



The Impact of Governance Mechanisms on the Accounting Disclosure of the Sustainable Development of Iraqi Economic Units

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Abstract:

The research aims to demonstrate the impact of governance mechanisms on the quality of financial reports in the light of the accounting disclosure for sustainable development represented in (accounting disclosure for economic development, accounting disclosure for environmental development, and accounting disclosure for social development) in a sample of banks listed in the Iraq Stock Exchange.

Governance mechanisms were measured by evaluating and analyzing the mechanisms in banks for the research sample consisting of (15) banks, based on the governance guide issued by the Central Bank, as well as the banks' financial reports for the years 2016 -2018, and the dimensions of accounting disclosure for sustainable development were measured through the use of a form. The survey, which is one of the sources of obtaining data and information related to the accounting disclosure on sustainable development. In preparing the form, the researcher relied mainly on the indicators issued by the (GRI), especially the index (G4), and the form (70) forms were distributed to a sample of bank employees, the sample of the research.

The study model and hypothesis were built based on the literature of previous studies, and the simple and multiple linear regression method was used to test the hypotheses. Senior management and lack of transparency in information disclosure and financial reporting, and the most important thing that the research recommends is activating governance mechanisms in banks that have a positive impact on the relationship between accounting disclosure for sustainability. Development, as it limits the opportunistic behavior of management and encourages banks to achieve more transparency in financial reporting.

Keywords: Governance Mechanisms, Accounting disclosure for sustainable development.

Research Type: Research Paper

* Research is drawn from a master's thesis

1.1 Introduction

Corporate governance is one of the modern concepts that has increased in importance in the public and private sectors due to its importance in controlling the management of the economic unit and protecting the rights of shareholders. These mechanisms help reduce financial statement manipulation and misrepresentation, and improve corporate disclosure.

The importance of accounting disclosure about sustainable development practices is evident from its role in improving the reputation of the economic unit and enhancing its competitive position in the market, providing financial and non-financial information on the performance of sustainability dimensions, and also useful in evaluating the expected market value of the company in the future and providing current and potential investors and creditors with the information necessary to make decisions investment and reduce information asymmetry between investors and stakeholders.

The research problem can be identified in the following questions:

- ❖ Do the Iraqi economic units apply governance mechanisms?
- ❖ Do the Iraqi economic units make accounting disclosures for sustainable development?
- ❖ Does the application of governance mechanisms affect the accounting disclosure for sustainable development?

The importance of the research lies in studying the issue of sustainable development in its three dimensions (social, economic and environmental), and the extent of interest in these dimensions through preserving natural resources and non-renewable energy sources and contributing to reducing poverty and paying attention to education and others, as well as studying the impact of governance mechanisms on the accounting disclosure for sustainable development. Especially after the Central Bank issued a guide to corporate governance in banks and its emphasis on sustainable development, and the need for economic units to improve their performance and image in society, which prompts them to provide information on their financial, economic, social and environmental performance.

The research aims to achieve the following objectives:

- ❖ A statement of the concept of governance and its internal and external mechanisms in economic units.
- ❖ A statement of the conceptual framework for the accounting disclosure for sustainable development.
- ❖ Verifying the implementation of governance mechanisms in banks listed in the Iraq Stock Exchange, especially after issuing the banks' governance guide.
- ❖ Measuring the impact of the relationship between governance mechanisms and accounting disclosure on sustainable development in banks listed in the Iraq Stock Exchange.

The research is based on the following hypotheses:

- ❖ There is a significant correlation between the governance mechanisms and the accounting disclosure for sustainable development.
- ❖ There is a significant effect relationship for the governance mechanisms in the accounting disclosure for sustainable development.

The research community is represented by the joint stock companies listed in the Iraq Stock Exchange and according to the sectors to which it belongs, which consists of (7) sectors, which are represented by the banking sector, the industry sector, the services sector, the financial investment sector, the insurance sector, the hotel sector, the agriculture sector and the communications sector, and the number of banks listed in the Iraqi market for securities (44) banks, and after excluding the (20) Islamic banks, there are (24) banks left, and the sample of the remaining (15) banks was selected.

The banking sector was chosen for the following reasons:

- The banking sector adopted international financial reporting standards in 2016.
- The Central Bank issued a governance guide for banks in 2018, under which banks were obligated to prepare this guide in accordance with the best internationally recognized practices and based on the relevant Iraqi laws and international standards issued by international institutions and bodies.

The following are the most important studies on the subject of study:

Study (Winchai O., Muttanachai S., 2014) "The Relationship between Corporate Governance, Sustainable Development Reporting and Corporate Performance: a Conceptual Study of Listed Companies in the Stock Exchange of Thailand"

Under the circumstances of various factors both internal and external factors to the business sectors, sustainable development reporting of the firm and results of operations of the firm have a strong affinity inevitable. Approaches of this research focus on conceptual framework with the three main factors (1) corporate governance (2) sustainable development reporting and (3) corporate performance. These three concepts will contribute to question research as; how does the relationship between the companies' sustainable reports in the annual reports of the firm registered in Thailand and supervision as well as the performance of the firm? Results of corporate governance conceptual framework are a process and structural control methods which achieve a balance of power with regard to other stakeholders and society in overall. Whereas sustainable development reporting builds the relationship between the composition of the board of directors and the worth of the business in either positive or negative depending on results of operations, the rating of oversight on the operations or governance or the sustainability of the business.

Study (Asmar., et.al., 2018) "The Impact of Corporate Governance Mechanisms on Disclosure Quality: Evidence From companies Listed in The Palestine Exchange"

Corporate governance plays an important role in disclosure quality. The objective of this study is to examine the relationship between corporate governance mechanisms and disclosure quality for the companies listed in Palestine Exchange. The corporate governance variables tested in this study are a) board size, b) board ownership, c) board compensations, d) role duality, e) number of board meetings, f) audit committee size, and g) auditor type. Disclosure quality is measured by discrimination accruals. Our results indicate that while board size, board ownership and auditor type, affect disclosure quality positively, role duality, board compensations and audit committee size have a negative impact on disclosure

quality. This study is important for the Palestinian context because it improves the disclosure quality of the companies.

2- Governance mechanisms and their impact on the accounting disclosure for sustainable development (the theoretical aspect)

2- 1. The concept of governance mechanisms

Corporate governance mechanisms can be defined as: “a set of practices that contribute directly or indirectly to the proper application of corporate governance rules that determine the nature of the relationship between shareholders and all stakeholders, and which ensure a sound and stable management of the company and its survival in the business environment” (Khudair, 2009: 110).

Corporate governance mechanisms work primarily to protect and guarantee the rights of shareholders and other stakeholders associated with the company’s business through the provisions of supervision and control over the performance of the company’s management. Accordingly, the effects of governance mechanisms are usually in the value of the company as reflected in stock prices or in the financial performance as reflected in the company's financial reports (Khudair, 2009: 110). Corporate governance mechanisms are also defined as the means by which the actions and capabilities of management are controlled to protect the interests of shareholders (Ahmed, 2019: 38). Others defined it as “a set of means that have been designed and implemented with the aim of rationalizing, directing and controlling the behavior of senior management to take decisions that lead to achieving the interests of the owners, and then getting rid of the agency problem between management and owners, which leads to a balance between the interests of all members” (Omar, 2020: 36).

2-2. Types of Governance Mechanisms

Classified into internal and external governance mechanisms:

2-2-1 Internal Governance Mechanisms

Internal governance mechanisms mean the activities and measures that the company applies internally to determine the relationships between shareholders, the board of directors, executive directors and other stakeholders, that is, the set of variables in the company that affect negatively or positively the company’s performance (Al-Talqani, 2014: 32), and these mechanisms focus on the activities of the company. The company, its performance, the procedures necessary to achieve the objectives, and the effectiveness and efficiency of performance (Hussain, 2019: 41), and include the following mechanisms:

2-2-1-1 Board of Directors

The board of directors is the best mechanism for monitoring the management’s behavior, as it protects the capital invested in the company from misuse by the management, through its legal authority to appoint, exempt and reward senior management, appropriate management, and monitors its behavior and performance (Muhammad, 2021: 389).

2-2-1-2 Audit Committees

Audit committees are defined as “committees emanating from the board of directors, and their membership is limited to non-executive members who have experience in the field of accounting and auditing and are responsible for supervising the process of preparing financial statements, reviewing the functions

of internal and external auditing, and reviewing compliance with the application of corporate governance rules” (Omar, 2020 : 47).

2-2-1-3 Ownership Concentration Mechanism

Ownership concentration is one of the mechanisms of corporate governance and is determined by the number of shares owned by major shareholders. This mechanism has gained great importance due to the increase in the demands of shareholders and their interest in adopting good governance mechanisms in order to control administrative decisions (Al-Shammari, 2015: 43).

2-2-2 External Governance Mechanisms

2-2-2-1 External Audit

The external audit is defined as a set of procedures aimed at critical examination of the internal control systems and financial operations that have been established in the books from the reality of the documents to ensure their integrity and consistency with the rules of accounting and auditing, so that the budget shows the correct financial position, and that the profit and loss account shows the sincerity of the result of the work that took place during Financial Cycle (Abd al-Rahman, 2019: 40).

2-3. The concept of accounting disclosure for sustainable development

The Global Disclosure Initiative (GRI) defined development accounting disclosure as “the practice of measurement and disclosure processes and the achievement of accountability for internal and external stakeholders regarding the performance of the economic unit towards the goal of sustainable development” (GRI, 2011: 3).

2-4. Dimensions of accounting disclosure for sustainable development

2-4-1 Accounting disclosure of economic performance

Many theories have provided different explanations about the relationship between economic performance and accounting disclosure, whereby economic units that achieve high levels of economic performance seem more willing to accountant disclosure, according to which the economic unit shows those interested in following up its performance that it is able to work in the right and desirable direction, and also to distinguish The same for other less successful economic units (Abdel-Al, 2020: 1122).

2-4-2 Accounting disclosure of social performance

This element revolves around the economic units' disclosure of their social performance with the various relevant authorities, as the interest groups view this type of accounting disclosure as accurate, clear and specific answers that contribute to developing the relationship between these different parties, and credibility is represented in social performance. Through the presence of reports attached to the budgets of business organizations disclosed, (Talawla and Judah, 2016: 5).

2-4-3 Accounting disclosure of environmental performance

The accounting disclosure of environmental information is part of the necessary information that must be included in financial reports, and it is a group of information items that relate to the performance and activities of the environmental management of the economic unit, and the financial implications thereof in the past, present and future. The accounting disclosure on environmental performance has increased from just a paragraph in The annual report aims to prepare independent environmental reports published by economic units, and take

the form of descriptive data, quantitative facts, figures and notes in the financial statements (Hilal, 2017: 20).

2-5. Factors affecting the level of accounting disclosure for sustainable development

The level of accounting disclosure about the sustainable development of companies depends on many factors in the light of what is mentioned in the accounting literature, and the most important of these factors are as follows:

a- Economic unit size:

The majority of studies indicate that larger economic units are more prepared for more accounting disclosure about sustainable development, unlike small units, and the reason for this is that large-sized economic units are subject to more pressure from many stakeholders and thus these units increase the degree of disclosure accounting for sustainable development in an attempt to relieve pressures, on the contrary for small-sized economic units because increasing the degree of accounting disclosure about sustainable development may jeopardize their position compared to large-sized units, and here it turns out that the size of the economic unit is one of the most influential factors in the level of accounting disclosure about development sustainable (Ibrahim, 2016: 25).

b- Profitability of the economic unit:

The fact that the economic unit achieves a high percentage of profits creates an incentive for it to distinguish itself from other economic units on the one hand and to be able to obtain the money it wants on the best possible terms on the other hand. Therefore, accounting disclosure for sustainable development is the best way to achieve this goal, because economic units that achieve a high percentage of profits will disclose more economic, environmental and social information in order to enhance stakeholders' perceptions of them and thus enhance their value in the market (Ismail and Ibrahim, 2017: 379).

c- Industrial specialization:

As the companies whose specialization is more relevant in the environmental and social aspects, the level of accounting disclosure for sustainable development is greater, such as chemical and petrochemical companies (Ibrahim, 2020: 14).

d- Pressure from groups and stakeholders:

One of the most important factors affecting the accounting disclosure of sustainable development is the pressures from parties and organizations calling for the need to move towards expanding the accounting disclosure for sustainable development and the development of the current accounting model to fill the shortcomings in financial reports and increase the efficiency of financial reports in meeting the needs of users (Ibrahim, 2016: 25).

e- Expected costs and benefits:

Preparing the economic unit for additional information within the financial reports requires that it bears more costs of producing this information and divides these into direct costs and includes the costs of preparing, processing and disseminating additional information, and indirect costs, including costs resulting from the impact of disclosures on the decisions and activities of the economic unit, such as the impact of negative profit forecasts on supplier conditions, litigation costs, and others. As for the expected benefits of accounting disclosure for sustainable development, it is to improve the credibility of the economic unit, which leads to an increase in the value of its shares and thus an increase in its value in the

long run, as well as improving the relationship of the economic unit with stakeholders and reducing their uncertainty about the financial and non-financial performance of the economic unit, by reducing the degree of asymmetry between the information provided to management and the information provided to stakeholders (Ismail and Ibrahim, 2017: 378).

2-6. The impact of governance mechanisms on the accounting disclosure for sustainable development

The concept and mechanisms of corporate governance encouraged many economic units to pay attention to the disclosure of sustainable development, given that disclosure is the basis of corporate governance, as corporate governance needs a good level of disclosure and the largest amount of sufficient and appropriate information to reduce the asymmetry of information between all parties related to the economic unit, achieving a balance between stakeholders, and then an integrative relationship is established between corporate governance mechanisms and sustainable development disclosure, where the agency theory assumes a high level of disclosure, as a result of managers expanding the dissemination of financial and non-financial information, which leads to reducing information asymmetry and spreading confidence to stakeholders, in addition to the fact that the disclosure of sustainable information carried out by economic units is evidence of the efficiency of the effectiveness of corporate governance mechanisms (Taha, 2019: 148).

3. Measuring the relationship between the governance mechanisms and the accounting disclosure for sustainable development

(A practical aspect)

To test the research hypotheses, it is necessary to clarify how the research variables are measured

3-1. Measuring internal and external governance mechanisms in a sample of banks listed in the Iraq Stock Exchange:

This paragraph aims to measure some of the internal and external governance mechanisms in the banks listed in the Iraqi Stock Exchange for the period (2016-2018), and the mechanisms were measured from the reality of the banks' financial reports and the governance guide prepared by the banks, and as shown in Table (1), which shows the ways of measuring internal and external governance mechanisms

Table (1) Measurement of Governance Mechanisms

Ownership concentration mechanism	Audit Committees		Rotation for external auditor	Board of Directors			Banks
	Periodicity of committee meetings	Financial and accounting experience		The dual role of the CEO	Independence of the board of directors	Board size	
0	1	0	0	1	0	1	Baghdad Bank
0	1	0	1	0	1	0	Union Bank of Iraq
0	1	0	1	0	1	1	Investment Bank of Iraq
0	0	0	1	1	1	1	National Bank of Iraq
1	0	1	0	1	0	0	Iraqi Commercial Bank
0	1	1	0	1	1	1	Sumer Commercial Bank
1	1	1	1	1	1	1	Territory Commercial Bank
1	1	0	1	0	1	0	Gulf Commercial Bank
0	0	1	1	1	0	1	Middle East Bank
0	0	1	0	1	0	1	Trade Bank of Iraq
1	1	0	0	1	1	1	Ashur International Bank
0	1	0	0	1	1	0	Babel Bank
0	1	0	0	1	1	1	United Investment Bank
0	0	1	1	0	1	1	Tigris and Euphrates Bank
1	1	1	1	1	1	1	Mansour Investment Bank

The table was prepared by the researchers based on the results of SPSS

3-2. Measuring accounting disclosure for sustainable development in banks listed in the Iraqi Stock Exchange

In order to achieve the objective of the paragraph of this topic, which is to measure the accounting disclosure about sustainable development in the banks listed in the Iraqi Stock Exchange, a survey form was organized and distributed to a sample of banks listed in the Iraq Stock Exchange by (75) auditors, and the accounting disclosure will be addressed according to the dimensions of sustainable development by analyzing the answers of bank employees to the questions of the survey form, according to the following axes:

3-2-1 Accounting disclosure about economic development

In the light of what was stated in the general framework for analyzing the survey form, in this axis, the statistical results of the data contained in the survey related to the accounting disclosure of economic development will be analyzed, using arithmetic means and standard deviation, and this axis was measured through nine paragraphs. In the surveyed banks, the arithmetic means value for this axis reached (2.46), which is greater than the hypothetical mean value of (2). This means that the answers of the sample in this axis are oriented towards the agreement, with a standard deviation of (0.38), and this means that the answers of the sample members about this Axis was monolithic.

Table (2) Accounting disclosure for economic development

Paragraphs	Agreed		Neutral		I do not agree		The middle Arithmetic	Deviation normative
	repetition	%	repetition	%	repetition	%		
The bank receives financial assistance provided by the government.	31	44.3	9	12.9	30	42.9	2.01	0.94
The bank discloses the bank's accounting policies.	37	52.9	15th	21.4	18	25.7	2.27	0.85
The bank discloses the recruitment procedures in the important operations functions of the bank	42	60.0	17	24.3	11	15.7	2.44	0.75
The Bank discloses the development of infrastructure investments and their effects.	47	67.1	13	18.6	10	14.3	2.53	0.74
The bank discloses the	51	72.9	11	15.7	8	11.4	2.61	0.69

services that are provided to achieve the public benefit								
The bank discloses commercial, charitable, or voluntary contributions made by the bank	46	65.7	17	24.3	7	10.0	2.56	0.67
The bank discloses the current and future market share	46	65.7	19	27.1	5	7.1	2.59	0.63
The bank shall disclose the procedures for preventing monopoly and not harming consumers.	48	68.6	15th	21.4	7	10.0	2.58	0.67
The bank discloses and respects the rules of competition and does not harm competitors.	41	58.6	27	38.6	2	2.9	2.56	0.67
General arithmetic mean							2.46	0.38

The table was prepared by the researchers based on the results of SPSS

3-2-2 Accounting disclosure for environmental development

In light of what was stated in the general framework for analyzing the survey form, in this axis, the statistical results of the data contained in the survey related to the accounting disclosure of environmental development were analyzed, using arithmetic means and standard deviation, and this axis was measured through fifteen A paragraph in the surveyed banks, and the arithmetic means value for this axis reached (2.49), which is greater than the hypothetical mean value of (2). This means that the answers of the sample in this axis are oriented towards the agreement, with a standard deviation of (0.37), and this means that the answers of the sample members about this axis were monolithic.

Table (3) Accounting disclosure axis for environmental development

Paragraphs	Agreed	Neutral		I do not agree		The middle Arithmetic	Deviation normative	
	repetition	%	repetition	%	repetition			%
The bank discloses the extent of compliance with environmental laws and regulations.	63	90.0	5	7.1	2	2.9	2.87	0.41
The bank discloses the expenses of operating environmental preservation activities.	47	67.1	16	22.9	7	10.0	2.57	0.67
The bank discloses environmental audit reports.	40	57.1	18	25.7	12	17.1	2.40	0.77
The bank discloses current and potential lawsuits resulting from pollution.	28	40.0	32	45.7	10	14.3	2.26	0.70
The Bank shall disclose the value of the investment in technology and activities to combat environmental pollution.	31	44.3	36	51.4	3	4.3	2.40	0.57
The bank discloses the current and potential burdens resulting from the bank's violation of environmental protection laws.	32	45.7	31	44.3	7	10.0	2.36	0.66
The Bank discloses the negative impact of the Bank's activities on the environment.	44	62.9	14	20.0	12	17.1	2.46	0.77
The bank discloses the environmental certificates granted to the bank.	54	77.1	8	11.4	8	11.4	2.66	0.68
The bank discloses the philosophy of the board of directors and its mission towards preserving the environment.	45	64.3	15th	21.4	10	14.3	2.50	0.74
The bank discloses the formation of permanent committees to protect the environment and preserve natural resources.	35	50.0	27	38.6	8	11.4	2.39	0.69
The bank shall disclose its solidarity with other parties to protect the environment.	46	65.7	17	24.3	7	10.0	2.56	0.67
The bank discloses the total quantities used of	42	60.0	22	31.4	6	8.6	2.51	0.65

water, energy and materials.								
The bank discloses the energy that has been saved as a result of developing the efficiency of the means of operation.	48	68.6	18	25.7	4	5.7	2.63	0.59
The bank discloses the total waste in terms of type and method of disposal.	44	62.9	17	24.3	9	12.9	2.50	0.72
The bank discloses the procedures for complying with the laws and standards related to marketing communications, such as : advertising, promotion and sponsorship, setting up a mechanism for handling complaints and suggestions) feedback information.	56	80.0	9	12.9	5	7.1	2.73	0.59
General arithmetic mean							2.49	0.37

The table was prepared by the researchers based on the results of SPSS

3-2-3 Accounting Disclosure for Social Development

In light of what was stated in the general framework for analyzing the survey form, in this axis, the statistical results of the data contained in the survey related to the accounting disclosure of social development was analyzed, using arithmetic means and standard deviation. This axis was measured through nine paragraphs. In the surveyed banks, the arithmetic means value for this axis was (2.55), which was greater than the hypothetical mean value of (2). This means that the answers of the sample in this axis are oriented towards the agreement, with a standard deviation of (0.39), and this means that the answers of the sample members about this Axis were monolithic.

Table (4) Accounting disclosure for social development

Paragraphs	Agreed	Neutral		I do not agree		The middle Arithmetic	Deviation normative	
	repetition	%	repetition	%	repetition			%
The bank discloses the total number of employees and the percentage of new appointments by age group and gender.	53	75.7	12	17.1	5	7.1	2.69	0.60
The Bank discloses the benefits granted to full-time employees that are not provided to part-time or temporary employees.	32	45.7	14	20.0	24	34.3	2.11	0.89
The bank discloses the existence of a fund for retirement pensions, health care and insurances.	51	72.9	10	14.3	9	12.9	2.60	0.71
The bank discloses how minorities are treated in the workforce and the availability of an equal opportunity policy.	34	48.6	20	28.6	16	22.9	2.26	0.81
The bank discloses the average hours of training each year for each employee according to the nature of his work and gender.	47	67.1	14	20.0	9	12.9	2.54	0.72
The bank discloses the efforts made to support charitable works in the local community.	51	72.9	14	20.0	5	7.1	2.66	0.61
The bank discloses confirmed cases of social corruption and the measures taken in respect thereof.	55	78.6	10	14.3	5	7.1	2.71	0.59
The Bank shall disclose the legal procedures for anti-competitive policies and monopolistic practices and their results.	53	75.7	11	15.7	6	8.6	2.67	0.63
The bank discloses the value of fines and the number of non-financial penalties as a result of non-compliance with regulations and laws.	45	64.3	18	25.7	7	10.0	2.54	0.67
The bank discloses the existence of a number of customer satisfaction	49	70.0	15th	21.4	6	8.6	2.61	0.64

surveys conducted during the year.								
The bank shall disclose the nature of the social services information required by the bank's procedures, and the marking and identification cards that should be disclosed.	50	71.4	17	24.3	3	4.3	2.67	0.56
The bank discloses the extent of its contribution to supporting small projects.	47	67.1	20	28.6	3	4.3	2.63	0.57
The bank discloses its contribution to the social role.	35	50.0	19	27.1	16	22.9	2.27	0.82
The bank discloses social welfare for the vulnerable groups in society.	49	70.0	18	25.7	3	4.3	2.66	0.56
The bank discloses job opportunities to address unemployment, especially for women.	49	70.0	17	24.3	4	5.7	2.64	0.59
General arithmetic mean							2.55	0.39

The table was prepared by the researchers based on the results of SPSS

3-3. Analyze results and test hypotheses:

a- Test the first hypothesis

To test the first hypothesis, which states (there is a significant correlation between the governance mechanisms and the accounting disclosure for sustainable development). table (5) the following table shows the testing and analysis of the correlation between governance mechanisms and accounting disclosure for sustainable development:

Table (5) Correlation between Governance mechanisms and accounting disclosure for sustainable development

Indication	Values t tabular	Degree of freedom	Values t calculated	Correlation coefficient value
D	2.12	13	3.85	0.73

The table was prepared by the researcher based on the results spss

It is clear from the above table that the value of Calculated (3.85), the largest of Tabulated value at the level (0.05) and the degree of freedom (13), amounting to (2.12) and this means that there is a relationship statistically significant between correlation has reached the value of correlation coefficient (0.73, a positive value, and this shows that there is a direct relationship morality between them, that is, the variable of disclosure of sustainable development changes with the same force and direction as the variable of governance mechanisms, and below the level of significance (0.05), that is, the

application of governance mechanisms will lead to accounting disclosure of sustainable development, thus accepting the sub-hypothesis, which states that "there is a relationship It is a significant moral link between governance mechanisms and accounting disclosure for sustainable development".

b- Test the second hypothesis

To test the second hypothesis, which states (There is a significant effect relationship for the governance mechanisms in the accounting disclosure for sustainable development), the null hypothesis and the alternative hypothesis at the level of significance (5%) are formulated as follows:

The null hypothesis: There is no significant relationship to the effect of the governance mechanisms on the accounting disclosure for sustainable development.

The alternative hypothesis: There is a significant relationship to the effect of the governance mechanisms on the accounting disclosure for sustainable development.

To prove the impact between governance mechanisms and accounting disclosure on sustainable development, this can be measured through a linear regression model, which can be written as follows:

$$\hat{Y} = 92.74 + 0.73X$$

Since:

Y: represents the accounting disclosure for sustainable development

X: represents governance mechanisms

It is clear from the above model that whenever the activation of governance mechanisms in banks increases by one unit, the accounting disclosure for sustainable development will increase by (73%), and more clearly, the impact of governance mechanisms on the accounting disclosure for sustainable development can be shown through the following table:

Table (6) The impact of governance mechanisms on the accounting disclosure for sustainable development

Accept , reject the hypothesis	Values t beta coefficient test	Indication	Selecti on parameter value R ²	Indication	Values F c alculated	Beta coefficient value β	Const ant value α	Depen dent variab le Y	Indepe ndent variab le X
Reject the null hypothesis and accept the alternative hypothesis	3.87	Relatio nship morale	0.54	Havi ng an effect	14.98	0.73	92.74	Accou nting disclos ure for sustain able develo pment	Gover nance Mecha nisms

Values F Tabularity with a significance level of %5 and a degree of freedom (1 , 13) = 4.67

Values t Tabularity with a significance level of %5 and a degree of freedom (13) = 2.16

It is clear that the value of (F) calculated amounted to (14.98) at a degree of freedom of (13.1) and a significant level of , (0.05) while the value of (F) tabular (4.67) which means that the value of (F) Calculated greater than the value of (F) tabularity, and it turns out that the assumed linear relationship to estimate the parameters of the model is significant, and it is inferred that governance mechanisms have a significant impact on the accounting disclosure for sustainable development.

The value of the coefficient of determination R^2 reached ,(0.54) which means that the independent variable governance mechanisms explain about (%54) of the change in the variable dependent on the accounting disclosure of sustainable development, and the rest is due to other variables affecting the environment including economic factors and state intervention from through legislation.

To test the significance of the marginal slope β the test (T) as indicated result to the moral of this test is equal to the value of , (3.87) the largest of Tabulated value at the level (0.05) and the degree of freedom (13) amounting to , (2.16) and this means rejecting the null hypothesis ($\beta = 0$) and accepting the alternative hypothesis. ($\beta \neq 0$) that is, it means that there is an important moral effect of governance mechanisms in the accounting disclosure of sustainable development, and thus accepts the sub-hypothesis, which states that " there is a significant effect between governance mechanisms and accounting disclosure about sustainable development".

4. Conclusions:

- i. The surveyed banks possess governance mechanisms, but not to the required level, as they still suffer from weak oversight of senior management and lack of transparency in the disclosure of information and the preparation of financial reports.
- ii. The good application of governance mechanisms, the presence of well-experienced employees and the follow-up of the banks' board of directors for effective financial control leads to raising the efficiency of the practice of governance mechanisms, which leads to the achievement of accounting disclosure for sustainable development.
- iii. The low level of accounting disclosure for the sustainable development of the banks surveyed may be due to the fact that disclosure is still optional and there are no mandatory disclosure forms.
- iv. The application of governance mechanisms in banks is necessary to confront cases of accounting and financial corruption with regard to the preparation of financial reports through accounting disclosure for sustainable development.
- v. The accounting disclosure of the fundamental risks, whether economic, environmental, social and expected, which banks may be exposed to in their financial reports, which leads to making rational decisions.

5. Recommendations:

- i. The necessity of working to give more attention by banks to spread the culture of applying governance mechanisms and accounting disclosure for sustainable development because of their importance in preparing good and transparent financial reports.

- ii. In view of the economic, environmental and social aspects that the world witnessed in recent years, which had a significant impact on the financial performance, it has become imperative for banks to pay attention to the application of governance mechanisms to achieve accounting disclosure for sustainable development.
- iii. The need for the state to issue a corporate governance guide to be mandatory for all banks, with the help of people with specialized expertise in this field.

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تأثير آليات الحوكمة في الإفصاح المحاسبي عن التنمية المستدامة للوحدات الاقتصادية العراقية

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مستخلص البحث:

يهدف البحث إلى بيان أثر آليات الحوكمة على جودة التقارير المالية في ضوء الإفصاح المحاسبي للتنمية المستدامة المتمثلة في (الإفصاح المحاسبي للتنمية الاقتصادية ، الإفصاح المحاسبي للتنمية البيئية ، الإفصاح المحاسبي للتنمية الاجتماعية) في عينة من البنوك المقيدة في سوق العراق للأوراق المالية . تم قياس آليات الحوكمة من خلال تقييم وتحليل الآليات في البنوك لعينة البحث المكونة من (15) مصرفاً ، بناءً على دليل الحوكمة الصادر عن البنك المركزي ، وكذلك التقارير المالية للمصارف لعام 2016-2018 ، وتم قياس أبعاد الإفصاح المحاسبي للتنمية المستدامة من خلال استخدام استمارة المسح التي تعد أحد مصادر الحصول على البيانات والمعلومات المتعلقة بالإفصاح المحاسبي عن التنمية المستدامة. في إعداد الاستمارة اعتمدت الباحثة بشكل أساسي على المؤشرات الصادرة عن (GRI) وخاصة المؤشر (G4) ووزعت الاستمارة (70) استمارة على عينة من موظفي البنك عينة البحث.

تم بناء نموذج الدراسة ووضع الفرضيات بناءً على أدبيات الدراسات السابقة ، كما تم استخدام طريقة الانحدار الخطي البسيط والمتعدد لاختبار الفرضيات. الإدارة العليا وعدم الشفافية في الإفصاح عن المعلومات وإعداد التقارير المالية ، وأهم ما يوصى به البحث هو تفعيل آليات الحوكمة في البنوك التي لها تأثير إيجابي على العلاقة بين الإفصاح المحاسبي من أجل الاستدامة. التطوير ، لأنه يحد من السلوك الانتهازي للإدارة ويشجع البنوك على تحقيق المزيد من الشفافية في التقارير المالية.

المصطلحات الرئيسية للبحث/ آليات الحوكمة، الإفصاح المحاسبي عن التنمية المستدامة.
نوع البحث: ورقة بحثية

*بحث مستل من رسالة ماجستير