent activities based on its guiding principles. These principles comprise a collection of interconnected aspects and interactions that are distinct from those observed in other areas. The significance of these factors on the banking system as a whole is substantial, as they shape its execution and impact on the overall performance of banks.

Therefore, through this research, we attempt to address this problem by relying on banking governance principles that emphasize transparency, enhancing control systems, and delineating accountability boundaries. Hence, the problem of this research lies in identifying the role of banking governance principles in enhancing the quality of financial reports for the employees of the Bank of Baghdad. Consequently, presenting and examining the following questions can contribute to elucidating the problem's content:

1. Is there a statistically significant positive relationship between banking governance principles and the quality of financial reports in the Bank of Baghdad?

2. Does banking governance principles have a statistically significant and positive impact on the quality of financial reports in the Bank of Baghdad?

### Secondly: The Significance of the Research

The research holds significance due to the importance of the variables under investigation, namely banking governance principles and financial report quality, as well as the specific research context of the Bank of Baghdad. This study makes a valuable contribution by offering analytical and philosophical frameworks to examine the research variables. The significance of the research is further exemplified by:

1. The research provides a conceptual and practical framework for shaping a contemporary model in the decision-making process. This model can be a pioneering and suitable attempt for senior management members at the Bank of Baghdad to make decisions that align with the nature of the challenges they face in the Iraqi environment in terms of adaptability and speed.

2. It also elucidates the theoretical foundations, concepts, importance, objectives, and principles of banking governance, as well as the philosophy and essence of financial report quality, as perceived by researchers. This contributes to building a solid and informed knowledge base that can be practically utilized, providing opportunities for banks to continue, grow, evolve, and avoid risks.

3. It highlights the role that banking governance principles play in enhancing the quality of financial reports for employees and officials at the Bank of Baghdad, the research's sample.

4. It diagnoses banking governance principles in the field under investigation (the Bank of Baghdad)

and implements them effectively with the aim of improving the quality of financial reports.

**Thirdly: Research Objectives**

The main objective of this research, within the context of the Bank of Baghdad as the research sample, is to elucidate the role that banking governance principles play in enhancing the quality of financial reports. In addition to this primary goal, the subsidiary objectives are as follows:

1. Provide a practical, clear, and conceptual understanding of the relationship and impact of banking governance principles in enhancing the quality of financial reports in the Bank of Baghdad, the research sample.

2. Assist the Bank of Baghdad, the research sample, in applying the theoretical and philosophical framework of research variables (banking governance principles, financial report quality) to determine the extent of their commitment to implementing these principles. Subsequently, analyze the field reality to arrive at relevant results for further development.

3. Test the feasibility of applying the research's hypothetical model concerning the dimensions and areas related to research variables (banking governance principles, financial report quality).

4. Enhance the awareness of the Bank of Baghdad, the research sample, regarding the general content of the assumptions that initiated the research. Present this relationship through a hypothetical model aimed at field application for the purpose of hypothesis testing.

5. Determine the extent to which the Bank of Baghdad, the research sample, embraces banking governance principles as a vital trend in the modern banking sector aimed at enhancing the quality of financial reports.

**Fourthly: The Hypothetical Research Model**

The design of the hypothetical research model should be oriented towards systematically addressing the research problem by considering its theoretical and philosophical foundations, the contents of the analytical field, and establishing the logical relationship between the research variables, namely banking governance principles and financial report quality. This model presents the suggested solutions to address the research questions outlined in the research challenge. Furthermore, this study elucidates the various sub-dimensions associated with the aforementioned variables and their impact on the Bank of Baghdad. The research sample is carefully examined, taking into account the feasibility of measuring these variables.

The schematic presented by the researcher is constructed upon the identification of independent and dependent variables. In this context, the independent variable is represented by banking governance principles, while the dependent variable is denoted as financial report quality. The theoretical research framework is depicted in Figure (1).

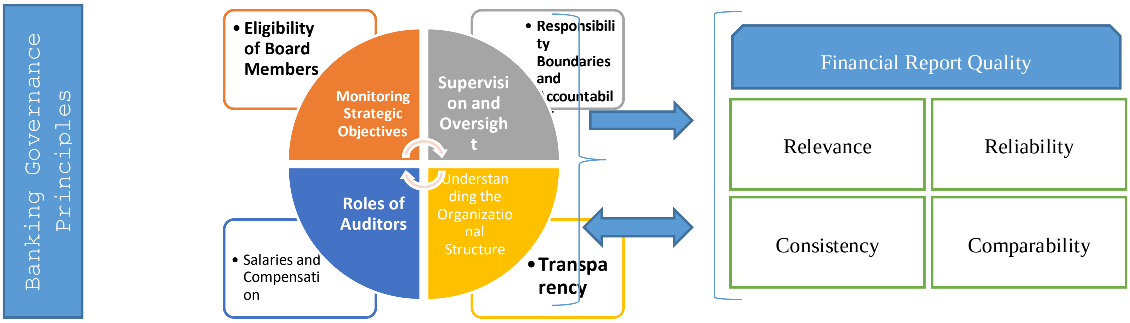


**Figure (1) The Hypothetical Research Model Source: Compiled by the researcher**

**Fifthly: Research Hypotheses**

In line with the previously detailed elements in the hypothetical research model, research hypotheses have been formulated based on their alignment with the research questions mentioned. These hypotheses are designed to answer and statistically demonstrate the relationships, and they are as follows:

1. The first hypothesis: There is a statistically significant and meaningful relationship between banking governance principles and the quality of financial reports as evidenced by their overall dimensions.

2. The second hypothesis: There is a statistically significant and meaningful impact of banking governance principles in enhancing the quality of financial reports as evidenced by their overall dimensions.

**Sixthly: Research Methodology and Tools**

1. **Study Methodology:** The researcher employed a field study methodology in this research, encompassing the administration of field interviews to the officials and employees of the Bank of Baghdad, the focal point of the study. This approach was undertaken to gain a comprehensive understanding of the problem, address all its facets, conduct an analysis, and subsequently elucidate its dimensions, variables, and interrelationships. The investigation extended beyond basic comprehension or surface-level depiction. Our study focused on investigating the impact of banking governance principles on the improvement of financial report quality.

2. **Research Tool:** The questionnaire serves as the principal instrument for gathering both primary and secondary data, which is crucial for the purpose of testing the study hypotheses. The primary method employed by the researcher for data collection pertaining to the study variables (banking governance principles, financial report quality) was the utilization of a questionnaire. This data was subsequently subjected to statistical analysis in order to assess the research hypotheses. Furthermore, a series of interviews were undertaken with the officials and workers of the Bank of Baghdad, who constituted the study sample. These interviews had the purpose of elucidating and refining the research problem, as well as providing clarification on questionnaire items as required. The acquisition of secondary data pertaining to the theoretical framework involved relying on contributions from researchers and specialist authors found in both international and Arabic scientific sources.

**Seventh: Testing the Research Tool**

1. **Face Validity Measurement:** The assessment of face validity was conducted by administering the questionnaire to a panel of 15 specialists. The participants had a favorable attitude towards the questionnaire items and deemed them suitable. Several crucial recommendations were made to modify and rephrase specific elements, resulting in an improved validity through suitable adjustments.

2. **Reliability Testing of the Questionnaire:** With the objective of enhancing the efficiency and effectiveness of the questionnaire, the tool was subjected to reliability testing. This process ensures that consistent findings are obtained when the questionnaire is administered numerous times to the same group of persons under similar circumstances. This entails evaluating the coherence of participants' responses when the survey is administered on many occasions within identical circumstances. The reliability of the questionnaire was assessed by the researcher through the utilization of Cronbach's alpha, which was employed to compute the alpha coefficient. The alpha coefficient was determined to be 0.88 for the entirety of the research sample, 0.87 for the variables related to governance principles, and 0.84 for the variable pertaining to financial report quality. The aforementioned Cronbach's alpha values, which are notably high and positive, suggest a considerable level of reliability.

**Eighth: Statistical Methods Used**

Based on the research objectives, hypotheses, and the need to establish the relationships and effects between variables (bank governance principles, financial report quality), a set of statistical tools were used. This involved utilizing statistical software (SPSS-V.25) for analysis. These methods can be categorized according to the research needs and included measures like the mean, standard deviation, correlation coefficient, regression analysis, and significance level.

**Ninth: Research Limitations**

1. Geographical Boundaries: The geographical boundaries of the research include (Bank of Baghdad) as the field of application in Iraq.

2. Time Boundaries: The time boundaries of the research cover the period set for research preparation from (June 1, 2020) to (January 1, 2020).

3. Human Boundaries: The human boundaries of the research included a sample of employees at Bank of Baghdad under study, which consisted of (accountants, auditors, department managers) as the target group.

4. Subject Boundaries: These were represented by (Banking Governance Principles, Financial Report Quality).

## Chapter Two: The Research Theoretical Framework

### Firstly: Banking Governance

#### 1. The Concept of Banking Governance

The notion of banking governance has exhibited a range of diversity and complexity, as evidenced by the various definitions put forth by its advocates, each of which reflects their unique perspectives. According to Haan and Vlahu (2015), the Bank for International Settlements provides a definition of bank governance as the set of principles governing the direction and control of banks. This encompasses the roles of boards, senior management, and owners in establishing objectives, monitoring performance, and ensuring that the bank's activities align with its objectives and the interests of shareholders and depositors. Additionally, bank governance entails adherence to legal and regulatory requirements. According to Fernandes et al. (2018), the term "governance" refers to the way in which a bank's operations are managed by its board of directors and senior management. This includes considerations of beneficiary rights, protection of depositor rights, and the monitoring of management practices, particularly in light of the growing complexity of the banking system (p. 6).

According to Erkens et al. (2012: 390), the concept of banking governance, as defined by the Organization for Economic Cooperation and Development (OECD), encompasses the interconnected interactions among the board of directors, firm management, shareholders, and various other stakeholders. Banking governance can be broadly characterized as a comprehensive framework encompassing rules, principles, mechanisms, and systems that govern the functioning of diverse bank administrations. Its ultimate objective is to safeguard the interests of both bank employees and shareholders by establishing a necessary equilibrium between these interests, all the while ensuring an appropriate level of objectivity and transparency (Adams et al., 2010: 61).

The definition of banking governance lacks consensus among legal experts, economists, analysts, and academics. The absence of agreement on this matter arises from its convergence with multiple financial, economic, social, and regulatory dimensions of banks, which subsequently exert a significant influence on society and the overall economy (Fernandes et al., 2018: 7).

Based on the foregoing, banking governance can be defined as the oversight of the bank's performance by senior management and the board of directors, as well as the protection of the rights of depositors and shareholders. This is determined through the regulatory framework and the authorities of the supervisory body.

**2. The Importance of Banking Governance**

The importance of banking governance is increasing due to its unique nature, as the insolvency of banks not only affects related parties such as customers, depositors, and borrowers but also impacts the stability of other banks through various interrelationships between them. In the banking market, the significance of banking governance lies as defined by (Grove et al., 2011: 420), (Aebi et al., 2012: 322), and (Abdul-Malik, 2012: 45).

A - Banking governance makes the process of supervising and overseeing the performance of banks more streamlined by defining internal control frameworks, establishing specialized committees, and implementing transparency and disclosure.

B - It attracts more foreign investments, encourages local capital to invest in projects, and ensures the flow of domestic and international funds.

C - Governance contributes to optimizing the use of available and acquired resources within banks.

D - It enables the establishment of an effective board of directors capable of selecting qualified managers who can conduct the bank's activities within the framework of ethical laws and regulations.

E - Governance contributes to achieving sustainable development.

F - It improves the overall performance of the banking sector, leading to economic growth, progress, and international development.

G - Governance reduces financial cost margins and failure risks, allowing well-regulated banks to utilize governance effectively.

H - It helps prevent banks from sliding into financial and accounting problems, thus strengthening the stability of operating banks in the economy and preventing collapses in the banking and financial markets.

I - Governance works to stabilize functional performance, ultimately achieving the required quality in the performance of banks and their staff to ensure effective management.

**3. Objectives of Banking Governance:**

The objectives of banking governance encompass a set of goals that banks aim to achieve, as defined by (Andres & Vallelado, 2008: 259) and (Wang et al., 2012: 752).

A - Working to attract and mobilize investments, as banks that adhere to governance rules and standards are more capable of attracting investments than others.

B - Regulating administrative relationships among all relevant parties within banks by balancing conflicting interests between the various stakeholders in production or investment processes, and safeguarding all interests without favoring one interest over another.

C - Increasing trust in banks that adhere to governance standards and abide by their rules, principles, and mechanisms.

D - Achieving the required transparency for the sustainability of banks, enabling them to conduct their investment activities with integrity, objectivity, and professionalism.

E - Strengthening the financial positions of banks that apply governance standards by achieving high levels of profitability, making them more capable and adaptable for expansion and diversification of their activities.

F - Increasing the competitiveness of banks that adhere to governance standards, enabling them to acquire the largest possible market share in their areas of operation.

**4. Principles of Banking Governance:**

The principles of banking governance, from the perspective of the Basel Committee, are represented as follows (Haan & Vlahu, 2015: 234), (Al-Rubai and Radi, 2011: 31), (Zaidan, 2009: 17).

**Principle One - Eligibility of Board Members:**

It is imperative that board members hold the requisite qualifications relevant to their respective positions, exhibit a thorough and comprehensive comprehension of their governance tasks, and demonstrate competence in effectively managing the operational aspects of the bank. In addition, individuals should possess the capacity to develop suitable policies and procedures in order to effectively mitigate all potential risks. The individuals in question assume complete accountability for the bank's fiscal stability and operational effectiveness, while ensuring the absence of any conflicts of interest. One of the responsibilities assigned to them is the selection and appointment of executive managers.

**Principle Two - Monitoring the Strategic Objectives of the Bank:**

The oversight and governance of the bank's strategic objectives lie under the purview of the board of directors, who are tasked with the responsibility of approving and monitoring those objectives. It is imperative to ensure that senior management effectively implements policies and strategies for the bank, while actively avoiding any actions that may compromise the quality of governance. Illustrative instances of such practices encompass the provision of advantageous privileges to affiliated entities, the extension of loans within the organization to employees, members of the board of directors, or majority shareholders.

**Principle Three - Ensuring Supervision and Oversight:**

Senior management should ensure supervision and oversight of the board of directors. They should establish principles for senior management that align with the board's policies and possess the necessary skills to run the bank. Additionally, senior management should establish an effective internal control system to ensure the bank operates within this framework.

**Principle Four - Boundaries of Responsibility and Accountability:**

The board of directors should establish clear and comprehensible boundaries of responsibility and accountability within the bank for everyone, including senior management and employees.

**Principle Five - Compensation and Rewards for the Board of Directors and Management:**

The board of directors should ensure that compensation and rewards policies and instructions for the board of directors and senior management align with the bank's culture, aspirations, long-term goals, and strategies. They should also avoid adopting compensation policies that incentivize excessive risk-taking.

**Principle Six - Roles of Internal and External Auditors:**

One of the responsibilities of the board of directors and senior management of the bank is to enhance the independence of internal auditors and ensure that external auditors perform their duties in accordance with applicable laws and professional standards. They must assess the effectiveness of the internal control system and the accuracy of financial statements and data. The board of directors should also prioritize the role of effective internal and external auditing, given their significance and effectiveness in governance.

**Principle Seven - Understanding the Operational Structure of the Bank:**

Members of the board of directors and senior management should have an understanding of the operational structure followed by the bank to carry out its operations, activities, and the laws and regulations within which it operates. This is crucial as the bank may indirectly face legal risks that could tarnish its reputation, especially if a customer exploits the bank's operations to engage in activities that violate the law.

**Principle Eight - Governance Transparency:**

Transparency is considered an essential element in governance because its presence will assist shareholders, stakeholders, and other participants in monitoring the health and effectiveness of the bank's performance.

**Secondly: Financial Reporting Quality**

**1. The Concept of Financial Reporting Quality:**

(Beest et al., 2009:3) views quality as the set of characteristics that financial information should possess to be useful in meeting the essential needs of its users. (Hope et al., 2011:176) defined quality as the transparent face of financial reports and statements, reflecting the nature of banks, enabling investors to make informed decisions.

The production of financial data and reports is the primary purpose and central function of the banks accounting system. These outcomes arise from a sequence of accounting procedures associated with the events and actions undertaken by the bank in order to provide complete and condensed information to diverse stakeholders for the purpose of making varied decisions. Financial reporting quality refers to the extent to which financial reports possess the necessary attributes of suitability, comparability, and reliability. According to (Achim ,2014:94), these financial statements are devoid of any material distortions and offer an authentic, precise, and impartial representation of the bank's financial standing. Consequently, they improve the ability to make predictions and evaluate the bank's present and future circumstances. According to (Belkaoui ,2004:186), financial reports encompass both general and specific information utilized inside the accounting system. Financial statements are generated at the conclusion of each fiscal period and encompass both financial and non-financial data. These statements serve as a mechanism for disseminating information and data to all users and recipients. Quality can be conceptualized as a holistic and enduring strategy that places major emphasis on ongoing enhancement across all dimensions of the banking institution. The primary objective is to radically reshape the bank by implementing incremental modifications in policies, instructions, systems, and practices across all facets of its operations, encompassing management, planning, supervision, and control. Additionally, it encompasses the dedication and active involvement of senior personnel in establishing quality policies and objectives, allocating resources, monitoring outcomes, comprehending the evolving demands of both internal and external clients, and efficiently fulfilling their requirements. This is achieved by implementing effective evaluation criteria that direct the endeavors of all bank employees towards achieving excellence (Nasrin Azar et al, 2019:3).

Financial reporting quality refers to the characteristics of suitability, reliability, stability, and comparability that financial reports should possess. It also implies that these reports are free from material distortions and provide an accurate, true, and fair view of the bank's financial position, thus enhancing their predictive ability to evaluate the bank's current and future situation (Nashwan, 2017: 571).

Financial reports are defined as tools for disclosing data, information, facts, and identifying the management, individuals, and entities benefiting from the process of making sound decisions. The financial report is the lifeline that supplies institutions, whether public or private, with useful financial information and data (Nasrin Azar et al, 2019:3).

As stated by (Shaat ,2017: 41), the concept of financial reporting quality pertains to the extent to which a bank's financial statements provide a precise and faithful representation of its financial position. The task involves generating financial reports that are free from errors, precise, and veracious, without any kind of embellishment, while adhering to established standards and criteria for the presentation of financial statements. The quality of financial reporting plays a crucial role in guiding decision-makers and has a substantial impact on the results of actions or decisions made.

However, (El-Bannany ,2018: 116) argues that the quality of financial statements refers to the degree to which accounting indicators or metrics accurately portray a bank's performance and accurately reflect its economic realities and commercial outcomes. The notion of financial statement quality, as it pertains to the quality of accounting information, is contingent upon the attributes of the information and its reliability in satisfying the requirements of its consumers, while also being devoid of any deceptive or distorting aspects. The preparation of financial statements should be conducted within a comprehensive framework that adheres to accounting, regulatory, and legal standards. This is essential in order to effectively depict the bank's economic performance, mitigate information asymmetry among users, and tackle agency concerns (Sreymoch & Yusheng, 2019: 1583).

**Financial reporting quality can be defined as "reports characterized by a high degree of**

**reliability, relevance, truthfulness, and significant usefulness for both stakeholders and decision-makers. These reports must be capable of being used correctly and in a timely manner."**

**2. The importance of financial reporting**

The need of generating financial reports of exceptional quality has attracted considerable global interest. The provision of accurate and reliable information for financial reporting is of utmost importance due to its favorable influence on capital providers and other stakeholders in their decision-making processes regarding investments, credit, and resource allocation. This, in turn, contributes to the general improvement of financial institutions' efficiency. The initial step towards achieving excellence in financial reporting information is to adhere to the objectives and qualitative characteristics that make financial information meaningful. According to (Al-Dmour et al. ,2018: 1), accounting standard setters consider relevance and dependability as crucial measures of financial information quality. These characteristics ensure that the information is relevant for decision-makers.

The importance of financial reporting quality can be viewed from two perspectives. Firstly, it involves determining the type of financial reports based on the usefulness of financial information to their users. Secondly, financial reporting quality is focused on the concept of safeguarding the interests of investors. Therefore, the preparation of financial reports is the process of delivering information to the parties who benefit from it, with the aim of presenting financial and other relevant data to demonstrate the extent to which the investors' goals are achieved. Financial reports prepared by bank managers reflect their ability to manage the resources entrusted to them by the business owners (shareholders) (Bamidele, 2018:23).

Interest in the quality of financial reports has increased in recent times due to the direct impact of these reports on their users, especially with the advancement of information technology. High-quality financial reports help users in measuring various types of risks, predicting them, efficiently allocating resources, assisting investors in making sound advisory decisions, reducing the cost of capital, improving its allocation efficiency by reducing information asymmetry between investors and managers, and reducing agency costs. The financial reports issued by banks are considered the most important product of applied accounting information systems. They are the container in which data and information are collected to be presented in various ways to serve decision-makers of all types and users of these reports. Therefore, they are not an end in themselves but a means for their users (Sreymoch & Yusheng, 2019:1582). The importance of financial reporting quality has gained more significance after major financial collapses of global companies like Enron and WorldCom in the past two decades, due to financial reporting manipulations. These incidents had serious consequences, leading to investors losing their money and thousands of employees losing their jobs (Chen & Zhijun, 2016:231).

**3. Objectives of Financial Reporting Quality:**

Many financial researchers and accountants have emphasized the benefits and value of financial reporting quality. They have also pointed out that inadequate financial reporting can have a negative impact on business performance and economic decisions. This means that the quality of financial reporting can influence managers' willingness to engage in non-value-adding activities. High-quality financial reports can facilitate better contracts to avoid investment inefficiency. Additionally, they can enhance investors' ability to control investment decisions, so high-quality financial reports are expected to reduce excessive and wasteful investment. (Al-Dmour et al, 2018:2).

The benefit of financial reports and statements and the information they contain varies among different user groups and even within the same category of users. Some researchers in the field of accounting believe that this benefit can be measured by how the market responds to the information published in financial reports and the ability of the information in these reports and financial statements to assess market risks. Additionally, they investigate the opinions of investors and their agents, the users of this information, regarding the importance and utility of financial reports and the accounting information they contain (Agyei-Mensah, 2013: 33).

**The objectives of financial reporting quality are achieved through: (Nashwan, 2017: 577)**

A. Providing appropriate and relevant information for making credit and investment decisions.

B. Supplying data and information that assist in predicting the volume and precise timing of future cash flows and the degree of uncertainty surrounding them.

C. Offering the necessary information to evaluate the resources of the institution and any changes that may occur in these obligations and resources.

**4. Characteristics of Financial Report Quality:**

The importance of the characteristics of financial report quality lies in several areas. These characteristics are used to evaluate the usefulness of the information contained in financial statements and reports, improve their quality, determine the nature of the required information, and the frequency of its presentation. They are also essential for ensuring the accuracy of the information and measuring the level of users' confidence in the financial statements and reports. Additionally, they help in the formulation of a conceptual framework for financial accounting, identifying the key elements that financial statements should include, and assisting in the field of accounting standards, such as evaluating the satisfaction with specific accounting standards or the need for their modification, as well as assessing proposals for new accounting standards. Moreover, these characteristics aid in solving problems encountered by accounting practitioners, particularly in the initial stages of implementing any accounting standard or when there is no accounting standard in place. They also assist in the preparation and evaluation of the legislations that affect the accounting profession.

To ensure that financial reports are useful for decision-makers, they should possess specific characteristics such as relevance, reliability, consistency, and comparability to meet the needs of users. (Bamidele, 2018:24).

**A. Relevance:** According to the study conducted by (Al-Dmour et al. ,2018), the attribute of relevance holds significant importance in financial reports, as it pertains to the financial information contained inside them. Relevance pertains to the significance and utility of information in the context of studying, discussing, and making informed decisions regarding a certain subject. Put otherwise, the data should be tailored towards a particular objective. According to (Tuitoek and Maina ,2018:3), it is important to note that information must possess the ability to impact the process of decision-making. The presence of the factor should have a significant impact on the decision that would have been made if it were not present. In order to attain this objective, it is imperative that the information provided is pertinent. This pertinence can be categorized as either absolute, wherein it caters to the requirements of a wider audience, or relative, wherever it serves the specific needs of an individual user. The concept of relevance is delineated by many attributes, as expounded by (Bukunya ,2014:188).

(Agyei-Mensah, 2013:275) adds that accounting information exhibits the following attributes of relevance:

1. Timeliness: Information is provided when needed.
2. Predictive Value: It helps in predicting the future.
3. Comparability: Information can be compared with plans.
4. Faithful Representation: Information is presented faithfully.
5. Neutrality: Information is unbiased.

Relevance refers to the process of selecting the most relevant measurement and reporting techniques to aid data users in making informed decisions. The relevance and appropriateness of accounting information should align with the specific requirements of the decision-maker. The achievement of this objective can be facilitated by the evaluation of how the decision-maker derives advantages from accounting information. This occurs when accounting information aids in the reduction of accessible alternatives and facilitates the identification of the optimal alternative that aligns with the decision made (Nasrin Azar et al., 2019:3).

**B. Reliability:** The significance of trustworthiness in financial information has been underscored by numerous authors. According to (Opanyi ,2016:167), reliability refers to the quality of accounting information being valuable and meaningful, since it can be trusted as an accurate and objective representation of economic events and conditions. The development of the text should adhere to principles of objectivity, accuracy, and impartiality, ensuring the absence of prejudice, deviations, and errors. According to (Al-Dmour et al. ,2018:6-7), dependability is a crucial qualitative attribute of high-quality financial reports. This implies that the content of financial reports must be honestly portrayed, guaranteeing its completeness, accuracy, neutrality, and absence of bias and inaccuracies. The significance of this matter lies in the fact that economic events and transactions are susceptible to alterations, necessitating meticulous and precise documentation of all such occurrences in the yearly report.

According to (Azar et al. ,2019:6), reliability pertains to the degree of assurance that can be established for accounting information users (decision-makers), enabling them to depend on it for making diverse decisions. The level of confidence in accounting information is contingent upon the perceived neutrality and verifiability of the information, ensuring its objective presentation. Reliability refers to the quality of accounting information being devoid of any sort of bias, hence enabling users to arrive at consistent conclusions based on the provided information. Objectivity is characterized by the deliberate avoidance of prejudice. The attainment of dependability necessitates the enhancement of objectivity and the mitigation of bias, whereby prejudice can arise from both the selection of accounting standards and their non-objective implementation.

In essence, the concept of dependability pertains to the assurance that financial information is both precise and impartial, devoid of any subjective influences. This attribute empowers consumers to place their trust in such information while making decisions. The possession of some key characteristics is imperative for financial reports to establish trust and confidence among users.

**C. Consistency:** The principle of consistency, as explained by various sources, underscores the importance of using the same accounting policies and methods consistently in preparing financial statements over different financial periods. This consistency is a requirement of accounting standards. Different policies should be followed, and any changes should be disclosed with appropriate explanations in the financial statements.

Consistency ensures that the financial reports can be compared year to year. (Manh & Ramond ,2011:4-5) highlighted the significance of consistency in accounting methods. Ignoring consistency and changing accounting methods each period could lead to significant confusion. Any bank or financial institution that changes its accounting methods from one period to another can affect its net profit significantly.

This principle does not mean that banks or institutions cannot evolve or improve their accounting systems. If there are methods that can provide higher-quality information, the responsible entity should study and determine whether they are suitable to replace the current system. This, however, should involve careful evaluation, and if a change is made, it must be disclosed, including the resulting effects, to avoid misleading the users of financial statements (Bardhan et al., 2015: 42).

As (Manh & Ramond ,2011:3) point out, each entity has its unique financial information system, and it should remain stable without frequent changes without justification. Stability does not mean the system cannot be improved. If there are better ways to provide high-quality information, they should be considered as replacements for the current system. Any changes should be thoughtfully evaluated before implementation, to ensure they provide value without compromising the consistency of financial reporting.

**D. Comparability:** The need for comparability should not be confused with the concept of consistency. It also should not hinder the process of developing accounting standards. It is not appropriate for a bank to continue applying accounting policies in the same way for financial operations and other events from one period to another, especially if these policies do not align with the characteristics of relevance and reliability of information. It is also not appropriate for a bank to continue using its accounting policies without any changes if it is possible to adopt more suitable policies for its circumstances, as long as it provides the confidence factor in its information.

Users of financial statements, whether internal or external, should be capable of making comparisons within the bank's financial statements over time. Therefore, financial statements should provide comparative figures for previous periods as long as it meets the needs of these users (Nasrin Azar et al., 2019:4).

Users should also be able to make comparisons between the bank's financial statements and those of similar banks to evaluate performance, financial positions, and changes in the financial position concerning other banks. The financial impact of similar financial operations and other events should be measured and presented on a consistent basis over time for the bank and similar banks, based on the assumption of consistency between periods. This is especially crucial when various accounting policies are in place for financial operations and other events, both within the bank and for similar banks (Agyei-Mensah, 2013:270).

This means that accounting information should be capable of making comparisons between different financial periods for the same economic entity or comparing it to other economic entities within the same industry. Clearly, the more consistent the accounting methods and policies are, the more valuable the accounting information is for comparative purposes. Information should be subject to continuous evaluation to maintain its effectiveness and assess its benefits for the organization and decision-makers. Therefore, it must possess the characteristic of comparability, with the company comparing data presented by the information over several years, and this feature is related to the regularity and stability of the company's accounting system (Al-Dmour et al., 2018:6-7).

**Thirdly, the theoretical relationship between research variables.**

The concept of banking governance holds significant importance due to the nature of banking operations, which involve substantial risks and require a high degree of accuracy and efficiency in their performance. Adopting a broader and deeper vision is necessary, and banking governance focuses on developing the internal structures of banks to enhance transparency in their performance, improve management practices, and enhance the quality of financial reports (Abood, 2014: 38).

Banking governance encompasses a comprehensive framework of principles, legislation, strategic determinations, and operational structures that are designed to facilitate the attainment of superior performance standards and exceptional outcomes. The process entails the identification and implementation of appropriate and efficient methodologies to achieve the strategic goals and objectives of financial institutions. Furthermore, it encompasses components that enhance the organization's sustainability and delineate individual duties and obligations. Financial governance, conversely, pertains to the oversight of the organization's board of directors and senior management in relation to performance evaluation, with a simultaneous focus on safeguarding the interests of shareholders and depositors. Additionally, it places emphasis on their interaction with external stakeholders and the delivery of financial reports of superior quality. The concept of governance within the banking industry encompasses public, private, and joint banks (Hopt, 2013: 221).

## Chapter Three: The Practical Aspect of the Research

### Firstly: Field Description and Research Sample

**1. Research Sample Description:** The establishment of Baghdad Bank occurred subsequent to the modification of Article 5 within the legislative framework of the Iraqi Central Bank Law. The bank in question holds the distinction of being the inaugural financial institution authorized to operate in Iraq, having obtained its license in 1992. Its primary focus is on catering to the requirements of the domestic economy. Prior to September 25, 1998, Baghdad Bank primarily focused on doing commercial banking operations. Following authorization from the Central Bank of Iraq, all private banks were permitted to engage in complete banking activities, leading to the subsequent expansion of their service portfolio to include a wider variety of financial services.

In the year 2005, Baghdad Bank had a notable transition when Gulf United Bank and Iraq Holding Company collectively obtained 49% of the bank's capital. Baghdad Bank operates as a subsidiary of Burgan Bank, which is a constituent of the Projects Holding Company Group based in Kuwait. The inclusion of Baghdad Bank in the Arab world's banking sector positions it among a group of seven banks. This group encompasses several financial institutions, such as Baghdad Bank in Iraq, Syria Gulf Bank in Syria, Gulf Bank Algeria in Algeria, and Jordan Bank in Jordan. The Kuwait Bank's presence in both Jordan and Tunisia is noteworthy in the context of international banking operations. The World Bank operates in Tunisia, Burgan Bank operates in Kuwait, and United Gulf Bank operates in Bahrain.

Over the course of its existence, Baghdad Bank has undergone a transformation from a regional banking entity to a worldwide financial institution. Despite the adverse effects of global financial market disruptions and local volatility on the Iraqi economy, the bank has demonstrated resilience and maintained a trajectory of growth and strong performance. The entity actively participates in the reconstruction efforts of Iraq by strategically using existing opportunities to foster growth in both the oil and non-oil industries, facilitate infrastructure improvements, and secure funding for construction projects.

**2. Description of Research Sample - Individuals:**

The research sample included a group of employees from Baghdad Bank, specifically targeting the following roles: auditors, accountants, and department managers. A total of 77 survey questionnaires were distributed to this specific group of individuals, and 73 valid questionnaires were returned, which were subsequently used for analysis.

**Secondly: Description and Diagnosis of Research Variables**

**1. Description and Diagnosis of Banking Governance Principles:**

Table (1) summarizes the principles of banking governance, with an average agreement rate of 78.9%. This indicates that the surveyed individuals at Baghdad Bank confirmed the use of banking governance principles through its tools. However, there were respondents whose answers were in a negative direction, accounting for 6.6%, and those who had no opinion or provided neutral responses, constituting 14.5% of the surveyed individuals.

The initial analysis of the responses of the surveyed individuals affirms that Baghdad Bank possesses principles of agile accounting. All the tools scored a mean of 3.94 with a standard deviation of 0.85 and a coefficient of variation of 0.215.

The prioritization of the description of banking governance principles can be as follows:

A - Contributed positively to this variable is the principle of supervision and control, as it scored an agreement rate of 82%, ranking first, with a mean of 4.03.

B - The limits of responsibility and accountability came in second place with an agreement rate of 81.1%, and a mean of 4.00.

C - Monitoring strategic objectives ranked third with an agreement rate of 79.4% and a mean of 3.96.

D - Finally, the functions of account controllers scored an agreement rate of 75.6% and had a mean of 3.97.

**Table (1) Summary of Banking Governance Principles**

| Banking Governance Principles | I completely agree, I agree. | Neutral | I disagree, I completely disagree. | The mean (average). | The standard deviation. | The coefficient of variation. |
|---|---|---|---|---|---|---|
| Board of Directors Eligibility | 78.5 | 15.1 | 6.4 | 3.94 | 0.88 | 0.22 |
| Monitoring of Strategic Objectives | 79.4 | 13.7 | 6.8 | 3.96 | 0.81 | 0.20 |
| Supervision | 82 | 12.3 | 5.7 | 4.03 | 0.80 | 0.19 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **and Oversight Assurance** | | | | | | |
| **Limits of Responsibility and Accountability** | **81.1** | **11.5** | **7.4** | **4.00** | **0.89** | **0.22** |
| **Salaries and Compensation** | **76.8** | **15.1** | **8.1** | **3.70** | **0.88** | **0.23** |
| **Roles of Account Auditors** | **75.6** | **18.8** | **5.6** | **3.97** | **0.87** | **0.22** |
| **Understanding the Organizational Structure** | **79** | **14.8** | **6.2** | **4.00** | **0.87** | **0.21** |
| **Governance Transparency** | **77.8** | **15.2** | **7** | **3.99** | **0.87** | **0.21** |
| **The overall average** | **78.9** | **14.5** | **6.6** | **3.94** | **0.85** | **0.215** |

**Source: Prepared by the researcher based on the outputs of the statistical program.**

**2. Description and Diagnosis of Financial Reports Quality:**

Table 2 presents a comprehensive overview of the quality of financial reports. The survey results indicate that the majority of respondents, approximately (77.5%), expressed agreement regarding the quality of financial reports produced by Baghdad Bank. This suggests that the studied individuals perceive the bank to consistently produce financial reports of high quality. Conversely, a proportion of (6.8%) of the participants included in the study held unfavorable perspectives, whereas (15.7%) either maintained neutral stances or refrained from expressing their ideas. The preliminary examination of the participants' feedback substantiates their impression that Baghdad Bank exhibits high-quality financial reports. All of the practices exhibited moderate levels, as indicated by an average score of 3.94, a standard deviation of (0.87), and a coefficient of variation of (0.22). The prioritization of the relevance of describing and diagnosing the dimensions of financial reports quality can be determined depending on the level of consensus.

A) Contributed positively to this variable, following comparability, with an agreement rate of (78.9%), ranking first, and an average score of (4.00).

B) Followed by appropriateness, with an agreement rate of (78.5%), ranking second, and an average score of (3.79).

C) Stability followed in third place with an agreement rate of (76.8%), and an average score of (3.98).

D) Variable (X6) ranked fourth with an agreement rate of (75.9%) and an average score of (4.02).



E-mail address: info@researchparks.org
Peer review under responsibility of Emil Kaburuan.
Hosting by Research Parks All rights reserved.

**Table (2): Summary of Financial Reports Quality**

| Financial Reports Quality | Completely agree, agree | neutral | I disagree, I completely disagree. | The mean (average). | The standard deviation. | The coefficient of variation. |
|---|---|---|---|---|---|---|
| Relevance | 78.5 | 13.2 | 8.3 | 3.79 | 0.87 | 0.23 |
| Reliability | 75.9 | 18.8 | 5.3 | 4.02 | 0.89 | 0.22 |
| Consistency | 76.8 | 16.3 | 6.9 | 3.98 | 0.88 | 0.22 |
| Comparability | 78.9 | 14.4 | 6.7 | 4.00 | 0.85 | 0.21 |
| the overall average | 77.5 | 15.7 | 6.8 | 3.94 | 0.87 | 0.22 |

**Source: Prepared by the researcher, relying on the outputs of the statistical program.**

**Thirdly: Research Hypothesis Testing**

1. Testing the First Hypothesis: It states that "there is a significant positive correlation between the principles of banking governance and the quality of financial reports, as indicated by their dimensions at the overall level." Table (3) presents the results of testing the relationships associated with this hypothesis.

**Table (3): Results of the Correlation Relationships Test in Baghdad Bank**

| The explanatory variable. / The responsive variable. | The principles of banking governance. |
|---|---|
| The quality of financial reports. | *0.61 |

**N=73** **0.05 ≤ P***

Table (3) indicates a significant and positive correlation between the aggregated principles of banking governance and the quality of financial reports. The overall correlation coefficient was (*0.61), at a significance level of (0.05). This provides evidence of a relationship between the two variables. This result suggests that the more a bank focuses on the principles of banking governance as a whole, the more it contributes to enhancing the quality of financial reports by eliminating ambiguity in financial operations and making them easily understandable to all stakeholders. Based on the statistical analysis results of the correlation between the research variables, the primary hypothesis of the study is accepted at the bank level.

2. Testing the Second Hypothesis: It states that "there is a significant influence of the principles of banking governance on enhancing the quality of financial reports, as indicated by their dimensions at the overall level." Table (4) illustrates this influence as follows:

**Table (4): The Impact of Aggregated Banking Governance Principles on the Quality of Financial Reports in Baghdad Bank**

| The explanatory variable. / The responsive variable. | Banking governance principles. | | | F |
|---|---|---|---|---|
| | β0 | β1 | $R^2$ | |



E-mail address: info@researchparks.org
Peer review under responsibility of Emil Kaburuan.
Hosting by Research Parks All rights reserved.

| | | | | |
|---|---|---|---|---|
| **The quality of financial reports.** | 0.698 | 0.702 (12.130)* | 0.49 | 95.010 |

**(*) Indicates the calculated T value.**

**N=73 DF=1. 71 P ≤ 0.05***

From Table (4), which is specific to the regression analysis, it is evident that there is a significant positive impact of the aggregated banking governance principles as explanatory variables on the quality of financial reports as the responsive variable. The calculated F-value is (95.010), which is greater than the tabulated value for degrees of freedom (1, 71) at a significance level of (0.05). The coefficient of determination (R2) is (0.49), indicating that (49%) of the explained variances in the quality of financial reports can be attributed to the influence of the aggregated banking governance principles.

By examining the beta coefficient ($\beta 1$), it is revealed that an increase of one unit in the focus on banking governance principles leads to a change of (0.702) in the quality of financial reports. As for the beta coefficient ($\beta 0$), it means that Baghdad Bank achieves financial report quality, regardless of the effectiveness of lean accounting principles.

Additionally, the calculated t-value (*12.130) is statistically significant and greater than the tabulated value for degrees of freedom (1, 71) at a significance level of (0.05). This leads to the acceptance of the second primary hypothesis, which states that "there is a significant impact of the aggregated banking governance principles on the quality of financial reports in the bank under study.

## Chapter Four: Conclusions and Recommendations

### Firstly: Conclusions

After constructing the data encompassing the theoretical framework, which is based on the works, the theories, and the writings of the pioneers in financial thought, and the philosophical and intellectual concepts it entails, it was utilized in an academic context to serve as a conceptual model and a launching point for subsequent studies. As a result, the research yields a set of conclusions from its philosophical and intellectual data, as follows:

1. The management of Baghdad Bank must recognize the significance of banking governance principles in financial institutions and their direct impact on enhancing the quality of financial reports. Neglecting this focus may lead to missed valuable opportunities for financial institutions to achieve their growth, expansion, sustainability, and excellence.

2. Banking governance principles are the fundamental driver for the development of financial institutions (banks) through their ability to manage banking operations and provide ideal supervision.

3. Banking governance means overseeing performance by the bank's top management and protecting the rights of shareholders and depositors, in addition to fostering their relationship with external stakeholders.

4. The application of banking governance is necessary to establish a stringent and uniform control system that can contribute to improving performance quality, the quality of financial reports, bank risk management, and the distribution of responsibilities among various parties for better risk mitigation.

5. The study revealed the prioritization of banking governance principles according to their importance from the perspective of the research sample, namely, (supervision and control assurance,

boundaries of responsibility and accountability, monitoring of strategic goals, understanding the operational structure, board member qualifications, governance transparency, compensation, and the functions of audit committees).

6. A significant and positive correlation has been established between the aggregated banking governance principles and the quality of financial reports for the bank under study, as indicated by their variables and the correlation coefficient values at the overall level.

7. A significant positive impact of aggregated banking governance principles on the quality of financial reports has been observed. This implies that an increased focus of the bank management on these principles contributes to enhancing the quality of financial reports.

**Secondly: Recommendations**

In accordance with these conclusions, the researcher formulates a set of recommendations, placing them in the hands of the relevant stakeholders in the bank and researchers, with the hope that they receive sufficient and appropriate attention to achieve the intended purpose of this research. The recommendations include:

1. Promote the understanding and culture of banking governance among all relevant stakeholders and the public in Baghdad Bank by effectively applying its principles.

2. Train and educate the human resources in Baghdad Bank in the field of governance through training courses and regular publications.

3. Establish governance committees at the department level within the bank, with these committees being under the supervision of senior management.

4. Ensure swift legal compliance for implementing banking governance principles and work on providing the appropriate legal framework and environment to enhance the quality of financial reports.

5. Develop a banking governance guide for Baghdad Bank to guide employees in improving the efficiency of their work towards enhancing the quality of financial reports.

**Arabic references**

1. Al-Rubai, H., Radhi, M., & Abdul-Hussein, M. (2011). Banking Governance and its Impact on Performance and Conservation. Dar Al-Bazoori Al-Ilmiyah, Jordan.

2. Zidan, M. (2009). The Importance of Establishing Governance Principles in the Banking Sector. Journal of Economic Sciences and Management, University of Ferhat Abbas Setif.

3. Shaat, M. H. M. (2017). The Impact of Internal Control System on the Quality of Financial Reports: An Empirical Study on Public Shareholding Companies Listed on the Palestine Stock Exchange. Unpublished Master's Thesis, Faculty of Commerce, Islamic University of Gaza.

4. Abdel Malek, A. R. (2012). The Role of Corporate Governance in Determining the Fair Value of Stocks in the Securities Market. Journal of the College of Commerce for Scientific Research.

5. Aboud, S. M. (2014). Banking Governance and its Implementation Mechanisms: A Case Study in Private Banks. Baghdad, Journal of the College of Economics, University of Baghdad.

6. Nashwan, A. M. (2017). Moving Towards Joint Auditing as an Approach to Improve the Quality of Financial Reports: An Applied Study. Journal of Economic and Administrative Sciences, 23(100), 567-605.

**References**

1. Achim, Andra, Chis, Anca, (2014), "**Financial Accounting Quality and its defining Characteristics**", SEA, Practical Application of Science, Vol. II, Issue 3 (5), 93-98.
2. Adams, R. B, Hermalin, B. E. and Weisbach, M. S. (2010), "**The role of boards of directors in corporate governance: A conceptual framework and survey**", Journal of Economic Literature 48(1): 58-107.
3. Adams, R. B. (2012), "**Governance and the financial crisis**", International Review of Finance 12(1): 7-38.
4. Aebi, V., Sabato, G. and Schmid, M. (2012), "**Risk management, corporate governance, and bank performance in the financial crisis**", Journal of Banking & Finance 36(12): 3213-26.
5. Agyei-Mensah. Ben K, (2013), "**Adoption of International Financial Reporting Standards (IFRS) in Ghana and the Quality of Financial Statement Disclosures**", International Journal of Accounting and Financial Reporting, Vol. 3, No. 2.
6. Al-Dmour, Ahmed Hani; Abbod, Maysam; Qadi, Naim Salameh Al, (2018), "**The Impact of the Quality of Financial Reporting on Non-Financial Business Performance and the Role of Organizations Demographic' Attributes (Type, Size and Experience)**", Academy of Accounting and Financial Studies Journal.
7. Andres, P. and Vallelado, E. (2008), "**Corporate governance in banking: The role of the board of directors**", Journal of Banking & Finance 32(12): 2570-80.
8. Bamidele, Johnny Ibrahim, (2018), "**FINANCIAL REPORTING QUALITY AND ITS EFFECT ON INVESTMENT DECISIONS BY NIGERIAN DEPOSIT MONEY BANKS**", Environmentalist, 29, Springer Science+ Business Media, LLC.
9. Bamidele, Johnny Ibrahim, (2018), "**FINANCIAL REPORTING QUALITY AND ITS EFFECT ON INVESTMENT DECISIONS BY NIGERIAN DEPOSIT MONEY BANKS**", Environmentalist, 29, Springer Science+ Business Media, LLC.
10. Beest, Ferdy van, Geert Braam, Suzanne Boelens, (2009), "**Quality of Financial Reporting: measuring qualitative characteristics**", Nijmegen Center for Economics (NiCE), Institute for Management Research, Radboud University Nijmegen.
11. Belkaoui, Ahmed R. (2004), **Accounting Theory**, 5th ed, London Thomson Learning.
12. de Haan, J. and Vlahu, R. (2015), "**Corporate governance of banks: A survey**", Journal of Economic Surveys 30(2): 228-277.
13. El-Bannany Magdi, (2018), "**Financial reporting quality for banks in Egypt and the UAE**", Corporate Ownership & Control / Volume 15, Issue 2.
14. Erkens, D. H., Hung, M. and Matos, P. (2012), "**Corporate governance in the 2007–2008 financial crisis: Evidence from financial institutions worldwide**", Journal of Corporate Finance 18(2): 389-411.
15. Fernandes, Catarina, Jorge Farinha, Francisco Vitorino Martins, Cesario Mateus, (2018), "Bank Governance and Performance: A Survey of the Literature", Journal of Banking Regulation 19(12).

16. Grove, H., Patelli, L., Victoravich, L. M. and Xu, P. (2011), "**Corporate governance and performance in the wake of the financial crisis: Evidence from US commercial banks**", Corporate Governance: An International Review 19(5): 418-36.
17. Hope, O.-K. and Thomas, W.B. (2011), "**Managerial empire building and firm disclosure**", Journal of Accounting Research, Vol. 46, pp. 591-626.
18. Hopt, K. J. (2013), "**Corporate governance of banks and other financial institutions after the financial crisis**", Journal of Corporate Law Studies. 13(2): 219-53.
19. Huifa Chen and Zhijun Lin, (2016), "**How to measure country-level financial reporting quality?",** Journal of Financial Reporting and Accounting, vol. 14, issue 2, 230-265.
20. Mahboub, Rasha, (2017), "**Main Determinants of Financial Reporting Quality in the Lebanese Banking Sector**", European Research Studies Journal, Volume 17, Issue 4B, pp. 706-726.
21. Manh, Anne Le & Ramond, Olivier, (2011), "**Determining a Consistent Set of Accounting and Financial Reporting Standards**", A Research Note Based on the IASB-FASB Conceptual Framework Revision Project.
22. Michail Bekiaris, and Stergios Tasios, (2014), "**Internet financial reporting quality and corporate characteristics: the case of construction companies listed in Greek and Cypriot stock exchange**", European Research Studies Journal, Volume 17, Issue 2.
23. MOSES BUKENYA, (2014), "**Quality of Accounting Information and Financial Performance of Uganda's Public Sector**", American Journal of Research Communication, Bukenya, Vol 2(5).
24. Nasrin Azar, Zarina Zakaria and Noor Adwa Sulaiman, (2019), "**THE QUALITY OF ACCOUNTING INFORMATION: RELEVANCE OR VALUE-RELEVANCE?**", Asian Journal of Accounting Perspectives, 12(1), 1-21.
25. Nasrin Azar, Zarina Zakaria and Noor Adwa Sulaiman, (2019), "**THE QUALITY OF ACCOUNTING INFORMATION: RELEVANCE OR VALUE-RELEVANCE?**", Asian Journal of Accounting Perspectives, 12(1), 1-21.
26. Robert O. Opanyi, (2016), "**The Effect of Adoption of International Public Sector Accounting Standards on Quality of Financial Reports in Public Sector in Kenya**", European Journal of Scientific Research 12(28).
27. Soth Sreymoch, Kong Yusheng, (2019), "**Quality of Annual Reporting: The Empirical Evidence from Banks in Cambodia**", International Journal of Science and Research (IJSR), Volume 8 Issue 4.
28. Soth Sreymoch, Kong Yusheng, (2019), "**Quality of Annual Reporting: The Empirical Evidence from Banks in Cambodia**", International Journal of Science and Research (IJSR), Volume 8 Issue 4.
29. Tuitoek, Lydia Jemutai; Maina, Kimani E. (2018), "**Enterprise Resource Planning on Quality of Financial Reports of Public Universities in Uasin Gishu County, Kenya. The Effect of Fixed Assets Reporting**", International Journal of Finance, Accounting and Economics (IJFAE), Vol. 1 (3) 1-17.

30. Wang, W.-K., Lu, W.-M. and Lin, Y.-L. (2012), "**Does corporate governance play an important role in BHC performance?",** Evidence from the U.S. Economic Modelling 29(3): 751-60.