THE ROLE OF AUDIT FEES IN IMPROVING FINANCIAL PERFORMANCE: A CASE STUDY OF EIGHT SELECTED COMMERCIAL BANKS OF IRAQI STOCK EXCHANGE OVER THE PERIOD (2006 – 2020)

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ABSTRACT

The research aims to investigate the role of audit fees in improving financial performance for eight selected commercial banks of Iraqi Stock Exchange throughout the time period (2006 – 2020). To analyse data, the research utilised return on assets (ROA) and return on equity (ROE) as proxies of financial performance as dependent variables while audit fees as independent variable. Both statistical software namely EViews and Stata have been applied for panel data gathered from the financial statement of sample selected. The findings proved that there is a long-term association between the variables under research. According to Pedroni and Kao's results, audit fees and ROE are insignificantly negatively related, whereas audit fees have an insignificant positive relationship with ROA. The study reached a number of conclusions among which it became clear through the empirical research that there were many changes and economic challenges affecting ROA and ROE over the period studied. The research suggested the management of selected banks to appoint one of the big-four audit firms or the board of directors may choose an audit firm whose moral integrity and honesty are unquestionable.

KEYWORDS: Audit Fees, Financial Performance, Commercial Banks, Iraq Stock Exchange.

INTRODUCTION

Financial statements particularly provide information about how businesses operate: for profit and to stay beside with market growth, together with providing information of audit fees on audit quality that associated with banks' financial performance and then that needs to be disclosed (Gandía & Huguet, 2021). Accurate representation of these statements should be considered in order to improve the information quality on financial statements (Xie, Cai & Ye, 2010). Audit fees are necessary expenses to assess the quality of a banks' financial information as well as the necessary income for auditors to assess risks and conduct audit tasks. Audit fees are therefore thought to be an indicator of both past and present performance (Moutinho, Cerqueira & Brandão, 2012). The supervisory mechanism of the audit quality will fail if audit fees are insufficient to support the auditor's efforts (Zhou, Lou, Wu & Zhang, 2022).

Additionally, return on assets (ROA) is a technique that assists analysts and other stakeholders to evaluate how businesses are operated and reach their targets. ROA provides confidence to shareholders to be interested in businesses that are performing better by observing at operating indicators and the return on each asset individually. Furthermore, there is another financial performance's indicator which might be significant for users interested that is titled as return on equity (ROE). ROE is defined as profits before interest expenses for the financial period divided by total shareholder value for the same period (Isa, Gurama & Murtala, 2020). In the light of the above, this research is organized in different chapters. The outline of the research is as follow: the first section contains methodology, in the second section the relevant literature of the study is reviewed, explaining the conceptual, theoretical and empirical researches. Results and Interpretation have been mentioned in the third section. Finally, section four spatialized for conclusions and suggestions.

1. METHODOLOGY

1.1 Research Problem

The financial and banking institutions, including commercial banks, strive to achieve the highest return, through optimal utilization of the resources available to them and related uses, which lead to increasing competition between these banks, given that obtaining the largest market share and thus improving performance represented by (ROA) and (ROE) is a major objective for the survival of these banks. The research problem arises through the following main question: To what extent does audit fees affect in improving the financial performance of commercial banks listed in the Iraq Stock Exchange? Besides, the following sub-questions are attempted to be answered by this research:

• What are the concepts of audit fees, ROA and ROE?

• What is the nature of correlation between audit fees and financial performance?

• What is the nature of the relationship between the variables under research?

1.2 Research Objectives

This research aims at investigating the relationship between audit fees and bank's financial performance in terms of ROA and ROE by using financial information of commercial banks listed on Iraqi stock exchange from the period between 2006 and 2020. Besides, the research attempts to reach to following objectives:

1. To identify the concepts of audit fees, ROA and ROE.
2. To determine the nature of the correlation among variables under research.
3. To explain the effect of audit fees on the financial performance (ROA and ROE) of selected Iraqi commercial banks.

1.3 Research Framework

In order to tackle the research problem and formulate hypotheses based on literature review, the research needs to design a framework which express the impact of audit fees as an independent variable on bank's financial performance in terms of ROA and ROE as a dependent variable, as presented in the following figure:
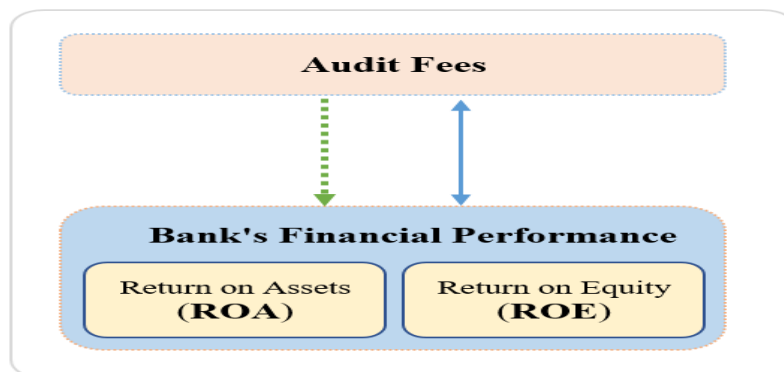

Fig.(1): -Research Framework.

Source: prepared by researchers.

1.4 Research Hypothesis

Based on the literature reviewed, the research attempts to design the following hypotheses:

H1. There is a statistically significant relationship between audit fees and the selected commercial banks' financial performance listed on Iraqi stock exchange.

H2. Audit fees have a positive significant effect on the selected commercial banks' financial performance listed on Iraqi stock exchange.

1.5 Data Collection and Analysis

The quantitative approach was utilised in this research to examine the role of audit fees in improving banks' financial performance in Iraq. Data were collected using annual reports of eight Iraqi commercial banks over the period between years 2006 and 2020, additionally, they were sourced from three web entrance platforms namely: Iraq Stock Exchange (ISX), Iraqi Securities Commission (ISC) and Mubasher-Iraq.

This research utilises panel data by employing EViews and Stata software. Firstly, Panel unit root tests (namely: Levin-Lin-Chu and hydri LM) are applied when estimating the model to verify the variables' stationarity. Secondly, the research employed panel co-integration tests (namely: Pedroni and Kao ADF) for verifying the long-run relationship and co-integration between variables under study. Finally, Hausman test is run to discover the most appropriate model for the variables under study.

For testing the hypothesis, the following two models are designed by researchers:

$$FP_{1it} = \alpha_0 + \alpha_1 AF_{1it} + e_{1it}$$
(1)
$$FP_{2it} = \beta_0 + \beta_1 AF_{1it} + e_{2it}$$
(2)

Where:

FP_{1it} indicates the bank i performance at time t, determined by ROA;

FP_{2it} indicates the bank i performance at time t, determined by ROE;

AF_{1it} represents Audit Fees for bank i at time t;

α_1 represents the ROA equation's coefficient;

β_1 represents the ROE equation's coefficient;

α_0 and β_0 indicate the constant in the ROA and ROE equations respectively;

e_1 and e_1 represent the error terms in the ROA and ROE equations respectively.

1.6 Research Community and Sampling

The current research appoints Iraqi stock exchange as a research community. The sampling of the research is selected commercial banks from banking sector in Iraq as shown from table (1). The sample period entails 120 (8×15) observations from eight commercial banks in Iraq over the period (2006 – 2020). Moreover, the research selected this time period since this amount of data provides a sufficient room for analysis. Additionally, the eight banks almost possess similar characteristics in terms of outstanding shares and this encouraged researcher to select these banks.

Table (1):- Selected Commercial Banks

N.	Bank's Name	Bank's Code	Establishing Date	Issued Capital IQD M.	Outstanding Shares M.
1	Bank of Baghdad	BBOB	18/02/1992	5,280	250,000
2	National Bank of Iraq	BNOI	02/01/1995	1,143	250,000
3	Commercial Bank of Iraq	BCOI	11/02/1992	4,000	250,000
4	Iraqi Islamic Bank	BIIB	19/12/1992	1,516	250,000
5	Ashur International Bank for Investment	BASH	25/04/2005	25,000	250,000
6	Kurdistan International Islamic Bank	BKUI	13/03/2005	50,000	400,000
7	Economy Bank for Investment and Finance	BEFI	22/03/1999	1,000	250,000
8	Mosul Bank for Development & Investment	BMFI	23/08/2001	10,000	252,500

Source: Prepared by researchers.

2. Literature Review

The academic literature on audit fees and banks' financial performance has revealed the emergence of several contrasting themes. The generalizability of much published research on these areas is difficult. This section will review most of existing literatures that disclosed in terms of conceptual, theoretical and empirical studies.

2.1 Conceptual Reviews

The concepts reviewed in this research are; audit fees, and financial performance (ROA and ROE).

2.1.1 Audit fees

According to Iliemena & Okolocha (2019) audit fees can be defined as *" the fee which an audit firm is paid is expected to cover the entire cost of the audit, the hours spent on the audit function, the experiences and expertise, and the extent of work to be done in a particular audit".* As a result, there is no set charge for all audit functions as it varies depending on several factors and the specifics of each audit. Public corporations must deploy a team of workers to complete the laborious external auditor role. It is imagined that the audit fees will be sufficient enough to ensure a high-quality audit exercise. Enofe, Mgbame, Okunega, & Ediae, (2013) state that an audit fee is the amount of money that audit firms get. The normal or expected rate of change in the audit fee reveals objective factors like firm size, the complexity of the audit issues affecting the items on the firm's profit and loss account and balance sheet. SMII (2016) defines audit fee as compensation of the auditors to get in the course of performing their services for the business or customer. Also, the level of service

supplied by auditors in carrying out their responsibilities for the business would depend on the audit compensation they receive.

2.1.2 Financial performance

Several studies have looked into how well businesses perform, particularly those that uncover the factors within the firms themselves that influence performance. The financial health of a client, however, is a crucial consideration, as riskier clients necessitate more thorough audit procedures, according to studies on the pricing of audit services (Moutinho *et al.*, 2012). Isa, *et al.*, (2020) argue that choosing between market-based measurement or accounting-based outcomes is not easy to consider which can be the best extension for banks' financial performance. This depends on how directors are going to apply and use the firm's assets for achieving its applicable goals. In addition, the accounting-based approach is providing better source of information than others for all parts which can either be external or internal users. This is due to the fact that it contributes management, analysts, and other stakeholders' information for decision-making that is timely, in accordance with their organizational goals, and relatively accurate.

Mohamad & Bakr (2020) suggest a definition of financial performance include the capacity to achieve financial goals and the state of the company's finances relative to businesses in similar industries or other sectors. Iliemena & Okolocha (2019) discuss infrequently considering if achieving quality audit in term of audit fees has whatever to do with the business objective of wealth maximization. What is more, displayed that the work that the auditor performs on the financial statement has a link with banks' financial performance generally. Besides, how effectively this performance works with meeting its financial goals and shareholders' expectations can be equated with its financial performance. Therefore, banks' financial performance extents use numbers to compare an organization's performance against targets. Among the indices of measurement are return on assets (ROA) and return on equity (ROE).

2.1.3 Return on Assets (ROA)

How efficiently a business can run its operations and still turn a profit is known as profitability. Profitability ratio is employed to evaluate a bank's revenue or operational success over a specified time period (Kalbuana, Suryati, & Pertiwi, 2022). Iliemena and Okolocha (2019) stated that a measure of a banks' profitability

with respect to its total assets is called return on assets (ROA). ROA is one of the variables that provide a reliable measure of financial performance and is measured as net income divided by the total assets and is expressed mathematically as follows:

$$Return\ On\ Assets = \frac{Net\ Income}{Total\ Assets}$$

2.1.4 Return on Equity (ROE)

According to Ali and Jameel (2019), ROE is a crucial indicator of banks' financial performance which is the amount of net profit after tax returned as a proportion of shareholders' equity. According to Trejo-Pech, Noguera, and White (2015), ROE can be calculated rationally by dividing the net income by the total shareholders' equity, which can be seen as follows:

$$Return\ on\ Equity = \frac{Net\ Income}{Total\ Shareholders'\ Equity}$$

2.2 Theoretical Framework

2.2.1 Auditors' Theory of Inspired Confidence

According to the theory of inspired confidence, which was created by the Limperg Institute in the Netherlands in 1985, the auditor's broad function in society as a confidential agent derives from the need for expert and independent examination as well as the need for an expert and independent judgment supported by the examinations (Limperg, 1985). This philosophy makes a connection between the users' requirements for trustworthy financial reports and the audit work's capacity to satisfy those requirements. Accountants and auditors are therefore obliged to be aware of and understand that the general public still expects a low rate of audit failures. Hence, auditors must design and carry out their audit in a way that will minimize the risk of undiscovered major misstatements (Ivungu, Anande & Ogirah, 2019; Matoke & Omwenga, 2018). When the audit process does not take into account common expectations, it undermines public confidence in certified financial statements and diminishes the audit's value and relevance (Carmichael, 2004).

2.2.2 Agency theory

In literature, the agency theory by Jensen and Meckling (1976), has frequently been demonstrated using the relationship between the principals (shareholders) and the agent (management). The theory was reviewed by many studies such as Isa *et al.*, (2020); Ivungu *et al.*, (2019); Matoke & Omwenga (2018); and

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Enekwe, Nwoha, & Udeh (2020). According to the agency theory, a business is made up of a number of communicated contracts between the principals and the agents, those in charge of using and managing those resources, perhaps indirectly this will relay to the connection concerning business and audit firms regarding with audit fees.

As stated by Hassan and Farouk (2014), auditing is a bonding expense paid to a third party by agents to appease the principals' need for responsibility. So, the principals pay this fee to safeguard their business. Ownership and control play a crucial role in the departure of powers because they affect how easily the activities of an agent can be observed and controlled by the principals. This is because the more dispersed an organization's ownership is, more owners and managers' tastes differ, correspondingly, the audits serve as a fundamental means of promotion and confirming confidence in financial information.

As a result, they may need to put in place processes, like the audit, to generate this confidence, then, in order to reach optimality, principals and agents participate in contracting, which includes the creation of monitoring procedures like auditing (Matoke & Omwenga, 2018; Hassan & Farouk, 2014). Hence, the agency theory is a practical economic theory of accountability that focuses on how external auditor has evolved generally.

2.2.3 Stakeholder theory

Stakeholder theory was developed by Freeman (1984), it holds that every group or person that has the potential to influence or be influenced by the achievement of a banks' goals is referred to as a stakeholder. The idea starts off with the idea that having values is an essential and obvious element of conducting business (Matoke & Omwenga 2018; Ivungu, *et al*., 2019). Everybody who has an impact on or has the potential to have an impact on how a business achieves its goals is considered a stakeholder. Stakeholder theory proponents contend that managers in firms must manage a network of connections that includes customers, partners, lenders, and suppliers. As a result, the auditor is required to answer to these many stakeholders since they rely on his assessment of the financial statements to make decisions. As a result, the choices made by these parties, which are mostly based on the standard of the audit offered, have an impact on the success of the business.

2.3 Empirical Review of Extant Literature

A number of researches conducted by several authors have examined the relationship between audit fees and Nigerian financial performance taking different time series considered and applying ex-post facto design in their studies. The outcome of their studies exhibited different results regarding how audit fees influenced the financial performance. On one hand, the studies of Syder and Miebaka (2022); Orji (2022); Olutokunbo, Yisa and Abdullahi (2020); Iliemena and Okolocha (2019) and Soyemi and Olowookere (2013) found that audit fees significantly positively affected the financial performance; while on the other hand, the findings of Ezenwoke, Efobi and Iyoha (2020) and Ugwu, Aikpitanyi, and Idemudia (2020) revealed negative significant impact of audit fees upon financial performance. Furthermore, the outcome of Pedroni co-integration test in the study done by Orji (2022) revealed the existence of a long run association among the variables under study.

Several studies performed by authors for developed countries. The findings of the research of Zahid, Khan, Anwar and Maqsood (2022), which investigated how audit quality influences the link between environmental, social, and governance aspects (ESG) and business financial performance, exhibited a considerable negative effect of ESG on the return on assets in Western European countries. The outcomes of study done by Santos, Corqueira and Brandao (2015) revealed that there is a significant negative influence of audit fees on return on equity in the United States.

A considerable amount of researches have been studied by a variety of authors in developing nations to examine the impact of audit fees on financial performance in terms of ROA. It is worth mentioning that some of these studies revealed significant positive relationship between selected variables, among which is the study of Khan, Parksh, Shamim and Ali (2021) which aimed at determining the influence of audit fees on the performance of all Pakistani public listed companies; the paper done by Serem, Fwamba and Benedict (2020) upon audit fees and financial performance in Kenya; the paper of Awinbugri and Prince (2019) that aimed to examine the impact of audit fees on banks' financial performance in Ghana and the paper of AbbasZadeh (2017) examining the impact of audit fees on financial performance for 39 family companies in Iran. However, some

other studies showed that audit fees and financial performance are significantly negatively related, among which is the research conducted by Awinbugri and Prince (2019) where financial performance represented by return on equity and the paper of Sayyar, basiruddin, Abdulrasid and Elhabib (2015) which explored the influence of audit fees on 542 listed Malaysian companies' performance with respect to return on assets.

Finally, the research done by Elewa and El-haddad (2019) investigated the relationship between audit quality and Egyptian firm performance with respect to ROA and ROE. The findings of the research showed no evidence to support the existence of significant relationship among variables under study.

3. RESULTS AND INTERPRETATION:
3.1 Results of panel unit root tests:

For verifying the stationarity of the variables under research, two of the most common methods of panel unit root tests namely: Levin-

Lin Chu and Hadri LM were employed. The outcomes of the Levin-Lin Chu displayed in table (2) demonstrate that return on assets and return on equity are stationary at level because their p-values (0.0005 and 0.0259) are smaller than 5% significance level respectively; while results show the existence of non-stationarity for audit fees at level since its p-value (0.0646) is greater than 5% significance level. Furthermore, the findings of Hadri LM method shown in the table (2) exhibits that the three selected variables are not stationary at level since their p-values (0.0000) are smaller than 5 percent significance level. Consequently, the first difference could be applied because Hadri LM method reveals the non-existence of stationarity of the data at level.

To conclude, after transforming the data into first difference, they all became stationary at the same order (1) by utilizing both tests of verifying stationarity.

Table(2):- Panel Unit Root Test Results

Variables	Return On Assets		Return On Equity		Audit-Fees	
Methods	P-value Level	P-value 1st Difference	P-value Level	P-value 1st Difference	P-value Level	P-value 1st Difference
Levin-Lin-Chu	0.0005	0.0000	0.0259	0.0000	0.0646	0.0000
Hadri LM Test	0.0000	0.8193	0.0000	0.9254	0.0000	0.9564

3.2 Analysis of the long-run relationship:

Since all selected variables under the research are stationary at 1st difference, the panel co-integration test (i.e. Pedroni and Kao ADF) is utilised for verifying the existence of the long-run association among the variables. The outcome of the two tests displayed by table (3) shows the evidence of the existence of co-

integration between audit fees and financial performance with respect to return on assets because the results of three tests in the table, taking all cases into consideration, are less than 5%. Consequently, the results exhibited the long-term relationship between audit fees and banks' financial performs in relation to return on assets.

Table (3):- Pedroni and Kao co-integration results of ROA equation

	Method	No Deterministic Trend	With Intercept and Trend	Without Intercept and Trend
		P-value	P-value	P-value
Pedroni	Panel v-statistics	0.8802	0.9997	0.2456
	Panel rho-statistics	0.0000	0.0248	0.0000
	Panel PP-statistics	0.0000	0.0000	0.0000
	Panel ADF-statistics	0.0000	0.0000	0.0000
	Kao ADF		0.01128	

Table (4):- Pedroni and Kao co-integration results of ROE equation

Method		No Deterministic Trend	With Intercept and Trend	Without Intercept and Trend
		P-value	P-value	P-value
Pedroni	Panel v-statistics	0.7758	0.9989	0.1009
	Panel rho-statistics	0.0000	0.0160	0.0000
	Panel PP-statistics	0.0000	0.0000	0.0000
	Panel ADF-statistics	0.0000	0.0000	0.0000
	Kao ADF		0.0118	

The findings of the table (4) shows the same outcome when the return on equity was employed for the degree of financial performance.

In conclusion, both tests of co-integration provide evidence supporting the existence of long-run relationship between audit fees and financial performance in terms of ROA and ROE. As a result, these outcomes reveal that the first hypothesis in the research has been confirmed.

3.3 Analysis of the short-run relationship

To estimate the short-run effect of audit fees on financial performance, the panel regression can be utilised in the research which represents (ECM) model. Results of panel regression can be shown in table (6) for the first equation in the research (ROA equation). Before running the regression test, he Hausman test must be employed to decide which model (the fixed effects or random effects) is more appropriate for the data under research.

Table(5): -Hausman Test Results for ROA by using Random Effect model

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Probability Value
Cross Section Random	0.18	1	0.67

It can be seen from table (5), the outcome of the Hausman test illustrates that the random effects model can be chosen and it is more appropriate than other models since the probability value (0.67) is greater than 5%.

Table (6):- Panel Regression Analysis for ROA

Variables	Pooled Regression		Fixed Effect		Random Effect	
Methods	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value
Cons.	-3.73E-05	0.9841	-2.24E-05	0.9906	-3.73E-05	0.9844
Audit Fees	1.06E-11	0.9275	7.76E-12	0.9477	1.06E-11	0.9288

The regression analysis displayed in table (6) illustrates that audit fees influence the banks' financial performance in terms of return on assets insignificantly positively since its p-value (0.93) is greater than 5% significance level.

Table (7):- Hausman Test Results for ROE by using Random Effect model

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Probability Value
Cross Section Random	0.17	1	0.68

Results of Hausman test displayed in table (7) reveals the same outcome when return on equity (ROE) represents the financial performance for selected commercial banks, hence the random effects model can be selected because (68%) is more than 5%.

Table(8):- Panel Regression Analysis for ROE

Variables	Pooled Regression		Fixed Effect		Random Effect	
Methods	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value
Cons.	0.0000452	0.9319	0.000500	0.9263	0.0000452	0.9334
Audit Fees	-1.30E-10	0.6915	-1.39E-10	0.6784	-1.30E-10	0.6980

The outcomes of panel regression analysis shown in table (8) demonstrate that audit fees insignificantly negatively affects financial performance with respect to return on equity (ROE) because p-value (0.69) is more than (0.05).

To conclude, these results illustrate that the second hypothesis of the research has been rejected which might be due the lack of transparency in commercial banks and intruding foreign countries in Iraq.

3.4 Discussion of results:

The relationship between audit fees and financial performance has been studied throughout the reviewed literature by a number of researchers for many different countries. This research investigated the effect of audit fees on financial performance of eight quoted commercial banks in Iraq over the period (2006 to 2020). It is noteworthy that based on our knowledge and reviewing the literature, no research has been conducted for Iraq investigating the impact of audit fees on banks' financial performance applying both proxies (ROA and ROE). The study demonstrates that both dependent variables of financial performance generate insignificant results. Due to the existence of co-integration between audit fees and financial performance tested by Pedroni and Kao, the current research exhibits a long-term association among variables under research. The outcomes of the current research are in line with Orji's (2022) findings that audit fees have long-run impact on banks' performance in Nigeria. Furthermore, the findings of this research showed that audit fees affect banks' financial performance insignificantly negatively with respect to ROE while insignificant positive relationship exists between audit fees and ROA.

The results of the research, therefore, is in accordance with the papers studied by Orji (2022); Syder and Miebaka (2022); Khan, Parksh, Shamim and Ali (2021); Olutokunbo, Yisa and Abdullahi (2020); Serem, Fwamba and Benedict (2020); Iliemena and Okolocha (2019); Abbaszadeh (2017) and Soyemi and Olowookere (2013) which found positive impact of audit fees on financial performance in relation to return on asset. However, the findings of the research are contradicting the outcomes of the studies of Ugwu, Aikpitanyi, and Idemudia (2020); Ezenwoke, Efobi and Iyoha (2020); and Santos, Corqueira and Brandao (2015) which found the negative effect of audit fees on financial performance. Finally, in terms of the significance of the relationship, the research is in accordance with the papers of Elewa and El-haddad (2019) and Ugwu, Aikpitanyi, and Idemudia (2020), however, it is in contradiction to a number of studies conducted by many researchers mentioned in the literature review under research.

4. CONCLUSIONS AND SUGGESTIONS

A number of conclusions and suggestions were reached, as follows:

4.1. Conclusions

The research aimed at examining the role of audit fees in improving financial performance with respect to ROA and ROE for eight commercial banks listed in Iraq Stock Exchange during the time period (2006 – 2020). The results demonstrate that the audit fees play a positive and effective role in the success of any commercial banks, by enabling the commercial banks to achieve creativity, innovation and knowledge as well as building good relationships with customers by achieving their goals in a faster manner, all of which helps commercial banks to improve the quality of banking services. It became clear through the empirical research that there were many changes and economic challenges affecting ROA and ROE over the period studied.

Additionally, findings of Levin-Lin-Chu and Hadri LM methods exhibited the non-stationarity of all variables under study at level, while, they converted into stationary after conducting the first difference. Furthermore, the results of Pedroni and Kao show insignificant negative relationship between audit fees and ROE, Whereas, it reveals that audit fees insignificantly positively affect ROA, the outcomes also exhibited that there exists a long run association among variables under research. Moreover,

findings of Hausman test demonstrates that the random effects model is more appropriate among other models.

4.2 Suggestions

In the light of the previous results, a number of suggestions are recommended as follow:

1. To improve the quality of audits in Iraq, regulators should clarify the terms of appointment of external auditors and clearly state this in annual reports. Too much cooperation between the auditor and the client can jeopardize the auditor's independence. Therefore, the researchers suggest the management of the banks under study to pay attention to the audit fees with higher quality, because the impact relationship did not appear in one of the variables, and the other appeared, but had little effect, as well as searching for other means to deal with the audit fees since it is one of the important variables in the sustainability of banking performance services.

2. The researchers suggested the board of directors of selected banks to appoint one of the big-four audit firms; if this is not possible, management should choose an audit firm whose moral integrity and honesty are unquestionable. This is valuable for both the government and the management of the parastatals because, rest certain, their interests will be properly safeguarded.

3. The researchers also recommended for future studies that conduct research on other indicators of audit quality and such as customer service satisfaction, customer loyalty, joint auditor, and auditor rotation, is necessary given the significance of having high-quality audits, in addition to those included in the current research, and confirm the validity or rejection of the findings presented in the research.

4. The research also suggests that banks' management performance might be included as a mediator variable in the future studies to strengthen the link between audit fees and bank's financial performance to reach to the significant results in their studies.

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رولێ كریێا هویربینینێ د پێشڤەبرنا پێرفورمانسا دارایيدا: ڤەخاندنا كەیسێ هەشت بانكێن بازرگانی یێن هەلبژارتی دبازارێ كاغەزێن دارایی دا ل عێراقێ بو ماوێ دیاركری (2006 - 2020)

پوختە

ئارمانجا ڤێ ڤەكولینێ دیاركرنا رولێ كریێا هویربینینێ یە د پێشڤەبرنا پێرفورمانسا دارایيدا ل هەشت بانكێن بازرگانی یێن هەلبژارتی دبازارێ كاغەزێن دارایی دا ل عێراقێ بو ماوێ دیاركری (2006 – 2020), هەردوو نیشاندەر یان ئامرازێن پێرفورمانسا دارایی , دەستكەفتی لسەر مەوجوداتا (ROA) و دەستكەفتی لسەر مافێ خودانەتیێ (ROE), هاتینە بكارئینان وەك گوراوێن پشت بەست و هەروەسا ڤەكولینێ پشت بەستن لسەر كریێا هویربینینێ یە كریە وەك گوراوێ سەربەخو . ژبو مەرەما بدەست ڤەئینانا ئارمانجێن ڤەكولینێ, هەردوو پروگرامێن ئامارێ (Stata و EViews) هاتینە بكارئینان بو شروڤەكرنا داتایان ئەوێن هاتینە بدەست ڤە ئینان ژ لیستێن دارایی و راپورتێن تێرو تەسەل یێن بانكێن هەلبژارتی. ئەنجامێن ڤەكولینێ دیار دكەن كو پەیوەندیەكا درێژ خایەن یاهەی دناڤبەرا گوراوێن هەلبژارتی د ڤەكولینێ دا. ل دویف ئەنجامێن هەردوو تێستێن ئاماری (Kao و Pedroni), پەیوەندیەكا نێگەتیف یا نە مەعنەوی یا هەی دناڤبەرا كریێا هویربینینێ و دەستكەفتی لسەر مافێ خودانەتیێ دا بەلێ پەیوەندیەكا پوزەتیف یا نە مەعنەوی یا هەی دناڤبەرا كریێا هویربینینێ و دەستكەفتی لسەر مەوجوداتا دا. ڤەكولین گەهەشتەتیە هژمارەكا دەرئەنجاما ژوان هەبوونا ژمارەكا زور یا گهورین و چالنجێن ئابوری كارتێكرن كریە سەر هەردوو دەستكەفتێن مەوجوداتا و یێن مافێ خودانەتیێن دماوێ هەلبژارتی یێ ڤەكولینێ دا. ئەڤ ڤەكولینە پێشنیار دكەت كو كارگێریا بانكێن بازرگانی یێن هەلبژارتی سەرەدەرێ بكەن دگەل ئێك ژ هەر چار هویربینینێن مەزن (Big Four), یان بریكارێن وان یێت باوەرپێكری یان ژی سەرەدەرێ بكەن دگەل كومپانیەكا هویربینینێ یا خودان وژدان و سومعەت و رابردوویەكێ باش هەبیت و باوەرپێكری بیت.

پەیڤێن سەرەكی : كریێا هویربینینێ، پێرفورمانسا دارایی، بانكێن بازرگانی، بازارێ كاغەزێن دارایی ل عێراقێ

دور اتعاب التدقيق في تحسين الأداء المالي: دراسة حالة لثمانية بنوك التجارية المختارة في سوق العراق للأوراق المالية في فترة (2006-2020)

الخلاصة

تهدف هذه الدراسة إلى بيان دور اتعاب التدقيق في تحسين الأداء المالي لعينة مختارة من ثمانية بنوك تجارية مدرجة في سوق العراق للأوراق المالية خلال السنوات (2006 - 2020). تم الاعتماد على مؤشر العائد على الموجودات (ROA) والعائد على حقوق الملكية (ROE) كنسب الربحية المعتمدة في تقييم الأداء المالي باعتبارها متغيرات تابعة، بينما أعتمد اتعاب التدقيق كمتغير مستقل. ولأغراض تحقيق أهداف الدراسة تم تطبيق البرنامجين (EViews، Stata) على البيانات الجدولية أو الرقمية التي تم الحصول عليها من القوائم المالية والتقارير التفصيلية للبنوك قيد الدراسة. تشير النتائج أن هناك علاقة طويلة الأمد بين المتغيرات قيد الدراسة. وفقًا لنتائج الأدوات الإحصائية لـ (Pedroni، Kao)، هناك علاقة سالبة غير معنوية بين اتعاب التدقيق والعائد على حقوق الملكية، في حين يبين النتائج أن هناك علاقة موجبة غير معنوية بين اتعاب التدقيق والعائد على الموجودات. وتوصلت الدراسة إلى عدد من الاستنتاجات منها وجود العديد من التغييرات والتحديات الاقتصادية التي أثرت على العائد على الموجودات والعائد على حقوق الملكية خلال الفترة المدروسة. وتقترح الدراسة الحالية إدارة البنوك التجارية قيد الدراسة بأن تتعامل مع أحد المدققين الأربعة الكبار (Big Four) أو وكلائهم المعتمدين أو أن تقوم بالتعامل مع شركة تدقيق تمتاز بالموضوعية وذات خلفية أخلاقية صادقة.

الكلمات الدالة: اتعاب التدقيق، الأداء المالي، البنوك التجارية، سوق العراق للأوراق المالية.