

The Effect Of Integrated Reports In Improving The Informative Content Of Accounting Information To Enhance The Firm Value: An Empirical Study

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ABSTRACT

The study seeks to provide insight into the idea and significance of integrated reports, the guidelines and components of their informational content, and the value they provide to organizations. The research community was present at the Iraq Stock Exchange. Conversely, the study sample was selected from the local commercial banks registered in the Iraq Stock Exchange as a purposive sample. The two researchers analyzed and evaluated the primary and secondary research variables to conduct their research. They relied on the financial reports of commercial banks (the research sample) and bulletins from the Iraq Stock Exchange. They used applied and inferential statistical approaches to test and analyze their research hypotheses. They utilized statistical inference and used the data to evaluate the research variables. The primary discovery of the study is that the influence of integrated reports on the company's value is solely manifested through the information content. In other words, the information content variable completely mediates the impact of the independent variable (integrated reports) on the dependent variable (company value). The two academics advised commercial banks to use the International Integrated Reporting (IR) framework due to its ability to convey financial and non-financial information thoroughly and transparently, thereby enhancing credibility.

Keywords: Integrated reports, informative content, firm value, financial statements

I.Introduction

Traditional financial evaluation approaches, such as discounted cash flow, fail to recognize various risks organizations face today. These risks include not fully disclosing sustainability information in accounting statements, using deceptive methods, and hiding crucial information about the environmental impacts of products. These risks can result in the company's loss of value and market share. Recent literature shows that stakeholders are increasingly interested in investing in companies that generate profits and positively impact the environment and society, thus contributing to a better world. Companies, stakeholders, and investors are becoming more cognizant of how their business operations affect the environment and society. Accurate data assessed using reliable indicators improves reporting accuracy in company reports, decreases uncertainty, and prevents loss of value and market share (Agoraki, K. et al., 2023).

Integrated reporting is a comprehensive business reporting that connects non-financial information to financial data and performance measures. While several research indicate that adopting integrated reporting may not substantially affect profitability in different company areas, other studies concentrate on the technical elements of creating an integrated reporting system, such as data extraction, transformation, and reporting. Integrated reporting has garnered interest in academic and professional accounting programs, sparking conversations about incorporating it into management accounting courses to prepare accountants for this emerging reporting approach better. Furthermore, there are considerations about the appropriateness of the framework the International Integrated Reporting Council puts forward, particularly about public sector

organizations seeking to enhance stakeholder involvement and responsibility via integrated reporting methods. Integrated reporting seeks to improve the transparency of information provided to stakeholders, facilitate effective decision-making, and create public value. Implementing integrated reporting may have a beneficial effect on a company's financial performance and overall worth. Studies indicate that variables such as the organization's magnitude, its structure's intricacy, and the environmental and social governance (ESG) index might impact the implementation of integrated reporting. Research has shown a strong correlation between integrated financial reporting and the value of publicly traded firms. Specifically, financial capital reports, intellectual capital reports, and human capital reports have been proven to have substantial effects on company value. Moreover, there is evidence in the accounting literature to suggest that integrated reporting disclosures are positively influenced by business performance, as shown by metrics like return on assets (ROA), return on equity (ROE), and market value of equity (MBVE). Additionally, this link is moderated by the presence of female directors.

II.literature Review

A. Integrated reporting

The integrated report is a comprehensive, multi-capitalized approach focusing on the value creation process of short, medium, and long-term. It aims to improve the quality of information and disclosure and is a reporting standard . ultimately supporting investors' decision-making increasing transparency and (Mock, et al., 2021:77).

These reports link corporate social, environmental, and governance practices to their financial performance and the future to the present. They also report on companies' strategic performance and the risks faced by AL-Yasiri) Saadi).

Integrated reports can achieve savings in cost and time by merging financial reports with non-financial reports, which is reflected in the improvement of the environmental, social, and governance linking process of the company (Pavlopoulos et al., 2019, p. 15) indicates that integrated reports display high-quality information, which makes these reports more critical in terms of their impact on generating future value that was not previously taken into account in preparing financial reports., sustainability-related reporting is part of a company's strategic sustainability, not an isolated corporate activity (Küçükgül et al., 2022, p. 1). The importance of integrated reports can also emerge as they provide complete information and inform users promptly—of targeted requests reporting activities by complying with reporting process .schedules and the principles of integrated reporting (Gorshkova et al., 2022:1-7)

The emergence of its importance among the general public and the possibility of its impact on the different stakeholders ,of the company such as creditors, investors, employees, governments, customers, communities and others, and , these pillars (dimensions) can be clarified through the following figure (2-8).

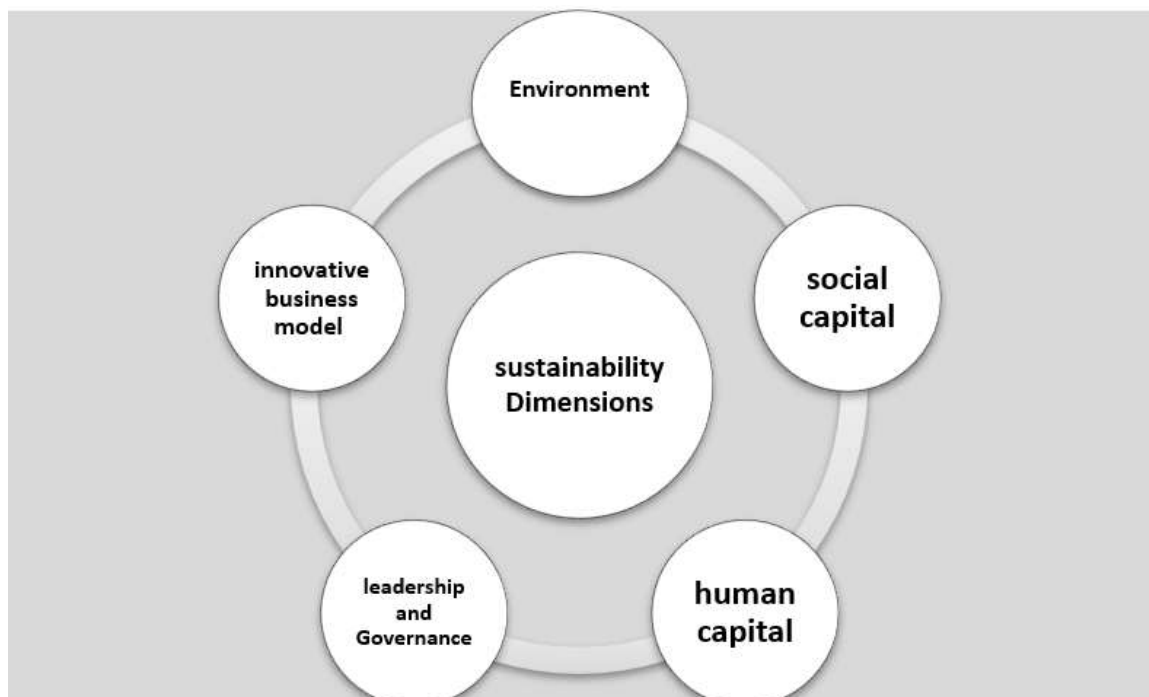


Figure 1. Sustainability Accounting Framework

Source:- (Murningham & Grant, Redefining Materiality: Why it Matters, Who is Involved, and What It Means for (Corporate Leaders and Boards, 2013 p. 3).

:Guidelines for integrated reporting

The Board identified several) principles Akse, 2015:26 ;IIRC,2021:25 :(

1. Strategic focus and future direction and its ability to provide insight into the corporate strategy and how to implement it.
2. The company's ability to generate value in the short, medium and long term and its impact on capital use.
3. Integrated reporting is essential to show the company's integrated image and how to achieve, combine, and interconnect its physical components that affect its ability to create value over time
4. Provide an integrated view of the quality of relationships between the company and stakeholders and to what level management understands, considers, and seeks to respond to their legitimate requirements, interests and expectations
5. The accuracy, materiality, and essence of the information contained in integrated reports to assess a company's ability to generate value over time
6. Completeness and reliability and the presentation of all material matters in a balanced manner. That is, the integrated report must include all material matters, both positive and negative, in a balanced manner and without material error

Consistency and comparability: Integrated IR reports should contain information that is consistent and comparable to the external business environment or with other companies over time

Just as the reports provided by conventional financial accounting have their own principles, the reports provided by sustainability accounting have special main principles in accordance with international reporting standards, which are as mentioned Filatova et al, 2023)

1. Integrated approach: Accounting support for sustainability reporting should be integrated with financial reporting to reflect the impact of the company's activities on the environment and society
2. Stakeholder approach: Accounting support should reflect the needs and expectations of different stakeholders such as consumers, employees, shareholders and others.
3. Periodicity: Reports should be published in a regular manner to ensure continuous monitoring and identification of trends in the company's operations.
4. Reliability and integrity: The information contained in reports should be reliable and complete.
5. Sustainability topics or issues should be considered at the management level, not just in accounting departments.
6. Reports should be made public so that stakeholders can evaluate the company's operations.
7. Compliance with standards: Accounting support should comply with international standards.

Elements of integrated reporting:

For the purpose of adopting integrated reports as a method for disclosing the company's activities, it should contain basic elements defined by the conceptual framework for integrated reports: (Wen & Heong, 2017: 108-112):

1. Overview of the organization of the company and the external environment: what does the organization do and under what conditions it operates? Such as activities, culture, ethics, values, ownership, basic markets, organizational structure, information related to employees, revenues and the number of countries in which the company operates.
2. Governance: How does an organization's governance structure support its ability to create value in the short, medium and long term? Integrated reports should provide details on the company's leadership structure, board and executive management skills, and diversity of its members such as type, experience and competence.
3. Risks and opportunities: What specific risks and opportunities affect an organization's ability to create value in the short, medium and long term, and how does the organization deal with them?
4. Strategy and resource allocation: where does the organization want to go and how does it intend to get there?
5. Performance: To what extent has the organization achieved its strategic objectives for the period and what are its results in terms of impacts on capital?
6. Outlook: What challenges and uncertainties are likely to face in pursuing its strategy, and what are the potential implications for its business model and future performance?
7. Basis of presentation (basis of preparation and presentation): How does the organization determine what needs to be included in the integrated report and how are these things measured or evaluated

Business model: The business model of the company is the way in which the company uses its business activities to convert inputs into outputs to reach results aimed at achieving strategic goals and creating value over time, and the business model in integrated reporting is based on the six capitals

of informational content The concept :

With regard to the development of a specific definition of the concept of information content, the relevant literature has as shown that there is no agreement on a single meaning for it, it has been defined before (Al-Attar et al., 2018: 1) The highlighting the media content of financial statements by studying highlighting the role played by companies in and submitted to high- quality of accounting information and financial disclosure and the extent to which it is presented quality statements (characterized by the qualitative characteristics of accounting information) and the extent to which the accounting information system provides and displays financial statements that meet the requirements of its users

From the above, media content can be defined as "all optional and mandatory means necessary to communicate financial and non-financial information, which are described as convenient for users and enable them to make rational economic decisions".

The importance of informational content

Freixas et al. (2011:5) show that financial and non-financial information helps investors determine the quality of potential investment in terms of return and risk, while (et al,2020:79 Al Amosh) emphasized that many theories discuss the importance and motivation of management in disclosing information. Prevalence in research is the theory of stakeholders, especially investors, this theory presents a vision of the role of management in meeting their aspirations and requirements in many areas, including disclosure, the importance of financial and non-financial information lies in being an effective and essential tool to help management and stakeholders, especially investors, to achieve the purposes set and increase The importance of accounting information As a result of economic, environmental, social, governance and other influencing factors, the reason for the high importance of accounting information at the present time is due to many factors, for example, the growth in the size of the company, as it contributed to the need to produce information continuously.

Qualitative characteristics of accounting information

The IASB/FASB conceptual framework has identified agreed elements for high-quality financial reporting (relevance, honest representation, understanding, comparability and verification, and timeliness) divided into basic qualitative characteristics and enhanced qualitative characteristics. The theoretical interpretation of each of these terms emphasizes their importance as qualitative characteristics, and also refers to the qualities that are essential between the different frameworks, as in Figure (1)

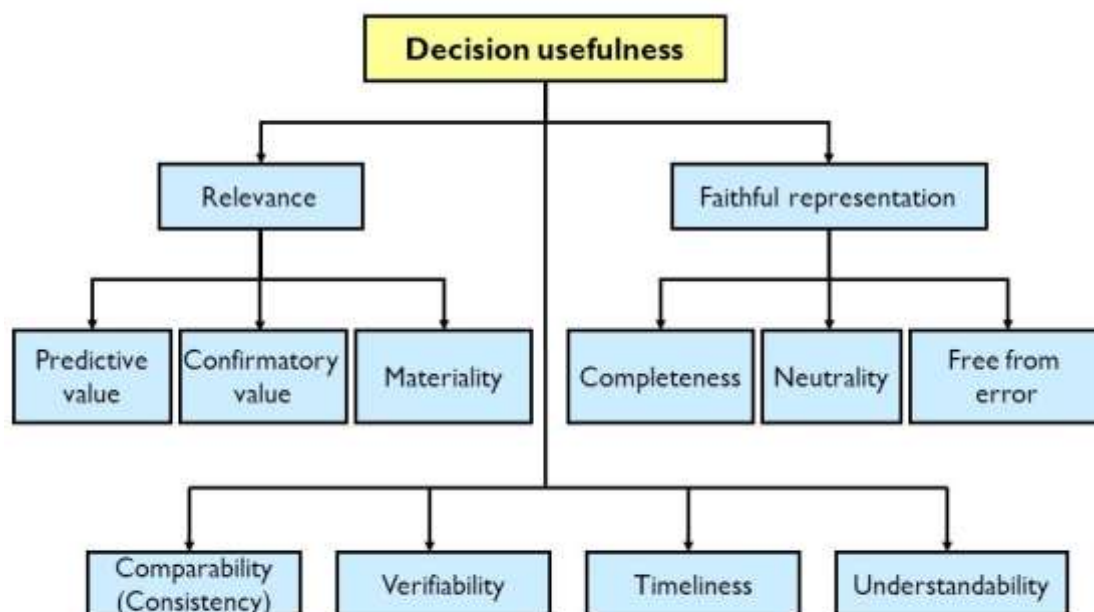


Figure 2. Qualitative characteristics of accounting information

B. The value of the company in commercial banks

Firm Value concept:

The value of the company is very, very important, the high value of the company will not be followed by greater wealth for shareholders, and the higher the share price, the higher the value of the company (Tahu&Susilo,2017:89 and the value of the company is a fixed value that determines the evaluation of investors for certain issuers so that the value of the company is the perception of investors that is always linked to the share price, and the value of the company is a very important concept for investors, that is, as indicators for the market evaluation of the company, and the value of the company means a reflection of the level of performance in the operation of the company since its establishment until Now, investors who assess that the company has a good prospect in the future tend to buy the company's shares as a result of high demand for shares leading to a rise in the share price since investors will not place a high value on the company) (Zuhroh,2019:206-207 The parties directly related to the determination of the value).

C. The relationship between the informational content of integrated reports and the value of the company in commercial banks

Aras & Williams (2022:6-11) believe that companies (banks) create value not only in terms of return to shareholders but in the form of different "capitals", financial, productive, human, intellectual, social, relationship and natural, and these constitute the rules of performance according to the classification (IIRC). Each objective will form a different unit of account or fund, and accountability-based financial reporting will provide financial measures of the amount of resources used by each fund. Thus, just as governments reveal how much has been spent on public safety, health and well-being, waste management and others, the bank will disclose what they have spent in each fund to deliver clean this resource expenditure provides two types of information: A relative, water, for example, clean energy.... The FS ?representation of how the company actually uses resources, i.e. does the company put its money in its rightful place Second, performance measures along each of these dimensions can be assessed financially. What is the return of every ?dollar per dimension

Each capital as proposed under IIRC with its sub-objectives constitutes a separate fund that reports on the resources allocated to that fund and the actual expenditure of resources to achieve that particular capital value, and Figure 4 shows the different capitals through which the valuable company originates

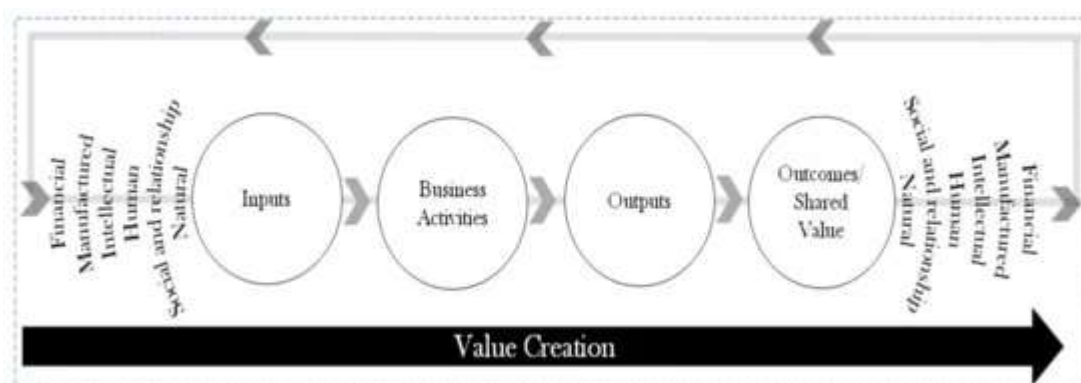


Figure 3. Value Construction

Source: Citation: Aras, G.; Williams, P.F. "Integrated Reporting and Integrated Thinking: Proposing a Reporting Model That Induces More Responsible Use of Corporate Power" Sustainability 2022, 14, 3277. <https://doi.org/10.3390/su14063277> P.9 .

These resource expenditures will also be classified as operational or capital, so that the capital assets committed to you are distinguished to (capital) and as a result cost-related financial information is combined with non-financial information related to the achievements of achieving the value of each capital

III.Data and methodology

1. The importance of research

The importance of research stems from the fact that integrated reports lead to enhancing the value of the company, as integrated reports provide financial and non-financial information in a homogeneous context that gives management and stakeholders in particular high-quality information and has the ability to predict future events, i.e. predicting profits, risks and opportunities and predicting financial failure, which is reflected in evaluating the performance of companies and the process of creating value for them, as well as helping them make strategic and investment decisions more appropriately.

2. Research problem

The research problem arises with the following questions:

1. To what extent does integrated reporting have an impact on informational content?
2. To what extent does integrated reporting have an impact on the value of the company?
3. How much information content has an impact on the value of the company?
4. Is the impact of integrated reports on the value of the company reflected through the informational content?

3. Research Objectives

The research aims to achieve the following:

1. Provide a theoretical framework on the concept of sustainability information and its importance in light of integrated reports.
2. Assess the level of sustainable disclosure in light of integrated reports.
3. Measuring information content and measuring the value of the company.

4. Testing the impact of integrated reports on information content and its reflection on the value of the company.

4. Research hypothesis

Through the questions that have been addressed in the research problems, the research includes a number of hypotheses, including:

The first hypothesis is that there is a statistically significant effect of integrated reports on the information content .

Hypothesis II: "There is a statistically significant effect of integrated reporting on the value of the company."

Hypothesis III: "There is a statistically significant effect of information content on the value of the company"

Fourth hypothesis: "The impact of integrated reporting on the value of the company is statistically reflected through the information content ."

5. Research population and sample

The research community is represented in the private banks sector listed on the Iraq Stock Exchange. As for the research sample, private commercial banks were selected as an intentional sample for research representing ten (10) commercial banks, according to the specific conditions and specifics of the research in its applied framework.

IV. Results

The level of application of indicators and non-financial in commercial banks will be measured in the form of data integrity examination and hypothesis testing)

After completing the theoretical aspect, and to provide data appropriately to test hypotheses, the researcher - coded the data for the purpose of entering it into the statistical program used as follows

Table 1. Encoding Search Variables

Code	Variable type	Variable name	t
CR	independent	Integrated Reporting	1
MC	intermediary	Information content ¹	2
FV	adherent	Company Value	3

For the purpose of providing the appropriate ground for testing hypotheses, the researcher examined the integrity of the data and ensured its validity for testing by ensuring that there are no missing values in the data, examining the normal distribution and forming the correlation matrix, as well as ensuring that the indicators of independent variables are free of linear interference, as well as testing the stability of time series as follows

1- Descriptive Statistics

The descriptive statistics of the variables data that will be used in hypothesis testing can be summarized in the following table

Table 2. Descriptive statistics of research variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
FV	70	-2.337	3.107	.00000	1.000043
CR	70	-2.069	1.758	-.00010	.999991
MC	70	-5.344	8.124	.00001	1.411322
Valid N (listwise)	70				

The most important thing that is noted from the above table is that the sample size for all variables is 70 views and that the correct values Valid N (listwise) are also 70, which means that there are no missing values in the data of all variables.

2- Correlation matrix

The following table shows the binary correlation matrix between the search variables:

¹ It was measured by unifying the values of the properties of convenience and honest representation after converting them to standard yams for the purpose of converting them into homogeneous yum that can be collected, and for the purpose of reaching logical effects between variables, all variable numbers were converted to standard numbers.

Table 3. Matrix of correlations between search variables

Correlations				
		FV	CR	MC
FV	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	70		
CR	Pearson Correlation	.277*	1	
	Sig. (2-tailed)	.020		
	N	70	70	
MC	Pearson Correlation	.447**	.360**	1
	Sig. (2-tailed)	.000	.002	
	N	70	70	70
*. Correlation is significant at the 0.05 level (2-tailed).				
**. Correlation is significant at the 0.01 level (2-tailed).				

The table above shows the binary correlation coefficients between variables, which gives us a first look at the nature and strength of the relationship between variables.

3- Linear Interference Test

Before conducting the analysis of hypothesis testing, the researcher made sure that there is no problem of linear correlation in the data of the variables used in the research, through the test multicollinearity or what is known as the Diagnostics Collinearity scale, guided by two indicators: Factor Inflationary Variance Tolerance

Table 4. Linear interference test for the independent variable and the intermediate variable

Variable	Collinearity Statistics	
	Tolerance	BRIGHT
CR	.870	1.149
MC	.870	1.149

The above table shows that all values of the variance inflation coefficient (FIF) are less than (5), and that all the values of the tolerance coefficient are greater than (0.1) and this indicates that there is no linear interference problem in the variables data, which is a condition for conducting linear regression analysis that will be used to test hypotheses later.

4- Chain stability test (unit root)

It was also confirmed that the stability of the time series of variables data, by examining the random trend in the time series and whether the series has systematic patterns valid for prediction, or in other words, to ensure that the change in time does not cause a change in the form of distribution of the time series, as the goal of analyzing the stability of time series is to obtain an accurate description of the discovery of the pattern of the studied phenomenon, by recording past values and changes that occur during certain time periods, and that the stability Time series depend on the existence of an arithmetic mean and variance that is approximately constant over time.

As relying on unstable variables gives misleading results between the study variables, and this is confirmed by testing the unit roots, which if it is present in the series, it makes it unpredictable, and using the Eviews-v10 program, the results were as follows: -

Table 5. Test of the stability of strings (unit root) for search variables

Result at level	Prob	T-Statistic	Variable
Stationary	0.0002	-5.367559	FV
Stationary	0.0000	-10.84281	CR
Stationary	0.0001	-5.412104	MC

It can be seen from the table above that the time series data level of all variables is less than 0.05 and therefore stable from the level, meaning that these data are valid for reliance on them to predict and perform regression analysis testing research hypotheses.

5 - Normal Distribution Test

The researcher also conducted a test for the normal distribution of the data of the research variables, and the results were as follows: -

Table 6. Test of the normal distribution of research variables data

One-Sample Kolmogorov-Smirnov Test				
		FV	CR	MC
N		70	70	70
Normal Parameters^{a,b}	Mean	.00000	-.00010	.00001
	Std. Deviation	1.000043	.999991	1.411322
Most Extreme Differences	Absolute	.076	.124	.303
	Positive	.076	.088	.303
	Negative	-.063	-.124	-.231
Test Statistic		.076	.124	.303
Asymp. Sig. (2-tailed)		.200^{c,d}	.010c	.000c
a. Test distribution is Normal.				
b. Calculated from data.				
c. Lilliefors Significance Correction.				
d. This is a lower bound of the true significance.				

The above table shows that the value of the company (SIG) financial FV is 0.2, which is greater than 0.05, and this indicates that the company's value data follows the normal distribution, and despite the results indicate that the significance of the rest of the variables is less than 0.05, which means primarily that its data is not close to the normal distribution, but based on the theory that if the sample size exceeds 30 views, it is naturally distributed and valid for statistical analysis. Considering that the data has met the normal distribution test because the sample size is 70 views. (2013)(Sekaran & Bougie,

Research hypothesis test results

The first hypothesis is "that there is a statistically significant effect of integrated reports on the content of information"

To test this hypothesis, the linear regression model was formulated:

$$MC_{it} = b_0 + b_1 CR_{it} + \varepsilon_{it}$$

Where:-

b_0 = The constant of the regression equation which represents the value of the dependent variable² when the value of the independent variable is equal to zero.

b_1 = inclination, used to measure the type and amount of impact.

ε_{it} = Estimation errors or so-called statistical remainders.

Using the statistical program SPSS, the results were as follows:

Table 7. Summary of the first hypothesis test model

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.360a	.130	.117	1.326
a. Predictors: (Constant), CR				
b. Dependent Variable: MC				

The table above shows that the value of correlation ((R between the variables amounted to 0.360), and that the coefficient of determination R Square amounted to 0.130 and this is that the integrated reports in this statistical model explain 13.2% of the variance in the content of the information, and that the standard deviation of the estimate error Std. Error of the Estimate was 1.326 The lower this type of error, the better it is statistically.

Table 8. Variance of the first hypothesis test

ANOVA					
Model	Sum of Squares	df³	Mean Square	F	Sig.

² It should be noted that the intermediate variable is a dependent variable in front of the independent variable, and is independent in front of the dependent variable.

³ df stands for degrees of freedom, representing the number of values that can be changed in the calculation of a statistical property. The calculation of various statistical properties is based on a set of information or data. It is called the number of information independent of each other that goes into the calculation of a particular statistical property.

1	Regression	17.844	1 ⁴	17.844	10.146	.002b
	Residual	119.592	68 ⁵	1.759		
	Total	137.436	69 ⁶			
a. Dependent Variable: MC						
b. Predictors: (Constant), CR						

The table above shows the variance above anova that the calculated F value was 10.146, which is greater than its tabular value calculated according to the degrees of freedom df (68.1) of 3.98 at the significance level of 5%, and that the level of significance of the Sig test was 0.002, which is less than the accepted error value in the social sciences and predetermined by 0.05, which indicates the appropriateness of the statistical model used.

Table 9. Coefficients of the regression function for the first hypothesis

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.514E-5	.159		.000	1.000
	CR	.509	.160	.360	3.185	.002
a. Dependent Variable: MC						

The most important thing that the above table builds is that the value of the slope of the regression equation B_1 amounted to 0.509, which shows the effect of the independent variable on the dependent variable (by the coefficient B), and the positive value of the coefficient indicates B_1 that there is a direct effect between the independent and dependent variables, or in other words, any increase in the independent variable (integrated reports) by one degree leads to an increase of 50.9% in the intermediate variable (content of information) with the stability of all other independent variables, and it is noted from the above table also that the level of significance The T-statistic for the independent variable was 0.020, which is much less than the accepted error in the social sciences and predetermined by 0.05, which means that the sample data provided convincing evidence of the acceptance of the hypothesis to prove the effect statistically. The following figure confirms the direct relationship between the two variables through the upward trend of the curve:

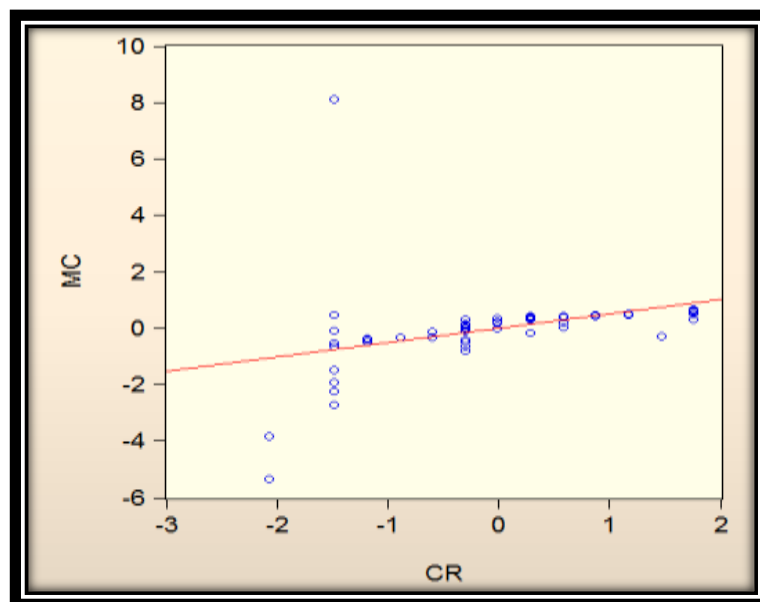


Figure (4) Impact Relationship of the Professional Specialization of the Auditor in Performance Information Content

The regression equation adopted in the hypothesis test can be reformulated in the light of the results reached, which can be used for the purpose of prediction as follows:

⁴ Refers to the first degree of freedom, which is equal to the number of independent variables in the regression model used to measure the hypothesis.

⁵ Refers to the first degree of freedom, which is equal to the number of independent variables in the regression model used to measure the hypothesis.

⁶ Refers to the sum of the first and second degrees of freedom and is equal to the sample size minus one.

$$MC = 6.514E-5 + 0.509 * CR$$

The following figure presents the histogram showing the normal distribution of the statistical remainders of the⁷ regression equation and showing the accuracy of the previous regression equation.

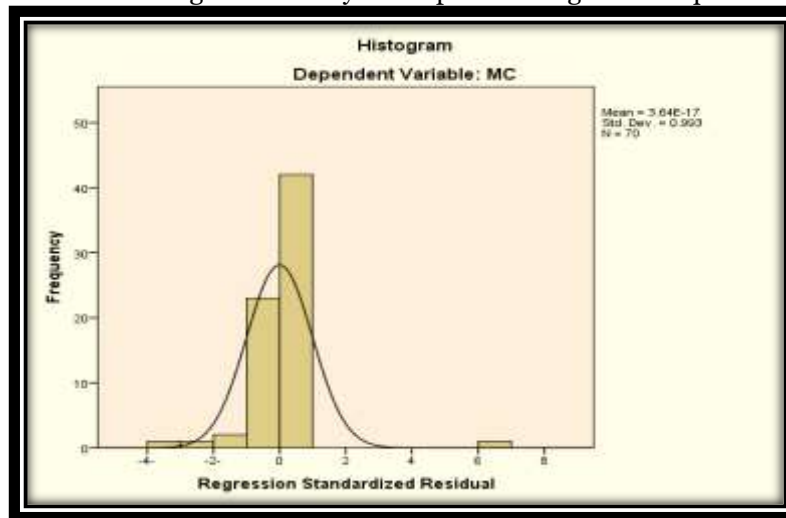


Figure (5) Histogram of the remainders of the first hypothesis

The following figure shows the fulfillment of the conditions of the regression analysis test graphically through, which shows the distribution of points around the straight line, and this proves that the statistical remainders follow the normal distribution.

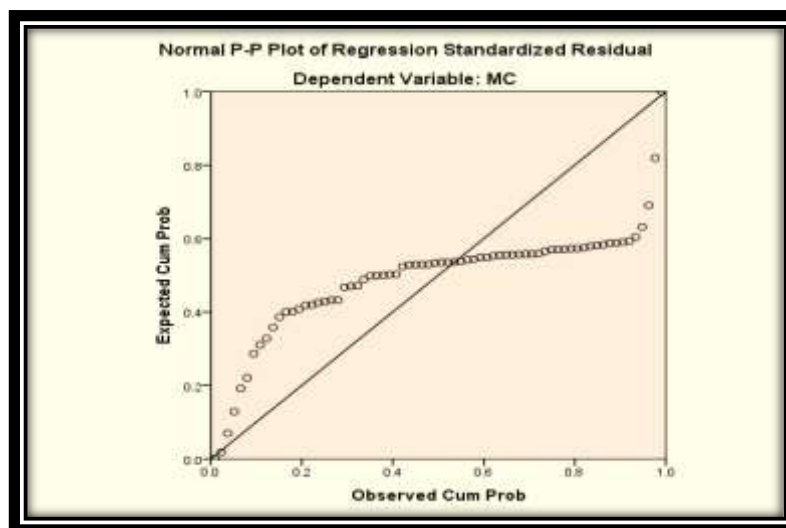


Figure 6 Normal distribution of residuals of the first hypothesis

The second hypothesis is "that there is a statistically significant effect of integrated reports on the value of the company"

To test this hypothesis, the linear regression model was formulated:

$$FV_{it} = b_0 + b_1 CR_{it} + \varepsilon_{it}$$

Using the statistical program SPSS, the results were as follows:

Table (10) Summary of the second hypothesis test model

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.277 ^a	.077	.063	.968
a. Predictors: (Constant), CR				
b. Dependent Variable: FV				

⁷ Regression analysis is based on the fact that the residuals are normally distributed at all points of the independent variable, meaning that they change from negative to positive about the value of zero in a normal distribution and so that their sum is zero.

The above table shows that the value of the correlation (R between the variables amounted to 0.277), and that the coefficient of determination R Square amounted to 0.077 and this is that the integrated reports in this statistical model explain 7.7% of the variance obtained on the value of the company, and that the standard deviation of the estimate error Std. Error of the Estimate was 0.968 and the lower this type of error, the better it is statistically.

Table (11) Variance of the second hypothesis test

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.309	1	5.309	5.668	.020b
	Residual	63.697	68	.937		
	Total	69.006	69			
a. Dependent Variable: FV						
b. Predictors: (Constant), CR						

The table above shows the variance above anova that the calculated F value was 5.668, which is greater than its tabular value calculated according to the degrees of freedom df (68.1) of 3.98 at the significance level of 5%, and that the level of significance of the Sig test reached 0.020, which is less than the accepted error value in the social sciences and predetermined by 0.05, which indicates the appropriateness of the statistical model used.

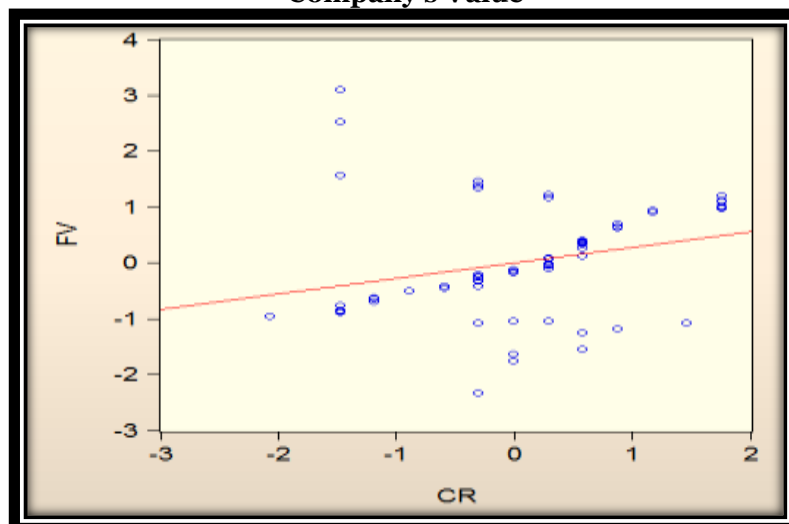
Table (12) Coefficients of the regression function for the second hypothesis

Coefficient					
Model		Unstandardized Coefficients		Standardized Coefficients	T
		B	Std. Error	Beta	
1	(Constant)	2.774E-5	.116		.000
	CR	.277	.117	.277	2.381
a. Dependent Variable: FV					

The most important thing that the above table builds is that the value of the slope of the regression equation B_1 amounted to 0.277, which shows the effect of the independent variable on the dependent variable (by the coefficient B), and the positive value of the coefficient indicates B_1 that there is a direct effect between the independent and dependent variables, or in other words, any increase in the independent variable (integrated reports) by one degree leads to an increase of 27.7% in the dependent variable (company value) with the stability of all other independent variables, and it is noted from the above table also that the level of significance of statistics T for the independent variable was 0.020, which is much less than the accepted error in the social sciences and predetermined by 0.05, which means that the sample data provided convincing evidence of the acceptance of the hypothesis to prove the effect statistically.

The following figure confirms the direct relationship between the two variables through the upward trend of the curve:

Figure (7) The Impact Relationship of the Auditor's Professional Specialization on the Company's Value

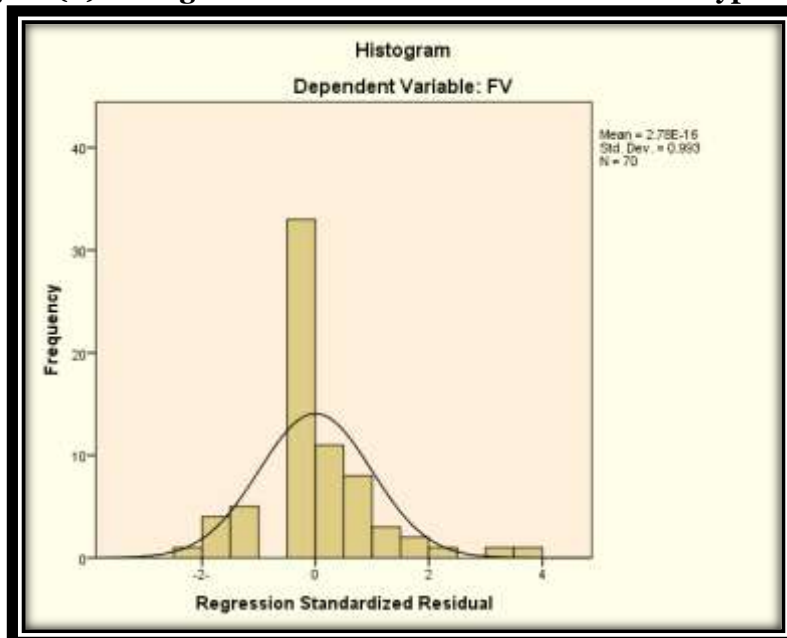


The regression equation adopted in the hypothesis test can be reformulated in the light of the results reached, which can be used for the purpose of prediction as follows:

$$FV = 2.774E-5 + 0.277 * CR$$

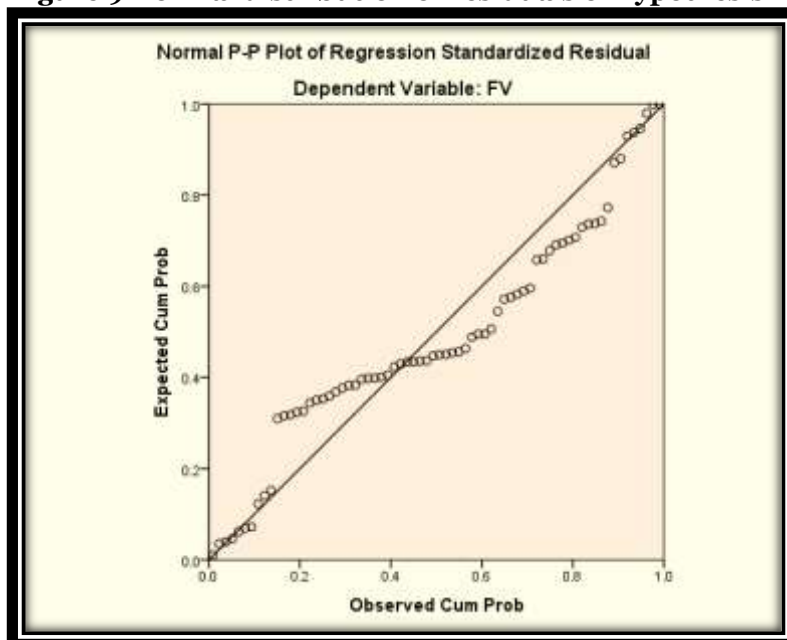
The following figure presents the histogram showing the normal distribution of the statistical remainders of the regression equation and showing the accuracy of the previous regression equation.

Figure (8) Histogram of the remainders of the second hypothesis



The following figure shows the fulfillment of the conditions of the regression analysis test graphically through, which shows the distribution of points around the straight line, and this proves that the statistical remainders follow the normal distribution.

Figure 9 Normal distribution of residuals of hypothesis II



The third hypothesis " there is a statistically significant effect of information content on the value of the company"

To test this hypothesis, the linear regression model was formulated:

$$FV_{it} = b_0 + b_1 MC_{it} + \varepsilon_{it}$$

Using the statistical program SPSS, the results were as follows:

Table (13) Summary of the third hypothesis test model

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.447a	.200	.188	.901
a. Predictors: (Constant), MC				
b. Dependent Variable: FV				

The table above shows the model summary that the value of the correlation ((R between the variables amounted to 0.447), and that the coefficient of determination R Square reached 0.200, which represents the explanatory power of the model, that is, the intermediate variable explains 20% of the statement in the dependent variable, and that the standard deviation of the estimate error Std. Error of the Estimate was 901.0 and the lower this type of error, the better it is statistically.

Table (14) Variance of the third hypothesis test

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.801	1	13.801	16.999	.000b
	Residual	55.205	68	.812		
	Total	69.006	69			
a. Dependent Variable: FV						
b. Predictors: (Constant), MC						

The table above shows the variance above anova that the calculated F value was 16.999, which is greater than its tabular value calculated according to the degrees of freedom df (1.68) of 3.98 at the significance level of 5%. The significance level of the Sig test reached 0.000, which is less than the accepted error value in the social sciences and predetermined by 0.05, which indicates the suitability of the statistical model used to test the hypothesis.

Table (15) Regression function coefficients for the third hypothesis

Coefficient					
		Unstandardized Coefficients		Standardized Coefficients	Sig.
Model		B	Std. Error	Beta	
1	(Constant)	-4.527E-6	.108		.000
	MC	.317	.077	.447	.000
a. Dependent Variable: FV					

The most important thing shown by the table of **coefficients of the regression function** is that the value of the slope of the regression equation B_1 amounted to 0.317, which shows the effect of the independent

variable in the dependent variable (by the coefficient B), and the positive value of the coefficient indicates B_1 that there is a direct effect between the intermediate and dependent variables, in other words that any increase in the intermediate variable (informational content)) by one degree leads to an increase of 31.7% in the dependent variable (the value of the company) with the stability of all other independent variables, and it is noted from The above table also showed that the level of significance of the T-statistic for the independent variable was 0.000, which is much less than the accepted error in the social sciences and predetermined by 0.05, which means that the sample data have provided convincing evidence of the acceptance of the hypothesis to prove the effect statistically.

The following figure confirms the inverse relationship between the two variables through the upward trend of the curve:

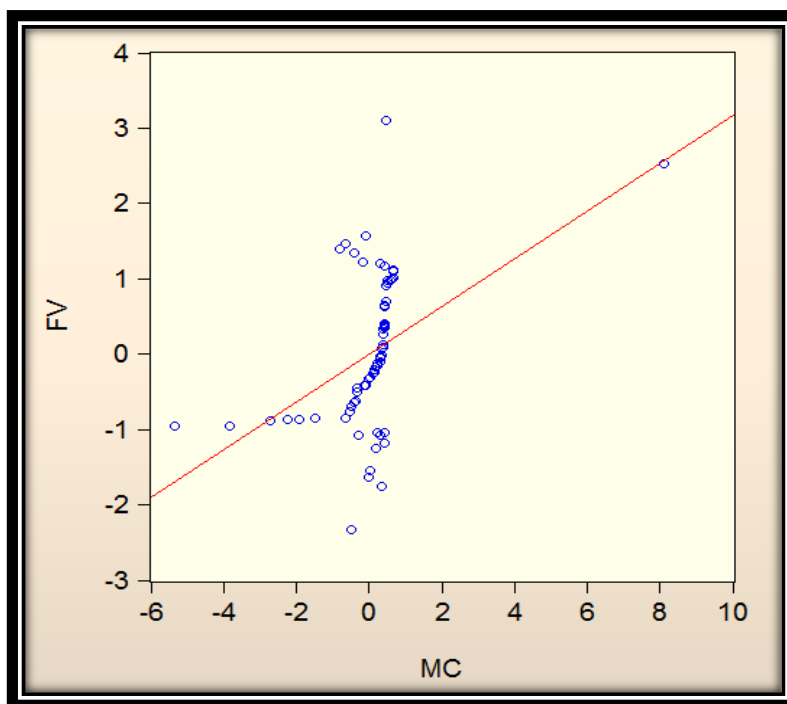


Figure (10) The relationship of the impact of information content on the value of the company

The regression equation adopted in the hypothesis test can be reformulated in the light of the results reached, which can be used for the purpose of prediction as follows:

$$FV = -4.527E-6 + 0.317 * MC$$

The following figure presents the histogram showing the normal distribution of the statistical remainders of the regression equation and showing the accuracy of the previous regression equation.

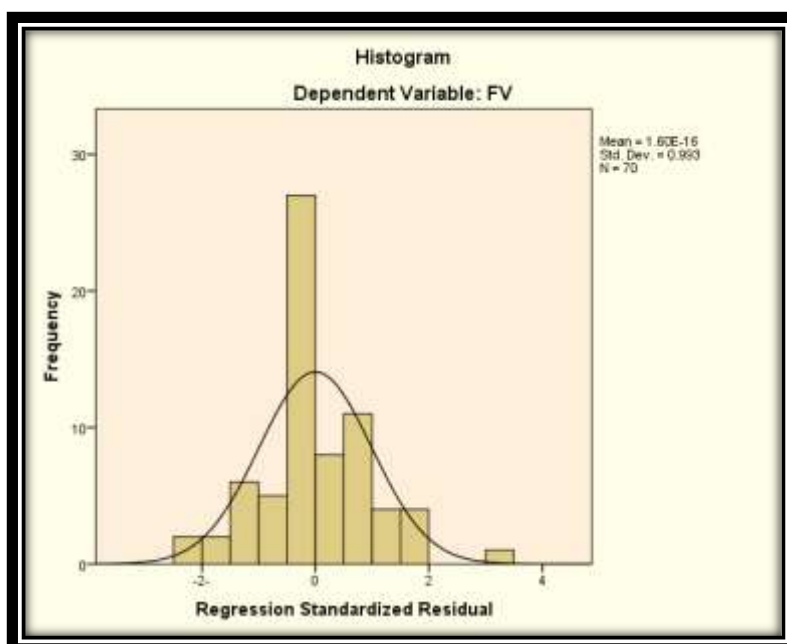


Figure (11) Histogram of the remainders of the third hypothesis

The following figure shows the fulfillment of the conditions of the regression analysis test graphically through, which shows the distribution of points around the straight line, and this proves that the statistical remainders follow the normal distribution.

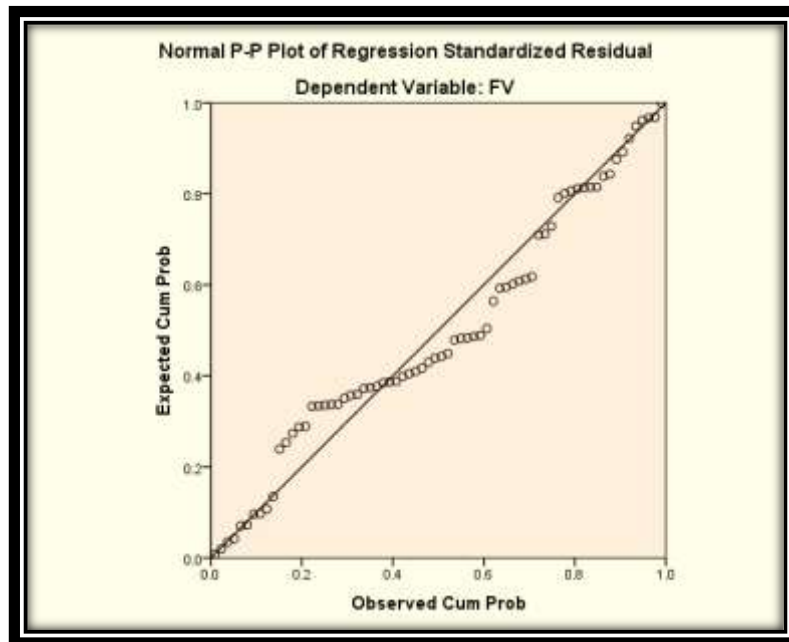


Figure 12 Normal distribution of the residuals of the third hypothesis

Fourth hypothesis: "The impact of integrated reporting on the value of the company is statistically reflected through the information content."

For the purpose of testing this hypothesis, path analysis will be used, which is an analysis that takes into account the relationship between the independent variable and the intermediate variable when measuring their impact on the dependent variable, as the results of the previous hypotheses showed that the conditions for track analysis are met as follows:

There is an effect of the independent variable (integrated reports) on the intermediate variable (information content) and this is what was proven in the seventh hypothesis.

That there is an effect of the intermediate variable (information content) in the dependent variable (the value of the company) and this is what was proven in the eighth hypothesis.

Using the Amos statistical program, the results were as follows:-

Table (16) Results of Track Analysis for Testing the Fourth Hypothesis

Regression Weights: (Group number 1 - Default model)						
Path			Estimate	H.E.	C.R.	P
MC	<---	CR	0.509	0.158	3.209	0.001
FV	<---	MC	0.283	0.081	3.491	0.000
FV	<---	CR	0.134	0.114	1.169	0.243

It is noted from the results of the path analysis table above that the parameters of the independent variable (integrated reports) affect the intermediate variable (information content) because its P-Value value reached 0.001, which is less than the accepted error value in the social sciences of 0.05, as well as that the intermediate variable (informational content) affects the dependent variable (company value) because the value of P-Value It amounted to 0.000, which is less than the value of the accepted error in the social sciences of 0.05, but we note that the independent variable (integrated reports) went out of the circle of moral impact in the dependent variable (the value of the company) after its impact was significant as it was proven in the second hypothesis without analyzing the path, because the value of P-Value for it amounted to 0.243, which is greater than the value of the accepted error in the social sciences of 0.05, and this means that the impact of integrated reports on the value of the company is only reflected Through informational content, or in other words, the information content variable has full mediation in the influence of the independent variable (integrated reporting) in the dependent variable (company value), and thus the research hypothesis is made. The following figure shows the path analysis model for the three research variables.

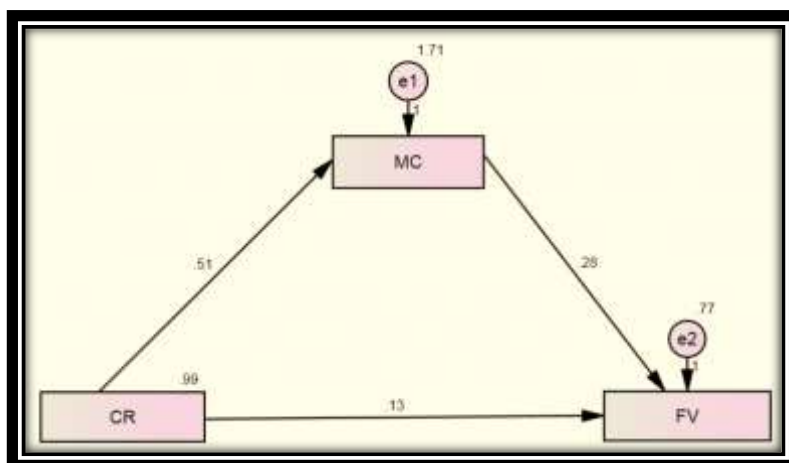


Figure (13) Path Analysis Model for Testing the Fourth Hypothesis

V.Conclusions and discussion

Comprehending integrated reporting and being aware of the effects are crucial in light of competitive and intricate commercial settings. Accurately measuring the point at which integrated reporting may be achieved would facilitate the examination of other global concerns about accounting reforms and developments in capital markets on a global scale. Implementing integrated reporting helps to tackle several issues found in conventional sustainability reports, including the need for comprehensive accounting of all aspects of value generation and the interplay between financial performance and sustainability. The main purpose of standardizing the reporting of non-financial information is to enhance the clarity and openness of social and environmental data provided by firms, with the aim of enabling meaningful comparisons within and across industries on a global scale. There is ongoing worry that conventional financial reports need to accurately depict the many aspects of a company's worth. Consequently, there was a quest for novel financial indicators or supplementary non-financial indicators of worth and effectiveness. These trends are associated with a growing inclination of firms to provide non-financial reports for broad purposes. The relationship between integrated reporting standards, sustainable accounting standards, and firm value is interconnected and has a varying correlation that might be direct, inverse, strong, or moderate. The disparity arises from the company's management, scale, and cultural acumen about consumers, investors, and regulatory entities. Hence, it is essential for organizations, particularly banks, to prioritize integrated reports in accordance with the global framework, norms, and content features. This will ensure that stakeholders get full information about the company's performance. It is necessary to establish regulations that mandate corporations to adhere to integrated reporting standards in order to be eligible for registration in financial markets. Furthermore, companies that embrace this reporting method should be provided with certain benefits. These benefits include informing investors about the significance of forthcoming accounting information disclosed by companies in their annual reports published in the Iraq Stock Exchange. This information can be utilized by investors to make informed predictions and streamline their future decision-making processes.

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