International Journal of Studies in Business Management, Economics and Strategies
Volume 3, Issue 8, August - 2024
ISSN (E): 2949-883X
Scholarsdigest.org

THE IMPACT OF CORPORATE GOVERNANCE ON THE APPROPRIATENESS OF THE VALUE OF ACCOUNTING INFORMATION

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Abstract
This research aims to know the impact of corporate governance on the appropriateness of the value of accounting information for the banks in the research sample listed in the Iraq Stock Exchange. The financial statements of the research sample (10) banks were relied upon (Iraqi Islamic Bank, United Investment Bank, Asia Iraq Islamic Bank, Ashur International Investment Bank, Mansour Investment Bank, Mosul Development and Investment Bank, Cihan Bank for Investment and Islamic Finance, Sumer Commercial Bank, Trans Iraq Investment Bank, Kurdistan Bank) and the scientific approach was used, i.e. a mixed methodology that combines the theoretical aspect represented by the cognitive foundations of corporate governance and the appropriateness of the value of accounting information, and the practical aspect by applying statistical analysis to measure the impact of corporate governance on the appropriateness of the value of accounting information. The results were that the application of corporate governance reduces manipulation of accounting information and the presence of an effective role for boards of directors in the proper application of corporate governance, and the presence of a positive relationship between corporate governance and the appropriateness of the value of accounting information. It was recommended to spread awareness among employees about the importance of governance and to develop training programs to help them properly apply corporate governance, and to direct greater attention to corporate governance because of its positive impact on the appropriateness of the value of accounting information.

Keywords: Corporate Governance, Relevance of Accounting Information Value.

Introduction

Corporate governance plays a vital role in ensuring the quality of corporate financial information. However, the current literature mainly focuses on the impact of corporate governance on the accuracy and completeness, rather than on the relevance of accounting information. This research aims to fill this gap by investigating the impact of corporate governance on the relevance of accounting information value in banks listed in the Iraq Stock

Exchange. The relevance of accounting information refers to the extent to which the financial information presented in the financial statements is useful to users in assessing the financial performance of the company and making decisions. Highly relevance accounting information is relevant, clear, and timely. Highly relevance accounting information is important for making appropriate decisions by users, such as investors, analysts, and creditors. Strong corporate governance practices, such as independent and effective boards of directors and auditing, help ensure accuracy, transparency, and accountability in the preparation and disclosure of financial information.

The first section: Research methodology and previous studies

1. Research methodology:

First: Research problem

Corporate governance is a set of laws, standards and regulations that guarantee the rights of stakeholders and decisions that aim to achieve quality and administrative distinction. The appropriateness of the value of accounting information refers to the extent of the usefulness of the financial information provided in the financial statements for users in evaluating the company's financial performance and making appropriate decisions. Good corporate governance works to enhance the appropriateness of the value of accounting information by ensuring transparency, accuracy and accountability in the preparation and disclosure of financial information. Despite the increasing importance of corporate governance in improving the quality of accounting information, there is a limited understanding of how corporate governance affects the appropriateness of the value of accounting information, especially in emerging market contexts such as Iraq. In light of the above, the study problem can be formulated through the main question of the study, which is:

What is the extent of the impact of corporate governance on the appropriateness of the value of accounting information?

The following sub-questions can be derived from it:

1. What are the corporate governance practices that have a strong impact on the appropriateness of accounting information?
2. How does the independence and experience of board members affect the relevance of accounting information?
3. What are the challenges facing Iraqi banks in improving the relevance of accounting information under the current corporate governance?
4. What are the recommendations to improve corporate governance and enhance the relevance of accounting information in the Iraqi banking sector?

Second: Research Objectives

The research aims to:

1. Identify the extent of commitment to the application of corporate governance.
2. Clarify the importance of the appropriateness of accounting information.
3. Know the extent of the impact of corporate governance on the appropriateness of the value of accounting information.

4. Identify the concepts, characteristics and importance of the study variables.
5. Reveal the nature of the relationship between corporate governance and the appropriateness of the value of accounting information in the Iraqi Stock Exchange.

Third: The importance of the research

The importance of the research stems from the fact that it provides comprehensive information about the concept of corporate governance and the appropriateness of the value of accounting information, as the use of corporate governance has become widespread recently, especially with the emergence of global financial crises, and highly appropriate accounting information can reduce the risks of asymmetric information between investors and managers, which leads to more transparent and efficient markets. The importance of the research is as follows:

1. The application of corporate governance affects the appropriateness of accounting information.
2. The relevance of accounting information helps enhance confidence in companies, which attracts foreign and local investments and supports economic growth.
3. Corporate governance helps ensure that managers are held accountable for the quality of the accounting information provided, which enhances their responsibility.
4. Providing evidence-based recommendations to improve corporate governance and the quality of accounting information.

Fourth: Research hypotheses

1. There is a relationship between corporate governance and the relevance of the value of accounting information.
2. Corporate governance contributes to enhancing the relevance of the value of accounting information.

Fifth: Research limits

1. Spatial limits: This is represented by selecting a sample of banks listed on the Iraq Stock Exchange.
2. Temporal limits: This is represented by the years 2018-2022 for the selected research sample.

Sixth: Research model

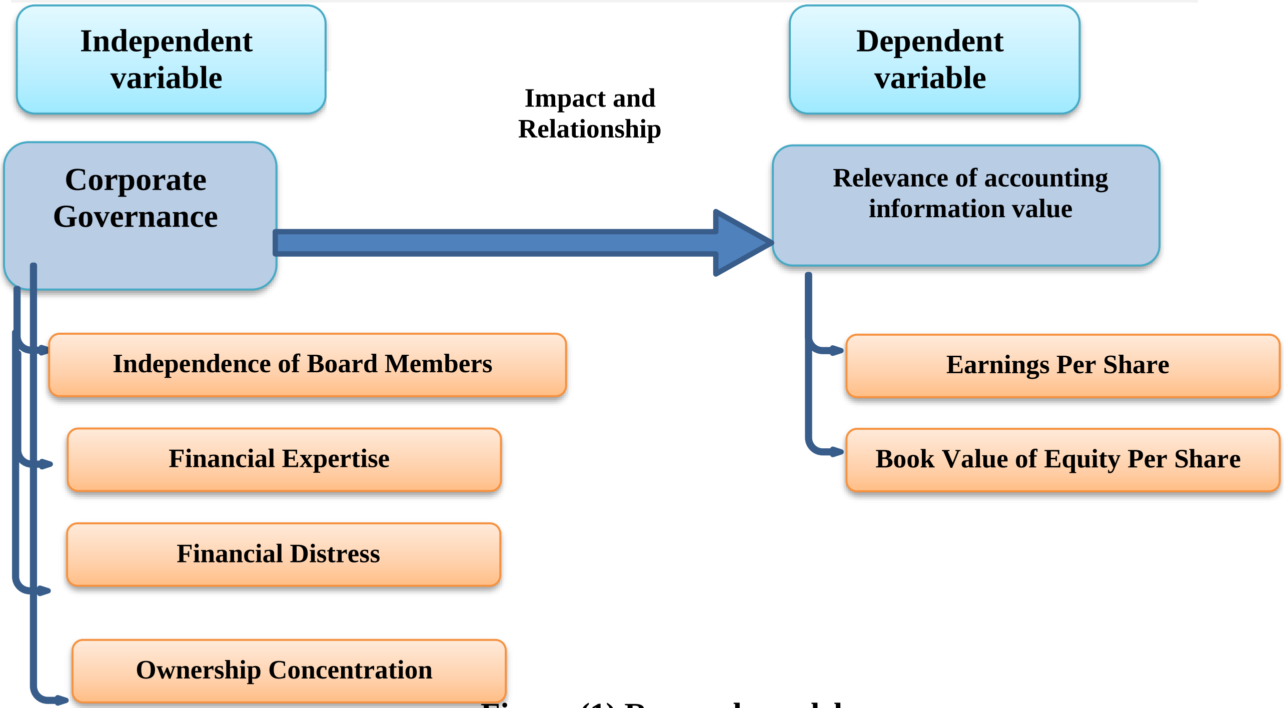

Figure (1) Research model

Source: Prepared by the researcher

3. Previous studies :

Table (1): Previous studies

1	Title of the study	Activating the concept of corporate governance
	Researcher's name	Asmaa Al-Daoudi and Zainab Mahdi
	Year	2022
	Country of study	Algeria
	Study problem	What are the ways and mechanisms for implementing corporate governance? And the extent of companies' commitment to implementing governance?
	Study objective	Identifying previous scientific studies and clarifying the concept of corporate governance and its mechanisms and knowing the extent to which the state applies this system and the efforts made in this framework.
	Study type and field of application	An experimental study
	Study method	Descriptive, analytical and documentary approach
	Main conclusions	The issuance of the Charter of Good Governance for Algerian companies is considered a positive point, as adherence to its rules has become the preserve of some companies only, and many of the recommendations included in the charter are indications and not mandatory principles, unlike international charters issued as a binding measure, as this charter is directed to private companies and is not applied at the level of public companies, which contributed to the lack of awareness of the concept of corporate governance.
2	Title of the study	Evolution in Value Relevance of Accounting Information
	Researcher's name	Barth, Mary E., Ken Li, and Charles G. McClure
	Year	2023
	Country of study	California
	Study problem	How has the relevance of accounting information evolved?
	Study objective	To identify developments in the relevance and measurement of accounting information.
	Study type and field of application	Analytical and applied to Compustat and CRSP from 1962 to 2014.
	Study method	Descriptive
	Main conclusions	The results provide insight into how accounting information reflects the information that investors use to evaluate firms in the new economy. The increasing importance of accounting amounts related to intangible assets, growth opportunities, and alternative performance measures across the economy reveals that these categories of information are relevant to investors in the new economy, and the results reveal a more nuanced relationship between stock price and accounting information that reflects the new economy.

Source: Prepared by the researcher

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The second topic: The theoretical framework of the research

First: Corporate Governance

The term corporate governance is similar to other terms such as privatization and globalization, which were then modern terms successfully used by countries, their organizations and economic units. Corporate governance has become an important topic after a series of successive financial crises that occurred in many companies, especially in developed countries such as (the financial collapses that occurred in a number of Asian and American countries during the last decade of the twentieth century). Interest in the concept of governance has increased at the beginning of the twenty-first century as a result of the financial collapses and economic crises that occurred in many countries in the financial markets and companies such as the Com World crisis in 2002, as well as the Enron crisis in 2001 (Al-Omari, 2024: 2). The effectiveness of corporate governance has increased during this decade among academics and policy makers around the world. Recent corporate failures and crises have made corporate governance a catchphrase and a debatable topic in emerging economies. Corporate governance is a system of management and oversight. It provides a structure for monitoring the achievement of corporate objectives. Good governance practices build investor confidence, which enhances the value of the company. Corporate governance has become one of the most popular terms in business and finance over the past fifteen years (Singh & Pillai, 2022:23). Despite the agreement on the importance of governance for corporate success, social welfare and economic development, there is no agreement on the concept of corporate governance due to the overlap of this concept in many fields such as accounting, auditing, management, economics, finance and law. Therefore, a set of definitions set by researchers of different specializations will be addressed to the extent that it is possible to reach the appropriate definition of corporate governance, as corporate governance is defined as a mechanism for verifying and monitoring the behavior of senior management. In advanced economies, corporate governance has two main goals: on the one hand, it aims to prevent the recurrence of corporate scandals, and on the other hand, to enhance the competitiveness of companies (Ljubojevic et al., 2013: 102). From the point of view of (Ahmed, 2018: 17), it is a set of regulatory rules and systems through which the company's business is controlled and protected and efficient interaction is achieved between all parties associated with it in a way that achieves disclosure, transparency and integrity. (Almashhadani,2021:4) also defines corporate governance as the system through which companies are directed and controlled, and the corporate governance structure determines the distribution of rights and responsibilities among the various participants in the company, such as the board of directors, managers, shareholders and other stakeholders, and clarifies the rules and procedures for making decisions regarding the company's affairs. In a comprehensive definition of corporate governance, it is the system through which companies face monitoring their performance. The corporate governance structure determines the distribution of rights and responsibilities among the various participants in the company, such as the board of directors, managers, shareholders, and other stakeholders. It also clearly defines the rules and procedures for making decisions related to the company's affairs. Corporate governance is the system through which companies are directed and their performance is monitored. (Bahlol & Belkhiri, 2023: 20).

Characteristics of Corporate Governance

Based on the above, we find that the term corporate governance refers to a set of characteristics represented in the following: (Bahlol & Belkhiri, 2023: 20)

1. Discipline: It means following appropriate and appropriate ethical behavior.
2. Transparency: It is presenting a true and clear picture of all matters that occur within the company without falsification, change or misleading.
3. Independence: It means the absence of unnecessary influences and pressures for work.
4. Accountability: It means the possibility of questioning employees and decision-makers within the company as a legal matter, and the ability to evaluate and assess the work of supervisory and executive management.
5. Responsibility: It means the existence of responsibility before all stakeholders within the administrative unit, by establishing mechanisms that allow for the imposition of punishment.
6. Justice: Working to respect the rights of various parties and groups dealing with the company.
7. Social responsibility: It means the community's view of the company from the point of view of ethical commitment.

Corporate Governance Objectives

Good corporate governance achieves many objectives, the most important of which are the following: (Ismail & Al-Jazouli,2024:70)

1. Achieving transparency, justice and protecting the rights of shareholders in the company
2. Creating controls, rules and administrative structures that grant the right to hold the company's management accountable and guarantee the rights of shareholders in the company.
3. Imposing good and effective control over the performance of economic units to develop and improve economic units.
4. Working to combat unacceptable behavior, whether in the material, administrative or moral aspects.
5. Transparency in accounting and financial auditing procedures to reduce and control corruption in the company.

Corporate Governance Principles

The adoption, application and implementation of the updated governance principles by the OECD Council began in 2015. This update in the principles was to develop and enhance the rules and foundations of governance. The OECD has set general principles for governance, which are as follows: (Al-Abadi, 2023: 22) (OECD, 2015: 5) (Falaq & Tabni, 2015: 171)

1. Ensuring the existence of an effective framework basis for corporate governance: so that it works to raise the level of transparency and efficiency of markets and is consistent with the role of laws and clearly defines the division of responsibilities between the various bodies responsible for supervision, control and compliance with the application of the law.
2. Shareholders' rights and the main functions of owners of property rights: Shareholders' rights are preserved in terms of their right to transfer ownership of shares, choose the board of directors, obtain a generous return on profits, review financial statements and the right to participate effectively in general assembly meetings.

3. Equality in dealing with shareholders: in terms of the right to defend their legal rights, vote and participate in basic decisions, and the right to be informed of all practices carried out by members of the Board of Directors and executive management.
4. The role of stakeholders in corporate governance: This is done by respecting the role of stakeholders or parties related to the company, shareholders, lenders, the Board of Directors, executive management, the workforce and the community, and compensating them for any violation of their legal rights and disclosing the scope for them to participate effectively in monitoring the company.
5. Disclosure and transparency: This is done by fair and timely disclosure of the role of the auditor, ownership of the majority of shares, and financial transactions of members of the Board of Directors, executive managers and stakeholders.
6. Responsibilities of the Board of Directors: Determining the legal rights and duties of the Chairman and members of the Board of Directors, how they select its members, and the role of supervision assigned to them over the executive management, stakeholders and the Audit Committee.

The basic pillars of corporate governance

The pillars of governance represent the basic pillars on which the corporate governance system is based. In order for the system to achieve its goal, which is to establish the aforementioned governance principles, a set of necessary activities must be carried out to complete the oversight process, in which internal and external oversight mechanisms intervene so that they are accomplished in light of the available determinants. The basic pillars of implementing corporate governance can be considered the elements through which we can determine the standards of applied governance quality. The basic pillars of implementing corporate governance are as follows: (Al-Dawudi et al., 2022: 19)

1. Oversight is the most important pillar, and represents the sum of internal and external oversight mechanisms to activate accountability.
2. Disclosure, which aims to activate transparency and avoid uncertainty.
3. Risk management, through which crises can be avoided and the rights of stakeholders can be guaranteed.

Parties involved in the implementation of corporate governance

There are four main parties that are affected and affect the proper implementation of corporate governance rules, and determine the extent of success or failure in implementing these rules to a large extent. The parties concerned with the implementation of corporate governance are as follows: (Bapir & Abdullah, 2024: 250)

1. Shareholders: They are the ones who provide capital to the company through their ownership of shares, in exchange for appropriate profits for their investments, as well as maximizing the value of the company for the long term. They are the ones who have the right to choose the appropriate board members to guarantee their rights.
2. Board of Directors: They represent the shareholders, as well as stakeholders and other parties. The Board of Directors selects the executive directors who are entrusted with the authority to manage the company's daily business, and also monitor their performance. The Board of

Directors also determines how to preserve shareholders' rights and formulate the company's general policies.

3. Management: It submits performance reports to the Board of Directors, and is responsible for the actual management of the company. The company's management is considered responsible for maximizing the company's profits and increasing its value, in addition to its responsibilities towards transparency and disclosure in the information it publishes to shareholders.
4. Stakeholders: They are a group of parties who have interests within the company, such as: workers, employees, creditors, suppliers, and customers. It should be noted that these may have different and sometimes conflicting interests. Creditors are interested in the company's ability to pay, while workers and employees, for example, are interested in the company's ability to continue.

Corporate Governance Mechanisms

Governance mechanisms express the elements on which determining the level of good application of corporate governance depends. They are the transition point from theorizing about governance to practical application. Within the framework of contractual theories of the company, the goal of governance mechanisms is to reach through them a solution to conflicts of interest, meaning solving agency problems that arise primarily between management and shareholders and between the minority and the controlling majority of shareholders. There are some differences in the classification of the various governance mechanisms among different researchers. Corporate governance mechanisms are divided into: (Rizk, 2024: 74) (Nguyen & Huynh, 2023: 4) ((Di Vito & Trottier, 2022 (Al-Jabry, 2020: 43-44)

1. External governance mechanisms: These are procedures imposed by those outside the company, and are therefore beyond the company's control. They provide a disciplinary role for all companies, discouraging opportunistic behavior by management and aligning its interests with those of stakeholders. These mechanisms can reduce the need for internal mechanisms in addition to providing safety measures when internal mechanisms fail. External mechanisms protect shareholders and other stakeholders through the legal system, the corporate control market, the administrative labor market, monitoring by institutional investors, and disciplinary measures arising from financial debts. These mechanisms include:

• Financial market: The role of the financial market in controlling the company's management has become more important with the development of stock markets. Certainly, there is a direct relationship between the efficiency and effectiveness of managers and the market value of the company, if Management strategy is likely to risk shareholders' interests, as they still have options to sell their shares. Accordingly, if they start doing so in large numbers, the value of the company's shares will decline and it may become an attractive takeover target and risk being acquired by another organization against the wishes of the target company's management. Consequently, senior managers usually lose their independence and may face the risk of being replaced after the acquisition by a new investor. Therefore, the threat of takeover can constrain management actions and limit agency costs. The takeover constraint limits the extent to which managers can pursue strategies and take actions that meet their own interests at the expense of shareholders.

• Market for goods and services: Competition in the market for goods and services can lead to a decline in the number of company managers who act on their individual motives at the expense of shareholders' interests. In fact, any competitive market leads managers to leverage the company's resources and play a protective role against company failure. However, the effectiveness of this control mechanism is limited.

• Directors' labor market: The labor market is an effective control system because it addresses the importance of human capital in management, and directors are constantly facing labor market pressures, as this market allows the selection of competent directors based on their merit through competition between external and internal directors.

2. Internal governance mechanisms: Internal governance mechanisms are created by the company's shareholders and other stakeholders to monitor the activities of management and align their interests. Among these mechanisms, the most prominent is the board of directors. The role of the board of directors is to supervise the company's activities and ensure that directors make optimal decisions that are in the best interest of shareholders. Therefore, the effectiveness of the board of directors is the key to the success of the company. Therefore, there has been extensive research on the effectiveness of boards of directors and the characteristics of their composition - i.e. the size of the board of directors, the independence of members, experience, diversity, the duality of the CEO and the chairman, and their level of commitment. Studies have also identified other internal governance mechanisms such as CEO compensation, executive contributions, internal audit, board member remuneration and compensation, ownership structure, and leadership.

Second: Relevance of the value of accounting information

Relevance is one of the basic qualitative characteristics of accounting information that makes it useful to various stakeholders, as financial reports must provide information that helps their users, current and prospective investors and creditors, predict the amount, timing and degree of certainty of the expected cash proceeds from the sale of securities (Al-Sayed, 2021: 19). Various stakeholders in the facility focus primarily on accounting information when making economic decisions, as it constitutes the basis on which they rely to carry out various evaluation processes, as it is used by them in evaluating equity and debt, in evaluating projects and business sectors, and determining the value of the company. Accounting information plays an important role in stock markets, as it is used in estimating stock prices by predicting and achieving a balance between the expected return and the risks associated with achieving this return. In order for accounting information to be useful in the decision-making process by users, it must have a set of qualitative characteristics that are evidence of its quality. The characteristic of relevance is one of the most important of these characteristics, as the relevance of accounting information indicates the extent to which this information can influence the decisions of its users by helping them evaluate past, present and future events, or by influencing their decisions through its predictive value or confirmatory value or both (Haider & Hamdan, 2022:465). (Ernest & Oscar, 2014:3) defines the concept of the relevance of the value of accounting information as the benefit of financial accounting information for investors when making a decision to invest or maintain their investment in company shares through the relationship between financial statements and stock prices. While (Sutopo et al., 2018: 2) indicated that the accounting information contained in the financial reports is considered appropriate if there is a significant correlation between it and stock prices or returns, as it is used to estimate the market value of the company's shares. (Salman, 2022: 40) quoted from (Francis & Schipper, 1999) as the researchers provided four definitions of value relevance:

1. Accounting information is characterized by value relevance if stock prices reflect accounting information.
2. Accounting information is of appropriate value if it contains the variables used in the valuation model or helps in predicting these variables. Therefore, the value of profits can be measured for the discounted earnings valuation model (DDM), the discounted cash flow valuation model (DCF), or the residual income model (RIV), through the ability of profits to predict future dividends, future cash flows, and future profits.
3. Accounting information is of value relevance if there is a statistical relationship between the financial information and prices or returns. This statistical relationship between the stock price and accounting information can be explained by the extent to which the stock price changes after the issuance of the financial statements.
4. The relevance of the information value may be measured in the form of "news", as the information that has value relevance is the one that changes stock prices.

Characteristics of Relevance Value of Accounting Information

The accounting information contained in financial reports is expected to be useful to decision makers. In order to do so, financial statements must meet certain basic characteristics. If financial information is to be useful, it must be relevant and faithfully represent what it purports to represent. The usefulness of financial information is enhanced if it is comparable, verifiable, timely, and understandable. The basic qualitative characteristics of financial statements are relevance and faithful presentation. Relevant financial information is able to make a difference in the decisions users make. The information may be able to make a difference in a decision even if some users choose not to use it or are already aware of it from other sources. In addition to its relevance, financial information must be presented faithfully. "For financial information to be useful, it must not only represent the relevant phenomena, but it must also faithfully represent the phenomena it aims to represent. For the representation to be completely faithful, the depiction must have three characteristics (complete, neutral, and free from errors (Karğın, 2013:71)). (Haider & Hamdan, 2022:469) indicated that for accounting information to be appropriate, a set of sub-characteristics must be available, which are as follows:

1. Predictive value: The information has a predictive role if it can be used by information users to predict economic events and the expected performance of the company in the coming periods and the company's ability to face unexpected future events and variables.
2. Confirmatory value: Confirmatory value is available in financial information if it provides feedback on previous assessments (either by confirming or changing them).

3. Relative importance: Information is considered to be of relative importance if its deletion or distortion can affect economic decisions.

The importance of appropriateness of the value of accounting information

The importance of appropriateness of the value of accounting information is as follows: (Mielcarz & Sousa, 2014:4-5) (Para & Dabo,2021:88)

1. The relevance of the value of accounting information is of great interest to investors because they are the main users of financial statements. They analyze accounting information in order to make important investment decisions, value stocks, predict the future value of stocks or estimate costs of capital. Hence, it is important for investors to know whether this information explains changes in stock prices and returns. Moreover, it is also relevant to other economic agents such as creditors, customers, government, academics, regulators or other stakeholders and market participants who make economic decisions based on this information.
2. The importance of accounting information is a necessary condition for the growth of the stock market. Therefore, if the financial statements are of appropriate value, it is evidence of the quality of accounting standards and accounting practices and the maturity of the local stock market.
3. Reliability and relevance of accounting information are important to end users.
4. By matching the value, the level of market efficiency can be measured. An information-efficient market can be defined as “a market in which prices always fully reflect available information”
5. The existence of value relevance under special extreme circumstances, such as the global financial crisis, provides an understanding of how and to what extent it has affected the quality of accounting and the confidence of economic agents in the financial information issued by companies.

The third topic: The practical aspect

In order to achieve the goal of this research, an applied study will be conducted on a sample of banks listed on the Iraq Stock Exchange, numbering (10) banks for a period of five years (2018, 2019, 2020, 2021, 2022). This sample was chosen because its financial statements are certified, and they were obtained through the direct website of the Securities Commission and the Iraq Stock Exchange. To measure each variable, the following dimensions were used:

Corporate governance dimensions (independent variable)

Five variables were used to measure corporate governance, namely: (Ganesan et al., 2023:2-5)

1. Independence of board members = independent board members / total members
2. Financial experience = experienced board members / total members
3. Financial distress = 1.2 (working capital / total assets) + 1.4 (retained earnings / total assets) +) 3.3(EBIT/Total Assets)+0.6(Market Value of Equity/Book Value of Liabilities)+1.0(Sales/Total Assets)
4. Ownership Concentration = Shares held by top five investors/Total Shares

Dimensions of the appropriateness of the value of accounting information (dependent variable)

The appropriateness of the value of accounting information is measured through the following financial variables: (Barth & McClure, 2023:39)

1. Earnings per share: It is a financial indicator and is measured by dividing the profits of the fiscal year by the number of shares
   Earnings per share = Profits / Number of shares
2. Book value of equity per share: It is measured by dividing the book value of equity at the end of the year by the number of shares at the end of the year for each bank.
   Book value of equity per share = Book value of equity / Number of shares

First: Testing the normal distribution

There are a set of conditions and assumptions that must be met first in order for the researcher to be able to use linear regression analysis, including the condition of the normal distribution of the sample data, as the (Shapiro-Wilk) and (Kolmogorov-Smirnoy) tests were conducted to find out the distribution followed by the sample data, and this will be done through the following hypotheses:

H0: The distribution of the research sample data matches the normal distribution

H1: The distribution of the research sample data does not match the normal distribution

Table (2) shows that the value of siq is greater than 0.05, which means that the research sample data is subject to the normal distribution, and therefore we accept the null hypothesis, which is (the distribution of the research sample data matches the normal distribution).

Table (2): Testing the normal distribution of data

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Independent variable (corporate governance)	.093	50	.200*	.979	50	.508
Dependent variable (relevance of accounting information value)	.097	50	.200*	.980	50	.554
a. Lilliefors Significance Correction						

Source: Prepared by the researcher based on the statistical program

Second: Descriptive statistics for research variables:

Through descriptive statistics, the sample size for all variables is shown and the arithmetic mean, upper and lower limits for the sample banks as a whole and for all years of study are known. Table (3) shows the descriptive statistics for the research variables as follows:

Table (3): Descriptive statistics for research variables

		Independence of Board Members	Financial Expertise of Board Members	Financial Distress	Ownership Concentration	Earnings Per Share	Book Value of Equity Per Share
N	Valid	50	50	50	50	50	50
	Missing	751	751	751	751	751	751
Mean		.7290	.8287	1.6073	.4969	.0180	1.1569
Minimum		.5714	.5714	.3883	.2640	-.02999-	.9725
Maximum		.8571	1.0000	5.4821	.7006	.0887	3.0520

The most important thing that Table (3) shows is that the sample size is (50) observations for all research variables, which means that there are no extreme values among the data, and the following results are stated:

1. The arithmetic mean of the independence variable is (0.7290) and the upper limit is (0.8571) and the lower limit is (0.5714).
2. The financial experience variable ranged between (0.5714-1) and with an arithmetic mean of (0.8287).
3. The table indicates that the financial distress variable ranges between (5.4821-0.3883) and with an average of (0.8287).
4. The average of the ownership concentration variable is (0.4969) and the upper and lower limits are between (0.7006-02640).
5. Profits for all shares show an arithmetic mean of (0.0180) and a maximum of (0.0887) while the minimum is (-02999).
6. The book value of equity per share ranged between (2.0520-0.9725) with an arithmetic mean of (1.1569).

Third: Testing the relationship of the impact of the independence of the members of the board of directors on the appropriateness of the value of accounting information

1. The impact of the independence of the members of the board of directors of the banks in the research sample on the profits for all shares

Table (4): Summary of the model for variables

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.113a	.013	-.008-	.023462893504628
a. Predictors: (Constant), Independence of Board Members				

Source: SPSS program outputs

Table (5): Analysis of variance

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.000	1	.000	.620	.435[b]
	Residual	.026	48	.001		
	Total	.027	49			
a. Dependent Variable: Earnings Per Share						
b. Predictors: (Constant), Independence of Board Members						

Source: SPSS program outputs

Table (6): Regression coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.038	.026		1.472	.148
	Independence of Board Members	-.028-	.036	-.113-	-.787-	.435
a. Dependent Variable: Earnings Per Share						

Source: SPSS program outputs

Table (4) shows the value of the correlation coefficient between the variables, which amounted to (0.113) and the value of the diagnostic coefficient amounted to (0.013), which indicates that (1%) of the changes in profits for all shares were explained, and Table (5) indicates that (siq = 0.435), which means that the test between the variables is not significant despite the existence of a correlation (0.113), and Table (6) shows the regression coefficients in order to formulate the estimated equation for the variables as follows:

Y1= 0.038+(-0.028)x1

Since:

y1 = dependent variable (profits for all shares)

X1= independent variable (independence of the board of directors)

2. The impact of the independence of the members of the board of directors of the banks in the research sample on the book value of equity per share

Table (7): Summary of the model for variables

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	**.166[a]**	**.027**	**.007**	**.3135**
a. Predictors: (Constant), Independence of Board Members				

Source: SPSS program outputs

الجدول(8):تحليل التباين

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	**Regression**	**.133**	**1**	**.133**	**1.356**	**.250[b]**
	Residual	**4.717**	**48**	**.098**		
	Total	**4.850**	**49**			
Dependent Variable: Book Value of Equity Per Share						
b. Predictors: (Constant), Independence of Board Members						

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Table (9): Regression coefficients

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**Std. Error**	**Beta**		
1	**(Constant)**	**.754**	**.349**		**2.162**	**.036**
	Independence of Board Members	**.553**	**.475**	**.166**	**1.164**	**.250**
a. Dependent Variable: Book Value of Equity Per Share						

Source: SPSS program outputs

It is noted in Table (7) that the correlation value between the two variables was (0.166) and the diagnostic coefficient value was (0.027), which means that independence causes changes in the book value of equity per share by (0.027), and Table (8) shows that the probability value is equal to (0.250) which is greater than (5%), which means that there is no significant significance between the variables, while Table (9) shows the regression coefficients test through which the following equation can be formulated:
Y2=0.754+0.553X1
Since Y2= the dependent variable (book value of equity per share)
X2= the independent variable (independence of board members)

Fourth: Testing the relationship between the impact of the financial experience of board members on the appropriateness of the value of accounting information

1. The impact of the financial experience of board members on profits for all shares

Table (10): Summary of the model for variables

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.187[a]	.035	.015	.02320
a. Predictors: (Constant), Financial Expertise of Board Members				

Source: SPSS program outputs

Table (11): Analysis of variance

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.001	1	.001	1.744	.193[b]
	Residual	.026	48	.001		
	Total	.027	49			
a. Dependent Variable: Earnings Per Share						
b. Predictors: (Constant), Financial Expertise of Board Members						

Source: SPSS program outputs

Table (12): Regression coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.005-	.017		-.265-	.792
	Financial Expertise of Board Members	.027	.021	.187	1.321	.193
a. Dependent Variable: Earnings Per Share						

Source: SPSS program outputs

It is noted in Table (10) that the correlation value between the two variables was (0.187) and (R Square = 0.035), which means that the changes in stock profits as a result of the financial experience variable are (0.035), and Table (11) indicates that the probability strength is (0.193), which means that the test between the two variables (financial experience and stock profits) is not significant. Table (12) shows the regression coefficients test through which the following equation can be formulated:

Y1=(-0.005)+0.027x2
Y1 = dependent variable (profits for all shares)
X2 = independent variable (financial experience)

2. The impact of the financial experience of board members on the book value of equity per share

Table (13): Summary of the model for variables

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	**.049[a]**	**.002**	**-.018-**	**.317478159160027**
a. Predictors: (Constant), Financial Expertise of Board Members				

Source: SPSS program outputs

Table (14): Analysis of variance

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	**Regression**	**.012**	**1**	**.012**	**.117**	**.734[b]**
	Residual	**4.838**	**48**	**.101**		
	Total	**4.850**	**49**			
a. Dependent Variable: Book Value of Equity Per Share						
b. Predictors: (Constant), Financial Expertise of Board Members						

Source: SPSS program outputs

Table (15): Regression coefficients

Coefficients[a]						
		Unstandardized Coefficients		**Standardized Coefficients**		
Model		**B**	**Std. Error**	**Beta**	**T**	**Sig.**
1	**(Constant)**	**1.237**	**.239**		**5.169**	**.000**
	Financial Expertise of Board Members	**-.097-**	**.284**	**-.049-**	**-.341-**	**.734**
a. Dependent Variable: Book Value of Equity Per Share						

Source: SPSS program outputs

Table (13) shows the value of the correlation coefficient (0.049) and the diagnostic coefficient (0.002), which indicates that there is a small percentage of the impact of financial experience on the book value of equity per share, while Table (14) reflects the probability value that reached (0.734), and Table (15) shows the correlation coefficients through which the following equation can be formulated:

Y2=1.237- 0.097X2

Since Y2 = book value of equity per share

X2 = financial experience

Fifth: Testing the relationship of the impact of financial distress on the appropriateness of the value of accounting information

1. The impact of financial distress on the research sample banks' profits for all shares

Table (16): Summary of the model for variables

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.483[a]	.234	.218	.02067
a. Predictors: (Constant), Financial Distress				

Source: SPSS program outputs

Table (17): Analysis of variance

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.006	1	.006	14.633	.000[b]
	Residual	.021	48	.000		
	Total	.027	49			
a. Dependent Variable: Earnings Per Share						
b. Predictors: (Constant), Financial Distress						

Source: SPSS program outputs

Table (18): Regression coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.034	.005		6.637	.000
	Financial Distress z-score	-.010-	.003	-.483-	-3.825-	.000
a. Dependent Variable: Earnings Per Share						

Source: SPSS program outputs

Table (16) shows that the correlation value between the variables is (0.483) and the diagnostic coefficient R Square is equal to (0.234), which means that the changes in stock profits as a result of financial experience were at a rate of (23%), and Table (17) shows the analysis of variance for banks and that the probability value is (0), which means that there is a significant significant correlation between the variables (financial experience and stock profits), and Table (18) also shows that the probability value is also equal to (0), which means that there is a significant effect between them, and thus the regression equation for the variables is:

Y1=0.034- 0.010X3

Since Y1 = the dependent variable (profits for all shares)

X3 = the independent variable (financial distress)

2. The impact of financial distress for the banks in the research sample on the book value of equity per share

Table (19): Summary of the model for variables

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	**.251[a]**	**.063**	**.043**	**.307700897819961**
a. Predictors: (Constant), Financial Distress z-score				

Source: SPSS program outputs

Table (20): Analysis of variance

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	**Regression**	**.305**	**1**	**.305**	**3.223**	**.079[b]**
	Residual	**4.545**	**48**	**.095**		
	Total	**4.850**	**49**			
a. Dependent Variable: Book Value of Equity Per Share						
b. Predictors: (Constant), Financial Distress z-score						

Source: SPSS program outputs

Table (21): Regression coefficients

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**Std. Error**	**Beta**		
1	**(Constant)**	**1.272**	**.077**		**16.456**	**.000**
	Financial Distress z-score	**-.071-**	**.040**	**-.251-**	**-1.795-**	**.079**
a. Dependent Variable: Book Value of Equity Per Share						

Source: SPSS program outputs

Table (19) shows the value of the correlation coefficient (0.251) and the value of the diagnostic coefficient of (0.063), which means that financial distress affects the book value of equity per share by (4%), and Table (20) shows that (Siq=0.079), while Table (21) shows that the value of the coefficient of the book value of equity per share according to financial distress, which is (-0.071), shows the decrease in the suitability of the book value of equity per share due to the impact of financial distress, and the estimated equation for the regression coefficients is:
Y2=1.272-0.071X3

Sixth: Testing the relationship between the effect of ownership concentration on the suitability of the value of accounting information

1. The effect of ownership concentration for the research sample banks on profits for all shares

Table (22): Summary of the model for variables

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.479[a]	.230	.214	.02073
a. Predictors: (Constant), Ownership Concentration				

Source: SPSS program outputs

Table (23): Analysis of variance

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.006	1	.006	14.307	.000[b]
	Residual	.021	48	.000		
	Total	.027	49			
a. Dependent Variable: Earnings Per Share						
b. Predictors: (Constant), Ownership Concentration						

Source: SPSS program outputs

Table (24): Regression coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.051-	.019		-2.762-	.008
	Ownership Concentration	.139	.037	.479	3.782	.000
a. Dependent Variable: Earnings Per Share						

Source: SPSS program outputs

Table (22) shows the value of the correlation coefficient (0.479) and the diagnostic coefficient (0.230), while Table (23) reflects the analysis of variance and shows that the probability value is equal to (0) which is less than (5%), which means that there is a significant correlation between the variables, and Table (24) shows the correlation coefficients through which the following equation can be formulated:
Y1=(0.051)+0.139X4

2. The effect of the ownership concentration of the research sample banks on the book value of equity per share

Table (25): Summary of the model for variables

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.046[a]	.002	-.019-	.3175
a. Predictors: (Constant), Ownership Concentration				

Source: SPSS program outputs

Table (26): Analysis of variance

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.010	1	.010	.101	.752[b]
	Residual	4.840	48	.101		
	Total	4.850	49			
a. Dependent Variable: Book Value of Equity Per Share						
b. Predictors: (Constant), Ownership Concentration						

Source: SPSS program outputs

Table (27): Regression coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.068	.284		3.759	.000
	Ownership Concentration	.179	.564	.046	.317	.752
a. Dependent Variable: Book Value of Equity Per Share						

Source: SPSS program outputs

Table (25) shows the value of the correlation coefficient between the variables, which is (0.046), and the value of the diagnostic coefficient, which is (0.002), which means that the effect of ownership concentration on the book value is very small. Table (26) summarizes the probability value between the two variables, which is (0.752), and Table (27) shows that the value of the coefficient of the book value of equity per share according to the ownership concentration, which is () and has a positive value, indicating an increase in the suitability of the book value of the share due to the effect of financial distress. The estimated equation for the regression coefficients is:

Y2=1.068+0.179X4

It is clear from the tests that were conducted that the highest binary correlation is (0.483), which is between the variables of financial distress and stock dividends, and the highest diagnostic coefficient is (0.243) between the variables of financial distress and stock dividends. The highest probability value was (0.752) and was between the variables of ownership concentration and the book value of equity per share, while the lowest correlation (0.046) was between the variable of ownership concentration and the variable of book value of equity per share, and the lowest diagnostic coefficient (0.002) was between the variables (financial experience and book value of equity per share) and also the variables (ownership concentration and book value of equity per share), and the lowest probability value was (0) between the variables (financial distress and stock dividends) as well as the variables (ownership concentration and stock dividends.

Results and Recommendations

Results:

1. Applying corporate governance practices leads to reducing manipulation of financial information.
2. The board of directors has an effective role in the proper application of corporate governance and setting the necessary policies for its implementation.
3. There is a positive relationship between corporate governance and the appropriateness of the value of accounting information.
4. Corporate governance mechanisms affect stock dividends and the book value of the share.

Recommendations:

1. Raise awareness among employees about the importance of applying corporate governance and develop training programs to train them and help them in the proper application of corporate governance.
2. Determine the concept of the appropriateness of the value of accounting information and its various other indicators to measure it, such as cash flows per share.
3. Increased attention should be paid to boards of directors and companies should be motivated to comply with the best practices of corporate governance.
4. Conduct more studies on governance and its relationship to other variables that were not addressed in the study.

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