

The effect of voluntary disclosure on enhancing the reliability of the financial statements of Iraqi banks

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Abstract:

The level of voluntary disclosure affects attracting capital through relying on financial statements and making rational decisions. This is reflected in the banks. Whenever banks voluntarily disclose financial and non-financial information, this leads to attracting capital as well as reducing the cost of capital, which gives banks a greater market value. This gives it greater flexibility to compete and thus increases the reliability of its financial statements. It turned out that the expansion of disclosure of information, especially social and environmental, as well as economic in the reports of banks helps in evaluating their performance and thus helps in rationalizing their various decisions, where the research hypothesis was accepted as Iraqi banks provided more than 70% of the total voluntary disclosure information.

Keywords: Voluntary Disclosure, Dependable, Iraqi Banks.

Introduction

Reliability is one of the basic elements that must be provided in the financial statements of any company. Decision-making is based on the degree and the level of reliability of these data and hence the need for additional information emerged, mandatory disclosure does not provide a degree of reliability and therefore may expose users of financial data to the risk of information and high uncertainty, Therefore, companies seek to enhance its market value and efficiency by attracting new investors and retaining existing investors.

The level of voluntary disclosure affects the attraction of capital through relying on financial statements and taking rational decisions, and this is reflected on the banks, so whenever banks disclose financial and non-financial information voluntarily, this leads to attracting capital as well as reducing the cost of capital, which gives banks a greater market value This gives it greater flexibility to

compete and thus increases the reliability of its financial statements.

This has increased the importance of voluntary disclosure of financial and non-financial information (social and environmental), so what has witnessed developments in recent times of accelerated growth in line with the increasing interest in sustainability and its concepts and determining the social and environmental responsibilities of banks, so you can highlight the reality of information disclosed voluntarily in Iraqi banks and their impact on the reliability of the financial statements issued by them.

Research Methodology And Discussion Of Previous Studies

First: The research problem: In light of the development that included most areas in the activities of companies and the surrounding environment, it led to an increase in the need for

investors and current and prospective users to financial and non-financial information, and this in turn is not provided by mandatory disclosure in the financial statements and thus the need for broader reliable disclosure emerged, so therefore The problem of the study highlights the inadequacy of mandatory disclosure to meet the needs of users, which led to the weakness of the reliability of the financial statements of Iraqi banks, and from that a sub-problem can be formulated according to the following question: Does voluntary disclosure contribute to enhancing that reliability? How can voluntary disclosure be measured in those banks? Is voluntary disclosure considered part of the sustainability requirements?

The importance of the research: The importance of the research emerges from the users' interest in the financial data and the degree of their reliability. With the progress made, the data in their current form in light of mandatory disclosure are not meeting their needs, so the importance of the research emerged through the study of the topic of voluntary disclosure and its reflection on enhancing the reliability component of the financial data. Statement of the elements of voluntary disclosure that should be shown in these statements to Iraqi banks.

Research Objectives: This research aims to the following:

- Explain the concept, importance, and elements of voluntary disclosure.
- Knowing the importance of reliability, its concepts and elements.
- Explain the relationship of voluntary disclosure to the elements of sustainability and its impact on reliability.
- Clarify the voluntary disclosure standards and the degree of reliability of the financial statements.
- Conducting an analytical study of sample data from Iraqi banks and testing hypotheses.

Research hypotheses: The research is based on the following two hypotheses:

H0: Iraqi banks do not voluntarily disclose, which is reflected in the poor reliability of the financial statements issued by them and consequently the poor quality of financial reporting.

H1: Voluntary disclosure contributes to enhancing the reliability of the financial statements of Iraqi banks, enhancing their market value and increasing the level of investment.

Discuss previous studies and research:

Bashir 2009 study focused on the role of voluntary disclosure of social information and the environment in financial statements enhances credibility as it makes it easier to assess social performance and the environment and the adequacy of companies contributing to fulfilling their social responsibilities and the environment towards society, as it helps in enhancing the efficiency of the financial market and obtaining Tax and customs benefits for Sudanese joint stock companies.

Whereas, Hawashe 2014 sees that the purpose of the study is to measure the extent to which the financial statements consist of voluntary disclosure submitted during the period from 2006 to 2011, as well as indicating the views and perceptions of the authors of reports related to commercial banks in Libya related to the current problems of mandatory and voluntary disclosure, and the results showed in general that the level of disclosure Voluntary in the annual reports of the Libyan Commercial Bank is an average of 38%, although there has been an improvement in the overall level of voluntary disclosure over the study period.

As for Shehata 2014, economic theories related to voluntary disclosure that is usually used through agency theory, the theory of need for capital, and the theory of legality are studied as well as a study of the determinants of voluntary disclosure of motives and restrictions and concluded that

voluntary information affected the annual reports as it is the most preferred source of information, as well as A study has shown that there is an interest in the concept of voluntary disclosure by academics and practitioners, which academics use for the purpose of designing their experimental research, or for practitioners to better understand corporate behavior.

Al-Dabbagh and Ibrahim 2014 see that mandatory disclosure does not meet the multiple needs of users of reports and accounting information, and therefore the need for voluntary disclosure increased to reduce the discrepancy in information between managers and investors and to improve the quality of the information disclosed, and that corporate governance, especially in the banking sector, has contributed to enhancing transparency and disclosure And reduce creative accounting practices and reduce the information gap between management and stakeholders, so it was concluded that there is a significant correlation between internal mechanisms of governance and voluntary disclosure in addition to having a significant significance effect for the mechanism of a journal O Administration at the level of voluntary disclosure of the study sample banks.

Whereas in Hamid and others 2016 in their study, the cost of capital is an important aspect that financial companies must take into account because the lower the cost of capital, the more the company gives more flexibility in competition and maximizes its market value and thus maximizes the wealth of owners, as the impact of voluntary disclosure on the cost of capital The money through a comparison between the financial reports of a number of banks for the year 2014 and the use of correlation and simple regression, and it was found that voluntary disclosure reduces the cost of capital.

In 2016 Ibrahim study, between the concept of sustainable development and its accounting and the approaches to preparing a report on sustainable voluntary disclosure, as well as studying the

obstacles and determinants of disclosure through it, as well as a statement of voluntary disclosure in the report of sustainable voluntary disclosure and its relationship to investment decisions, the researcher concluded that the report of sustainable voluntary disclosure through providing more information Including the company and paying attention to its economic, environmental and social responsibilities, as well as ensuring the company's future and continuity.

While Consoni et al 2017 this study urged that the relationship between voluntary disclosure of information and economic profits and financial management and the arguments outlined on the subject are based on the assumption that voluntary disclosure may reduce profit management and income smoothing, the analysis is performed on a random sample of 66 Brazilian non-financial companies listed In the financial market for the period 2005-2012, the main result of the study indicates that voluntary disclosure and profit management have no correlation between them, this issue reduces the importance of potential market demand for voluntary information.

Cohen 2018 emphasized that companies 'commitment to disclosure related to social responsibility and the use of a regulatory system for the purpose of switching from mandatory to voluntary disclosure in the United Kingdom, charitable donations were disclosed in their annual reports, pre-publication tests were used on 150 British companies and the results showed That in the wake of the compulsory to voluntary conversion, it indicates that companies are not obligated to disclose charitable donations because they are not legally required, as this is considered a weakness in good corporate governance.

As for the current study, it focuses on measuring the level of voluntary disclosure to Iraqi banks, and then explaining the impact of this on the reliability of financial data and its reflection on investment and financing decisions and reducing the cost of

capital, as well as showing the role of reliability in attracting capital and enhancing the financial leverage of banks, and in light of the current (mandatory) disclosure Which does not meet the needs of users or does not give a state of high certainty, and therefore, voluntary disclosure gives a clearer picture of the company's performance and thus contributes mainly to the reliability of financial statements, and this in turn unless studies and research focuses above as the previous academic aspects It was taken from aspects that are considered an inevitable result of the degree of reliability, so reducing the cost of capital and increasing investment and other aspects is mainly the result of the level of dependence and a relationship with the disclosure of financial and non-financial information and its voluntary promotion that gives more value to the information and this is what the study focused on.

The Conceptual Framework For Voluntary Disclosure

Voluntary disclosure is one of the modern concepts that accompanied the expansion of the concept of accounting disclosure with expansion in

Accounting objectives, and voluntary disclosure is intended to provide additional information more than the legal requirements, and is undertaken at the initiative of the company to provide additional information to meet the needs of the parties used for the financial report, and therefore it represents the information provided by the company in addition to the legal requirements and provide that information as desired by the company and represents the concern (Al-Dabbagh and Ibrahim , 2014: 2), as voluntary disclosure was defined as management in providing financial and non-financial information related to decision makers, the ability to provide non-compulsory information in the company's financial report (Eng&Mak, 2003: 328) and the importance of voluntary disclosure is highlighted through many Areas including the ability to attract local or foreign investments as well as improving

the image of the company and management in front of the public in addition to using disclosure as a means of reaching and maintaining an advanced competitive position in the field of company activity and in general the importance of voluntary disclosure can be highlighted by clarifying the goals that it seeks to achieve and the most important of which can be summarized Balati: (Wen & Philomena, 2006:244)

- Provide information that is more important to customers, suppliers, lenders, and employees of the company than information provided through mandatory disclosure.
- Provide important information that allows users of financial statements and reports to introduce new variables and indicators into the decision-making process
- Increase the level of disclosure of non-financial data and mention it with greater transparency and accuracy for the purpose of benefiting from it by users of financial reports.
- Reducing the information gap between the authors of the financial report and its users in all their directions

Basic Considerations for Voluntary Disclosure: (Cohen, 2018: 8)

- Voluntary disclosure of work related data, represented in important operational information, and the disclosure of performance measures approved by the company's management.
- Management's analysis of data about work, that is, disclosure of management's analysis of the reasons for the change in operational data and data related to performance measurement, in addition to disclosing positive or negative trends in change.
- Disclose future information, that is, disclose future expectations about opportunities or risks arising from positive or negative trends of performance indicators, and to management plans that Related to the organization's success factors,

and comparison of current performance indicators with previous performance indicators.

- Disclose information about management, managers, their financial allocations, major shareholders, and relationships with external parties.
- Disclosing general goals and strategies, in addition to the influence of companies within the same industry on the company.
- Voluntary disclosure of information related to intangible assets that have not been disclosed in the financial statements.

The importance of voluntary disclosure:

Voluntary disclosure derives its importance from the diversity and multiplicity of recipients of this information, which includes bankers, investors, lenders, accountants, government agencies, and others. In addition to the implications of the decisions taken by these authorities based on information, the importance of voluntary disclosure can be summarized through the following: (Hamid et al, 2016: 311)

- Voluntary disclosure is the ideal solution to the problem of not being able to determine the needs of users of financial reporting information
- Through voluntary disclosure, it is possible to evaluate the work of economic units and assist those in charge by disclosing all processes and activities, which are ideas for individuals and the parties dealing with them to describe them, and it also reduces ambiguity among external parties about the future of the company and its performance
- It works to end attempts to benefit unlawfully from the internal information and eliminate the various forms of dealing in this information that depends on trafficking in it as an indication of the inefficiency of organization and poor distribution of wealth among sectors of society, and this will

positively affect the assessment of the risks to which the company's shares are exposed by providing More analytical information, which enables beneficiaries to determine the degree of risk surrounding investment in the company

- It reduces the cost of capital that the economic unit wants to obtain by providing sufficient and accurate information to make investment decisions, and then reduces the degree of asymmetry in the information between management and investors and leads to an active market and its effective role

- Voluntary disclosure increases the degree of liquidity of the shares, which increases the demand in practice, so the price increases and positively affects the market value.

- Providing additional information, whether financial, quantitative or descriptive, that exceeds the legal requirements that contribute to rationalizing the decisions of interested parties in accounting information.

Advantages and disadvantages of voluntary disclosure: There are many advantages and disadvantages of voluntary disclosure that can be summarized as follows: (Peter & Vincent, 2006: 75)

Advantages: There are many advantages that voluntary disclosure makes when applying it:

- Reducing the cost of capital and increasing the efficiency of the capital market.
- It reduces the costs of obtaining financial information for its beneficiaries and increases the liquidity of shares.
- Voluntary disclosure helps reduce the change in the price of shares of an economic unit.
- Voluntary disclosure helps in the ability to evaluate the capital of the economic unit from the competent authorities and helps shareholders in the ability to reduce bad allocations.

Disadvantages: There are many disadvantages to voluntary disclosure when it is applied: (Healy et al, 2001: 32)

Voluntary disclosure and dimensions of sustainability:

- Voluntary disclosure helps provide competitors with information that can be used and used against the interest of the economic unit.
- The large number of disclosed information leads to confusion and confusion for the beneficiaries of this information, which may reflect negatively on the interests of the business establishment.
- The additional disclosed information may harm the economic unit, for example, the financial statements show a decrease in activity that may prompt future investors to decline in investment in the economic unit for fear that some companies will file lawsuits on them if they voluntarily disclose their forecasts of expected revenues and these expectations were Overrated, investors can sue that economic unit to compensate them for the losses they have suffered as a result of their reliance on erroneous forecasts.

The dimensions that came in the publications of professional organizations represent the company's ability to provide voluntary information to the beneficiaries and these dimensions were confirmed by the guidelines issued by the Global Reporting Initiative (GRI) as follows (GRI, 2013: 67):

- The economic dimension: The economic dimension of sustainability relates to the effects of economic unity on the economic conditions of its stakeholders and on economic systems at the local, national and global levels. This dimension aims to clarify the flow of capital between the various stakeholders, and the main economic impacts of the facility on the whole society. This dimension aims to improve the level of human well-being by increasing its share of goods and services, and achieving economic efficiency through the optimal

use of scarce resources available. The economic dimension covers indirect economic effects, market presence, and economic performance.

- The environmental dimension: The environmental dimension of sustainability relates to the impact of economic unity on living and non-living natural systems, and includes land, air, water and environmental systems. This dimension aims to make optimal use of natural resources and not only provide them because they are not the property of a particular generation but are property of all generations, as well as protection And the integrity of environmental systems (land, water, and air from pollution) indicates that it is necessary to achieve intermarriage between human and natural resource management, as understanding the interactive relationship between humans and natural resources will enable managers to make better decisions regarding the use of these resources and Cover dimension of environmental impacts related inputs such as energy, water, and outputs such as emissions, effluents, and solid addition, it covers biodiversity, transport and effects related to the product and service, in addition to environmental compliance and environmental expenditures.

- The social dimension: The social dimension of sustainability relates to the effects caused by the economic unity of the social systems that operate within it. This dimension aims to achieve social justice in the distribution of economic and natural resources, and the delivery of social services, such as health and education, to those who need them. The elimination of poverty and unemployment, the development of cultures, and the relationships between economic unity and internal and external stakeholders. The social dimension is the dimension that characterizes sustainability, because it is the dimension that represents the human dimension in the narrow sense and which makes growth a means of social cohesion as well as being concerned with the natural right of the human to live In a clean and sound environment through which all activities are

practiced while ensuring his right to a fair share of natural resources and environmental and social services, he invests it to serve his basic needs (shelter, food, clothing, air) and others, and to meet the complementary needs of Raising its standard of living without affecting the social rights of future generations. The social dimension includes employment and decent work practices, human rights, society, and producer responsibility.

Sustained Voluntary Disclosure and Its Role with the Reliability of Financial Statements:

The researchers disagreed on how to voluntarily disclose and how to disclose it. Some of them emphasized that the disclosure is in the form of separate reports on the traditional financial statements, and some of them emphasized that the voluntary disclosure of the report on sustainable voluntary disclosure is within the traditional financial statements, i.e. in interpretations or notes, so the disclosure reports The voluntary may be according to:

Voluntary sustainable disclosure report within the financial statements:

A team of researchers justifies that incorporating the report of voluntary disclosure in the financial statements will give a comprehensive picture of the overall performance of the enterprise by disclosing sustainability information within the lists produced by the traditional accounting system so that sustainability information becomes part of the traditional financial information unless it is shown through the study that It includes the units that integrate the disclosure of sustainability information into its traditional financial statements that there is no unified policy for incorporating the various aspects of sustainability, and there is not enough understanding by the units on how to integrate to make the information available, available and possible. To access them easily by all stakeholders, leading to read the full financial statements to track and discover the disclosure of sustainability

information and thus lost the time of stakeholders in the search and tracking lists for sustainability information. The study also emphasized that these units are placing disclosures on the environmental and social performance information of the facility in different places within the financial statements, and this is what makes it difficult to access environmental and social information and thus its value becomes less. (Gurvitch&Sidorova, 2012: 31)

The voluntary disclosure report is independent of the financial statements:

Many researchers see the need to prepare a report on voluntary disclosure separately from the traditional financial statements due to the different nature of sustainability information, especially environmental and social, from financial information, as the units deal with large quantities of environmental, economic and social information, so they face the challenges of adapting them in a limited number of governing indicators so that they can Evaluating its performance and keeping abreast of developments in the business environment. Therefore, there were many views regarding preparing a voluntary disclosure report. So-called triple reports (TBL) emerged. Elkington is the first to establish and develop the concept of the three reports. In his book (Cannibals With Forks The Triple Bottom Line Of 21st Century Business) in the year 1997, he stated that TBL policy is an emerging process that aims to inform, evaluate and improve organizational performance in relation to sustainability, as well as being A framework for measuring and reporting unit performance on economic, social and environmental impacts, and unit focus not only on the economic value it adds but also on the environmental and social value. Sustainability indicators were then formulated and developed within the framework of these reports by the Global Initiative Reporting Committee (GRI) under the name voluntary report sustainable in 2000, and was a policy (GRI) in the development of internationally agreed guidelines for the disclosure

of sustainability in order to help (Ngwakwe, 2012: 31).

The sustainability indicators were then formulated and developed within the framework of these reports by the Global Reporting Initiative Committee (GRI) under the name of the Voluntary Sustainable Disclosure Report in the year 2000, and the GRI policy was to develop internationally agreed guidelines for the disclosure of sustainability in order to assist the units by providing A balanced report on the effects of its economic, environmental and social activities and increasing communication with stakeholders. KPMG conducts every three years a survey of the voluntary disclosure report. The results of the year 2008 showed a clear upward trend in this type of reporting, as 80% of KPMG It is one of the largest Professional service companies in the world, as well as it is one of the big four and provides professional services in auditing, tax and consulting. It is headquartered in Amsterdam, Netherlands 32 business units included in the index (G250), which includes the largest 250 establishments worldwide issuing sustainability reports based on principles Indicative for (GRI) In its 2011 report, it also found nearly 69% of the business units included in the (N100) are also preparing a sustainable voluntary disclosure report also based on the guiding principles of (GRI) and also confirmed that (GRI) has become a global standard for the disclosure of the voluntary disclosure report. Undeniable (KPMG, 2011: 20).

This indicates that (GRI) is the global standards most used by the units as a global standard for disclosure of sustainability independently of the traditional financial statements, and on the other hand there were initiatives to disclose the report of the voluntary disclosure as part of the integrated reports (IIRC) "as in light of interest Increased provision of more non-financial information Besides financial information, the International Integrated Reporting Committee (IIRC) was formed in 2010 by the leaders of (GRI), its purpose is to

combine different reports (financial reports, administrative reports, governance and voluntary disclosure report Stedam is in a coherent group that demonstrates the ability of the economic unit to create sustainable value in the long run, and the Sustainable Voluntary Disclosure Report is part of the integrated reports, and although the IIRC goal is to reach a global framework aimed at improving financial reports to serve its users, it is still a resonant word. Researchers and academics have so far been able to reach a unified model, and what should be included in this model, and for this reason (GRI) remains the best criterion for independently disclosing the sustainable performance of the units. (Steyn, 2014: 480).

From the above it is clear to researchers that it is difficult to disclose the report of voluntary disclosure within the traditional financial statements because of what has been confirmed by some studies, in addition to that the traditional financial statements are prepared according to the accepted accounting principles and standards in which the disclosure of information is restricted, and this is what was confirmed by (IFRS) Whereas, the draft proposal stated that if the entity's financial statements contain financial information in accordance with the International Financial Reporting Standards, then the additional information must adhere to the International Financial Reporting Standards as well, as explained in IASB 1: Display the financial statements A mechanism that there are some reports of exposure - outside the scope of the financial statements of environmental information and lists and lists of value (IFRS, 2015: 68).

These lists and reports are outside the scope of international accounting standards in terms of requirements and presentation. Also, the disclosure of a voluntary disclosure report within complementary clarifications will reduce the importance of sustainability information, so it is more appropriate that the sustainability report be a

separate report so that the economic unit can voluntarily disclose and what it deems appropriate from Descriptive, quantitative, financial and non-financial information about the effects of its economic, environmental and social activities and what meets the needs of stakeholders, or to achieve a competitive advantage in the long run. (Gurvitch& Sidorova,2012: 35).

Results and discussion:

A sample was taken from the private banks applying the international accounting standards and applying the base for checking voluntary information to indicate the level of voluntary disclosure in Iraqi banks, as well as determining the reliability of data in them and the banks are:

Table 1: Sample for the commercial banks

Name	Listing Status	Year Established
1. Ashur Bank	Listed	2005
2. Investment Bank	Listed	2011
3. Commercial Bank	Listed	1992
4. Gulf Bank	Listed	1990
5. Iraqi Middle East Bank.	Listed	1993
6. National Bank	Listed	2005
7. Babylon Bank	Listed	1999
8. Baghdad Bank	Listed	1992

This sample was chosen for banks applying the standards and listed on the Iraq Stock Exchange,

According to the voluntary disclosure clauses, the results are clear from the following tables:

Table 2: Background about the Commercial Bank/ General Information

Item	Ashur	Commercial	Gulf	Iraqi Middle East	Babylon	Baghdad
Brief narrative history of the bank	√	√	√	√	√	√
Description of bank Structure	√	√	√	√	√	√
Description of major services produced	√	√	√	√	√	√
The legal form of the bank	√	√	√	√	√	√
Address of Bank/telephone/fax	√	√	√	√	√	√
Bank Website address	√	√	√	√	√	√
Email address	√	√	√	√	√	√
Date and details of establishment	√	√	√	√	√	√
General outlook of business activities	√	√	√	√	√	√
List of branches location	√	√	√	√	√	√
Information on branches/telephone/fax/ adders for correspondence	√	√	√	√	√	√
Total	11	11	11	11	11	11

It is noted from the previous table that commercial banks give a basic background about them in their financial reports and for all banks the research sample is at 100%.

Table 3: Social Responsibility Information

Item	Ashu r	Commecia l	Gul f	Iraqi Middl e East	Babylo n	Baghda d
Sponsoring public health, sporting of recreational projects			√	√	√	
Information on donations to charitable organizations		√	√	√	√	√
Supporting national pride /government sponsored campaigns	√	√	√			√
Information on social banking activities/banking for the society	√	√				√
Total	2	3	3	2	2	3

It is noted from Table 3 that the level of voluntary disclosure of social responsibility constitutes 50% for banks in Assyria, the Middle East and Babylon and 75% for commercial banks, the Gulf and Baghdad, which indicates the interest of Iraqi banks in this.

Table 4: Financial Ratios and Other Statistics Information

Item	Ashu r	Commecia l	Gulf	Iraqi Middl e East	Babylo n	Baghda d
Brief discussion of the bank 's operating results	√	√	√	√	√	√
Analysis of bank 's liquidity position	√	√	√	√	√	√
Return on assets	√	√	√	√	√	√
Return on equity	√	√	√	√	√	√
Liquidity ratios	√	√	√	√	√	√
Earnings per share	√	√	√	√	√	√
Capital adequacy ratios	√	√	√	√	√	√
Loan to deposit ratio	√	√	√	√	√	√
Total dividends	√	√	√	√	√	√
Dividends per share for the period	√	√	√	√	√	√
Breakdown of employees by geographic area						
Categories of employees by gender						
Number of branches extension during the	√	√	√	√	√	√

current fiscal year						
List of top five shareholders of the bank	√	√	√	√	√	√
Financial statistics for more than two years						
Comparative Income statement for 2 years	√	√	√	√	√	√
Comparative balance sheet for 2 years	√	√	√	√	√	√
Comparative current year and previous year figures	√	√	√	√	√	√
Disclosure half-yearly Balance Sheet statement	√	√	√	√	√	√
Disclosure half-yearly profit and loss account statement	√	√	√	√	√	√
Cash flow statement	√	√	√	√	√	√
Total	18	18	18	18	18	18

It is noted from the previous table that commercial banks conduct a set of financial ratios for their financial performance in their reports, and for all

banks the research sample is at 86%, which is a good percentage.

Table 5: Accounting Policies

Item	Ashur	Commercial	Gulf	Iraqi Middle East	Babylon	Baghdad
Accounting Valuation of fixed assets (e.g., fair value or historical cost)						
The depreciation methods used	√	√	√	√	√	√
Foreign currency transactions, translation and differences treatment						
Events after the balance sheet date						
Disclosure of accounting standards uses for its accounts						
Statements of compliance with approved IFRS/IASs						
Treatment of Tax	√	√	√	√	√	√
Treatment of contingent liabilities.						
Total	2	2	2	2	2	2

It is noted from Table 5 that commercial banks do not give a clear picture of their accounting policy used in their financial reports, and the ratio

accounted for 25% for each bank, which constitutes a weak percentage.

Table 6: Corporate Governance Information

Item	Ashur	Commercial	Gulf	Iraqi Middle East	Babylon	Baghdad
Chairman of the board identified	√	√	√	√	√	√
List of board members	√	√	√	√	√	√
Disclosure information on board members' qualifications and experience						
Duties of board of members List of senior managers (not on the board of members)/ senior management structure						
Disclosure information on senior managers' qualifications and experience	√	√	√	√	√	√
Managers' engagement/directorship of other companies	√	√	√	√	√	√
Picture of all senior managers/ board of members						
Picture of chairperson						
Information about changes in board members	√	√	√	√	√	√
Classification of managers as executive or outsider	√	√	√	√	√	√
Details of senior managers and board of members remuneration						
Statement of percentage of total shareholder of 20 largest shareholders						
A review of shareholders by type	√	√	√	√	√	√
Number of shares held by managers						
Bank policy on employee training						
Number of board of members meetings held and date	√	√	√	√	√	√
List of audit committee						
Chairman's statement	√	√	√	√	√	√
Total	10	10	10	10	10	10

It is noted from Table 6 that commercial banks contribute approximately 53% to all banks, the research sample of corporate governance in their financial reports, as they do not reflect reality, Through the foregoing mentioned, the alternative research hypothesis can be accepted as voluntary disclosure contributes to enhancing the reliability of the financial statements of Iraqi banks and enhancing their market value and high level of

investment in them, which strengthens the financial sector.

Conclusion:

Voluntary disclosure is the scientific solution to address deficiencies in financial data in light of the modern business environment and intense competition as the expansion and development of disclosure has become reflected on many economic, social, environmental and administrative aspects

and is not limited only to the financial side, as it was clear that sustainability reports represent a basic form of voluntary disclosure. And it was found that the expansion of disclosure of information, especially social and environmental, in addition to the economy in the reports of banks, helps in evaluating their performance and thus helps in rationalizing their various decisions, where the research hypothesis was accepted, as Iraqi banks provided a rate of more than 70% Of the total voluntary disclosure information, it is recommended that researchers pay attention to indicators of voluntary disclosure and enhance them to improve the economic reality and revitalize the financial sector, and that the adoption of international accounting standards contributed to some extent in the approval of the financial statements of Iraqi banks.

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