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The Impact of Digital Transformation on the Quality of Financial Reports A Field Study in a Sample of Banks Listed in the Iraqi Stock Exchange

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Abstract
The study aims to recognize the concept and objectives of digital transformation and the quality of financial reports and measurement models with qualitative characteristics of accounting information, to achieve the study's objective, the study dealt with a questionnaire form designed to survey accountants, department heads, account managers and banking executives. This form was distributed to banks listed on the Iraqi Stock Exchange, and its number was swallowed. (102) A valid form for statistical analysis, the researcher has used statistical methods to analyze the results and test hypotheses: Alpha Cronbach Persistent Coefficient, Pearson Binding Coefficient, Metrics for Descriptive Statistics and Simple Linear Regression Analysis and the study reached a set of conclusions, the most important of which was the inverse correlation between digital transformation and the quality of the financial report. whenever the economic unit moves towards digital transformation whenever this results in the adequacy and reliability of accounting information and thus the benefit to its users, The study also found a moral impact of digital transformation on the quality of financial reports (appropriate and genuine representation).

Keywords: Digital Transformation, Quality of Financial Reports, Relevance, Honest Representation.

Introduction

The digital capacity of the business is fundamental in the competitive market right now. Digital technologies are changing and evolving rapidly, creating an increase in competition and the need for economic units to innovate quickly and accurately.

It was not dangerous for economic units to ignore the importance of those digital technologies. Digital technology refers to a range and models of various smart and innovative technologies in business environments, including (IoT), (big data), (data analytics), (artificial intelligence) and (cloud computing) (Ritter & Pedersen, 2020:32).

Technology in today's new world is not an option, but a basic business strategy that must be interconnected in every part of economic unity. Digital transformation can provide better collaboration within and between economic units, more personalized ways of customer

engagement, higher employee innovation and productivity, and more accurate insights from data, all helping the company grow and give it a better chance of prosperity.

Digital accounting refers to the creation, representation, and transmission of financial information in electronic form rather than the use of traditional paper processes, whereby all accounting transactions take place in an electronic environment, and technology advances have enhanced accountants' ability to interpret and report data faster, more efficiently and more effectively than ever before (Troshani *et al*.2019: 343).

The quality of financial reports refers to the most complete, impartial, and error-free reports and provides more useful predictive or confirmatory information about the underlying economic status of economic units, events and performance (Shuraki *et al*. 2021 ،).

Providing high quality financial reporting information is important because it will positively affect capital suppliers and other stakeholders in making or making decisions.

These include the decision to invest, credit and allocate similar resources that enhance the overall efficiency of the market.

The quality of the financial reports relates to the quality of the information contained in the financial report reports, including notes to financial statements, where high-quality reports provide appropriate and useful decision-making information s economic activities during the reporting period as well as the financial situation of the Unit at the end of the reporting period.

The quality of the reported results or the quality of the profits relates to profits and cash resulting from the unit's actual economic activities and the resulting financial situation. (Ouda & Klischewski, 2019).

Research Problem:

The problem with research is to answer the following questions:

1. Question 1: Is there a correlation between digital transformation and the quality of financial reports, namely, the first qualitative basic characteristic of accounting information, which is appropriate and its subsidiary characteristics.
2. Question 1: Is there a correlation between digital transformation and the quality of financial reports of the second qualitative feature of accounting information, namely honest representation, and its subspecies.

Research Objectives:

This study sought to achieve the following objectives:

1- Demonstrate the concept of digital transformation and its characteristics, the mechanisms of this transformation and its importance.

2- Clarification of the concept of quality of financial reports and models for measuring financial reports

3- Identification of qualitative characteristics of accounting information

4. The main objective of this research is to examine the relationship between digital transformation and the quality of financial reporting.

Research Hypothesis:

1. Main hypothesis: There is a statistically significant relationship between digital transformation and the quality of financial reporting.

The following sub-hypotheses are divided from the main hypothesis:

1- The first sub-hypothesis: There is a statistically significant effect of digital transformation in the appropriateness of accounting information.
2- Sub-hypothesis II: There is a statistically significant impact of digital transformation in the representation and truthfulness of accounting information.

The Importance of Research

The importance of research is due to the important role that digital transformation plays in the quality of financial reports. Financial reporting is one of the main sources of external and internal users' engagement in making various investment, financing and other decisions. It is also important to the novelty of the subject.

This research is particularly important to transform traditional accounting systems into electronic in all respects, and to the vital and important role of information that contributes to decision-making.

Search Limits:

1. Spatial boundaries: The study community represents the Iraqi Stock Exchange, while the study sample represents 10 banks, where 12 forms were distributed to each bank. The study sample is 120 forms.
2. Time limits: The study's time limits were limited to the financial period 2009-2013.

Research Methodology

This study is based on two scientific research approaches:

1- Descriptive curriculum: This curriculum relates to the theoretical aspect through scientific spheres and literature related to the subject of the study from books, letters, periodicals, research, scientific conferences, and scientific articles from websites whether Arab or foreign.
2- Applied curriculum: Using a questionnaire form of digital transformation and quality of financial reports, which was designed and presented to a group of arbitrators to express their opinion on the appropriateness of the answer scale, and the fairness of the form after taking all the comments made by the arbitrators and becoming in its final form.

Measuring Research Variables:

The study covered two main variables:

1- Independent Variable: Digital transformation, measured through the questionnaire format distributed to sample individuals and the study community (i.e. accountants, heads of departments, account managers and executives working in Iraqi banks. In agreement with several studies (mourning, 2022), (Rashwan and Qasim, 2020) and (simon, 2019).
2- The subordinate variable: the quality of the financial report, as measured by the qualitative characteristics of the accounting information of relevance and honest representation and its subsidiary characteristics, through the method of questionnaire form distributed to sample individuals and the study community (i.e. accountants, heads of departments, account

managers and executives of Iraqi banks. In agreement with several studies (Hernando, et, al., 2020) and (Meragain et, al., 2021).

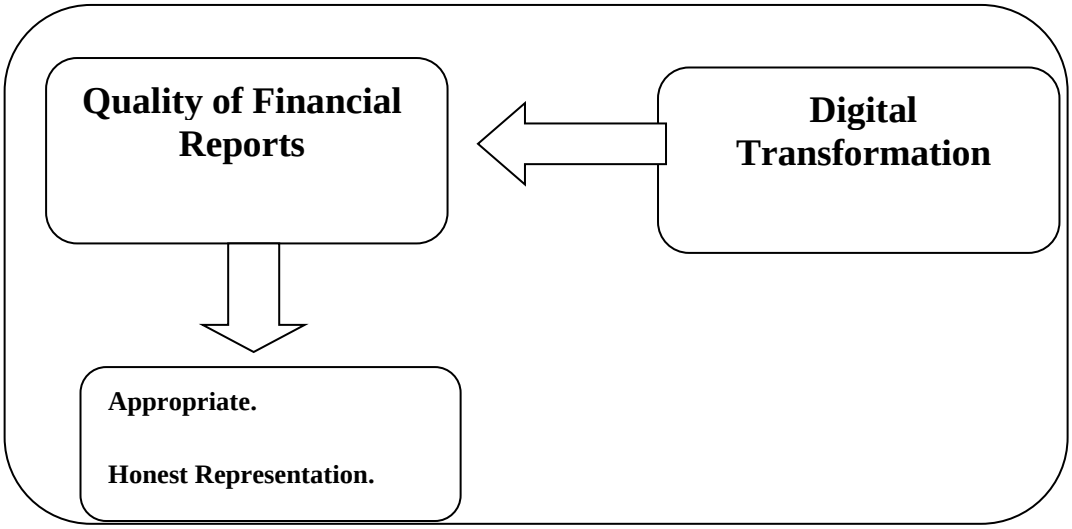


Figure 1: Research Plan

Research Plan

In view of the importance of the study and in order to achieve the problems and objectives of the study, and considering the approach taken in the study to create a scientific framework through theoretical and practical study, the study was divided into three axes, as follows:

- **First**, the theoretical framework for research
- **Second**: The conceptual framework for digital transformation and its impact on the quality of financial reporting
- **Third**: Field study
- Conclusions and recommendations
- References and sources

Previous studies:

First: Arabic Studies

- **Study (Haddad, 2022)** entitled: The impact of the application of digital transformation in audit facilities on the quality of the audit process, field study on the professional environment in Egypt. The study aimed to test the extent to which the digital transition to audit work affected the quality of the audit process, and addressed the digital transformation mechanisms used (AI, big data, robots, cloud computing), a questionnaire form was distributed to auditors and accountants in audit offices and the data was analysed using statistical software (SPSS) found that there was a statistically significant impact of the use of digital transformation techniques in reference performance efficiency and audit quality, and recommended that the audit profession should keep pace with technological developments.

- **Study (Sheikh, 2022)** The impact of the application of cloud computing technology on improving the quality of financial reporting and its reflection on the value of the company.

The study aimed at studying and analyzing cloud computing technology as a digital information technology mechanism and identifying the underpinnings of this technology and its role in improving the quality of financial reporting information. The study dealt with a sample of 150 individuals and was analysed using the SPSS statistical program, The study found an impact of the application of cloud computing technology to financial reporting by providing appropriate and reliable information on economic transactions.

- **Study (Rashwan and Qasim, 2020)** entitled The Role of Digital Transformation in Increasing the Efficiency of Banks' Performance and Attracting Investments.
  The study examined a sample of banks operating in the Gaza Strip and analyzed data using the SPSS statistical program. The study found a role for digital transformation in increasing the efficiency of banks' performance and attracting investments.

Second: Foreign Studies:

- **Study (simon, 2019)** entitled The impact of digital transformation of accounting information on the business organization of some selected companies in Edo State, Nigeria.
  The study aimed to learn about the impact of the digital transformation of accounting information on the entrepreneurship of selected companies in Edo State in Nigeria and the relationship between information technologies and the accounting system was examined by investigating the impact of big data on the accounting and artificial intelligence system on the processing of accounting information, A questionnaire form was used to examine the relationship using the SPSS statistical program and the study found that there was no significant impact of big data and artificial intelligence on the accounting and accounting information processing system, The study recommended that the use of big data and artificial intelligence should be reduced in order to reduce operating costs.

- **Study (Hernando,et,al., 2020)** entitled: The Use of Information Technology in Improving the Quality of Financial Report in Micro, Small and Medium Enterprises
  Using information technology to improve the quality of SMEs' financial reports.
  The study aimed to research the use of IT in improving the quality of financial reports. The study examined a sample of 98 SMEs. The study found that most businessmen in SMEs need a computerized system to help record transactions to create high-quality financial reports. The results have also shown that a number of companies have used technology to improve the quality of financial reporting, where information technology is part of the digital transformation machinery.

- Study (Meragain *et al*., 2021) entitled: The Impact of Digital Transformation on the Accounting Information System: Evidence from Algerian Companies
  Impact of digital transformation on the accounting information system: a guide from Algerian companies
  The study aimed to demonstrate the conceptual and practical framework for digital transformation and its impact on the accounting information system and focus on digital transformation requirements such as digital strategy, human component blameless knowledge,

impacts and constraints to the digitization of accounting information systems The study dealt with a sample of 237 individuals in 120 companies by distributing questionnaire forms to them. The study found poor awareness of the importance of digital transformation and a weak effort to develop accounting information systems in line with digital transformation requirements.

Digital Transformation

The world of digital transformation and its events affecting economic activities and all areas of accounting and auditing in particular are the 46th session of the World Economic Forum. Economic Forum the World, an independent international non-profit organization charged with developing the world by promoting policies, actions, scientific aspects, and all leaders gathered to shape the global, regional, and economic agenda (In Switzerland in 2016 to discuss the Fourth Industrial Revolution Fourth on digital transformation and its development worldwide. Today's world is moving rapidly towards digital transformation, making it essential for several professional areas, including accounting and auditing.

Digital transformation relates to the shift to digital economic units, which use technology for the continuous development of all aspects of their business model (what they offer, how they interact with customers, how they operate) and the main purpose of any digital transformation is to improve current processes.

Digital transformation is defined as the profound transformation of entrepreneurial activities, processes, organizational competencies, and models to identify strategic priorities, changes and opportunities offered by a combination of digital technologies and their accelerated impact on society, in order to represent and present future changes (Al-Marj and Al-Rashidi, 2022:6). Using a range of digital technologies, innovations and new business models in various fields to enable continuous improvements in various activities and tasks of economic units.

It is also defined as the process of providing digital information, business processes and product offerings through information technology and Internet-based applications. (Amin, 2022:55)

The importance of digital transformation at the level of economic units

Digital transformation is of tangible importance at the level of economic units and various stakeholders and through the following: (Amin, 2022:63).

1- Providing innovative services based on digital technologies which contribute to creating more opportunities.
2- Improvements in operational efficiency.
3- Improve the quality of processes and services provided by simplifying procedures.
4- Continuity and speed of data and information flow.
5- Responding quickly to customers' ever-changing needs and desires.
6- Reduce human errors through the use of artificial intelligence and both technologies.
7- Reduction in transaction costs
8- Increased level of transparency and information security.
9- Improved internal and external communication mechanisms

Digital Transformation Mechanisms:

I/ Big Data Analysis

It is one of the most important digital transformation tools defined as a dataset that exceeds the capacity of regular database software to be compiled, stored, managed and analyzed.

II/ Artificial Intelligence AI

Artificial Intelligence (AI) is defined as the technological means that can be used to perform human tasks that need the human mind such as education and problem solving. It can also be defined as the ability of allalts and computers to perform certain tasks that mimic human functions and need human intelligence, such as the ability to think and learn from experiences. AI aims to reach systems that have II and operate in the same way as humans by relying on education and understanding to provide their users with different services with high accuracy and speed. (Al-Hadad, 2022: 96-98).

Cloud computing:

It is a type of computer software that provides all data and applications to users as services provided via the Internet and allows the storage of data and software on the server available on the computer. The use of cloud-based accounting software helps accountants access all kinds of information on the Internet to serve customers anytime, anywhere.

Robats

They are programs that use business rules and a series of steps to complete the performance of a range of processes, activities, transactions, and tasks to obtain a result or service and are a simple programming tool that requires great computer knowledge and can therefore be easily used to automate manual functions based on rules faster and less expensive than other technological means.

Digital Transformation Characteristics:

1- To rely heavily on intangible assets, which include intellectual property and the development and use of software and algorithms, which analyze a large amount of business data on platforms that play a key role in the production or provision of services via the Internet. Internet, as well as creative content that plays.

2- Widespread access without physical presence, where companies can use the Internet and its platforms, establish cross-border relations with long distances with customers, without the need for a permanent establishment in other countries

Engaging clients and users in data value creation. Digital platform companies are used to interact with their customers, by analyzing customer behaviour and increasing their revenues such as reselling data and placing customer ads on platforms for fees. In addition, value creation occurs through the Internet of things, customers, virtual currencies and the participatory economy.

Companies that dominate digital businesses are often platforms that enable both sides to interact, can be eye-catching and buyers of traditional goods or services, in which case they are activists who benefit from the Internet to reduce transaction costs and search, and can also connect advertisers and consumers and provide consumers with free services.

The greater the size or number of users, the greater the value of the Internet impact, and if this is important for many companies, the more important it is in the digital economy, due to two reasons: First, digital platforms often have large fixed costs and low marginal costs, and the second reason, is that the benefit of each side is increasing by magnitude or by increasing the number of people on the other side.

Switching from paper management to digital, electronic or paperless management, as a new mechanism for registration, storage, retrieval and transmission of information, facilitating decision-making process and increasing its speed.

Digital companies such as e-commerce, online advertising and cloud computing tend to be monopolized, due to the network's influence, large size, usage constraints and multifaceted systems (Al-Morshed, 2022: 1503-1504).

Advantages of Applying Digital Transformation in Banking Units

The application of digital transformation technology brings many and varied advantages to the banking sector, namely, significant cost and effort savings, improved operating efficiency and organization, improved quality, simplified procedures for beneficiaries to access services. The advantages of digital transformation application can be illustrated by the following points improving efficiency and reducing costs and providing new services quickly and flexibly.

1. A paradigm shift in the services provided to clients.
2. Changing business models as well as mentalities.
3. Leverage contemporary technology to become more alert and adaptable at work and able to predict and plan for the future.
4. Provide a plan to increase competitive value, sophisticated task forces and a long-term creative culture.
5. Allow faster creativity in order to achieve the desired results and progress towards success.
6. Replacing digital processes with traditional ones.

Through the foregoing, digital transformation can be said to have many diverse advantages not only for customers but also for government institutions, companies and banks, including the fact that it greatly saves cost and effort, improves efficiency and operationalization, improves quality and simplifies procedures for access to services provided to beneficiaries. It also creates opportunities to deliver innovative and creative services away from traditional ways of delivering services. Digital transformation also helps government institutions, companies and banks expand, spread more widely and reach the largest segment of customers and the public. (Bakri, 2022, 481).

Quality of Financial Reports

The quality of financial reports can be expressed through the quality of the content of the report, the drafting of the report or the quality of the presentation of the report. There are several entry points for assessing the quality of financial reports, including what depends on the investor protection entrance, which depends on the user's needs, and which depends on the third party, the community, to show the truth.

The quality of the financial reports is defined as the degree of accuracy that makes the financial report capable of conveying information on the operations of the Economic Unit to the users of those reports and, in particular, investors in a way that enables them to estimate expected future cash flows, as well as its ability to make a difference to decision makers (Al-Harabi, 2021:236).

The quality of financial reports focuses on the application of accounting standards to provide quality information. All information is disclosed in a transparent manner and hence the reliability of financial reports when making decisions (Al-Rashidi, 2012:8).

In order to achieve the quality of financial reports, the following must be achieved:

1. Quality of the report's drafting: The data included in the report are well described so that the data are clear, understandable, and accurately expressed, requiring clarity.
2. The quality of the report's content: is the accuracy of the correct data and values and is free of material errors and requires the availability of characteristics (accuracy, completeness, comprehensiveness).
3. Quality of report presentation: It is to obtain reports at the appropriate times or to present the information contained in the report in a consistent and homogenous manner so that it does not need further explanation and clarification when used and here requires the availability of characteristics (consistency, consistency, impartiality, timeliness, transparency). (Hassan, 2017:16).

Financial Reporting Quality Indicators

There are several indicators to measure the quality of financial reports, including (utility of accounting information, quality of accounting profits, accounting disclosure, accounting qualification, financial analysts' forecasts). The indicator for the utility of accounting information will be focused on being the indicator used to measure the variable of the quality of financial reports.

Utility of accounting information

Accounting information is the output of the accounting system in economic units and is of great importance to economic decision-making and must therefore have several characteristics to be relevant to decision-making.

Many international, professional and local bodies and organizations have been interested in developing entry points and benchmarks that can inform the quality of accounting information, and can be explained in the table below.

Table 1. Role of Professional Organizations and Institutions in Determining Quality Characteristics of Accounting Information

Organization Name	Characteristics of Information Quality for Accounting
American Accounting Association	This association emphasized the usefulness of accounting information, on the basis of which standards are built to assess the quality of accounting information (appropriate, impartial, reliable, comparable, understandable).

American Institute of Certified Public Accountants	The Institute has identified a set of characteristics that must be available in accounting information, through which its quality can be inferred (consistency, appropriateness, objectivity, reliability, comparability, understandability).
American Accounting Standards Board	The Board identified fifteen elements to infer the quality of accounting information (reliability, understandability, accuracy, honesty, integration, predictive value, timeliness, comparability, relative significance, neutrality, verifiability)
International Accounting Standards Committee	This Committee has identified characteristics through which accounting information can be quality (appropriate, confidence, comparability, relative relevance)
English Accounting Standards Committee	This Committee has identified several characteristics that can indicate the quality of accounting information (appropriate, understandable, reliable, comparable, and complete)

Qualitative Characteristics of Accounting Information

The qualitative characteristics of accounting information are a component of the financial accounting intellectual framework and serve as a link between the objectives of financial reporting, recognition, and measurement. These characteristics also make accounting information of great benefit to its users:

First: Basic Characteristics

1. **Convenience**: It is the first feature of accounting information where accounting information is appropriate when it has the ability to influence the economic decisions of its users or has the ability to make a difference in the decisions made by the users of financial reports. In order for accounting subtitles to be appropriate, a set of following sub-characteristics must be available: (Amin and others, 2020:160).

A. "**Predictive Value**: Accounting information can have predictive value if used as input by users through procedures used to predict future results.

B. **Confirmation Value**: the accounting information has a confirmatory value when it provides feedback on a change in previous calendars or confirmation.

C. **Relative Importance**: Accounting information is relative (material) if its poor presentation or deletion affects decision makers.

2. **Honest Representation**: the second essential characteristic of accounting information that makes such information useful in the decision-making process. Honest representation is that the descriptions and figures contained in the accounting report correspond to what already

exists or is up to date. In order for accounting information to be genuinely represented, the following subsidiary characteristics must be provided:

A. "**Completeness**: It is intended to provide all the information necessary for honest representation, i.e. not to lose sight of some information to be useful to its users.

B. **Impartiality**: It is intended not to be biased in the news and presentation of accounting information, i.e. the objective is neutral without manipulation leading to the receipt of information desirably or undesirably by users.

C. "**Fear** of **Error**: The absence of accounting information is intended to delete or misstate the existence of economic events and the absence of errors in the processing of reported accounting information. (Abdulhalim and Mohammed, 2022: 479-480).

Second: Enhanced Characteristics:

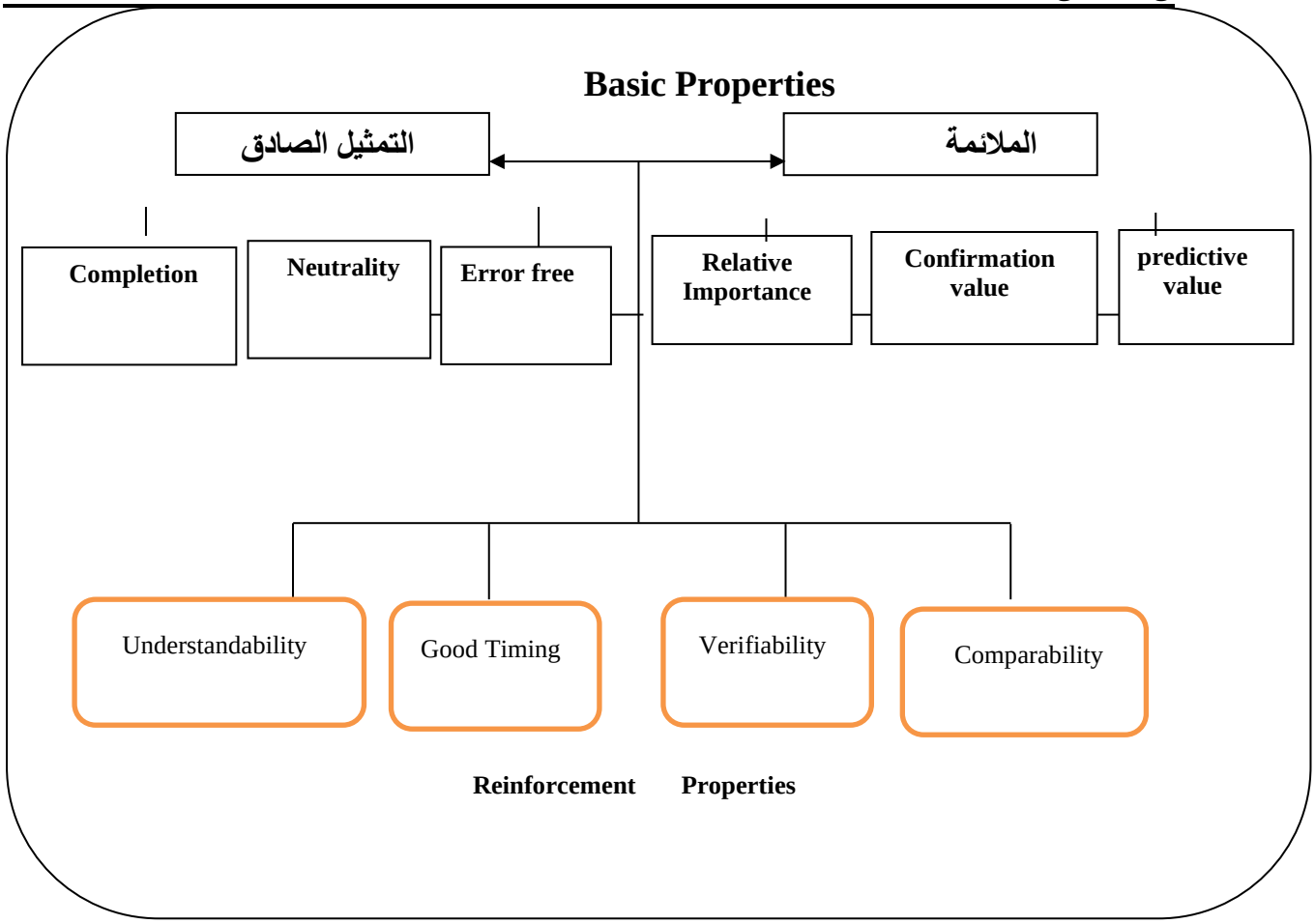
The qualitative characteristics of enhanced accounting information are as follows:

1. **Comparability**: The comparability of an economic unit's accounting information with other economic units for the same period of time and quality of activity (i.e. similar information) or with the same economic unit by comparing current period results with prior periods.

2. **Verifiability**: This feature helps users of accounting information to verify that the information genuinely reflects various economic phenomena, meaning that different accountants can verify and produce the same results.

3. **Timeliness**: is intended to make accounting information available to its users in a timely manner so that such information can influence their economic decisions and not lose value.

4. **Understandability**: It is intended that accounting information is clearly and accurately classified and presented in accordance with applicable accounting standards. Our understanding of information is increasingly clearly, accurately and concisely presented and classified to enable its users to understand its meaning. (Abdulhalim and Mohammed, 2022:480).



Statistical Descriptive Analysis

Introduction:

This research was devoted by the researcher to illustrating the society and sample of the study, describing the study tool and measuring variables, testing the truthfulness and consistency of the study tool, and finally the descriptive analysis of the variables, as follows:

1. Community and sample study.
2. Description of study tool and measurement of variables.
3. Demographic analysis of individuals researched.
4. Test the honesty and stability of the study tool.
5. Descriptive analysis.

The explanation for each of the preceding paragraphs is as follows:

I/ Society and sample study

The study community represents the Iraqi Stock Exchange, while the study sample represents 10 banks. 12 forms were distributed to each bank. The study sample was 120 forms. The researcher then distributed 120 survey lists to accountants and managers working in Iraqi banks listed on the market. These lists were distributed through personal interviews. 102 valid questionnaire forms have been recovered and are ready for statistical analysis, with a response rate of 85% which is acceptable for scientific research purposes.

Table 1: Number of Survey Lists Distributed and Received from Study Sample Individuals.

Total	**Statement**
120	Number of lists distributed
102	Number of received lists valid for analysis
85%	Ratio of lists valid for analysis

Description of study tool and measurement of variables.
A questionnaire form was prepared for the collection of data on the applied aspect of the study, which included two sections:
The first concerns demographic information describing the characteristics of the study sample.
The second concerns the axes of identification, and consists of 37 phrases to measure study variables spread across three axes:
Axis I: The independent variable of digital transformation consists of (7) phrases spread over digital transformation.
Axis II: The subordinate variable of the quality of financial reports consists of (14) phrase distributed to the two appropriate (7) phrases and honest representation incorporating (7) phrases.
Theme III: Addresses the impact of digital transformation on the quality of financial reporting and consists of (14)

Table 2: Study Variables and Phrase Numbers in the Survey List

Study variables	**Dimensions**	**No.**	**Sequence**
Independent Variable: Digital Transformation	**Digital Transformation**	7	7-1
Affiliate Variable: Quality of Financial Reporting	**Appropriate**	7	14-8
	Honest Representation	7	21-15
Impact of digital transformation on the quality of financial reporting		16	36-22
Total		36	

The Lekert quinquennial scale has been adopted to reflect the trends of accountants and managers working in thinner banks listed on the thinner market of Alkalah Financial Stock Exchange, with its grades between (5 strongly approved, to 1 = strongly disagreed). As shown in the table below:

Table 3: Lakert Quinquennial Scale for Graduation in Answer Level

Weigh	**Answer**
1	**Strongly disagreed**
2	**Disagreed**
3	**Neutral**
4	**OK**
5	**Strongly Agreed**

Demographic analysis of interviewees

With regard to the distribution of the sample's vocabulary, it can be shown in the table below:

Table 4: Special Distribution of Study Sample Units

Category		Count	Percentage
Academic	Less than a bachelor's degree	**20**	**%17**
	Bachelor's	**81**	**%71**
	Master's degree	**11**	**%10,3**
	Ph.D.	**2**	**%1.7**
qualification	Assistant Accountant	**35**	**%26**
	Accountant	**70**	**%525**
	Head of Section	**9**	**%6.7**
	Account Manager	**10**	**%7.4**
	Executive Director	**10**	**%7.4**
Job Address	Less than a year	**11**	**%9**
	OF THE UNITED NATIONS	**32**	**%26**
	10-6	**44**	**%36**
	11 and more	**35**	**%29**

Test the honesty and stability of the study instrument:

First: Honesty:

- The researcher reviewed research literature on digital transformation and the quality of financial reports, with the aim of drafting the questionnaire list axes and identifying the most important paragraphs.
- The list of questionnaires was presented in its preliminary form to the arbitrators, consisting of two main axes. What they saw was amended. The researcher used the quinquennial lectert scale mentioned earlier and tested the veracity and consistency of the questionnaire list after its initial design. As follows:

1. Authenticity of the questionnaire: The questionnaire is genuinely intended to measure what it is designed to measure, with a view to ascertaining the actual measurements' ability to measure what they are supposed to measure. The researcher verified the validity of the questionnaire in two ways:

A. "Apparent honesty: The researcher presented the questionnaire list in its preliminary form to a group of arbitrators and consisted of a number of professors specializing in accounting sciences at the Faculty of Management and Economics of the University of Tikrit and Samarra, Some have referred to the rewording of some paragraphs, while some have pointed to the need to rearrange some paragraphs and others to delete them. The researcher amended the list as indicated by the arbitrators and took all observations.

B. Self-honesty: Alpha Cronbach's square root self-honesty is calculated by finding the square root of Alpha Cronbach's Alpha Coefficient persistence factor (as shown in the table below)

Second: Stability

A- **Self-stability**: A questionnaire is intended to steadily stabilize the results of the questionnaire and do not change significantly if it is distributed more than once during certain periods of time under similar circumstances. A researcher has verified the stability of the questionnaire list through the Alpha Kronbach coefficient, as shown in the table below.

Table 5: Fakronbach Coefficient for Independent Variable

Variable	Number of phrases	Alfa Kronbach Coefficient	Honesty Coefficient
Digital Transformation	**16**	**0.856**	**0.926**
Quality of financial reports	**20**	**0.912**	**0.948**
Total	**36**	**0.884**	**0.937**

The table above shows that Alpha Cronbach's value for digital transformation and the quality of financial reports was (0.856, 0.912) respectively, and these values are accepted in the form that reflects reliability and confidence in the study variables, as well as the total value of Alpha Cronbach (0.884).

B- **Internal consistency**. The internal consistency of the questionnaire's phrases means the consistency of all paragraphs of the questionnaire with its focus, i.e., the phrase measures what it is designed to measure and does not measure anything else. We have therefore calculated Pearson's coefficient between the degree of each phrase of the axis and the overall degree of the axis to which this paragraph belongs.

Table 6: The Internal Consistency of The First Axis Phrases Digital Transformation

No.	The First Axis: Digital Transformation		
	Phrase	**Pearson Factor**	**Moral**
1	Digital transformation ensures accurate presentation of banking units' accounting procedures and policies	0.553	0.000
2	Digital transformation contributes to reduced time, effort and cost for banking units	0.581	0.000
3	Digital transformation achieves the objectives of banking units efficiently and effectively	0.541	0.000
4	Digital transformation provides sufficient information for decision makers and in accordance with their requirements	0.334	0.000
5	Digital transformation helps keep information confidential for banking units	0.446	0.000

6	Digital transformation increases the speed of work performance of banking units in an easy and streamlined manner	0.570	0.000
7	Digital transformation is keen to achieve rapid response and instant messaging	0.436	0.000

It is clear from the table above that all paragraphs are linked with the first axis, i.e., that its paragraphs are statistically relevant, where the correlation transactions are moral, in all paragraphs of the axis, i.e., there is a moral correlation, from which the first axis paragraphs are considered to be authentic and consistent internally.

Theme II: Quality of financial reports

Table 7: Shows the Internal Consistency of the Expressions of Adequacy of Accounting Information

No.	Relevancy of Accounting Information		
	Phrase	**Pearson Factor**	**Moral**
1	Contributing to more accurate predictions for the future	0.543	0.000
2	Provided in a timely manner	0.347	0.000
3	Decision-making needs to provide appropriate accounting information	0.654	0.000
4	The accounting information used helps and improves its ability to predict expected results in the future	0.360	0.000
5	Contributing to the evaluation of decisions' results	0.654	0.000
6	Accounting information through accounting disclosure provides results for past events	0.436	0.000
7	The accounting information lost its value if it did not reach its users in a timely manner	0.698	0.000

Table 8: Shows the Internal Consistency of Expressions of Genuine Representation and Accounting Information

No.	Faithful Representation of Accounting Information		
	Phrase	**Pearson Factor**	**Moral**
1	Objective presentation of information	0.333	0.000
2	Sincerely and safely reflect economic events	0.512	0.000
3	Accounting information is free from material errors	0.219	0.000
4	Comparison with other economic units	0.481	0.000
5	Presented in accordance with their relative importance	0.735	0.000
6	Enable to tab and display accounting information clearly and accurately	0.197	0.000
7	All important information is displayed	0.732	0.000

From the table above, it is clear that all paragraphs are linked with the second axis, i.e., that its paragraphs are statistically relevant, where in all paragraphs of the second axis, the correlation transactions are moral, i.e., there is a moral correlation, of which the second axis paragraphs are considered to be authentic and internally consistent.

Theme III: Impact of digital transformation on the quality of financial reporting

Table 9: The Internal Consistency of the Terms "Digital Transformation" in the Quality of Financial Reports

No.	Phrase	Pearson	Moral
1	Digital transformation contributes. In assessing the Digital Economic Unit's ability to provide periodic services, ongoing and immediate reports. Senior management affecting (quality of financial reports)	0.765	0.000
2	The use of mechanism. digital transformation helps the internal auditor. In conducting a comprehensive evaluation and preparing periodic reports containing the most important observations, discussing them with the Governing Council and making recommendations and actions. Appropriate corrective to improve the quality of financial reports.	0.567	0.000
3	The use of digital technologies works in. Accounting processes, to make financial reports free of (distortion and misrepresentation)	0.785	0.000
4	Increases the use of (XBRL), reporting language. Expanded commercial, from users' confidence in quality. Financial reports	0.697	0.000
5	It supports the use of digital technology, improving the quality of financial reporting, because it has been prepared. In light of the set of legal, regulatory, and professional standards.	0.679	0.000
6	The use of digital technologies completes information in financial reports and presents it in an orderly and adequate manner	0.878	0.000
7	The use of XBRL (Expanded Trade Reporting) language leads to neutrality and impartiality. in the information received. In Financial Reports	0.497	0.000
8	The application helps. Digital transformation mechanisms increase. Predictive ability of events. Economic for financial reporting users	0.857	0.000
9	The application of transformation mechanisms, digital helps to provide information in a timely manner to make economic decisions. Users of financial reports	0.789	0.000
10	Digital transformation mechanisms help suitability. Decision-making for financial reporting users/	0.865	0.000
11	Digital institutional architecture helps measure the financial and non-financial impact of digital transformation and	0.749	0.000

	provides digital services that contribute to increasing confidence in financial reporting.		
12	The application of digital transformation mechanisms helps to clarify the accuracy of the information contained in the financial reports	0.864	0.000
13	Digital transformation helps to leverage technology. in forecasting and planning. For the Future	0.697	0.000
14	Digital channels provide the benefits of communication and response. Fast	0.719	0.000
15	enables technologies/digital to make and make decisions on a basis. Instant data.	0.813	0.000
16	Conversion/digital can be used from providing information, required in time for all, its users	0.847	0.000

It is clear from the table above that all paragraphs are linked with the third axis, i.e., that its paragraphs are statistically relevant, where the correlation transactions are moral, in all paragraphs of the third axis, i.e., there is a moral correlation, from which the third axis paragraphs are considered to be authentic and internally consistent.

Statistical analysis of data and hypothesis test results

The researcher here presents the results of the statistical analysis of the questionnaire distributed to Iraqi banks by presenting descriptive statistics of all study variables, and then testing and presenting the results of the study hypotheses test, through the use of the statistical program (SPSS) and Excel Microsoft, so this research will address the following main points:

Hypothesis Test

Before starting the test of hypothesis, the researcher worked on the natural data distribution test with the adoption of the Smirnov-Kolmogorov test (Wilk-Shapiro) for all independent and follow-up study variables. It is known that the data follows the natural distribution if the morale level value of the tests is greater than (0.05).

Table 10: Smirnov-Kolmogorov Test (Wilk-Shapiro)

Variables	Kolmogorov-Smirnov	Shapiro-Wilk
Digital Transformation	0.25	0.23
Quality of financial reports	0.18	0.09

Table 11: Test Results of the First Hypothesis: There is a Statistically Significant Effect of Digital Transformation in the Appropriateness of Accounting Information.

R	F	Sig.	R Square	T	Sig.	Unstandardized Coefficients (B)
.680-[a]	40.967	.000[b]	.745	6.114	.000	66.417-

The table above shows:

1. The value (R) was (0.680) at an indicative level (0.000) and is less than (1%) i.e. a moral correlation between digital transformation and accounting information suitability.
2. The value (F) is equal to (40.967) and its level of indication (0.000), and this value is less than (0.01), which means that the overall regression model is statistically D.
3. The determination factor (R2) is equal to (0.745) and refers to the percentage measuring the independent variable's ability to explain changes in the dependent variable, where the autonomous variable (digital transformation) can explain changes in the dependent variable (appropriate accounting information) by (0.745).
4. The regression factor signal is positive for the independent variable (digital transformation), which means that the relationship is inverse, i.e. when the digital transformation index rises, the accounting information will be more appropriate for its users.
5. The indication level of the T-test of the independent variable with the dependent variable is equal to (6.114) and its indicative level (0.000). This ratio is below the indicative level (0.01), which proves that the decline is moral.
6. The value of the regression factor is equal to (66.417), meaning that a change in the independent variable (digital transformation) by one-unit results in a change in the dependent variable level (accounting information fit) by (66.417) units.
7. Acceptance of hypothesis: There is a statistically significant impact of digital transformation in the appropriateness of accounting information.

Table 12: Second Hypothesis Test Results : There is a Statistically Significant Effect of Digital Transformation in the Representation and Honesty of Accounting Information.

R	F	Sig.	R Square	t	Sig.	Unstandardized Coefficients (B)
.751-[a]	32.648	.000[b]	.632-	8.372	.000	72.345

The table above shows:

1. The R value was 0. 751) with an indicative level (0.000) which is less than (1%) i.e. a moral correlation between digital transformation and accounting information suitability.
2. The value (F) is equal to (32.648) and its level of indication (0.000), and this value is less than (0.01), which means that the overall regression model is statistically D.
3. The determination factor (R2) is equal to (0.751) and refers to the percentage measuring the independent variable's ability to explain changes in the dependent variable, where the independent variable (digital transformation) can explain changes in the dependent variable (reliability and authenticity of accounting information) by (0.751).

4. The regression factor signal is positive for the independent variable (digital transformation), meaning that the inverse relationship, i.e., when the digital transformation index rises in the economic unit operations, the accounting information will be more reliable and honest representation of its users.
5. The indication level of the T-test of the independent variable with the dependent variable is equal to (8.372) and its indicative level (0.000). This ratio is below the indicative level (0.01), which proves that the decline is moral.
6. The value of the regression factor is equal to (72.345), meaning that a change in the independent variable (digital transformation) by one-unit results in a change in the dependent variable level (genuine representation of accounting information) by (72.345) units.
7. Acceptance of hypothesis: There is a statistically significant effect of digital transformation in the representation and honesty of accounting information.
8. Acceptance of the main hypothesis: There is a statistically significant impact of digital transformation on the quality of financial reporting.

Conclusion

1. The trend towards the application of digital transformation is a global trend to which all organizational forms of countries and institutions, whether for profit or not, are oriented. The trend towards digitization is a mechanism of restructuring aimed at a qualitative shift in the level of performance.
2. The application of digital transformation in banks refers to the multiple changes in the banking industry made to integrate financial technology solutions in order to automate, improve and digitize operations, as well as increase data security. This process involves many changes that reshape the methods and techniques used in the banking sector.
3. The most important advantages of applying digital transformation have been in reducing costs through the provision of technological infrastructure, which may result in higher total costs in the short term but this will change in the long term as the fulfilment of the customer's wishes and the provision of services that achieve customer satisfaction
4. The results of the study resulted in a reverse correlation and moral impact of digital transformation on the quality of banking units' financial reports.

Recommendations

1. Banking units must keep abreast of technological developments and respond to changes in the surrounding environment by holding the necessary training programs for accountants to qualify them and improve their skills in using digital transformation techniques and modern technological means to perform their work, and providing the necessary devices and networks to implement digital transformation.
2. The need for academics and researchers to conduct further scientific research and highlight the importance of applying digital transformation techniques such as artificial intelligence, big data, robots, cloud computing in banking units and the impact of their application on those units.
3. Regulators and standard-setters should seek to issue standards and guidelines commensurate with modern technological developments and their application in the field of accounting.

4. Supporting digital transformation in banking units as one of its priorities, and the need to provide capabilities and infrastructure to ensure their success.

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