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FOKUS DAN RUANG LINGKUP JURNAL

Anggaran: Jurnal Publikasi Ekonomi dan Akuntansi dengan E-ISSN 3031-3384 (Online - Elektronik), P-ISSN 3031-3392 (Print - Cetak) adalah jurnal yang dikhususkan untuk publikasi artikel ilmiah yang diterbitkan oleh Persatuan Riset Ekonomi dan Akuntansi Indonesia. Jurnal ini terbit 4 kali dalam setahun yaitu pada bulan Maret, Juni, September dan Desember. Misi Anggaran: Jurnal Publikasi Ekonomi dan Akuntansi adalah untuk mendiseminasikan, mengembangkan dan memfasilitasi hasil-hasil penelitian Ilmu Ekonomi dan Akuntansi, sebagai wadah bagi para dosen, guru, peneliti dan praktisi di bidang Ekonomi dan Manajemen dari seluruh Indonesia, dalam melakukan pertukaran informasi mengenai hasil penelitian terbaru yang telah dilakukan

Artikel-artikel yang dipublikasikan di **Anggaran: Jurnal Publikasi Ekonomi dan Akuntansi** meliputi hasil-hasil penelitian ilmiah asli (prioritas utama), artikel ulasan ilmiah yang bersifat baru (tidak prioritas), atau komentar atau kritik terhadap tulisan yang ada. **Anggaran: Jurnal Publikasi Ekonomi dan Akuntansi** menerima manuskrip atau artikel dalam bidang Ilmu bidang Ekonomi dan Manajemen. dari berbagai kalangan akademisi dan peneliti baik nasional maupun internasional.

Artikel-artikel yang dimuat di jurnal adalah artikel yang telah melalui proses penelaahan oleh Mitra *Bebestari* (*peer-reviewers*). Pusat Publikasi Hasil bidang bidang Ekonomi dan Manajemen yang relevan hanya menerima artikel-artikel yang berasal dari hasil-hasil penelitian asli (prioritas utama), dan artikel ulasan ilmiah yang bersifat baru (tidak prioritas). Keputusan diterima atau tidaknya suatu artikel ilmiah di jurnal ini menjadi hak dari Dewan Penyunting berdasarkan atas rekomendasi dari Mitra *Bebestari*.

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Anggaran: Jurnal Publikasi Ekonomi dan Akuntansi: E-ISSN 3031-3384 (Online - Elektronik), P-ISSN 3031-3392 (Print - Cetak) <https://journal.areai.or.id/index.php/anggaran> adalah *peer-reviewed journal* yang rencana terindeks di beberapa pengindeks bereputasi, antara lain: **Google Scholar;** **Garda Rujukan Digital (GARUDA),** **Directory of Open Access Journal (DOAJ).**



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Anggaran: Jurnal Publikasi Ekonomi dan Akuntansi menerbitkan satu-satunya makalah yang secara ketat mengikuti pedoman dan template untuk persiapan naskah. Semua manuskrip yang dikirimkan akan melalui proses *peer review double-blind*. Makalah tersebut dibaca oleh anggota redaksi (sesuai bidang spesialisasi) dan akan disaring oleh Redaktur Pelaksana untuk memenuhi kriteria yang diperlukan untuk publikasi. Naskah akan dikirim ke dua *reviewer* berdasarkan pengalaman historis mereka dalam *mereview* naskah atau berdasarkan bidang spesialisasi mereka. **Anggaran: Jurnal Publikasi Ekonomi dan Akuntansi** menerbitkan telah meninjau formulir untuk menjaga item yang sama ditinjau oleh dua pengulas. Kemudian dewan redaksi membuat keputusan atas komentar atau saran pengulas.

Reviewer memberikan penilaian atas orisinalitas, kejelasan penyajian, kontribusi pada bidang/ilmu pengetahuan. Jurnal ini menerbitkan artikel penelitian (*research article*), artikel telaah/studi literatur (*review article/literature review*), laporan kasus (*case report*) dan artikel konsep atau kebijakan (*concept/policy article*), di semua Ilmu Ekonomi dan Akuntansi yang relevan. Artikel yang akan dimuat merupakan karya yang orisinal dan belum pernah dipublikasikan. Artikel yang masuk akan *direview* oleh tim *reviewer* yang berasal dari *internal* maupun *eksternal*.

Dewan Penyunting akan berusaha terus meningkatkan mutu jurnal sehingga dapat menjadi salah satu acuan yang cukup penting dalam perkembangan ilmu. Penghargaan dan terima kasih yang sebesar-besarnya kepada Mitra *bestari* bersama para anggota Dewan Penyunting dan seluruh pihak yang terlibat dalam penerbitan jurnal ini.

Salam,

Ketua Penyunting

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The Role of Internal Audit Practices in Improving The Quality of Financial Reporting for Commercial Companies A Sample of Iraqi Commercial Banks

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Abstract. *The research aims to explain the role of internal audit standards in improving the quality of financial reporting for the financial reports of the banks in the research sample. Accordingly, the deductive approach was followed for the theoretical side and the inductive approach for the practical side by employing standards for internal audit standards and their role in achieving quality in financial reporting for the financial reports of the banks in the research sample. The most important conclusions were that standards standards Internal auditing has a role in achieving and improving the quality of financial reporting for the Bank of Sumer first, then the Iraqi Gulf Bank secondly, and the Assyria Bank last. The most important recommendations were to document and confirm the application of the internal audit standards for the Bank of Assyria first and the Iraqi Gulf Bank secondly by virtue of the assessments of appropriateness standards, honest representation and the appropriate timing for presenting the financial statements within Bankers' reports.*

Keywords: *Internal Audit, Internal Audit Standards, Quality Of Financial Reporting, Financial Reports*

1. INTRODUCTION

The beginning of the twenty-first century witnessed a noticeable increase in the importance of tightening the internal control system, coinciding with the emergence of governance concepts And its applications Tightening accountability for the auditor, This is due to several factors Including financial scandals, as the financial scandals of major companies highlighted the need for more effective internal auditing standards to prevent fraud and misconduct. Governance concepts also emphasize the importance of transparency and accountability Which led to an increased focus on the role of internal audit in ensuring the accuracy of financial statements. On the other hand, globalization and technological developments led to an increase in the complexity of the business environment. , which increases the risks of fraud and misconduct And thus the need for me increased Own practices and Internal audit standards Efficient.

Internal audit plays an important role in enhancing the quality of financial reporting by ensuring the accuracy of financial statements. Internal audit helps ensure the accuracy and reliability of financial statements by identifying, evaluating, and controlling risks. Internal audit also ensures the facility's adherence to accounting and financial reporting standards, which enhances users' confidence in the information. It also helps internal audit detect cases

of fraud and misconduct early, thus limiting their impact on the facility. The first section - research methodology and previous studies:

Search problem:

The problem of the research lies in the necessity of providing internal and external beneficiary parties with high-quality data of suitability, credibility, reliability, and in a timely manner to make sound and reliable decisions. This is revealed when commercial banks apply internal auditing standards procedures with high professionalism and their practices lead to achieving the provision of high-quality data in financial reporting of financial reports.

“Therefore, the researcher’s question lies: Do internal audit standards have a role in achieving quality financial reporting for the financial reports of the research sample?”

The importance of research:

Businesses are an important driver of the economy Its role becomes more important as the volume of investments increaseswhereIt depends on any economic facility On the quality of financial reporting to make sound strategic decisions, facing companies Commercial Fundamental challenges in maintaining the quality of financial reporting, especially with weak...Internal audit practices include:These challenges mismanagement and abusesBecause of practiceSome departments have unethical behavior Such as manipulating financial data to achieve personal goals or speculate with investors.

On the other hand, the decisions of internal and external beneficiaries and investors taken according to the market and the success of their investments depend on the data of commercial banks and the quality of financial reporting of that data and the degree of its impact on decision makers, in that commercial companies that are characterized by the quality of their financial data and the quality of distinguished financial reporting processes will affect the quality of their decisions and influence on their investments, and this benefits the individual and society, anl Audit legislation and Ensure the application of BFA internal audit standards perhaps Yes And achievequalityforFinancial reporting.

Research objectives:

The research aims to explain the role of internal audit standards in achieving high quality financial reporting for the financial reports of the Bank (Assyria - Iraqi Gulf - Sumer) by presenting variables that address the theoretical foundation of internal audit standards and the quality of financial reporting.

Research hypothesis: The research methodology and scientific theories are based on the following hypothesis:

“Internal auditing standards play an important role in achieving quality financial reporting.”

The second axis - previous studies:

I covered a study he conducted Clement Opponget al (2023) evaluation bezel impact Governance Companies As a worker amendment on Relationship between Mechanisms Internal audit and financial reporting. Adopted the study on poll wave To collect Data from 250 Director higher in Banks Rural In the capital Ghanaian. It was completed procedure Tests alpha Cronbach And Fornell-Laker To evaluate Reliability And he believed Data used. as used the study model Equations Structure Structural using Squares least Partial (PLS-SEM) To analyze Data, showed Results that both From internal audit and governance Companies For them impact direct And positive Dhu indication Statistics on Financial reporting. Bonus on that, The interaction Internal audit Companies for him also impact positive And important on Performance Financial, Than Confirms role Companies in Relationship between Mechanisms Internal audit and financial reporting.

I had study He conducted it (2022) Asserted Abisola et.al role efficiency Internal audit practices in Enhance Relationship between size Bank And his performance Financial. Show analysis Data that Indicators size Bank (number employees, Deposits customers, total Assets) she has impact cumulative on assets, Than affects on Financial reporting. as showed the study that efficiency system Internal audit enhances from impact size Bank on Financial reporting. In addition to that, She got up This is amazing the study In summary Relationship between total number Staff And deposits Customers As Indicators For size Bank And its impact Subscriber on Performance Financial, as I confirmed on role efficiency system Internal audit in Enhance Relationship between size Bank and financial reporting. Asserted Abisola et al, (2022). And in study Other, Confirm Atheruet al (2022) on role Internal audit standards in limit from Abuse Use Money And achieve performance financial positive. She pointed out the study to that non efficiency Systems Internal auditing is weak Lead internal audit procedures to collusion Management And review external, Than hinder investigation Institutions For its goals. as I treated the study condition a company Athero To save And credit Which Suffer from weakness big in internal audit finance, Than Addy to continuation Lending sums excel Deposits And he what a reason Turn crisis liquidity. I aimed This is amazing the study to knowledge impact Systems Internal audit on performance Associations Cooperative To save and credit, where I focused on role environment Monitoring And

organize Internal audit in Financial reporting for this Associations. She confirmed the study on importance system Internal audit in Enhance Performance Financial, And I finished to that Systems Effective internal audit she that Be encouraged Staff on following integrity Financial high, with Taking With an eye Consideration Value Enough Finance And commitment With etiquette professional, In addition to necessity Enjoy all staff in Companies And associations Efficiently High And ability on Enhance yield And procedure Operations In a way appropriate According For systems Internal audit. Atheru et al.,2022).

The second topic - the conceptual framework for internal auditing and the quality of financial reporting:

The theoretical foundation of the concept of internal audit:

History of the development of the concept and processes of internal auditing: Shahad The concept of internal audit has evolved on bitter The years, mirror in tariff Official from before Institute American For reviewers Internals:(Saeed, 2007: 76).

1964: "review For business and records, Done inside Foundation As ongoing sometimes, and by employees Specialists For this purpose, It varies range And goals Internal audit is different size institutions, And it expands in Institutions The big one to Things Multiple no Related directly In the areas Finance"

In 1978, it was also known as "job calendar Independent Done Create it inside Foundation To check And calendar its activities different, And aims to help Members organization in to implement Their responsibilities Effectively, And that By providing them With data And information Analytical And in practice For studies, And submit Advice And recommendations The occasion In the process of Activities that Done Audit it "

As for 1992 "Internal audit activity qualitative And a consultant And objective independent inside Foundation designer To check And improvement completion This is amazing goals, from during Verification from following Policies And plans And procedures The subject, And a suggestion For improvements Necessary Enter it until arrive to degree Enough yield Maximum".

The essence of the definition of internal audit: analysis development identification Auditing internal, maybe extraction jewel as follows:

- job Independent: Enjoy Internal audit as much from Independence on Management executive, Than Allows for him By practicing His tasks Neutral And objectivity.
- calendar comprehensive: Covers Internal audit is different Aspects a job institution, With what in that Operations Finance And operational And administrative.

- to support completion Objectives:aims Internal audit to help Foundation on investigation Its objectives from during evaluation effectiveness Its practices And submit Recommendations To improve it.
- the focus on Optimization:no Limited Internal audit on discovery violations, but rather Focus also on suggestion Solutions To improve Performance.

Structure International internal audit standards:

Split Standards International internal audit Outgoing on Institute American For reviewers Internals(IIA)to Two parts Two main ones:(Hadbi, Zidane,2018: 47).

Standards Public:

Determine This is amazing Standards Requirements Basic To one side or person He rises With deeds Auditing internal, Include:

- Standard1000:Purpose from Auditing internal, Authority And responsibility:It is clear this Standard Purpose from Auditing internal, And he presentation confirmation The Independent And objective around Governance Foundation And management Risks And effectiveness Systems Censorship Interior.as He specifies this Standard authority And responsibility job Internal audit.
- Standard 1100:Independence And objectivity Confirms on necessity independence job Internal audit for Management Executive And operations that submit To check, And that To guarantee neutrality And objectivity results Auditing.
- Standard1200:Skill And care Professional Necessary:It is necessary this Standard Owners job Internal Audit Owned Skills And efficiency Professional Necessary to perform Their tasks Effectively.
- Standard1300:program to be sure And improvement Quality:oblige this Standard With existence program To guarantee quality Practices Auditing internal, With what in that evaluation effectiveness job Internal audit in a way periodic Kabas,et.al.,2022: 85).

Standards Performance:

Focus This is amazing Standards on nature a job Internal audit is determined features maybe from During it Judgment on quality performance Tasks audit, Include:

- Standard2000:administration activity Internal audit:He specifies this Standard requirements administration job Internal audit in a way effective, With what in that Planning And organization and resources And censorship on Quality.

- Standard 2100:nature the job:He specifies range a job Internal audit to include Fields Governance And management Risks And censorship Interior.
- Standard2200 :planning Tasks Internal audit:He specifies steps planning Tasks Internal audit in a way systematic, With what in that to set Objectives And the risks And scope the job And a program Implementation.
- Standard2300:to implement Tasks Internal audit:He specifies steps to implement Tasks Internal audit in a way effective, With what in that collection Information And analyze it And evaluation Risks And documentation Results.
- Standard2400:Report Results - He specifies How Report results Internal audit to Entities concerned, With what in that Management Supreme And a council Management.
- Standard2500:monitoring progress the job:obliges By monitoring progress Tasks Internal audit in a way continuous To guarantee Commitment By standards Professional.
- Standard2600:Resolve issue acceptance Management Supreme for risks:He specifies How Dealing with Cases of non-existence acceptance Management Supreme for risks that It was completed Define it from during Tasks Internal audit.

Internal audit is a tool vitality To enhance Governance Al-Rashida And censorship Interior in Institutions He is Helps on a guarantee following Policies And procedures Subject And improvement efficiency operations, And reduce risks, And achieve Objectives desired(2021:8) Alsalmanni,et. Al.).

Second - The concept of financial reporting and the quality of financial reports:

Concept Reporting Financial:

- Al-Amiri(2014):See that Reporting Financial term synonym To disclose Accountant, where aims to presentation Reports Finance Public And meet needs Beneficiaries from Information Accounting.
- Mohammed(2016):It is considered Reporting Financial to equip Information Accounting Self Interest For beneficiaries like Lenders And investors To rationalize Their decisions Financing And investment And appreciation size And timing Flows Cash expected, And possibility success, A restriction Cost And the benefit.
- The carpenter(2021):Knows Reporting Financial on that it system Integrated To report on all Elements system Information Accounting Self interest, And that from during acting Goals Reporting Financial For frames Intellectual Accounting And methods Measurement And he founded disclosure, In addition to Mechanisms organization Accountant And preparation Lists Finance.

He agrees Researchers on that Reporting Financial he system Integrated For information Accounting aims to numbers Reports Financial around Activities Unity economic, And that from Okay receipt image Clear And other Biased For all Beneficiaries To rationalize Decisions Strategy And reduce condition non Make sure I have Lenders And investors. And it is done that from during to organize Information Accounting according to Standards International from Okay Analyze it And discuss it In a way suitable And reliable.

Goals Reporting Financial:

Select council Standards Accounting Finance(FASB)Goals Reporting Financial Home As follows (Al-Mazouri And dendritic,2010):

- to provide Information Accounting Helpful to take Decisions credit And investment:To help Lenders And investors Current ones And the futurists in rationalization Their decisions And reduce Their risks.
- to provide Information Accounting Self Interest To analyze Flows Cash current:With a purpose Enhance Flows Cash Futurism And improvement Its timing.
- to provide Information Accounting Helpful For investors To know Center Financial For the unit Economic:
 - Its ability on investigation Profits.
 - rationalization decision Investment.
 - to set Prices Stocks in Markets Finance. (Spiceland et al.,2013)

Goals Other To report Financial:

- to provide Information Accounting Helpful around Units Economic:To help Owners head the money in rationalization Their decisions. (Spiceland et al.,2013)
- to provide Information Accounting Helpful For the destinations External Self Relevance Actively Unity Economic:Like directions Supervisory And governmental. (Spiceland et al.,2013)
- to provide Information Accounting Helpful on resources And commitments Unity Economic:
- to set points power And weakness For the unit Economic. (Spiceland et al.,2013)
- to provide Information Accounting Self Interest For parties concerned in evaluation performance Units Economic:
- Prediction With its performance Futurist.

- to improve Operations Futurism.
- Avoid mistakes Events past. ([Stice et al.,2013])
- to provide Information Accounting Helpful For beneficiaries Externals:
- evaluation Timings Flows Dakhla And the outside For the unit Economic.
(Benston et al., 2007)

Aims Reporting Financial to to provide information Accounting Useful For management And friends Interest To rationalize Decisions Finance And improvement Center Financial For the unit Economic.as He provides information Financial For the destinations External To understand them Activities Unity Economic In a way better And take decisions credit or Investment Rashida.

Concept quality Reporting Financial:

Are related quality Reporting Financial In a way direct With quality Information accounting, Which Distinguished With a group from Characteristics that You make it information Financial Useful Self quality high, And contribute in help Beneficiaries on rationalization Their decisions (Thebet, 2013)

Dimensions quality Reporting Financial:

- quality Reporting Financial Includes three Dimensions:Excellence in Auditing Financial, And quality profits, And quality Reporting Financial.
- Cheung et al. (2010):They consider that the goal Main To hire Quality in Literature Accounting he quality Reporting Financial.

Definitions quality Reporting Financial:

- union locals Millions(FAF):Clarity And transparency And availability Information Accounting in Timing appropriate.
- Institute American For accountants Legalists(AICPA):bezel ability on Use Information Accounting in area Prediction And how much suitability Information Accounting For the target from Get On her([Hamada,2014]).
- Richardson et al. (2005):Empty Information Accounting used in Reporting Financial from Error And bias And its description genuinely representation To center Unity Economic Financial.
- Verdi (2009):accuracy receipt Information Accounting Helpful For beneficiaries, Especially Flows Cash potential, And rationalization decisions Lenders And investors.

See Researchers that quality Reporting Financial she delivery Information Finance Helpful And self Quality to all Parties according to Lists Financial uniform, from Okay:

- rationalization Their decisions.
- limit from Risks Credit And investment.
- show image Clear For the center Financial For the unit Economic.
- Don any prejudice For any One side.

The third topic - The impact of evaluating internal audit performance on the quality of financial reporting:

The first axis - an overview of the sample of commercial banks:

A sample of commercial banks within the banking sector was selected and their data from the Iraqi Stock Exchange was used, as it is one of the most important economic sectors due to its sustainable banking and financial activities, and to evaluate their performance and indicate the extent of their application of internal auditing standards and their impact on the quality of financial reporting for the financial reports prepared by the banks in the research sample. Auditing standards were employed within a matrix to measure the performance of the banks in the research sample, and Table (1) shows information about each commercial bank within the research sample in terms of capital and the date of its establishment and listing in the Iraqi Stock Exchange:

Table 1: A brief overview of commercial banks

2022	2021	2020	Metrics	Standards	Distance
1	1	1	The extent of growth in the number of employees in the Internal Audit Department	Standard 1110	After the personal factor
1	0	0	The availability of employees with accounting specialization = Skill standard 1210	Skill standard 1210	
1	1	0	The availability of employees with academic qualifications higher than diploma qualifications	Skill standard 1210	
1	0	1	The extent of growth in the number of employees with advanced degrees	Professional skills development standard 1230	
1	1	0	Availability of employees with experience of more than (5) years	Skill standard 1210	2.After personal relationships
1	0	0	The extent of growth in the amounts spent on employee service	Standard for resource management by top management 2030	
1	0	1	The extent to which there is growth in the amounts of incentive bonuses and incentives	2030 standard	
1	0	1	Availability of new appointments	Standard 2020 Notification and Consent	
0	1	0	The extent to which operations that have a social or environmental impact are carried out by the internal auditor	Individual services 1120 and general opinions 2450	After internal audits
0	1	0	The extent to which site inspection visits are achieved	Comparing it with the scheduled number of site inspection visits	
1	0	0	The availability of completion versus planning the audit process	Planning for the internal audit function 2020	
0	0	0	The availability of the percentage of reports issued annually	Reporting to senior management 2060	
1	0	1	The availability of the percentage of errors discovered by the internal auditor	Comparing the number of errors detected with the total number of transactions audited	4.Organizational dimension
1	1	1	The availability of the average time for completing the task/activity audit	Delivery results 2400 and delivery quality 2420	
1	1	0	The extent of growth in the reports issued by internal audit	Comparing the number of reports for the current year with the previous year and its percentage to the previous year	
1	0	1	The extent of the availability of participants in training courses; the extent of the growth in training and qualification expenses, the extent of the availability of qualified employees in using the computer	Continuing vocational training 1230	
1	1	0	The extent of availability of spending on adopting technology	Increase the funds spent on the current comparison with the previous year and the percentage of the difference to the funds spent on training for the current year	the total
0	1	0	The extent to which audit recommendations are implemented	Comparing the number of recommendations implemented with the proposed number of recommendations submitted	
14	9	7	15 scales	15 standard	
77.77%	58.33%	50.00%	100%	100%	Percentage

Table 2 measuring the extent of application of internal auditing standards for Bank of Assyria

Capital	Capital upon incorporation	Listing it on the market	Founding date	The bank
250,000,000,000	25,000,000,000	2007	1999	Assyria International
250,000,000,000	150,000,000	2004	1999	Iraqi Gulf
250,000,000,000	400,000,000	2004	1999	Sumer Commercial

The second axis - measuring the extent of application of internal auditing standards:

First - Measuring the extent of application of internal audit standards: Internal audit performance is measured by employing a set of internal audit standards, where 1 will be coded for the applied standard and 0 for the non-applied standard by each Iraqi commercial bank as in the following table:

We note from Table (2) the application of the internal audit standards of the Adahina Research Bank for the years 2020, 2021, and 2022. It was found that the highest percentage of achieving those standards was in the year 2022, and the reason is the banks' commitment to following and applying internal audit standards in accordance with what is consistent with achieving quality in financial reporting, and we will prove that. One of the indicators of financial reporting standards.

Second - Measuring the quality of financial reporting: The quality of financial reporting is measured according to the principle of suitability, where the suitability measure confirms that the closer it is to zero, the stronger the suitability, as shown below in Table (2).

Measuring the quality of reporting to Assyria Bank according to the principle of appropriateness:

Table 3 Measuring the quality of reporting for Assyria Bank according to the principle of appropriateness

Suitability	Book value	Cash flows	Operating profits	years
0.06875	1.2625	0.05711542	0.07370788	2020
0.1125	1.325	0.0674909	0.0674909	2021
0.19875	1.3375	0.00049436875	0.02367643	2022
0.12666	1.308333	0.041700229	0.054958403	Overall average

Table 3 shows the range quality Reporting Financial For a bank Assyria International According For scale Principle of suitability And she points The results were that it was appropriate Strong so He was Average Total By an amount 0.12666 And he reached higher gauge For convenience For a bank Assyria International (0.19875) in year 2022, And lower gauge For convenience He was in year 2020 Where he reached 0.06875 which is less from

Average Much It means that Suitability greater in this Sunnah, Note that it I mentioned previously that Output whenever Come closer to Zero He is An indicator to presence suitability Strong.

Table 4 Measuring the quality of reporting to Gulf Bank according to the principle of appropriateness:

Suitability	Book value	Cash flows	Operating profits	years
0.21	1.3375	0.1753	0.0588875	2020
0.03875	1.3375	0.5549125	0.017625	2021
0.26125	1.3125	0.0075375	0.0024625	2022
0.17	4.0125	0.2459166	0.026325	Overall average

Table 4 shows the quality of Ashur International Bank's financial reporting according to the suitability principle scale and The results indicate to that principle Suitability appeared Strong so She was Average Total By an amount (0.17) And he reached higher middle Scale suitability For a bank Gulf Commercial (0.21) is in year 2020 I mean that there suitability less, And as He was minimum middle For scale Suitability He was in year 2021 And the adult (0.03875) any less from Amount Average Much It means that Suitability greater in this Sunnah, Note that I mentioned previously that Output whenever Come closer to Zero He is An indicator to presence suitability Strong.

Table 5 Measuring the quality of reporting to Sumer Bank according to the principle of appropriateness:

Suitability	Book value	Cash flows	Operating profits	years
0.63875	1.3375	1.569075	1.518275	2020
0.63875	1.3375	0.0002375	2.0032625	2021
0.615	1.3375	0.0002125	0.0045625	2022
0.63083	4.0125	0.523175	1.1735666	Overall average

Table 5 shows the quality of Ashur International Bank's financial reporting according to the suitability principle scale And she points Results to that principle Suitability appeared Strong so He was Average Total By an amount (0.63083) And he reached higher middle For scale suitability For a bank Sumer (0.63875) he in year 2021, 2020 I mean that there suitability better in This is amazing The two years, And as He was minimum middle For scale Suitability he in year 2022 And the adult (0.615) any less from Amount Average Note that I mentioned previously that Output whenever Come closer to me Zero He is An indicator to presence suitability Strong.

Below is the table 6 showing a summary of the suitability scale ratios for commercial banks (Assyria, Gulf, Sumer)

Sumer	Business Bay	Assyria International	The bank
0.63083 strong	0.17Strong	0.12666Strong	Average scale/ Suitability

Secondly -Measuring the quality of financial reporting according to the principle of honest representation:

The quality of financial reporting is measured according to the principle: Honest representation, where the scale confirms Honest representation. The absolute value of optional entitlements is greater than the average absolute value. Let's have that Classification of receivables I have to The bank Y Practice earnings management. A decrease in the level of honest representation during each year of the research. However, if the absolute value of the optional receivables is less than the average absolute value of the optional receivables, the bank can be classified as not practicing profit management, and therefore there will be an increase in the level of honest representation during each year of the research. That is to say, the bank's management does not intentionally manipulate the preparation of external financial statements and reports in order to obtain gains and benefits, especially for the bank and its management during a certain period, in addition to not shading shareholders and other decision makers and influencing contracts that depend on the accounting numbers included in those reports. Shown below in the table(4).

Calculating the principle of honest representation for Ashur Bank:

Table 7 Measuring camel quality G to a bank Assyria According to the principle of A To represent the truthful

The level of faithful representation	Classification (practicing/non-practicing).	Average absolute value of optional accruals	Optional dues DA Cit/Ait1	Dues are optional ND ASijt/Aijt	Dues Tacit College	Sunnah
High level of application of the principle of honest representation	Not practicing earnings management	0.8625	0.7325	0.815	33,625,637.5	2020
High level of application of the principle of honest representation	Not practicing earnings management	0.84	0.6775	0.77125	35,793,730	2021
High level of application of the principle of honest representation	Earnings management practitioner	0.0825	0.165	0.145	116,407,356.25	2022

The table show 7 that higher value For dues College I reached(116,407,356.25)in year2022 while minimum value She was in year2020 And the adult(33,625,637.5), To fluctuate Value Dues It was a result Wiggle all from Net Income And flow Operating cash To the bank And the reason in this Oscillation to non stability Financial reporting to the bank during years search, And also It becomes clear from Results above that minimum value For dues not Optional reached(0.145)in year2022, while higher value I reached(0.815)She was in year2020, as And he notices from during table the previous Wiggle Value Dues not Electives For a bank Assyria International a result To wiggle all from sums Revenue And credits Accounts Debtors Please on Amounts fluctuate Total For real estate And property And machines during years search, And he notices that higher Value for receivables Electives She was in year2020And I reached(0.7325) , while minimum value She was in year2022 And the adult(0.165), from during what progress maybe classification condition bank Assyria International To the practitioner or not practitioner To manage profits, And it depends this Classification on Comparison between Value Absolute entitlements Electives And average Value Absolute For this dues, So She was Value Absolute For dues Electives greater from middle Value Absolute For dues Electives It is possible classification The bank on that it practitioner To manage Profits And with this He is decrease in level representation The honest one during all year from years search,

The approval of bank departments and taking decisions Administrative It fits with Objectives specified from before administration The bank when Disclosure With lists Finance on Information With intention investigation Benefits And goals especially , Please on Getting up With a process Manipulation In numbers Accounting from during to exploit Flexibility By the rules Accounting And options Practices Measurement And disclosure In it To convert Information Finance to what He prefers it Preparers To get on results Profitable and positive Instead from Reporting In a way Neutral And fair.

That results that It was completed reach To her find The researcher that bank Assyria International did not He practices administration Profits For years2020-2021 because rate representation The honest one For this years She was High But it is March administration Profits For the year 2022 from during decrease level representation The honest one in This year.

Calculating the principle of faithful representation of the Iraqi Gulf Bank: The extent of the Iraqi Gulf Bank's ability to present information is calculated according to the principle of faithful representation.

Table 8 Measuring the quality of reporting to Assyria Bank according to the principle of honest representation

The level of faithful representation	Classification (practicing/non-practicing).	Average absolute value of optional accruals	Optional dues DACit/Ait1	Dues optional NDASijt/Aijt	Dues Tacit College	Sunnah
High level of honest representation	Not practicing earnings management	0.8625	0.8125	0.82125	43,895,726.25	2020
Low level of honest representation	Earnings management practitioner	0.84	0.8725	0.8325	160,176,266.25	2021
Low level of honest representation	Earnings management practitioner	0.0825	0.08875	0.045	1,128,824,928.75	2022

The table shows 8 The highest value of the total receivables I reached 1,128,824,928.75 in year 2022 while minimum value She was in year 2020 And the adult (43,895,726.25), And wiggle Value Dues College To the bank Gulf Commercial a result To wiggle all from Net Income And flow Cash Operational That's why The bank And he comes back the reason in this Oscillation to non stability Bank financial reporting during years search, And it becomes clear from during Results above that minimum value For dues not Electives I reached (0.045) in year 2022 while higher value I reached (0.8325) in year 2021, as And he notices from during table the previous Wiggle Value Dues not Electives For a bank Gulf Commercial a result To wiggle all from sums Revenue And credits Accounts Debtors Please on Wiggle Amounts Total For real estate And property And machines during years Search And he notices from during Results above He notices that higher value For dues Electives She was in The year 2021 and reached (0.8725), while minimum value She was in year 2022 And the adult (0.08875) this It means low in Calculation Dues Electives a result decrease Dues College Than progress The researcher can classification condition bank Gulf Commercial to practitioner or not practitioner To manage profits, And it depends this Classification on Comparison between Value Absolute For dues Electives And average Value Absolute For this Receivables, as the results of the analysis of the information of the Iraqi Gulf Bank confirmed, that results that It was completed reach To her find The researcher that bank Gulf Commercial did not He practices administration Profits For the year 2020 because rate representation The honest one For this The year it was High But it is March

administration Profits years 2022, 2021 from during decrease level representation The honest one in this The years.

Calculating the principle of true representation for Sumer Bank: The extent of the Iraqi Gulf Bank's ability to present information is calculated according to the principle of faithful representation.

Table 9 Measuring the quality of reporting for a bank Sumer According to the principle of honest representation

The level of faithful representation	Classification (practicing/non-practicing).	Average absolute value of optional accruals	Optional dues DACit / Ait1	Dues are optional N DAsijt/Aijt	Dues Tacit Colle	Sunnah
High level of honest representation	Not practicing earnings management	0.8625	0.825	0.82875	1,607,352.5	2020
Low level of honest representation	Earnings management practitioner	0.84	0.97625	0.80875	58,860,517.5	2021
High level of honest representation	Not practicing earnings management	0.0825	0.0175	0.1225	54,513,508.75	2022

Table 9 shows that the highest value of total receivables was (58,860,517.5) in year 2021 while minimum value I reached (1,607,352.5) She was in year 2020, As it is noted from table the previous Wiggle Value Dues College For a bank Sumer a result To wiggle all From net Income And flow Cash Operational That's why The bank And he comes back the reason in this Oscillation to non stability Bank financial reporting during years Search and It becomes clear from during Results above that Lowest value For dues not Electives I reached (0.1225) in year 2022 while higher value I reached (0.82875) She was in The year 2020 as well And he notices from during table the previous Wiggle Value Other receivables Electives For a bank Sumer a result To wiggle all from sums Revenue And credits Accounts Debtors Please on Wiggle Amounts Total For real estate And property And machines during years search, As it is noted that there Value Negative She was a result Change in Revenue The bank from during Results above He notices that higher value For dues Electives I reached (0.97625) She was in year 2021, while minimum value She was in year 2022 And the adult (0.0175), through what progress maybe classification condition bank Sumer The Iraqi to practitioner or not practitioner To manage Profits.

That results Which I reached The researcher confirm that bank Sumer did not He practices administration Profits in this years 2022, 2020 because rate representation The honest one High For this years Accent He practices administration Profits in year 2021 from during decrease level representation The honest one For this Sunnah.

Below is the table 10 showing a summary of the ratios of the honest representation scale for commercial banks (Assyria, Gulf, Sumer)

Sumer	Business Bay	Assyria International	The bank
High honest representation	decrease	decrease	Average scale/ Honest representation

Third– Measuring the quality of a bank's financial reporting ASHore according to the principle of appropriate timing: is measured Quality of financial reporting of a bank ASHore according to the principle of appropriate timing Depending on the scale BASU For the year 1997.

Scale confirms BASU The returns of bad stocks are reflected in the profits of commercial banks during the same accounting period, and the returns of good stocks are reflected in more than one period or incompletely, due to the lack of uniformity in the timing of recognition of economic events.

Standard: For the bank to be timely, the timing ratios for each year must be greater than the average for all years.

Measuring the quality of Ashur Bank's financial reporting according to the principle of timeliness

Table 11 Measuring the quality of reporting for a bank Assyria According to the principle of honest representation

Right timing	EPS/Pit	Rit*DR	The second variable DR	Annual market return Rit	The stock price at the beginning of the period pit.	Sunnah
0.0025125	0.00017125	0.1125	1.25	0.1125	0.5375	2020
0.000715	0.0001975	0.05	1.25	0.05	0.425	2021
0.00189625	7.892125	0.0875	1.25	0.0875	0.375	2022
0.025771	Average					

Table 11 shows Value measurement quality Reporting Financial For a bank Assyria International According For scale Timing appropriate and indicate Results to that principle Poor timing And it was Average Total By an amount (0.025771) And it was

higher value For scale Timing appropriate For a bank Assyria in year2022 And the adult(0.0025125)while less value For scale Timing appropriate For a bank Assyria is(0.000715)in year2021 any less Amount Than the average, and therefore the timing of recognition of Bank of Assyria's transactions and events is weak because every timing percentage for each year appeared less than the average timing.

Measuring the quality of financial reporting of Al Khaleej Commercial Bank according to The principle of appropriate timing:

Table 12 Measuring the quality of reporting for a bank Business Bay According to the principle of honest representation

Right timing	EPS/Pit	Rit*DR	The second variableDR	Annual market returnRit	The stock price at the beginning of the periodpit. pit	Sunnah
0.1138375	0.1154625	0.075	1.25	0.075	0.6375	2020
0.0375375	0.0391625	0.075	1.25	0.075	0.5625	2021
0.00025	0.0063125	0.25	1.25	0.25	0.4875	2022
0.0515	Average					

The table shows 12 Values for measuring the quality of financial reporting for a bank Gulf Commercial According for timing scale appropriate where indicate Results to that principle Good timing And it was Average Total for Amount(0.0515)And it was higher value For scale Timing appropriate For a bank Gulf Commercial he in year2020 And the adult(0.1138375)while less value For scale Timing appropriate For a bank Business Bay he(0.00025)in year2022 any less Amount average,Therefore, the timing of recognition of Bank A's transactions and events representsThe Iraqi Gulf is goodBecause each timing ratio is for each yearZI rushedgreaterFrom average times.

Measuring the quality of Sumer Bank's financial reporting according to the principle of timeliness

Table 13 Measuring the quality of reporting for Sumer Bank according to the principle AFor appropriate timing

Right timing	EPS/Pit	Rit*DR	The second variableDR	Annual market returnRit	The stock price at the beginning of the periodpit. pit	Sunnah
0.00125	1.598125	0.0625	1.25	0.0625	1.1875	2020
0.022325	22,258.75	0	0	0	1.125	2021
0.0172625	0.0050625	0	0	0	1.125	2022
0.0115025	Average					

Represent Value table above measurement quality Reporting Financial For a bank Sumer According For scale Timing appropriate where appeared Results Good And it was Average Total By an amount(0.0136125)And it was higher value Scale Timing appropriate For a bank Sumer International in year2021 And the adult(0.022325)while less value For scale Timing appropriate For a bank Sumer International he(0.00125)in year2020 any less Amount Average ,Therefore, it represents the timing of recognition of bank transactions and eventsSumerIt is good because each timing ratio for each year appeared to be greater than the average timing.

Table 14. Results

Sumer	Business Bay	Assyria International	The bank
0.0136125good	0.0515good	0.025771weak	Average scale/ The right timing

It is clear from the application of financial reporting quality standards that some indicators are weak and some are good for each bank, as shown in the following summary:

Table 15 Summary of financial reporting quality indicators for Bank (Assyria, Iraqi Gulf, Sumer)

Appropriate timing	Honest representation	Suitability index	Drains
Double	decrease	Strong	Assyria
Good	decrease	Strong	Iraqi Gulf
Good	high	Strong	Sumer

We note from table 15 that Sumer Bank has the highest quality of financial reporting among the banks in terms of standards (appropriateness, honest representation, appropriate timing), and the interpretation of this is clear by virtue of the relationship between indicators of internal audit standards standards for the banks in the research sample (Assyria - the Iraqi Gulf - Sumer) Which was the bank that applied internal auditing standards the most, which was the Bank of Sumer, and this in turn had an impact on achieving quality in financial reporting.

Based on what was achieved by the researcher, the validity of the theory was proven, which confirms that: “Internal audit standards have a role in achieving quality financial reporting for the financial reports of the Bank of Sumer, the Iraqi Gulf, and Assyria, respectively.”

2. CONCLUSIONS:

- 1) The evaluation of commercial companies is according to the internal audit standards of the American Accounting Council (AII) confirms the provision of financial data of high quality, suitability, transparency and honest representation in a timely manner.
- 2) Applying internal audit standards provides commercial companies with indicators for controlling financial and administrative performance to control their growth and investments towards sustainability
- 3) Internal audit standards are consistent with the quality of financial reporting processes.
- 4) The company's financial and administrative structure grows by evaluating its business topics and activities in accordance with professional accounting organizations to provide high-quality financial reporting reports.
- 5) Sumer Bank's standards indicators indicate that they are good and in line with internal audit standards to provide high-quality financial reporting data.
- 6) Sumer Bank ranked first by having high-quality financial reports that are consistent with internal auditing standards.
- 7) The Iraqi Gulf Bank ranked second, then Assyria Bank, ranked third among the research sample, by providing high-quality data for financial reporting to beneficiaries.

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Impact Smart Applications To Enhance The Transparency and Accuracy Of Financial Auditing

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Abstrak. *The research aimed to analyze the impact of employing artificial intelligence and blockchain technologies in enhancing transparency and accuracy in financial audits. WeeThe research sought to understand how these technologies contribute to improving...ActivitiesAuditing by reducing human errors and enhancing confidence in financial statements.throughData was collected usingQuestionnaire from the research sample, and analysisResults through the statistical programSPSS v 26 and AMOS v 26,The most important conclusions of the research were that applicationsSmart provides the ability to quickly analyze large amounts of financial data, which improves the quality of auditing and decision-makingFinance. WowMRecommendations are a necessityStrengthening cooperation between regulatory authorities and banks to ensure the application of international auditing standards in light of the use of modern technology,The research contributes toAnalysis of the role of intelligent applicationsOhIn improving the accuracy and transparency of financial auditing using advanced technologies.whatHussein audits and detection of financial errorsWhich enhancesConfidence in financial reports by reducing errors and increasing accuracy using smart technology.*

Keywords: *Artificial intelligence, Block chain, Financial auditing*

Abstrak. Penelitian ini bertujuan untuk menganalisis dampak penggunaan kecerdasan buatan dan teknologi blockchain dalam meningkatkan transparansi dan akurasi dalam audit keuangan. WeePenelitian ini berusaha untuk memahami bagaimana teknologi ini berkontribusi terhadap peningkatan...AktivitasAudit dengan mengurangi kesalahan manusia dan meningkatkan kepercayaan dalam laporan keuangan .melaluiData dikumpulkan menggunakanKuesioner dari sampel penelitian, dan hasil analisis melalui program statistikSPSS v 26 dan AMOS v 26,Kesimpulan terpenting dari penelitian ini adalah bahwa aplikasiSmart memberikan kemampuan untuk menganalisis data keuangan dalam jumlah besar dengan cepat, yang meningkatkan kualitas audit dan pengambilan keputusanKeuangan. WowMRekomendasi adalah suatu keharusanMemperkuat kerja sama antara otoritas pengatur dan bank untuk memastikan penerapan standar audit internasional sehubungan dengan penggunaan teknologi modern,Penelitian ini berkontribusi padaAnalisis peran aplikasi cerdasOhDalam meningkatkan akurasi dan transparansi audit keuangan menggunakan teknologi canggih.apaHussein audit dan deteksi kesalahan keuanganYang meningkatkan Keyakinan dalam laporan keuangan dengan mengurangi kesalahan dan meningkatkan akurasi menggunakan teknologi pintar.

Kata Kunci: Kecerdasan Buatan, Blockchain, Audit Keuangan

1. INTRODUCTION

The sector witnessedtoThere has been great development thanks to modern technologies such as artificial intelligence and blockchain, which are among the most important tools that can bring about a fundamental change in financial auditing processes. In light of the increasing need for accurate and transparent financial reports, there is a need to study the impact of these technologies on the quality and accuracy of audit operations.And aimsThe research aims to provide a comprehensive vision on the role of artificial intelligence and blockchain in improving the quality of financial auditing.

The first axis: research methodology

a. Research problem

The research problem revolves around the extent to which artificial intelligence and blockchain applications impact auditing processes, and whether these technologies are able to enhance the transparency and accuracy of financial data. By answering the research question is, is...Can these technologies reduce human errors and increase confidence in financial audit results?

b. Research objective

This research aims to explore the impact of artificial intelligence and blockchain applications on improving transparency and accuracy in financial audits. and Identify the benefits and challenges associated with adopting these technologies in the financial field, and provide recommendations on how to enhance the effectiveness of audits using these modern tools.

c. Hypothetical at Search

This research assumes following:

- a. There is a statistically significant relationship between the use of artificial intelligence and blockchain applications and enhancing the transparency and accuracy of financial auditing.
- b. There is a statistically significant impact relationship between the use of artificial intelligence and blockchain applications and enhancing the transparency and accuracy of financial auditing.

d. The importance of research

The importance of research lies in statement The increasing role of artificial intelligence and blockchain technologies in the financial sector. With the increasing challenges in financial data management and the need for accurate and transparent reporting, this research provides insights into how financial audit procedures can be improved using these technologies, enhancing confidence in financial statements among investors and stakeholders.

Firstly. definition, importance, Artificial intelligence and blockchain

a. Definition of artificial intelligence(AI):

Artificial Intelligence is a field of computer science that seeks to create systems capable of performing tasks that would normally require human intelligence. This includes learning from data, pattern recognition, decision making, and natural language processing. These systems are designed to operate independently and help solve complex problems in a variety of fields such as medicine, industry, and economics(Russell & Norvig, 2016).

b. Blockchain(Block chain):

Blockchain is a distributed ledger technology that records transactions in a secure, transparent, and immutable way. It is based on a chain of blocks, where each block contains transaction data and is linked to the previous block, providing an immutable historical record. Blockchain is mainly used in digital currencies such as Bitcoin, but it also extends to other areas such as smart contracts and supply chain management(Nakamoto, 2008).

c. The importance of artificial intelligence and blockchain:

- a. Improving efficiency: Artificial intelligence helps automate repetitive and complex tasks, leading to increased effectiveness and reduced human errors in various sectors.(Brynjolfsson & McAfee, 2014).
- b. Data analysis: AI is able to quickly process and analyze massive amounts of data, which helps in making appropriate decisions based on comprehensive and accurate data analysis (Goodfellow, Bengio, & Courville, 2016).
- c. Innovation: Contributes to creating new solutions to complex problems, which enhances technological progress in areas such as medicine, industry, and financial services.(Russell & Norvig, 2016).

d. The importance of blockchain(Blockchain):

- a. Enhancing transparency: Thanks to its immutable record, blockchain technology ensures high transparency in recording transactions, reducing the chances of fraud and manipulation.(Pilkington, 2016).
- b. .Security: Blockchain relies on cryptography and consensus mechanisms, making it one of the most secure technologies for storing and exchanging sensitive information(Nakamoto, 2008).
- c. Reducing costs: By reducing the need for intermediaries in financial transactions and contracts, Blockchain contributes to reducing operational costs and increasing the efficiency of financial operations (Tapscott & Tapscott, 2016).

secondly. A comparison between artificial intelligence and blockchain technologies in the field of economics

Below is a comparison between the above applications:

Table 1. A comparison between artificial intelligence and blockchain technologies in the field of economics

Blockchain(Block chain)	artificial intelligence(AI)	Item
she Distributed ledger technology By registering Y Transactions are secure, transparent and immutable (Nakamoto, 2008).	It is a technology that enables systems to mimic human intelligence to perform tasks such as analysis, forecasting, and decision making (Russell & Norvig, 2016).	Definition
It is used to create digital currencies, implement smart contracts, and enhance transparency in financial supply chains (Tapscott & Tapscott, 2016).	used AI in economic forecasting, market analysis, financial automation, and investment advice (Brynjolfsson & McAfee, 2014).	Economic applications
TP Provide a way to record and store economic data in an tamper-proof manner, supporting transparency of transactions (Nakamoto, 2008).	He excels at analyzing large amounts of data to extract economic patterns and trends, enabling data-driven decisions to be made (Goodfellow, Bengio, & Courville, 2016).	Data analysis
Tu Provide high transparency and strong security thanks to encryption and consensus mechanisms that prevent data tampering (Pilkington, 2016).	Security depends on AI contains complex algorithms for learning and analysis, but may be vulnerable to cyber attacks if data is not adequately protected (Russell & Norvig, 2016).	Transparency and security
Come on Mill is based on the principle of decentralization, eliminating the need for central intermediaries in economic transactions (Tapscott & Tapscott, 2016).	It often works AI through centralized platforms managed by large companies or organizations (Goodfellow, Bengio, & Courville, 2016).	Decentralization
It could TR Reduce costs by reducing reliance on intermediaries and enhancing the speed and transparency of transactions (Nakamoto, 2008).	can AI improves efficiency and reduces operational costs through automation and optimization of financial processes (Brynjolfsson & McAfee, 2014).	Efficiency and cost
Challenges include widespread blockchain adoption, scalability issues, and the need for advanced infrastructure (Pilkington, 2016)	requires AI requires huge and accurate data to train models, and may face challenges in interpreting results and the complexity of algorithms (Russell & Norvig, 2016).	Challenges

Third turn Intelligence Artificial Block chain In enhancing the qualitative characteristics of accounting information in financial statements

This issue can be looked at from several angles:

1. Big Data Analysis: Artificial Intelligence can analyze large amounts of financial data quickly and accurately, reducing human error and enhancing the accuracy of financial reporting. M can Check Utilizing artificial intelligence to detect abnormal patterns and verify the integrity of numbers in financial statements (Russell & Norvig, 2016).
2. Automation of financial processes: Using artificial intelligence to automate financial statement preparation processes ensures that accounting procedures are applied consistently and accurately, which contributes to reducing errors and improving the efficiency of accounting work. (Brynjolfsson & McAfee, 2014).

3. **Tamper-proof record:** Blockchain provides an tamper-proof record of financial transactions, ensuring that all recorded financial transactions are transparent and reliable. This enhances the credibility of the financial statements and reduces the risk of data manipulation(Nakamoto, 2008).
4. **Smart Contracts:** Blockchain can improve the preparation of financial statements through smart contracts that automatically execute transactions when certain conditions are met, ensuring the timeliness and accuracy of the data included in financial reports.(Tapscott & Tapscott, 2016).We see among the advantages of these applications that the techniquesArtificial intelligence and blockchain contribute to improving the accuracy and transparency of financial statements, reducing human errors, and enhancing confidence in financial reportsAs for its challengesApplying these techniques requires investment in infrastructure, training of staff, and ensuring compliance with international accounting standards.

Fourth.The use of artificial intelligence and blockchain technologies in theDrains

1. **Financial risk management:** Artificial intelligence can improve risk management processes in banks by analyzing financial data and predicting future trends. Using machine learning algorithms, banks can identify unusual patterns that may indicate financial risks such as non-performing loans or market volatility.(Goodfellow, Bengio, & Courville, 2016).
2. **Fraud detection:**Artificial intelligence can help detect financial fraud by analyzing large amounts of transactions and identifying suspicious activities. This helps banks reduce losses resulting from financial fraud and improve financial security(Russell & Norvig, 2016).
3. **Customer service and improving the banking experience:**The use of virtual assistants powered by artificial intelligence can improve customer experience in banks. These tools can respond to customer inquiries in real time, provide personalized recommendations, and improve the efficiency of banking operations(Brynjolfsson & McAfee, 2014).
4. **Improve transaction transparency**Blockchain technology can enhance the transparency of financial transactions in banks by providing a shared and immutable record of transactions. This helps reduce the chances of financial manipulation and increases trust between banks and their customers(Nakamoto, 2008).
5. **Smart contracts**Iraqi banks can use blockchain-based smart contracts to automatically execute transactions when certain conditions are met. This reduces the need for

intermediaries, which reduces costs and increases the efficiency of financial operations (Tapscott & Tapscott, 2016).

6. Cross-border money transfer Blockchain can improve cross-border money transfers, a vital process for Iraqi banks in dealing with international clients. Using blockchain, the time and costs associated with transferring money can be reduced, in addition to increasing the security and transparency of these operations (Pilkington, 2016).

Fifth. Difficulties in implementing artificial intelligence and blockchain technology:

1. Technological infrastructure : Applying artificial intelligence and blockchain technologies requires advanced technological infrastructure, which may represent a challenge for Iraqi banks that may not be adequately equipped..
2. Regulation and compliance : Laws and regulations related to the use of artificial intelligence and blockchain are still in their early stages in Iraq, which may limit the widespread adoption of these technologies..
3. Training and skills development : There is a need to train bank employees to use these new technologies. Lack of technical knowledge and necessary skills can be an obstacle to effective implementation.

Sixth. Compatibility standards Audit International with the Smart applications

The International auditing standards (ISAs) are a set of guidelines and practices issued by the International Federation of Accountants (IFAC), with the aim of standardizing audit procedures and ensuring the quality of financial audits on a global level. These standards focus on defining the auditor's responsibilities, assessing risks, and detecting material misstatements in the financial statements, whether resulting from error or fraud. Below are the international auditing standards that the auditor adheres to when using modern techniques:

ISA 315 -1. Identify and assess risks of material misstatement:

Requires standard ISA 315 Auditors understand the internal and external environment For banks To identify and evaluate risks of material misstatement. Artificial intelligence technologies help auditors analyze complex big data quickly and accurately, enabling them to identify financial risks more effectively. For example, AI can use machine learning to detect unusual patterns that may indicate risks of material misstatement (Goodfellow, Bengio, & Courville, 2016).

ISA 240 –2.Auditor responsibilities related to fraud in financial auditing:

Standard states ISA 240 states that auditors must be aware of the risks of fraud during an audit. Artificial intelligence provides advanced analytical tools that can analyze financial transactions and detect unusual behaviors that may indicate fraud. This enhances auditors' ability to detect fraud early (Russell & Norvig, 2016).

ISA 500–3.Audit evidence: with YRISA 500 requires auditors to obtain sufficient and appropriate audit evidence. AI technologies can quickly analyze huge amounts of financial data, helping to gather relevant evidence that can be used to confirm the validity of financial accounts (Brynjolfsson & McAfee, 2014).

ISA 230–4.Audit documentation: Standard tightens ISA 230 emphasizes the importance of proper documentation for each step in the audit process. Blockchain technology contributes to providing a tamper-proof record of financial transactions, allowing automatic and accurate documentation of each transaction. This record can provide strong evidence for financial audits and meet stringent documentation requirements (Nakamoto, 2008).

ISA 330 - Auditor's response to assessed risks5: standard ISA 330 requires auditors to design and perform appropriate audit procedures in response to the assessed risks. Blockchain can help reduce these risks by providing distributed, secure records of transactions that cannot be tampered with, enhancing confidence in the validity of financial data (Tapscott & Tapscott, 2016).

ISA 610 –6.Using the work of internal auditors:Blockchain technology can support internal and external auditors by providing a centralized and secure database for transactions. This technology allows for easy access to and verification of data, making it easier for auditors to use the work of others in their audit (Pilkington, 2016).

The third axis - practical procedures for the research sample:

1. introduction : In this section we will explain the method and tools used using the statistical program. Costat from During the presentation of the statistical description results.
2. Study methods and tools Study methods and tools: This research deals with the most important tools and methods used in the study that were relied upon in implementing the practical study and include (the study community and sample, the study tools used, the tools used in collecting data, the validity and reliability of the questionnaire).
3. Study community and sample Community and study sample Sample size: The questionnaire targeted employees of Ashur International Bank and Iraqi Gulf Bank. The questionnaire was distributed to:50/All questionnaires were valid for transcription and statistical analysis.

4. Study tools Study tools: Statistical tools used The statistical tools used The program was used Excel In order to collect the data obtained through the questionnaire lists, the data was unloaded into the Costat program, where a set of statistical methods were relied upon as follows:

Use frequencies and percentages to describe the demographic characteristics of the study sample.

a. Use arithmetic means and standard deviations.

Standard deviation It is the average of the deviations of values from the arithmetic mean. In other words, the further the value is from the mean, the greater the standard deviation, and vice versa, the closer the value is to the mean, the smaller the standard deviation.

b. Reliability coefficient Cronbach's alpha.

Questionnaire where The questionnaire consists of two parts: :

Section One: It relates to the personal information of the study sample (gender, age, educational qualification).

Section Two : Related for impact Applications Smart on Enhance transparency And accuracy Auditing Financial, and it contains (20)phrase. To answer the statements of the second part of the questionnaire, the “five-point Likert” scale was used, whereby respondents were asked to give their degree of agreement with each statement included in the scale according to the following table:

Table 2.Degrees of agreement according to the five-point Likert scale

5	4	3	2	1
I strongly agree	I agree	neutral	I disagree	strongly disagree

Source: Prepared by the researcher

Where value (1) is given to the answer of strongly disagree, value (2) is given to the answer of disagreement, value (3) expresses neutrality, value (4) is given to agree, and value (5) is given to strongly agree. The range of the arithmetic mean is determined by calculating the range (5-1=4), then we divide it by the largest value in the scale to get the cell length (4/5=0.8), then we add this value to the lowest value in the scale, which is (1), to determine the minimum for this cell, and thus the cell length became as shown in the following table:

Table 3. Levels of approval of the paragraphs, dimensions and axes of the research

greater than 4.20	3.40 to 4.19	2.60 to 3.39	1.80 to 2.59	Less than 1.80	Arithmetic mean
I strongly agree	I agree	neutral	noI agree	noI strongly agree	Direction
Highvery	High	middle	weak	weakvery	Evaluation score

Questionnaire reliability:

The stability of the questionnaire statements was examined through the Cronbach's alpha scale to calculate stability, where the stability of the scale means that it is free from error resulting from poor or lack of understanding of the questions, or the sample members' reliance on random answers that do not reflect the situation to be measured, and make the tool give different results if it is reused. It was noted that the stability coefficient was (0.845), and this percentage is considered to be highly statistically significant and meets the purposes of the research. The validity index was calculated by calculating the square root of the reliability coefficient. On this basis, the overall validity index became (0.92), which is a high reliability coefficient. Accordingly, the questionnaire became highly valid.

Table 4. Questionnaire stability according to Cronbach's alpha coefficient

Commercial Bank Employees	Research sample
0.845	Cronach's alpha coefficient

Source: Prepared by the researcher based on dataCostat

From the table, we note that the Cronbach's alpha coefficient reached 84%, which is considered a highly statistically significant percentage with a good level of confidence and stability that meets the purposes of the study. This means that there is a high degree of stability in the questionnaire results and that they do not change significantly if it is redistributed to the sample members several times.

2. RESEARCH RESULTS AND DISCUSSION

After determining the study method and tools, the results of the applied study will be presented and statistically analyzed, and the results will be discussed and interpreted.

Presentation of study results

The results of the study will be presented based on the information collected, summarized and processed through the above-mentioned statistical programs.

a. Show results related to demographics

First: Displaying age-related results

Table 5. The study sample is distributed according to age in the administration under study.

percentage%	Repetition	the age
22	11	20-25 years
22	6	26-30 years
18	9	31-35 years
20	10	40-36 years
24	12	41-45 years
4	2	46 years and over
100	50	the total

Source: Prepared by the researcher based on the outputs of Costat

From the previous table, it is clear to us that the percentage of workers aged between (20-45) years old I reached 96% , of the total number of employees.

b. Secondly Show results related to academic qualification

Table 6. The study sample is distributed according to the academic qualification in the administration under study.

percentage%	Repetition	Academic qualification
20	10	diploma
26	13	Bachelor's
30	15	Master's degree or equivalent
24	12	PhD or equivalent
100	50	the total

Source: Prepared by the researcher based on the outputs of Costat

From the previous table, we can see the distribution of percentages according to academic qualifications, as we find that workers who hold a bachelor's degree represent 80% of total employees.

c. Third: Displaying the results related to specialty Scientific

Table 7. Distribution of the study sample according to the specialty Scientific in management research

percentage%	Repetition	AFor scientific specialization
14	7	accounting
28	14	Accounting and Auditing
22	11	Accounting and financial control
12	6	Legal accounting
8	4	business management
16	8	Other
100	50	the total

Source: Prepared by the researcher based on the outputs of Costat

d. Fourth Show related results By job title**Table 8. The study sample is distributed according to: Job Title In the management under investigation**

percentage%	Repetition	A For scientific specialization
12	6	Accountant
4	2	Assistant Accountant
8	4	Accountant
12	6	Senior Accountant
10	5	Assistant Account Manager
4	2	Account Manager
6	3	Senior Account Manager
6	3	Financial Manager
6	3	Proofreader
4	2	Assistant Auditor
4	2	Auditor
4	2	Senior Auditor
6	3	Assistant Audit Manager
4	2	Audit Manager
6	3	Senior Audit Manager
4	2	Audit expert
100	50	the total

Source: Prepared by the researcher based on the outputs of Costat

e. Display related results On the first assumption (There is relationship same indication Statistics between Use Applications Intelligence Artificial And the block chin And enhance transparency And accuracy Auditing Financial)

The arithmetic means, standard deviations, and overall mean values were calculated, as shown in the following tables:

Table 9. Arithmetic means and standard deviations of the workers' answers.

Arithmetic mean	Standard deviation	Phrase	M
4.22	0.9957	Helps Use Applications Intelligence Artificial in reduction Errors Humanity in Operations Auditing Financial.	01
4.04	1.1773	enhances The block chin from transparency Operations Finance from during registration Data In a way not Acceptable To edit.	02
4.06	1.1502	Contribute Techniques Intelligence Artificial in to improve accuracy Analysis Financial.	03
3.9	1.3132	He provides The block chin record Trusted To And acceptable To verify For all Operations Finance.	04
3.98	1.1692	Helps Merge between Intelligence Artificial And the block chin in presentation Audit financial more transparency And accuracy.	05

3.8	1.2454	Contributes Use Intelligence Artificial in discovery Manipulation Financial quickly greater.	06
3.82	1.2887	enhances The block chin from credibility Data Finance the introduction For review	07
4.26	0.9435	Contribute Applications Intelligence Artificial in Enhance Capabilities Auditing Automated And prediction At risk.	08

Source: Prepared by the researcher based on the outputs of Costat

We note from the previous table that the arithmetic mean value for the first paragraph (4.22) is located in the period (greater than 4.20) According to the response scores specified in Table (2), indicating the degree of agreement for the first statement, with a standard deviation (0.9957) About the average value of the answers. and The arithmetic mean value of the second paragraph (4.04) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the second statement, with a standard deviation (1.1773) About the average value of the answers. and The arithmetic mean value of the paragraph Third (4.06) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the third statement, with a standard deviation (1.1502) About the average value of the answers. and The arithmetic mean value of the paragraph Fourth (3.9) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the fourth statement, with a standard deviation of (1.3132) About the average value of the answers. and The arithmetic mean value of the paragraph Fifth (3.98) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the fifth statement, with a standard deviation of (1.1692) About the average value of the answers. and The arithmetic mean value of the paragraph Sixth (3.8) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the sixth statement, with a standard deviation of (1.2454) About the average value of the answers. and The arithmetic mean value of the paragraph Seventh (3.82) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating a high degree of agreement with the seventh statement, with a standard deviation of (1.2887)

About the average value of the answers. and The arithmetic mean value of the paragraph Eighth (4.26) It is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the eighth statement, with a standard deviation of (0.9435) About the average value of the answers. and The arithmetic mean value of the paragraph Ninth (3.96) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the ninth statement, with a standard deviation of (1.261) About the average value of the answers. and The arithmetic mean value of the paragraph Ten o'clock (4.1) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of non-Agree to the tenth statement, with a standard deviation of (1.0152) About the average value of the answers. It is clear from the table (8) The study sample responses were high, as the overall average value (4.0414) is located in the period (3.40-4.19) According to the response scores specified in Table (2). The results of the statistical analysis also showed that the most positive statements are: Contribute Applications Intelligence Artificial in Enhance Capabilities Auditing Automated And prediction At risk. Which came in first place with an arithmetic average (4.26) and standard deviation (0.9435), while the phrase came Contributes Use Intelligence Artificial in discovery Manipulation Financial quickly greater. Last in the arithmetic mean (3.8) and standard deviation (1.2454)

f. Show related results By the second hypothesis (There is relationship impact indication Statistics between Use Applications Intelligence Artificial And the block chin And enhance transparency And accuracy Auditing Financial)

Table 10. Arithmetic means and standard deviations of the workers' answers.

Arithmetic mean	Standard deviation	Phrase	M
3.86	1.2456	Leads Use Intelligence Artificial to to improve quality Data Finance Auditor According to To standard Auditing International number 500 Related With evidence Proof.	01
4.1	1.233	Contributes The block chin in more transparency Operations Auditing Financial With what In line with with standard Auditing International number 240 Related With responsibilities Related By fraud.	02
4.06	1.1141	Affects Intelligence Artificial In a way direct on Enhance accuracy Results Finance Auditor, According to To standard Auditing International number 315 Related Specifically And evaluation Risks Errors The essence.	03
4.14	1.2779	Reduces The block chin from probability Manipulation With data Finance, Which improve from transparency Auditing With what Compatible with standard Auditing International number 330 around Responses Auditor for risks.	04
3.88	1.1364	Contributes integration between Intelligence Artificial And the block chin in more efficiency Operations Auditing	05

		Financial, With what enhances Compliance To standard Auditing International number200Related With goals General For the auditor Independent.	
3.94	1.3001	enhances Use Intelligence Artificial from capacity Auditors on discovery Errors And fraud in Data Finance, With what In line with with standard Auditing International number240.	06
3.98	1.0784	Affects The block chin on reduction Gaps Informatics between Auditors And owners interest, Which improve from accuracy Auditing According to To standard Auditing International number700Related With formation Opinion And preparation The report around Data Finance.	07
3.86	1.2779	Contributes Intelligence Artificial in acceleration Operations Auditing Financial, Which raises from Its accuracy And its transparency According to To standard Auditing International number300Related By planning Auditing.	08
4.24	1.0012	Affects Use The block chin on Enhance credibility Data Finance the introduction For review, With what Compatible with standard Auditing International number580Related With representations Writing.	09

Source: Prepared by the researcher based on the outputs of Costat

We note from the previous table that the arithmetic mean value for the first paragraph (3.86) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the first statement, with a standard deviation (1.2456) About the average value of the answers. and The arithmetic mean value of the second paragraph (4.1) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the second statement, with a standard deviation (1.233) About the average value of the answers. and The arithmetic mean value of the paragraph Third (4.06) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the third statement, with a standard deviation (1.1141) About the average value of the answers and The arithmetic mean value of the paragraph Fourth (4.14) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the fourth statement, with a standard deviation of (1.2779) About the average value of the answers and The arithmetic mean value of the paragraph Fifth (3.88) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the fifth statement, with a standard deviation of (1.1364) About the average value of the answers and The arithmetic mean value of the paragraph Sixth (3.94) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the sixth statement, with a standard deviation of (1.3001) About the average value of the answers and The arithmetic mean value of the paragraph Seventh (3.98) is located

in the period (3.40-4.19) According to the response scores specified in Table (2), indicating a high degree of agreement with the seventh statement, with a standard deviation of (1.0784) About the average value of the answers and The arithmetic mean value of the paragraph Eighth (3.86) It is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of agreement for the eighth statement, with a standard deviation of (1.2779) About the average value of the answers and The arithmetic mean value of the paragraph Ninth (4.24) is located in the period (greater than 4.20) According to the response scores specified in Table (2), indicating the degree of agreement for the ninth statement, with a standard deviation of (1.0012) About the average value of the answers and The arithmetic mean value of the paragraph Ten o'clock (3.94) is located in the period (3.40-4.19) According to the response scores specified in Table (2), indicating the degree of non Agree to the tenth statement, with a standard deviation of (1.0768) About the average value of the answers.

It is clear from the table (9) The study sample responses were high, as the overall average value (4) is located in the period (3.40-4.19) According to the response scores specified in Table (2). The results of the statistical analysis also showed that the most positive statements are: Affects Use The block chin on Enhance credibility Data Finance the introduction For review, With what Compatible with standard Auditing International number 580 Related With representations Writing. Which came in first place with an arithmetic average (4.24) and standard deviation (1.0012), while the phrase came Leads Use Intelligence Artificial to improve quality Data Finance Auditor According to To standard Auditing International number 500 Related With evidence Proof. "Last in the arithmetic mean (3.86) and standard deviation (1.2456)

Table 11. Arithmetic means and standard deviations of answers staff.

Arithm etic mean	Standa rd deviati on	stron gly disag ree	I disag ree	neutr al	I strongl y agree	I agree		Phrase	M
4.22	0.9957	1	3	5	16	25	repeti tion	Helps Use Applications Intelligence Artificial in reduction Errors Humanity in Operations Auditing Financial.	01
		2	6	10	32	50	%		
4.04	1.1773	3	4	3	18	22	repeti tion	enhances The block chin from transparency Operations Finance from during registration Data In a way not Acceptable To edit.	02
		6	8	6	36	44	%		
4.06	1.1502	3	2	7	15	23	repeti tion	Contribute Techniques Intelligence Artificial in to improve accuracy Analysis Financial.	03
		6	4	14	30	46	%		
3.9	1.3132	5	4	3	17	21	repeti tion	He provides The block chin record Trusted To And acceptable To verify For all Operations Finance.	04
		10	8	6	34	42	%		

3.98	1.1692	2	5	7	14	22	repeti tion	Helps Merge between Intelligence Artificial And the block chin in presentation Audit financial more transparency And accuracy.	05
		4	10	14	28	44	%		
3.8	1.2454	4	2	14	10	20	repeti tion	Contributes Use Intelligence Artificial in discovery Manipulation Financial quickly greater.	06
		8	4	28	20	40	%		
3.82	1.2887	5	4	4	19	18	repeti tion	enhances The block chin from credibility Data Finance the introduction For review	07
		10	8	8	38	36	%		
4.26	0.9435	1	2	5	17	25	repeti tion	Contribute Applications Intelligence Artificial in Enhance Capabilities Auditing Automated And prediction At risk.	08
		2	4	10	34	50	%		
3.96	1.261	4	3	7	13	23	repeti tion	Helps The block chin in to provide register Audit transparent maybe For all Parties Access To him.	09
		8	6	14	26	46	%		
4.1	1.0152	2	1	8	18	21	repeti tion	Affects Use Intelligence Artificial And the block chin on to improve accuracy Reports Finance.	10
		4	2	16	36	42	%		
3.86	1.2456	4	3	9	14	20	repeti tion	Leads Use Intelligence Artificial to to improve quality Data Finance Auditor According to To standard Auditing International number500Related With evidence Proof.	11
		8	6	18	28	40	%		
4.1	1.233	4	2	5	13	26	repeti tion	Contributes The block chin in more transparency Operations Auditing Financial With what In line with with standard Auditing International number240Related With responsibilities Related By fraud.	12
		8	4	10	26	52	%		
4.06	1.1141	2	3	8	14	23	repeti tion	Affects Intelligence Artificial In a way direct on Enhance accuracy Results Finance Auditor, According to To standard Auditing International number315Related Specifically And evaluation Risks Errors The essence.	13
		4	6	16	28	46	%		
4.14	1.2779	4	3	4	10	29	repeti tion	Reduces The block chin from probability Manipulation With data Finance, Which improve from transparency Auditing With what Compatible with standard Auditing International number330around Responses Auditor for risks.	14
		8	6	8	20	58	%		
3.88	1.1364	1	6	11	12	20	repeti tion	Contributes integration between Intelligence Artificial And the block chin in more efficiency Operations Auditing Financial, With what enhances Compliance To standard Auditing International number200Related With goals General For the auditor Independent.	15
		2	12	22	24	40	%		
3.94	1.3001	4	4	7	11	24	repeti tion	enhances Use Intelligence Artificial from capacity Auditors on discovery Errors And fraud in Data Finance, With what In line with with standard Auditing International number240.	16
		8	8	14	22	48	%		
3.98	1.0784	3	1	8	20	18	repeti tion	Affects The block chin on reduction Gaps Informatics between Auditors	17

		6	2	16	40	36	%	And owners interest, Which improve from accuracy Auditing According to To standard Auditing International number700Related With formation Opinion And preparation The report around Data Finance.	
3.86	1.2779	5	2	8	15	20	repetition	Contributes Intelligence Artificial in acceleration Operations Auditing Financial, Which raises from Its accuracy And its transparency According to To standard Auditing International number300Related By planning Auditing.	18
		10	4	16	30	40	%		
4.24	1.0012	2	1	5	17	25	repetition	Affects Use The block chin on Enhance credibility Data Finance the introduction For review, With what Compatible with standard Auditing International number580Related With representations Writing.	19
		4	2	10	34	50	%		
3.94	1.0768	2	3	9	18	18	repetition	Contributes Use Intelligence Artificial And the block chin in to improve Reliability General For results Auditing Financial, According to To standard Auditing International number520Related With procedures Analysis.	20
		4	6	18	36	36	%		
4.007	1.16718	the total							

From the previous table, it is clear to us that the general arithmetic mean is (4.007), which indicates the degree of agreement in the workers' answers, and a standard deviation of (1.16718), which indicates that the answers are not widely dispersed around the value of the general arithmetic mean.

3. CONCLUSION AND RECOMMENDATIONS

Conclusions

1. Intelligent applications, such as artificial intelligence and blockchain, enhance the accuracy of accounting data and reduce human errors in financial audits.
2. thatThe use of artificial intelligence can accelerate the detection of financial manipulation and fraud more effectively compared to traditional methods.
3. thatBlockchain technology contributes to increasing transparency by recording financial transactions in an unalterable way.
4. thatSmart applications provide the ability to quickly analyze large amounts of financial data, which improves the quality of auditing and financial decision-making.
5. That useSmart tools contribute to reducing audit costs by reducing reliance on manual processes and improving operational efficiency.

Recommendations

1. necessityExpanding the use of artificial intelligence and blockchain technologies in financial audits to improve the accuracy and transparency of financial reports.
2. Urge toDeveloping specialized training programs for financial auditors to enhance their skills in dealing with smart applications.
3. Strengthening cooperation between regulatory authorities and banks to ensure the application of international auditing standards in light of the use of modern technology.
4. necessityEncouraging more research on the impact of smart applications on various aspects of financial auditing, to develop effective strategies for their use.

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The Long-Term Relationship Between the Rate of Exchange and Inflation in Iraq: An Application of the Vector Error Correction Model

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Abstract : This research aims to investigate whether the exchange rates and inflation in Iraq have a long-term equilibrium relationship or not. A dataset of exchange rates and inflation from 2000 to 2020 was used. Johansen's cointegration test was employed to confirm that there is a long-term correlation between these variables. The Vector Error Correction Model (VECM) was utilized, along with Granger causality tests, to understand the long and short run connections and to determine if the causality flow is bidirectional or unidirectional. The results provided proof of a long-run equilibrium connection among inflation and rates of exchange, with strong evidence of a unidirectional causal flow from rates of exchange to inflation in Iraq.

Keywords : Exchange rate, VECM, Inflation,

1. INTRODUCTION

Exchange rates and inflation are macroeconomic indicators that impact the economic level of any country. Understanding the relationship between these two indicators is crucial for maintaining economic stability. So, inflation is the rate of continuous rise in the common price level. A decrease or increase in the rate of exchange can affect the inflation level, and the common price level may rise if there is inadequate supply to meet the growing demand for goods and services. This kind of increase in demand could be due to supply shortages, a steady increase in the population, or an increase in monetary issuance. Inflation causes are generally classified into two main sides: the first is demand-side inflation, where general price levels can rise when the prices of materials continuously increase or when the local currency loses its value due to the rising rate of exchange of foreign currencies against the local currency. This leads to higher costs for importing materials. In Iraq, the rate of exchange is used to maintain the general price level, control inflation, and achieve economic growth. Therefore, the research aims to detect the presence of a long-term association using the VECM model and concludes with a set of findings and recommendations.

2. THE RESEARCH PROBLEM

The issue can be outlined as follows:

To which extent does the rate of exchange impact changes on annual inflation in Iraq?

To answer this main question, the sub-questions below were considered:

- What is meant by nominal rate of exchange and inflation?

- What is the reality of the development of the nominal active rate of exchange and inflation in Iraq, and what type of relationship exists between them?

The Research Hypotheses:

The research hypothesizes the following:

1. Shifts in the nominal in effect rate of exchange affect annual inflation in Iraq (a one-way causal relationship).
2. There is a short-run relation among the nominal rate of exchange and the annual inflation rate.
3. There is a long-run connection among the nominal efficient rate of exchange and the monthly inflation rate.

The Research Importance:

This research is of vital significance because the topics of inflation and exchange rates have a local dimension in Iraq, given their substantial impact on economic stability. This underscores the necessity to study and understand the nature of the relationship between them.

The Research Objectives:

The main objectives can be outlined as follows:

1. To trace the course of the nominal rate of exchange and inflation in Iraq.
2. To measure the effect of shifts in the nominal rate of exchange on inflation in Iraq over the study period (2000-2020).

3. METHODOLOGY

The study adopts a descriptive-analytical approach for theoretical variables and a case study method for economic measurement.

The Research Structure:

To comprehensively cover the topic, the study falls into three key sections:

- The first is dedicated to previous studies.
- The second covers the evolution of the nominal rate of exchange and inflation during the study period.
- The third stresses on the econometric analysis.

4. RESULTS AND DISCUSSION

Previous Studies

There are numerous previous studies that have explored the relation among rates of exchange and inflation in various countries using different methods. Some notable studies include:

- **Previous Studies**

1. Between Exchange Rate (1999) Relationship Between Exchange Rate and Inflation, Pakistan Economic and Social Review Volume XXXVII, No.2 (Winter 1999)

This research examines the concurrent determination of the common price level and the rate of exchange in Pakistan. It found that the adjustment speed of both the common price level and the rate of exchange to local or external shocks is slow. It also concluded that it is not feasible to implement policies to mitigate inflation or manage the exchange rate independently of each other. Instead, attention should be focused on monetary policies, such as money supply management.

2. Sabah Al-Nouri Abbas (2008) The Effect of Inflation on the Equilibrium Exchange Rate of the Iraqi Dinar for the Period 1990-2005, College of Baghdad for Economic Sciences, Issue 17

This study aims to clarify the different exchange rate systems and the factors affecting them, including inflation, during the period from 1990 to 2005. Using linear regression and relying on the SPSS statistical program, the study estimated the linear function among inflation and the exchange rates. The results indicated a direct relationship among inflation and exchange rates, meaning that higher inflation rates cause a growth in the rate of exchange of the Iraqi dinar against the dollar.

3. Abdul Majid Bouesak (2021) Application of the Error Correction Model in (VECM) to Study the Relationship Between the Nominal Effective Exchange Rate and Monthly Inflation in Algeria During the Period (1980-2020), Journal of Economic and Administrative Studies, Vol. 15, No. 1, 2021. This study aims to clarify the connection among the nominal active rate of exchange and inflation rates from 1980 to 2020. The study found a one-way causal relationship from the nominal active rate of exchange to the inflation rate. It also indicated that these variables have a long-run equilibrium link, which allowed for the application of ECM.

Conceptual Framework for Inflation and Exchange Rates

- **Inflation**

Inflation is one of the issues faced by both developed and developing economies. Economists have differing opinions on the causes of inflation and the resulting economic and social effects, leading to a lack of a universally agreed-upon definition. Some economists define inflation as occurring when increasing aggregate demand is not matched by the rise in production, which results in rising prices and an increase in the common price level (Husseini & Abouhat, 2018, p. 185). Another view is that inflation is resulted by too much money chasing too few goods, which leads to rising prices of goods. Despite these differing views, there is a consensus that inflation denotes a continuous and increasing rise in the common price level (Al-Amin & Pasha, 1978, p. 193). The term is used to describe various related phenomena.

- **Rate of Exchange**

The rate of exchange serves as a mirror of a country's economic position about the external world through its imports and exports. It is a tool that connects the local economy with the global economy. It is a series of units of a foreign currency needed to obtain a single unit of the local currency or as the number of units of the local currency exchanged for single unit of foreign currency (Masoud, 1997, p. 89).

- **The Relationship Between Rates of Exchange and Inflation in Iraq**

Rates of exchange are among the most important tools used in developing countries, including Iraq, to achieve economic stability and curb inflation. As seen in the table below, exchange rates have a direct impact on inflation. Changes in exchange rates are significant factors affecting inflation. Increasing the rate of exchange (a depreciation of the local currency) causes increasing the general price level of goods and services by influencing both the demand and supply parts of the economy. Regarding demand, increasing the rate of exchange causes higher import prices for consumer goods and services, which reduces aggregate demand due to the decreased purchasing power of individuals and institutions as a result of rising prices. On the other hand, higher prices for production goods lead to increased costs for all production inputs, which in turn raises production costs. This results in a decrease in aggregate supply, reflected in the rise in the common price level of domestically produced goods and services (Ali, 2018, p. 110).

It is observed that the inflation level in Iraq is directly affected by the nominal rate of exchange set by the central bank. For instance, in 2001, the rate of exchange was 1929, with an inflation rate of 16.4%. As the exchange rate decreased, inflation also dropped. By 2009,

the exchange rate had fallen to 1170, and the inflation rate decreased to 2.8%. During the period from 2015 to 2019, the exchange rate was 1190, and the inflation rate in 2019 was 0.2%. However, when the exchange rate increased to 1234 in 2020, the inflation rate rose to 0.6%.

Table 1: Rates of Exchange and Inflation in Iraq

Year	Exchange rate	Inflation	Year	Exchange rate	Inflation
2000	1930	4.9	2011	1170	5.6
2001	1929	16.4	2012	1166	6.1
2002	1957	19.3	2013	1166	1.9
2003	1896	33.6	2014	1166	2.2
2004	1453	27	2015	1190	1.4
2005	1469	37	2016	1190	0.5
2006	1467	53.2	2017	1190	0.2
2007	1255	30.8	2018	1190	0.4
2008	1193	2.7	2019	1190	0.2
2009	1170	2.8	2020	1234	0.6
2010	1170	2.4			

Ministry of Planning, Statistical Bulletins for Multiple Years

The Econometric Aspect of the Relationship Between Rates of Exchange and Inflation in Iraq

- **Data Sources and Variable Definitions**

A set of time series data on exchange rates and inflation was taken from the Central Bank's statistical bulletins, covering the period from 2000 to 2020. The variables are: The rate of exchange is represented by (R), and inflation is represented by (IN).

- **Unit Root Tests**

There are various indicators and tests that can be used to assess the level of stationarity in data (Farid, 2017, p. 14). Many macroeconomic time series exhibit common variance, non-stationary behavior, and time-varying means. The tests of unit root are crucial for examining the integration order of timeseries data, and these tests have evolved over time. This study will focus on using the Phillips-Perron test to determine whether there is a spurious regression, indicating that the time series includes a single unit root.

- **Results of the Unit Root Test Using the Phillips-Perron (PP) Test**

The Phillips-Perron (PP) test addresses the issue of autocorrelation in the residuals of the unit root test equation by making a non-parametric adjustment to the model variance to account for autocorrelation. This reflects the dynamic nature of the timeseries. The PP test proposes a non-standardized method to correct autocorrelation, unlike the Augmented Dickey-Fuller (ADF) test, which uses a standardized method. Additionally, the PP test is less sensitive to the

absence of conditions for the classical random error distribution. Unlike the ADF test, the PP test excludes lagged values and allows for a non-zero mean and a linear time trend. The following equations represent the PP test models (Shikhi, 2012, p. 210):

1. Without constant term and time trend, as shown in the following equation:

$$\Delta Y_t = \rho Y_{t-1} + \mu_t \text{ --- (1)}$$

2. With only a constant term, as in the following equation:

$$\Delta Y_t = \alpha + \rho Y_{t-1} + \mu_t \text{ --- (2)}$$

3. With a constant term and a time trend, as in the following equation:

$$\Delta Y_t = \alpha + \alpha_1 T + \rho Y_{t-1} + \mu_t \text{ --- (3)}$$

The null hypothesis is tested by lacking stationarity in the time series at its levels ($\rho = 0$) against the alternate hypothesis of stationarity ($\rho < 0$). When the (p)-value is significant and negative, this shows rejecting the null hypothesis and supporting the alternate hypothesis, indicating that the timeseries is static (Idris & Murad Ismail, 2013, p. 9).

As shown in Table 1, when conducting the unit root test, it becomes evident that the timeseries for the variables (exchange rate and inflation) are non-stationary at their levels, as all (p)-values are higher than the 5% significance level. However, after taking the first differences, the series becomes stationary at the 5% significance level with significant and negative (p)-values. This shows that the null hypothesis is supported, whereas the alternate hypothesis is refuted, confirming the stationarity of the time series.

Table (1): Results of the Phillips-Perron (PP) Unit Root Test for Time Series

UNIT ROOT TEST TABLE (PP)					
		At Level		At First Difference	
		IN	R	d(IN)	d(R)
With Constant	t-Statistic	-1.43	-2.5415	-3.9979	-3.9615
	Prob.	0.547	0.1212	0.0071	0.0076
With Constant & Trend	t-Statistic	-2.6446	-0.2598	-3.6685	-8.171
	Prob.	0.2666	0.9859	0.0505	0
Without Constant & Trend	t-Statistic	-1.2844	-1.8729	-3.8898	-3.681
	Prob.	0.1767	0.0596	0.0006	0.0009

Source: Outputs from 12 EVIEWS

Determining the Optimal Lag Length

As observed from Table (2), the maximum lag length for the VARmodel is 3, as it achieved the lowest criterion values: (SC = 17.38588), (HQ = 19.78885), and (AIC = 16.69336).

Table (2): Selection of Lag Length for the Model

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-187.4835	NA	4771608.	21.05372	21.15265	21.06736
1	-162.5125	41.61824	467025.0	18.72361	19.02040	18.76454
2	-159.9544	3.695141	561317.4	18.88382	19.37847	18.95202
3	-136.2403	28.98387*	66437.42*	16.69336*	17.38588*	16.78885*

Source: Outputs of EVIEWS12

- **Johansen and Juselius Test**

The Johansen and Juselius test, developed by Johansen (1988) and Juselius (1990), addresses the limitations of the Engle-Granger test, especially for small sample sizes and multiple variables. This test can detect if there is a longrun equilibrium association, or cointegration. It is crucial in cointegration theory because if no cointegration is found, there is no long-run equilibrium connection among these variables (Salami et al., 2013, p. 126).

To determine the number of cointegration vectors, Johansen and Juselius suggested performing two tests:

Test 1: Trace Test

This test is calculated using the following relationship:

$$\lambda_{\text{trace}}(\mathbf{r}) = -\mathbf{T} \sum_{i=r+1}^n \log(\hat{\lambda}_i) \dots \dots \dots (9)$$

Where:

- (T) is the size of sample.
- (r) the number of cointegration vectors.
- ($\hat{\lambda}_i$) are the eigenvalues of the variance-covariance matrix.

The null hypothesis ($r = 0$) is verified against the alternate hypothesis ($r = 1$). If the calculated value of the impact test is less than the critical value, the null hypothesis is supported, which indicates that the total of cointegration vectors is zero. Conversely, in case the calculated value of the impact test is higher than the critical value, the alternate hypothesis is supported, denoting that the number of co-integration vectors is higher than zero, suggesting the presence of cointegration among the studied variables (Abdul Razzaq, 2012, p. 155).

- **Maximum Eigenvalue Test**

The Maximum Eigenvalue Test is calculated adopting the following formula:

$$\lambda_{Max} = -T \text{Log} (1 - \lambda_i) \dots \dots \dots (10)$$

Where:

The null hypothesis ($r = 0$) is tested against the alternate hypothesis ($r = 1$). If the calculated value of the maximum eigenvalue test in the Johansen-Juselius test is larger than the critical value at a given significance level, the alternative hypothesis is supported and the null hypothesis is refuted. This shows the presence of cointegration among the studied variables and at least one cointegration vector. Conversely, if the alternative hypothesis is refuted and the null hypothesis is supported, this indicates the absence of cointegration (Asterion & Stephen, 2011, p. 265).

In this case, if the calculated value of the Maximum Eigenvalue Test goes above the critical value with a significance level of (0.0000), it supports the alternate hypothesis, indicating that the total of cointegration vectors is greater than zero and there is co-integration among the variables. As observed from Table (3), the calculated values of the Maximum Eigenvalue Test was higher than the critical values in the Johansen-Juselius test at a significance level of (0.0000). This supports the alternative hypothesis and rejects the null hypothesis, indicating that there is a kind of co-integration among the studied variables.

Table (3): Results of the Johansen-Juselius Test

Date: 06/07/24 Time: 18:32
 Sample (adjusted): 2004 2020
 Included observations: 17 after adjustments
 Trend assumption: Linear deterministic trend
 Series: IN R
 Lags interval (in first differences): 1 to 3

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.984994	97.68732	15.49471	0.0000
At most 1 *	0.787118	26.29928	3.841465	0.0000

Trace test indicates 2 cointegrating eqn(s) at the 0.05 level
 * denotes rejection of the hypothesis at the 0.05 level
 **MacKinnon-Haug-Michelis (1999) p-values

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.984994	71.38804	14.26460	0.0000
At most 1 *	0.787118	26.29928	3.841465	0.0000

Max-eigenvalue test indicates 2 cointegrating eqn(s) at the 0.05 level
 * denotes rejection of the hypothesis at the 0.05 level
 **MacKinnon-Haug-Michelis (1999) p-values

Source: Outputs of EVIEWS12

- **Granger Causality Test**

As observed from Table (4), the probability value for the Granger causality test from the independent variable, exchange rate (R), to the dependent variable, inflation (IN), is less than 5%. This indicates that the exchange rate significantly affects inflation rates in Iraq. On the other hand, the probability value for the causality from inflation to the exchange rate is 0.0552, which is greater than 0.05, suggesting a weak relationship.

Table (4): Results of the Granger Causality Test

Pairwise Granger Causality Tests			
Date: 06/10/24 Time: 19:14			
Sample: 2000 2020			
Lags: 3			
Null Hypothesis:	Obs	F-Statistic	Prob.
R does not Granger Cause IN	18	33.9263	0.000007
IN does not Granger Cause R		3.44782	0.0552

- **Vector Error Correction Model (VECM)**

After confirming that the variables in the linear model are co-integrated in the long term using the Johansen test, the following pace is to detect the long-term equilibrium relationship among inflation (IN) and the exchange rate (R) through the Error Correction Model (ECM). From Table (5), which summarizes the estimation of the ECM, we observe that the error correction term coefficient is (-0.411608), which is significant with a p-value of (0.0054), below the 0.05 significance level. This means a long-run equilibrium relationship running from the independent variables to the dependent variable, and this relationship is statistically significant. Furthermore, a short-run equilibrium is also observed, though it is less significant with a probability value greater than 5%. Additionally, the value of R-squared 0.92 shows that the model account for 92% of the difference in the dependent variable. This suggests that the independent variables included in the model are the main factors impacting the response of the dependent variable, with the remaining 8% of the variation attributed to variables not included in the model, represented by the error term. The calculated F-statistic is 15.035, which is significant with a p-value of (0.000256), less than 0.05. This indicates that the model is statistically significant.

Table (5): Results of the Error Correction Model (ECM)

Dependent Variable: D(IN)
 Method: Least Squares (Gauss-Newton / Marquardt steps)
 Date: 06/07/24 Time: 18:34
 Sample (adjusted): 2004 2020
 Included observations: 17 after adjustments

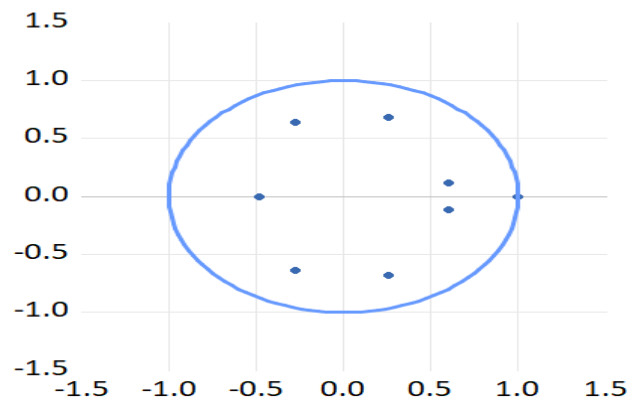
$$D(IN) = C(1) * (IN(-1) + 0.0319743559103 * R(-1) - 53.0326914147) + C(2) * D(IN(-1)) + C(3) * D(R(-1)) + C(4) * D(IN(-2)) + C(5) * D(R(-2)) + C(6) * D(IN(-3)) + C(7) * D(R(-3)) + C(8)$$

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	-0.411604	0.113211	-3.635713	0.0054
C(2)	0.886086	0.146910	6.031506	0.0002
C(3)	-0.056692	0.013921	-4.072256	0.0028
C(4)	-0.160279	0.137168	-1.168486	0.2726
C(5)	-0.063914	0.011368	-5.622101	0.0003
C(6)	0.016891	0.147195	0.114755	0.9112
C(7)	0.025169	0.015430	1.631174	0.1373
C(8)	-5.332363	1.470640	-3.625878	0.0055
R-squared	0.921225	Mean dependent var		-1.941176
Adjusted R-squared	0.859955	S.D. dependent var		10.19645
S.E. of regression	3.815772	Akaike info criterion		5.821351
Sum squared resid	131.0410	Schwarz criterion		6.213451
Log likelihood	-41.48148	Hannan-Quinn criter.		5.860326
F-statistic	15.03560	Durbin-Watson stat		3.418838
Prob(F-statistic)	0.000265			

• **Model Validity Tests**

1. **Unit Root Test**

Inverse Roots of AR Characteristic Polynomial



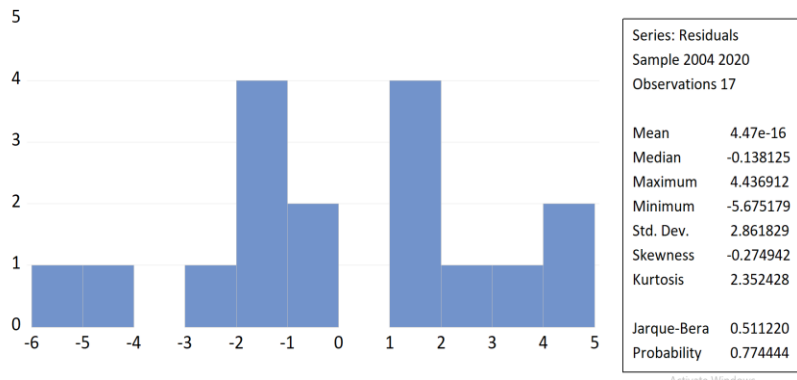
Source: Outputs: 12 EViews

It is obvious from Fig () that the estimated model meets the stability requirement, with the whole roots lying in or on the unit circle.

2. **Normality Test of Residuals**

This test is conducted to verify whether the residuals of the time series model under study exhibit properties of a normal distribution. The Jarque-Bera test was performed, yielding a value of $\sqrt{(0.77444)}$, which is not statistically significant at the 5% level. Therefore, we reject the alternative hypothesis of serial correlation in the residuals of the model.

Figure (2): Normality Test of Errors in the Economic Growth Model



Source: Outputs: 12 EViews

3. ARCH Test

This test determines whether the model may suffer from the issue of heteroscedasticity if the probability values are less than 5% for both Chi-squared and F-statistic tests. However, according to the following table, there appears to be no problem with heteroscedasticity. This is illustrated in Table (6).

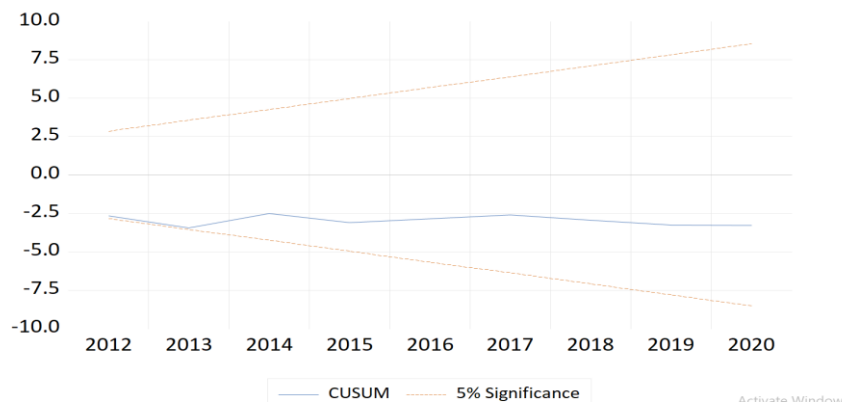
Table (6): Results of the Homoscedasticity Test

Heteroskedasticity Test: ARCH			
F-statistic	0.796674	Prob. F(3,10)	0.5233
Obs*R-squared	2.700584	Prob. Chi-Square(3)	0.4401

Source: Outputs: 12 EViews

4. Cumulative Sum

To ensure stability in structural changes within the adopted model, appropriate tests such as the CUSUM test should be used (Naja, 2014, p. 14). The following chart shows the cumulative sum and its squares, indicating that the behavior of the phenomenon remains within the positive bounds. According to this test, it can be concluded that the selected model does not suffer from structural changes, as shown in the following chart:



Source: Outputs: 12 EViews

5. CONCLUSIONS AND SUGGESTION

Conclusions

The research investigated in case there would be a long-run connection among interest rates and inflation in Iraq. The study employed unit root tests to verify the order of integration among the timeseries variables and used the Johansen and Juselius cointegration test. In light of the statistics and the Vector Error Correction Model (VECM), which illustrates long and short term equilibrium relationships, and causality analysis, the findings are:

1. Both variables are static at the first variation level.
2. These variables have a long-run and short-run equilibrium association.
3. The results reveal that rates of exchange contribute to greater rates of inflation in the long-run.
4. Increasing the rate of exchange contributes to stimulating inflation in the long term.

Suggestion

1. It is essential for monetary policymakers in Iraq to understand the long-term equilibrium relationship among exchange rates and inflation to manage inflation and achieve economic stability.
2. There is a need to select appropriate exchange rates that align with the nature of Iraq's rentier economy and mitigate imported inflation.

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Analisis Penerapan Akuntansi Keperilakuan Sumber Daya Manusia Pada Usaha Mikro Kecil dan Menengah di Kelurahan Kota Baru, Kecamatan Alok Timur, Kabupaten Sikka

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Abstract. *This research aims to determine the behavior that arises from MSME actors regarding the existence of accounting science and its application, this is because there are still many MSMEs who do not understand what accounting is and what accounting is like. This research was conducted in Kota Baru Subdistrict by examining several MSME actors in Kota Baru Subdistrict who are members of it. Researchers use a qualitative approach with the type of research, namely descriptive. Qualitative research is research that produces written or verbal data from a person or observed behavior, and the technique for collecting the data is using observation, interviews and documentation. The results of this research show that the behavior given by MSME actors in response to the existence of accounting knowledge and its application in the business world results in MSME actors already knowing the existence of accounting science, but there are still MSMEs who do not understand what accounting is.*

Keywords: *Behavioral Accounting, human resources, micro, small and medium enterprises, Kota Baru Village.*

Abstrak. Penelitian ini bertujuan untuk mengetahui perilaku yang timbul dari para pelaku UMKM terhadap keberadaan ilmu akuntansi dan penerapannya, hal ini disebabkan karena masih banyak UMKM yang belum paham terhadap apa itu akuntansi dan bagaimana bentuk dari akuntansi. Penelitian ini dilakukan di Kelurahan Kota Baru dengan meneliti beberapa pelaku UMKM Kelurahan Kota Baru yang tergabung didalamnya. Peneliti menggunakan pendekatan kualitatif dengan jenis penelitiannya yaitu deskriptif. Penelitian kualitatif merupakan penelitian yang menghasilkan data tertulis atau lisan dari seseorang atau perilaku yang diamati, dan teknik untuk mengumpulkan datanya yaitu menggunakan observasi, wawancara, dan dokumentasi. Hasil penelitian ini menunjukkan bahwa Perilaku yang diberikan oleh pelaku UMKM dalam merespon adanya ilmu akuntansi dan penerapannya dalam dunia usaha mendapatkan hasil pelaku UMKM telah mengetahui keberadaan ilmu akuntansi, namun UMKM masih ada yang belum memahami apa itu akuntansi.

Kata kunci: Akuntansi Keperilakuan, sumber daya manusia, usaha mikro kecil dan menengah, Kelurahan Kota Baru.

1. PENDAHULUAN

Ilmu akuntansi pada saat ini berkembang pesat sehingga memunculkan beberapa cabang dari ilmu akuntansi seperti, akuntansi perpajakan, akuntansi sektor publik, akuntansi koperasi, sistem informasi akuntansi dan adanya perkembangan yang baru khususnya di Indonesia yaitu akuntansi keperilakuan. Faktor yang membuat adanya perkembangan ilmu akuntansi adalah dunia bisnis yang terus berkembang dan hal tersebut juga membuat ilmu akuntansi yang menjadi bahasa bisnis akhirnya juga ikut berkembang. Akuntansi merupakan suatu sistem untuk menghasilkan informasi keuangan yang digunakan oleh para pemakainya dalam proses pengambilan keputusan bisnis. Tujuan informasi tersebut adalah memberikan petunjuk dalam memilih tindakan yang paling baik untuk mengalokasikan sumber daya yang langkah pada aktivitas bisnis dan ekonomi. Motivasi dan perilaku dari pelaksana sistem

informasi akuntansi menjadi aspek penting dari suatu sistem informasi akuntansi. Akuntansi dapat dipandang sebagai suatu informasi. Perusahaan harus berupaya untuk mengoptimalkan peran informasi ini untuk mencapai tujuannya. Informasi yang diperlukan oleh manajemen harus memiliki karakteristik seperti akurat dan tepat waktu.

Secara umum, akuntansi didefinisikan sebagai suatu sistem informasi yang menghasilkan sebuah laporan keuangan kepada pihak-pihak yang berkepentingan mengenai aktivitas ekonomi dan kondisi perusahaan. Suatu sistem informasi yang dikenal sebagai akuntansi berfungsi untuk mengukur kegiatan bisnis, melakukan pengolahan data, dan menyampaikan informasi kepada para pemangku kepentingan. Tujuan utama dari akuntansi ialah menyajikan suatu informasi ekonomi (*economic information*) dari satu kesatuan ekonomi (*economic entity*) kepada semua pihak yang memiliki kepentingan. Informasi ekonomi bermanfaat baik untuk pihak internal maupun eksternal perusahaan. Untuk menghasilkan informasi ekonomi perusahaan perlu menciptakan beberapa metode yaitu terdapat metode pencatatan, penggolongan, analisa dan pengendalian transaksi serta kegiatan-kegiatan keuangan, kemudian melaporkan hasilnya. *American Accounting Association* mendefinisikan bahwa akuntansi suatu proses yang mengidentifikasi, mengukur, dan melaporkan informasi ekonomi untuk memungkinkan adanya penilaian dan keputusan secara jelas dan tegas bagi mereka yang menggunakan informasi tersebut. Definisi ini mengandung beberapa pengertian yaitu: Kegiatan akuntansi yang mana akuntansi merupakan proses yang terdiri dari identifikasi, pengukuran, pelaporan informasi ekonomi, dan Kegunaan akuntansi, informasi ekonomi yang dihasilkan oleh akuntansi diharapkan berguna dalam penilaian pengambilan keputusan mengenai kesatuan usaha yang bersangkutan.

Akuntansi keperilakuan adalah salah satu bidang akuntansi yang menghubungkan antara perilaku manusia dengan sistem informasi yang lingkupnya mencakup akuntansi keuangan dan akuntansi manajemen. Dengan adanya akuntansi keperilakuan, pengukuran kinerja pegawai dari perusahaan yang terkait lebih maksimal. Dalam pengukuran kinerja ini, akuntansi keperilakuan berperan penting khususnya akuntansi keperilakuan dalam aspek pengendalian. Dalam aspek pengendalian, terdapat komponen-komponen penting yang dapat diterapkan dalam pengukuran kinerja, yaitu komponen komunikasi dan informasi. Akuntansi keperilakuan merupakan bagian dari ilmu akuntansi perkembangan semakin meningkat 25 tahun belakangan ini. Pengertian akuntansi keperilakuan menurut *Belkaoui* (1989:438) dalam akuntansi keperilakuan pengantar, mendefinisikan bahwa akuntansi keperilakuan merupakan penerapan dari ilmu keperilakuan yang digunakan dalam proses menjabarkan dan melakukan prediksi perilaku manusia di semua lingkungan akuntansi. Dalam perspektif akuntansi,

keperilakuan dapat dikaitkan dengan aktivitas manusia yang melakukan pembuatan, pemanfaatan serta proses dari bidang akuntansi secara ekstensif. Definisi lain menurut Lord (1989), akuntansi keperilakuan ialah berbagai disiplin ilmu pengetahuan yang berkonstruksi dari teori ilmu perilaku.

Sumber daya manusia merupakan satu-satunya sumber daya yang memiliki akal perasaan, keinginan, keterampilan, pengetahuan, dorongan, daya, dan karya. Semua potensi sumber daya manusia tersebut berpengaruh terhadap upaya organisasi atau perusahaan dalam mencapai tujuan. Menurut pendapat dari Hariandja 2021, sumber daya manusia (SDM) merupakan salah satu faktor yang sangat penting dalam suatu perusahaan disamping faktor lain seperti modal. Oleh karena itu, SDM harus dikelola dengan baik untuk meningkatkan efektivitas dan efisiensi organisasi, sebagai salah satu fungsi dalam perusahaan yang dikenal dengan manajemen sumber daya manusia.

2. TINJAUAN PUSTAKA

Theory Of Planned Behavior

Theory Of Planned Behavior ialah Grand Theory yang digunakan dalam penelitian ini. Teori ini menyambungkan antara kepercayaan (*belief*), sikap (*attitude*), keinginan (*intention*) beserta tingkah laku (*behavior*). menurut pengertian singkat, teori ini menyatakan bahwasannya seorang individu akan berperilaku jika menurutnya tindakan itu bersifat positif dan orang tersebut meyakini bahwa jika orang di sekelilingnya menginginkan agar dirinya melakukan hal itu. *Theory of Planned Behavior* (TPB) yang dirumuskan oleh Ajzen (2001). TPB adalah perkembangan lebih lanjut dari model TRA (Reasoned Action Theory). Ajzen menambahkan konstruk yang belum ada pada TRA, yakni control tingkah laku yang dipersepsi (*Perceived behavioral control*). Penambahan konstruk ini memiliki usaha atas keterbatasan dalam pemahaman yang dimiliki oleh seseorang saat melaksanakan suatu tindakan tertentu. *Theory of Planned Behavior* (TPB), teori ini ialah teori yang menjabarkan hubungan antara perilaku seorang individu beserta tindakan yang dilaksanakan.

Pengertian Akuntansi Keperilakuan

Akuntansi keperilakuan merupakan bagian dari ilmu akuntansi dan pengetahuan keperilakuan. Namun ilmu keperilakuan dan akuntansi keperilakuan sama-sama menggunakan prinsip sosiologi dan psikologi untuk menilai dan memecahkan permasalahan organisasi. Selanjutnya, akuntansi keperilakuan adalah subdisiplin ilmu akuntansi yang melibatkan aspek-

aspek berperilaku manusia terkait dengan proses pengambilan keputusan ekonomi (Halimah *et.al.*, 2018:59).

Akuntansi berperilaku juga berkepentingan pada bagaimana pengaruh tersebut dapat dirubah oleh perubahan era atau gaya yang dibawa dan bagaimana laporan akuntansi dan prosedur dapat digunakan paling efektif untuk membantu individu dan organisasi mencapai tujuan mereka (Sarmigi dan Andriadi, 2019:52).

Sejarah dan Perkembangan Akuntansi berperilaku

Akuntansi berperilaku mulai muncul sejak tahun 1952, kajian tersebut dilakukan oleh agrarys yang menerbitkan hasil kajiannya dengan judul “*The Impact Of Budgets On People*”, yang menjabarkan mengenai sudut pandang individu terhadap prosedur budgeting. Selain itu, kajian tersebut juga mengangkat efek yang terjadi akibat prosedur budgeting terhadap sikap idividu yang meliputi manager tingkat *supervisor*. Kajian tersebut dilanjutkan kembali pada tahun 1953 yang berjudul “*Human Problem With Budget*” yang kemudian diterbitkan melalui jurnal *Harvard Business Reviews*. Pada tahun 1966, Edwin H. Caplan melakukan penelitian mengenai akuntansi berperilaku yang diterbitkan dengan judul “*Behavioral Assumption Of Management Accounting*”. Dalam artikel penelitian terebut, Caplan membandingkan hipotesis – hipotesis mengenai hubungan berperilaku antara teori akuntansi manajemen tradisional dan teori akuntansi manajemen modern dengan praktik akuntansi manajemen.

Tujuan Akuntansi Keperilaku

Akuntansi berperilaku memiliki tujuan adalah untuk mengukur dan mengevaluasi faktor–faktor berperilaku yang relevan dan mengomunikasikan informasi mengenai hasil – hasilnya kepada para pembuat keputusan internal dan eksternal sehingga dapat melengkapi informasi relevan yang disajikan dalam laporan keuangan. Jadi, informasi dimensi berperilaku organisasi untuk melengkapi informasi keuangan dan menyediakan informasi bagi pembuat keputusan agar memiliki wawasan yang lebih baik. Tanpa informasi akuntansi berperilaku mengakibatkan informasi akuntansi tidak lengkap dan para pembuat keputusan tidak memperoleh informasi relevan penting yang diperlukannya (Lubis, 2017:41)

Pengertian UMKM

UMKM merupakan istilah dari Usaha Mikro Kecil dan Menengah. UMKM sering dikaitkan dengan usaha yang dimiliki perorangan atau kelompok yang memiliki modal terbatas untuk menjalankan usahanya (Wibowo *et al.*, 2020:343). UMKM merupakan kegiatan

ekonomi yang dilakukan oleh warga negara dalam skala kecil dan perlu dilindungi dari persaingan usaha yang tidak sehat (Salmiah, 2018:218). UMKM memiliki manajemen yang sederhana karena pelaku UMKM bertanggung jawab penuh atas kegiatan usaha yang dijalankan, sehingga pengelolaan perusahaan dan pengambilan keputusan sepenuhnya berada di tangan pelaku usaha (Handayani, 2020:29).

Karakteristik UMKM Di Indonesia

Karakteristik UMKM merupakan kegiatan usaha yang bersifat mandiri dan memiliki kecenderungan relasi yang kecil ditambah teknologi yang sederhana menyebabkan UMKM tidak berkembang (Muheramtohad, 2017:69). Selain itu, karakter UMKM menyerap tenaga kerja tanpa memiliki keahlian khusus sehingga berdampak pada hasil produk yang berkualitas rendah (Hejazziey, 2009:32). Karakteristik UMKM memproduksi beberapa jenis desain dan produk sesuai pesanan yang disebabkan keterbatasan pengalaman dan pengetahuan produk (Nuvitasari *et al.*, 2019:45). Sulistyastuti (2004:87) ada empat alasan yang menjelaskan posisi strategis UMKM di Indonesia

3. METODE PENELITIAN

Rancangan Penelitian

Jenis penelitian yang digunakan dalam penelitian menggunakan penelitian kualitatif. Pendekatan kualitatif adalah metode penelitian yang bertujuan untuk memahami fenomena yang dialami subjek penelitian dengan latar alamiah metode ini bersifat deskriptif induktif dan fokus pada makna peneliti menggunakan data yang langsung dan instrumen kuncinya adalah penelitiannya sendiri desain penelitian kualitatif bersifat tentatif dan verifikatif, dan fokus studi sebagai batas penelitiannya filosofi postpositivisme penulisan ini dilakukan menggunakan metode deskriptif kualitatif.

Metode penelitian deskriptif kualitatif adalah metode yang digunakan untuk meneliti objek penelitian alamiah, kompleks dan subjektif metode ini berlandaskan pada filsafat postpositivisme dan menggunakan peneliti sebagai instrumen kunci metode ini bertujuan untuk menguraikan informasi kualitatif dan menggambarkan dengan jelas permasalahan, konteks dan fenomena sosial yang diteliti. Penggunaan pendekatan kualitatif yang berjenis penelitian deskriptif dalam penelitian ini bertujuan untuk mendeskripsikan penerapan akuntansi keperilakuan dan kinerja Sumber Daya Manusia pada unit Usaha Mikro, Kecil, dan Menengah (UMKM).

Dalam melakukan penelitian, penulis menggunakan pendekatan penelitian kualitatif. Pendekatan penelitian kualitatif yang dilakukan bermaksud untuk memahami fenomena tentang apa yang dialami oleh subjek penelitian misalnya perilaku, persepsi, motivasi, tindakan, dan lainnya dengan cara deskripsi dalam bentuk kata-kata, dan bahasa, pada suatu konteks yang alamiah. Pendekatan penelitian yang digunakan oleh penulis bermaksud untuk meneliti lebih mendalam, sehingga secara langsung lebih mudah untuk berhadapan dengan kenyataan yang ada di lapangan.

Kehadiran Peneliti

Penelitian ini menggunakan teknik purposive dalam menentukan informan. Teknik purposive yaitu teknik pengambilan sampel sumber data dengan cara memilih sampel yang diantaranya populasi yang sesuai dengan kehendak peneliti (tujuan atau masalah dalam penelitian), sehingga sampel tersebut nantinya dapat mewakili karakteristik dari populasi yang telah dikenal sebelumnya. Pertimbangan yang dimaksud adalah orang yang dianggap paling tahu tentang objek atau situasi sosial yang akan diteliti. Dari sekian jumlah UMKM peneliti memilih lima UMKM yang akan diwawancara untuk dapat mewakili seluruh jumlah populasi UMKM supaya dapat mempercepat proses wawancara dan analisis data.

Lokasi Penelitian

Lokasi penelitian merupakan tempat dimana penelitian itu dilaksanakan. Yang dimaksud dengan dilaksanakan artinya penelitian ini dilakukan dengan pengamatan, wawancara, dan sekaligus sebagai tempat untuk mendapatkan dokumen-dokumen yang berkaitan dengan penelitian. Tempat penelitian yang penulis lakukan diambil menggunakan metode *purposive sampling*, yaitu teknik pengambilan dengan pertimbangan tertentu disesuaikan dengan kriteria yang penulis tentukan. Penelitian dilakukan pada UMKM di Kelurahan Kota Baru, Kecamatan Alok Timur, Kabupaten Sikka. Objek penelitian diambil berdasarkan pertimbangan letak wilayah penelitian yang dekat dengan tempat tinggal. Selain itu, UMKM yang penulis teliti harus memenuhi kriteria usaha berdasarkan UU Nomor 20 Tahun 2008, Badan Pusat Statistik, serta keikutsertaan usahanya dalam kredit perbankan atau lembaga keuangan lainnya. Waktu penelitian dilakukan dari tanggal 26 Januari 2024 sampai tanggal 26 February 2024.

4. HASIL PENELITIAN DAN PEMBAHASAN

Sejarah Singkat Kelurahan Kota Baru

Kelurahan Kota Baru merupakan salah satu kelurahan yang ada di Kecamatan Alok Timur, Kabupaten Sikka, Provinsi Nusa Tenggara Timur, Indonesia. Kelurahan ini merupakan satu dari 10 desa dan kelurahan yang berada di Kecamatan Alok Timur. Kelurahan ini memiliki Kode pos 86215 dan Kelurahan ini memiliki jumlah penduduknya sebagian besar bersuku daerah Flores, sebagian besar penduduknya beragama katolik.

Hasil Penelitian

Akuntansi keperilakuan adalah salah satu bidang ilmu akuntansi yang melihat respon atau reaksi seorang akuntan maupun non akuntan pada UMKM terhadap keberadaan ilmu akuntansi pada bisnis atau usaha yang sedang dijalani. Hasil penelitian akan menguraikan permasalahan yang sudah dirumuskan pada Bab 1, yaitu perilaku yang diberikan oleh pelaku UMKM Di Kelurahan Kota Baru dalam merespon adanya ilmu akuntansi Hasil yang diperoleh dalam penelitian ini menggunakan teknik wawancara dengan informan, hasil pengamatan peneliti dan sikap yang diberikan oleh pelaku umkm sebagai data pendukung dalam penelitian ini Analisis dalam penelitian memfokuskan kepada pelaku UMKM di Kelurahan Kota Baru. Beberapa indikator yang berkaitan dengan akuntansi keperilakuan yaitu sikap, persepsi, emosi.

1) Sikap

Sikap merupakan suatu hal yang mempelajari seluruh tindakan seseorang, baik yang dapat bermanfaat maupun tidak bermanfaat untuk diri sendiri dan orang lain, yang meliputi objek, gagasan atau situasi (Lubis 2017). Pertama peneliti memberikan pertanyaan kepada informan, Dari jawaban informan diperoleh hasil yang hampir serupa antara jawaban yang satu dengan jawaban lainnya dari masing-masing informan. Berikut kutipan hasil wawancara dengan para pelaku UMKM.

Berdasarkan hasil wawancara menunjukkan bahwa hasil wawancara dengan Bapak Ronal mengatakan bahwa:

sangat penting karena bagi kami pelaku UMKM sikap itu untuk membangun hubungan baik dengan pelanggan

selanjutnya Bapak Haji Muhammad Hasan Basri mengatakan bahwa:

Pandangan saya sebagai salah satu pelaku UMKM yaitu dengan adanya pekerjaan sebagai UMKM dapat membantu mengurangi Tingkat

pengangguran, mengurangi ketimpang ekonomi dan memberikan akses ekonomi kepada mereka yang kurang beruntung termasuk saya ini

Dan Ibu Ayu menegaskan bahwa

Sangat penting etika untuk pelaku UMKM karena itu akan berdampak bagi kami pelaku UMKM jadi kami itu tidak hanya membangun hubungan baik antara pelanggan saja tetapi kami juga harus membangun hubungan baik antara sesama pelaku UMKM

Lalu kesimpulannya bahwa dalam menjalankan Usaha Mikro Kecil dan Menengah diperlukan sikap untuk membangun hubungan baik antara sesama pelaku UMKM ataupun dengan pelanggan untuk dapat mendukung kesuksesan usaha tersebut.

2) Persepsi

Persepsi, merupakan proses peneliti untuk mentransformasikan dan membuat gagasan-gagasan kepada lingkungan sekitar yang pada akhirnya menemukan respon yang berbeda dari setiap informasi yang ditemukan, karena setiap orang memiliki kemampuan, pemikiran yang berbeda, Poputra dkk, (2016)

Berikut ini pertanyaan dan jawaban dari setiap informan dengan respon yang berbeda-beda sesuai dengan kemampuan dan pemikiran informan:

Berdasarkan hasil wawancara menunjukkan bahwa hasil wawancara dengan Bapak Ronal mengatakan bahwa:

Ia sebagai pelaku UMKM saya harus memiliki rasa tanggung jawab dan memiliki etika untuk membangun hubungan yang baik dengan pelanggan

selanjutnya Bapak Haji Muhammad Hasan Basri mengatakan bahwa:

Bagi kami pelaku UMKM etika itu sangat penting Nak karena itu akan membangun hubungan baik kami dengan pelanggan yang setiap kali datang makan di warung saya ini

Dan Ibu Ayu menegaskan bahwa:

Kalau di bilang tanggung jawab pasti adalah ya apalagikan saya punya karyawan jadi saya harus tanggungjawab atas mereka misalnya mereka mungkin ada salah melayani pelanggan/masalah saya sebagai pimpin harus tegur mereka memberikan arahan agar mereka tau bagaimana cara melayani pelanggan dengan baik

Kesimpulannya sebagai pelaku UMKM harus memiliki rasa tanggung jawab dalam menjalankan usahanya, Dengan memiliki rasa tanggung jawab ini, pelaku

UMKM dapat membangun kepercayaan dan reputasi yang baik, yang pada akhirnya akan mendukung keberlanjutan dan kesuksesan usaha mereka.

3) Emosi

Emosi, setiap orang mempunyai karakteristik yang berbeda antara satu dengan yang lain, tetapi karakteristik seringkali dicampuradukan dengan sikap emosi. Emosi berperan penting dalam setiap kehidupan terkhususnya dalam dunia pekerjaan dimana emosi dapat mempengaruhi perilaku dalam bekerja, Akay (2016)

berdasarkan hasil wawancara menunjukkan bahwa hasil wawancara dengan Bapak Ronal mengatakan bahwa:

tidak pernah terjadi konflik si Nak ditempat saya ini terus pekerjaan sebagai UMKM itu dibawa santai saja jadi kalua di tanya stress tidak si Nak

Selanjutnya Bapak Haji Muhammad Hasan Basri mengatakan bahwa:

Bukan emosi si Nak tapi lebih tidak mengerti soal bapa kurang tau kalua buat pencatatan seperti yang di terapkan oleh akuntansi

Dan Ibu Ayu menegaskan bahwa:

Saya tidak bisa menggambarkan perasaan saya seperti apa Nak karena jujur saya membuat jumlah uang masuk uang keluar sama keuntungan dalam usaha UMKM ini Berdasarkan versi saya sendiri Nak

Kesimpulannya sebagai pelaku UMKM, memiliki emosi dalam menjalankan usaha adalah hal yang sangat penting Secara keseluruhan kemampuan mengelola emosi dengan baik adalah salah satu kunci sukses bagi pelaku UMKM dalam menjalankan usahanya.

Pembahasan

Berdasarkan hasil penyajian dan penelitian skripsi yang melalui Teknik pengumpulan data yaitu observasi, wawancara dan dokumentasi, serta analisis yang telah dilakukan berdasarkan fokus penelitian yang telah peneliti rumuskan, maka dikemukakan berbagai hasil temuan di lapangan tersebut yang nantinya akan dikomunikasikan dengan teori-teori yang dijadikan sebagai landasan oleh peneliti dalam melaksanakan penelitian. Adapun fokus masalah yang diambil oleh peneliti adalah peneliti ingin mengetahui bagaimana respon atau tanggapan pelaku UMKM terhadap keberadaan ilmu akuntansi dan apa saja kendala yang dihadapi oleh pelaku UMKM dalam menerapkan ilmu akuntansi dalam kegiatan usahanya tersebut di Kelurahan Kota Baru, Kecamatan Alok Timur, Kabupaten Sikka.

Setelah peneliti menemukan berbagai data yang ada di lapangan, baik dari data observasi, wawancara dan dokumentasi. Peneliti akan mendiskusikan hasil dari data yang diperoleh di lapangan dengan teori yang telah dijadikan landasan penelitian oleh peneliti.

1) Sikap

Sikap merupakan suatu hal yang mempelajari seluruh tindakan seseorang, baik yang dapat bermanfaat maupun tidak bermanfaat untuk diri sendiri dan orang lain, yang meliputi objek, gagasan atau situasi (Lubis 2017). Dalam akuntansi keperilakuan yang dihubungkan dengan akuntansi keuangan, dalam kaitan dengan pelaku UMKM sikap menjadi dasar dalam lingkup pekerjaan, sehingga apa yang diterima dapat disetor atau dilaporkan ke pihak pengelolah sesuai dengan realita di lapangan.

Etika sebagai pelaku UMKM sangat penting, Etika bisnis merupakan hal yang sangat penting bagi pelaku usaha, karena pelaku UMKM berhadapan langsung dengan pelanggan termasuk UMKM. Etika bisnis adalah seperangkat prinsip moral dan nilai-nilai yang mengatur perilaku dalam menjalankan bisnis.

Berdasarkan hasil penelitian tiga UMKM berkaitan dengan sikap dan pandangan yang dilihat dari pelaku UMKM di Kelurahan Kota Baru mereka beranggapan bahwa pekerjaan sebagai pelaku UMKM sangat halal untuk memenuhi kebutuhan sehari-hari. Teori *top of planned behavior* menjelaskan bahwa sikap seseorang akan memberikan pengaruh pada perilaku dalam proses pengambilan keputusan yang cermat

Penelitian ini sejalan penelitian yang dilakukan oleh Nurul Istiqomah UIN KH Siddi (2023) dengan judul Akuntansi keperilakuan sumber daya manusia pada UMKM Jember yang menyatakan bahwa Perilaku atau sikap yang diberikan oleh UMKM dalam merespon adanya ilmu akuntansi dan penerapannya dalam dunia usaha untuk mendapatkan hasil.

2) Persepsi

Persepsi, merupakan proses peneliti untuk mentransformasikan dan membuat gagasan-gagasan kepada lingkungan sekitar yang pada akhirnya menemukan respon yang berbeda dari setiap informasi yang ditemukan, karena setiap orang memiliki kemampuan, pemikiran yang berbeda, Poputra dkk, (2016)

Menurut (Aziz, 2015) Persepsi etis adalah bagaimana penerimaan dan pandangan seseorang dalam menanggapi peristiwa yang sering terjadi melalui suatu proses yang didapat dari pengalaman dan pembelajaran terhadap etika dari seorang.

Berdasarkan hasil penelitian tiga UMKM berkaitan dengan persepsi yang dilihat dari pelaku UMKM di Kelurahan Kota Baru mereka beranggapan bahwa sebagai pelaku UMKM harus memiliki etika dan tanggungjawab untuk membangun hubungan baik dengan pelanggan. Teori *top of planned behavior* menjelaskan bahwa persepsi adalah hubungan antara perilaku seorang individu beserta tindakan yang dilaksanakan.

Penelitian ini sejalan penelitian yang dilakukan oleh Gita Khairunnisa (2021) menyatakan bahwa Hasil penelitian ini menunjukkan bahwa kinerja pegawai kantor camat Gandus Palembang sudah baik dan berstandar yang telah ditetapkan oleh SP yang berlaku, akan tetapi pegawai kantor camat Gandus Palembang ini memiliki Tingkat keramahan sosialisasi yang rendah dalam melayani Masyarakat setempat, oleh karena itu, banyak menuai pro dan kontra atas kinerja pegawai kantor camat Gandus Palembang terhadap pelayanan dalam melayani Masyarakat.

3) Emosi

Emosi, setiap orang mempunyai karakteristik yang berbeda antara satu dengan yang lain, tetapi karakteristik seringkali dicampuradukan dengan sikap emosi. Emosi berperan penting dalam setiap kehidupan terkhususnya dalam dunia pekerjaan dimana emosi dapat mempengaruhi perilaku dalam bekerja, Akay (2016)

Berdasarkan hasil penelitian tiga UMKM berkaitan dengan emosi yang dilihat dari pelaku UMKM di Kelurahan Kota Baru mereka beranggapan bahwa mereka cenderung lebih ke tidak mengerti dengan bagaimana penerapan akuntansi yang baik di usaha mereka itu mungkin di karenakan SDM mereka sangat rendah. Teori *top of planned behavior* menjelaskan bahwa emosi memiliki usaha atas keterbatasan dalam pemahaman yang dimiliki oleh seseorang saat melaksanakan suatu tindakan tertentu.

Penelitian ini sejalan penelitian yang dilakukan Renny Wulandari (2021) dengan judul Analisis penerapan akuntansi pada UMKM di kota Pontianak yang menyatakan bahwa pelaku UMKM belum memahami proses akuntansi secara utuh. Masih ada pelaku UMKM yang yang belum mengerti akuntansi.

5. PENUTUP

Kesimpulan

Dari pemaparan yang ada dalam pembahasan, kesimpulannya sebagai berikut :

- 1) UMKM Kelurahan Kota Baru tahu bahwasannya ilmu akuntansi sangat berguna dalam perkembangan usaha yang sedang dijalani, namun mereka masih belum paham terkait teknik pencatatannya yang mana mengharuskan mereka dapat membedakan antara

uang pribadi dengan uang hasil usaha. Sehingga para pelaku UMKM pun mencatatnya sesuai dengan yang mereka pahami dengan mudah.

- 2) Pelaku UMKM beranggapan akuntansi itu sangat susah dalam hal kecermatan data dan kesesuaian waktu hal inilah yang membuat pelaku UMKM Keterbatasan dalam memahami ilmu akuntansi juga disebabkan oleh latar belakang pendidikan mereka yang mana belum menjumpai bentuk atau wajah dari ilmu akuntansi sendiri.

Saran

- 1) Penulis mengharapkan kepada pelaku UMKM Kelurahan Kota Baru agar bisa lebih memahami peran akuntansi dalam usahannya.
- 2) Disarankan kepada peneliti selanjutnya untuk dapat menambah lebih banyak variabel dan responden dalam penelitiannya, agar bisa mendapatkan yang banyak dari pihak yang berbeda-beda.

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