

The role of Sustainable Forward-Looking disclosure accounting in enhancing the informative content of financial reports/ Applied study on a sample of companies listed in Iraq stock market

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Abstract

The research aims to determine and measure the level of sustainable Forward- Looking accounting disclosure in the financial reports of a sample of companies listed in the Iraq Stock Exchange. It also aims to know its reflection in providing integrated information that leads to rationalizing the decisions of users of financial reports in evaluating the financial and non-financial performance of the economic unit. It also aims to measure the ability of its management to use its resources effectively in a way that ensures maximizing the interests of stakeholders in the unit, including investors, creditors and others. The study was applied in a sample of three companies registered in the Iraq Stock Exchange. The most important results of the study were that the level of sustainable Forward- Looking accounting disclosure in the study sample companies is insufficient and inappropriate and does not support the requirements of appropriateness of information and its honest representation of the reality of the activities of economic units.

Keywords: sustainable Forward- Looking disclosure accounting, informative content, Financial reports

Introduction

In the updated conceptual framework issued at the end of 2018, the International Accounting Standards Board (IASB) set the goal of financial reporting. This objective is to provide appropriate and honest information that enhances and guides the decisions of current and Forward- Looking users. Therefore, accounting disclosure represents a means of communication between management and users. This is a

reflection of the agency theory and the separation of unit ownership from its management.

Forward- Looking disclosure is one of the most important requirements and needs of information users. The purpose is to make strategic investment and credit decisions. This is in response to the development and complexity of the business environment, which was followed by development and

complexity in the decision-making stages, especially if Forward- Looking disclosure is linked to sustainable information in both the financial and non-financial aspects. This becomes evident with the increasing importance of economic units to disclose their responsibilities towards the environment and society, as well as disclosures related to risk management and current and Forward- Looking governance mechanisms.

This piece has four parts. The first is showing methodology of the work. While the second is showing sustainable Forward-Looking disclosure as a theoretical introduction. Applied part of this piece is shown in the third part. Conclusions and recommendations took the fourth and the last part.

Part one/ Methodology of the Research

1. Research Problem

Sustained Forward- Looking disclosures represent requirements for high-quality, user-effective information. Due to the development of the business environment and the need of stakeholders in the economic unit, including investors, creditors and owners, for appropriate and predictive information to assess the financial performance of the management of economic units, so that sustainable Forward-Looking information is the basis for making strategic decisions. Those decisions are related to the evaluation of their investments and their credit to the unit. With the adoption of the Iraqi industrial companies listed in the Iraqi Stock Exchange on the accounting system that does not provide the requirements of Forward- Looking sustainable accounting disclosure, we find

that the reports issued by the unit's management at the end of the fiscal year are devoid of this Forward- Looking information, so the research problem lies in answering the following question:

((Does Forward- Looking sustainable accounting disclosure affect the promotion of the media content of financial reports)).

2. Hypothesis of this Research

The availability of sustainable Forward-Looking accounting disclosure enhances the informative content of the financial reports.

3. Goals of this Research

A- Studying the concept and importance of sustainable Forward- Looking accounting disclosure and analyzing the most important requirements related to the preparation of those Forward- Looking financial reports.

B - Shedding light on the reality of preparing financial reports in a sample of joint stock companies listed on the Iraq Stock Exchange (ISE).

c- A statement of the concept of sustainability associated with financial and non-financial accounting information.

d- Developing the environment of the Iraqi Stock Market with all its components (investors, brokers and market management) by adopting methods of Forward- Looking accounting disclosure in a way that raises the culture of users with information technologies that are reflected in raising the efficiency of the financial market in Iraq.

4. Importance of this Research

The importance of the research is in two main aspects. The first aspect represents the conceptual entrance and the need to highlight the importance of sustainable Forward- Looking disclosure in joint stock companies. The focus here is to support

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these reports with the advantages of Forward-Looking disclosure. This can enhance the informative content of financial reports. At the same time, it enhances the efficiency of the financial market included in it. The second aspect represents the applied approach. This aspect aims to analyze the reality of financial reporting for joint stock companies in terms of the quality of those reports, their suitability, their honest representation of information, and the availability of sustainable Forward-Looking information as means to enhance and guide decision-making.

5. Population of the Research

The study seeks to test a hypothesis related to evaluating the level of financial reporting and the availability of sustainable Forward-Looking information. These tools can be used as means to enhance and guide decision-making in joint stock companies listed on the Iraq Stock Exchange (ISE) and to identify appropriate areas of development.

6. Methodology of the Research

Theoretical and applied approaches were adopted based on problem statement and hypothesis of this paper.

- **Theoretical side of the Research:** adopting the theoretical or descriptive approach to the research variables and their relationships through the use of different theoretical sources from specialized scientific books and periodicals.
- **The applied side of the research:** adopting the experimental applied study approach in testing the research hypotheses and reaching its results by studying and analyzing the financial reports of a sample of joint stock

- companies listed in the Iraq Stock Exchange.

Part two/ Theoretical side of the Research

1- The nature of sustainable Forward-Looking disclosure

a. Definition of sustainable Forward-Looking disclosure: (Hendriksen, 2007) defines accounting disclosure as a presentation of influential information related to economic events for the purpose of adoption by users to take appropriate decisions that enhance the efficiency of financial markets (Al-Watar, 2007: 105). (Al-Zubaidi, 2009) defined the accounting disclosure as a presentation of basic information and its collection in the main financial reports, which are the inputs to the decision of internal and external users regarding the investment of money in those economic units (Al-Zubaidi, 2009: 7).

b. The concept of Forward-Looking information: The concept of Forward-Looking information represents a statement and interpretation of predictive information related to financial reporting of expected economic activities. A set of definitions has been provided for Forward-Looking information, including:

i. A- The predictive ability of accounting information is the ability of accounting information to display expected economic events and their impact on the outcome of the activity of the economic unit and its financial position, which helps information users to form expectations for their Forward-Looking responses and available decision alternatives to exploit opportunities and avoid threats (Alkhatib, 2014: 858-859).

ii. B_ Forward- Looking information is that information that provides a basis for verifying possible expectations or working to correct them, and it is the main component of the appropriateness of accounting information, as it is integrated with the appropriate timing in forming the appropriateness (Al-Bayati, 2007: 4).

iii. C- Forward- Looking information: It is the information provided by Forward-Looking financial reports, which is the basis for evaluating the financial performance of the administration and economic units and their ability to exploit the available resources to achieve their goals, as well as a statement of their most important Forward-Looking strategies to achieve those goals, provided that such information is objective and verifiable in the Forward- Looking (Satam, Muhammad, 2019: 6).

c. Characteristics of Forward- Looking information: A set of characteristics are available in Forward- Looking information, the most important characteristics are

i. Reasonableness: It means that Forward- Looking information does not create a clear gap from the historical information. That is, it does not lead to mutations in assessments and indicators. Rather, it must be consistent with the activity levels and economic events of the unit.

ii. Objective: That is, the Forward-Looking information provided by the management of economic units is supported by objective and verifiable evidence in its presentation of Forward- Looking events and expected activities of economic units. (Nichols, 2009: 4)

iii. Privacy: It means that each economic unit has its own activities that it performs to achieve its set goals. The Forward- Looking information of the industrial units differs from that of the service units, which must provide appropriateness in the Forward-Looking information with the activities of the unit.

iv. Disclosure level: The level of disclosure means that the Forward- Looking information provided conforms to expectations with a high level of certainty, so that users of information are not misled by a large amount of uncertain Forward-Looking information (OSC, 2013:12).

d. Approved methods for disclosing Forward- Looking financial information: The researchers presented a set of approved models for disclosing Forward- Looking information (Jacob, 2019: 6):

i. A_ The first method: expectations and predictions of Forward- Looking events based on the expectations of the administration and the actions taken by the administration towards these events.

ii. B_ The second method: is to formulate the information of Forward-Looking reports based on Forward- Looking perceptions of the management's actions that are compatible with those positions.

The Forward- Looking disclosure includes two main dimensions. The first is the financial dimension related to the activity result, financial position and cash flows. The second dimension is concerned with disclosing information related to the unit's strategies and Forward- Looking plans, risk management, and uncertainties associated with the unit's economic activities. As well as the explanations provided by the unit's

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management to stakeholders regarding its Forward- Looking activities.

e. Sustainable information: Sustainable information represents the outputs of sustainability accounting, which is concerned with the functions of measuring and disclosing economic, social and environmental performance, which determines the contributions of the unit to fulfill its environmental and social responsibility. They are defined as tools to ensure the activities of economic units if they conform to the conditions and principles of social responsibility or sustainable development and to communicate them to stakeholders. Sustainable information includes information related to financial performance, social, environmental and technological activities, risk management, governance mechanisms, policies and Forward- Looking strategic plans (Ali, 2019: 7).

f. Motives for disclosing Forward-Looking information: There is a set of motives for disclosing Forward- Looking information, and they can be stated as follows: (Hussain, Muhammad, 2019: 6):

i. Increase in the market value of the unit: the availability of Forward- Looking information enhances the quality of financial reports and contributes to increasing confidence in those reports. It also reduces the gap between management and stakeholders, thus enhancing their desire to invest.

ii. Efficiency of capital markets: Forward- Looking financial reports enhance the movement of stock market trading due to the availability of information and the ease

of obtaining it. As well as improving the services of financial analysts in rationalizing users' decisions.

iii. Reducing capital costs: The availability of sustainable Forward- Looking information contributes to reducing the expectations gap among users, especially creditors. As interest rates increase when the information gap between management and creditors increases. That is, the relationship is inverse, since Forward- Looking information enhances the quality of financial reports and reduces capital costs.

2- The relationship between sustainable Forward- Looking accounting disclosure and the informative content of financial reports
The concept of informative content of financial reports refers to the value of the information provided by those reports from the point of view of the users of the reports. They differ according to their needs and also differ according to the decision. The informative content represents the summary of accountants' efforts and skills in delivering information to users.

The inclusion of sustainable Forward-Looking disclosures in the financial reports or within the secondary disclosures enhances the value of these reports. Especially with the increasing interest of users in learning about the fulfillment of their environmental and social obligations by economic units as part of achieving satisfaction. Thus, there will be an impact on the market share and competitive advantage of the economic unit. Thus, sustainable Forward- Looking information is an appropriate input for decision-making and is an essential and supportive part to enhance the informative content of financial reports.

Part three/ Practical side of the Research

The researcher intends to field test the hypothesis of the study. This happens by relying on the method of analyzing the financial reports of the Baghdad Soft Drinks Company, which is listed on the Iraqi Stock Exchange, according to the following paragraphs:

First: Introduction on the studies sample or the studied company. Here, the researcher is showing a guide for Baghdad Soft Drinks Company.

Baghdad Soft Drinks (Private)

Sector: Industrial

Code: IBSD

ISIN: IQ 000A0M7TT6

Address: Baghdad/ Al-Zafaraniya

Phone: (+964)7901126700

Email: gm@pepsibaghdad.com

Company Activity: Producing Soft Drinks

Establishing Date: 18/07/1989

Establishing Capital: 70,000,000

Listing Date: 15/06/2004

Source: Reports of the company's board of directors for the fiscal year 2018

Table (2). Financial indicator summary (2014-2018)

Share Turn over Ratio	12.73	9.19	6.33	15.27	22.27
Earning pershare (ID)	0.252	0.201	0.148	0.182	0.128
Ownership Rate(%)	90.07	95.49	96.01	93.20	96.25
Interest Repetition	9.92	14.62	15.23	18.69	11.46
Trading Rate (%)	3.06	11.53	12.86	7.97	13.14
Book Value (ID)	1.785	1.829	1.424	1.321	1.257
Working Capital	53,811,037,816	107,843,351,311	93,308,071,966	89,319,161,813	79,105,396,446
Market Capitalization (million ID)	332500	391020	300580	397670	198170
Profit Distributed (%)	—	10%	—	5%	10%

Source: The official website of the Iraq Stock Exchange / Baghdad Soft Drinks Company
Second: Analysis of the reality of sustainable Forward- Looking disclosure in the study sample company

The researcher analyzes the report of the company's board of directors for the fiscal year 2018 with regard to sustainable Forward- Looking disclosure (financial and non-financial information) as follows:

1- Disclosure of Forward- Looking financial information (quantitative):

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Table (1) shows the economic unit's disclosures about Forward- Looking financial information:

	Type of Forward- Looking financial disclosures	Availability of disclosures
1	General budget analysis (detailed statements)	available
2	Income statement analysis (detailed statements)	available
3	Analysis of changes in budget balances	partially available
4	Analysis of changes in the income statement balances	partially available
5	off-budget activities	Not available
6	potential assets	not available
7	potential liabilities	not available
8	Expected growth in assets and liabilities	not available
9	Expected growth in revenues and expenses	partially available
10	The board of directors' evaluation of the impact of dividends	not available
11	Analysis of the fluctuation of the reasons for trading the company's shares in the market	not available
12	Analysis of the causes of the upward instability of net profit	not available
13	Detailed financial ratios affecting management performance evaluation	not available
14	Fair value and other valuation options	available
15	Treatment of valuation differences at fair value	not available
16	comprehensive income information	Not available
17	Forward- Looking cash flows	Not available
18	Analyze financing structure, opportunities and limitations in financing	Not available

Source: The researcher prepared the analysis of the financial reports of the company, the study sample

2. Disclosure of Forward- Looking non-financial information (narrative):

Table (2) shows the economic unit's disclosures of non-financial information

	Type of non-financial disclosure	Availability of disclosures
1	The company's management is responsible for providing environmentally friendly raw materials	Not available
2	The responsibility of the company's management for storing raw materials to ensure that they are not damaged	Not available
3	Raw materials supply contracts and raw materials quality assurance notices	Not available
4	The side health effects of the company's products on handling by consumers	unstressed
5	Unit management strategies to improve product quality	Not available
6	Compensation of workers for the side effects of storing and unloading raw materials	Not available
7	Expectations of the administration in the province or increase the market share	Not available

8	The responsibility of the company's management towards the environment in which it operates	Not available
9	The responsibility of the company's management towards society by providing healthy and good products	Not available
10	Assurances of the company's continuity for the coming years	Not available
11	Expectations of the company's management for the Forward-Looking activity result	Not available
12	Managing Forward- Looking risks, opportunities and challenges for Forward- Looking financial performance	Not available
13	Approved accounting policies and current and expected changes	Available
14	Administrative development for employees, expected workshops and courses	Not available
15	Staff response to established policies and plans	Not available
16	Expected important and influential Forward- Looking economic events	Not available
17	Direct access to company data	Available
18	An electronic cloud that provides interactive information to users	Not available
19	Direct communication between users of information and its transmitters for the purpose of understanding it	Not available
20	Indicators for evaluating financial, administrative and organizational performance	Not available
21	Financial obligations towards the country's current and Forward-Looking crises	Not available
22	Disclosure of non-financial (environmental and social) information separately	Not available
23	Current and Forward- Looking governance mechanisms and management efforts to enhance them	Partially available

Source: The researcher prepared the analysis of the financial reports of the company, the study sample

Third: Preparing sustainable Forward-Looking disclosures for the study sample company.

In preparing the financial sustainable disclosures, the researcher relied on the time series model by analyzing the interim financial reports of the company, the sample of the study, for the period 2020/2021, according to the following steps:

1- Forward- Looking disclosures for the statement of financial position: The

researcher intends to prepare Forward-Looking disclosures for the elements of the statement of financial position, which are the basis for determining Forward- Looking financial indicators that enhance the media content of financial reports according to the following:

A: Current Assets: Table (3) shows the current assets balances as follows:

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Table (3) Disclosures of current assets in the 2020 and 2021 progress reports:

	the details	Current assets (amounts in thousands of dinars)
1	First semester of the year 2020	183,908
2	The second quarter of the year 2020	200,924
3	Third quarter of the year 2020	196,703
4	Fourth quarter of the year 2020	241,449
5	First quarter of 2021	228,228
6	Second quarter of 2021	220,877
7	Third quarter of 2021	230,789
8	Fourth quarter of 2021	230,313

Source: Prepared by the researcher based on the company's financial reports for the years 2020 and 2021

By applying the equation of the time series over the years 2020 and 2021 and for eight time periods. The formula for the equation is as follows:

$$\hat{y} = \hat{a} + \hat{b}x$$

whereas:

\hat{y} : (dependent variable) and represents the predictive value of banking operations revenues.

X: (independent variable) and represents the time function. The results of the time series analysis were according to Table (4).

Table (4) Results of time series analysis of current assets:

Calculated F	Coefficient of determination	Beta	intercept	Dependent variable Y	Independent variable X
7.92	% 67.2	26,920	19,882	Current assets	Time

Source: Prepared by the researcher based on the data in Table (3).

Considering the time function (x=8) and by substitution in the time series model, the Forward- Looking current assets for the first quarter of 2022 are as follows:

Current assets for the first quarter of 2022 (Y = 19,882 + 26,920 * = 235,242 (thousand dinars)

The researcher adopted the same method in calculating the remaining components of the general budget, according to what appeared in Table (5):

Table (5) Disclosures of Fixed Assets, Liabilities and Equity (Thousands of Dinars):

Equity	Liabilities	Fixed assets	Details	
376,333	44,332	236,758	First semester of the year 2020	1
394,758	45,690	239,524	The second quarter of the year 2020	2
395,588	29,370	228,255	Third quarter of the year 2020	3
427,222	51,865	237,640	Fourth quarter of the year 2020	4
400,629	77,332	249,705	First quarter of 2021	5
477,547	61,385	318,055	Second quarter of 2021	6
499,611	54,089	322,910	Third quarter of 2021	7
500,089	58,684	328,460	Fourth quarter of 2021	8

Source: Prepared by the researcher based on the financial reports of the Baghdad Soft Drinks Company

B: Fixed assets: When applying the time series equation for the fixed assets paragraph in Table (5), the results were as follows:

Table (6) Results of time series analysis of fixed assets:

Calculated F	Coefficient of determination	Beta	intercept	Dependent variable Y	Independent variable X
8.23	% 76	36,514	48,422	Fixed assets	Time

Source: Prepared by the researcher based on the data in Table (5).

Considering the time function (x=8) and by substitution in the time series model, the Forward- Looking fixed assets for the first quarter of 2022 are as follows:

Fixed assets for the first quarter of 2022 (Y = 48,422 + 36,514 * 8 = 340,534

C- Liabilities: When applying the time series equation for the liabilities paragraph in Table No. (4), the results were according to the information in Table (7):

Table (7) results of the time series analysis of liabilities:

Calculated F	Coefficient of determination	Beta	intercept	Dependent variable Y	Independent variable X
7.11	82%	6,114	8,920	Liabilities	Time

Source: Prepared by the researcher based on the data in the table (7).

Considering the time function (x=8) and substituting the time series model, the Forward- Looking liabilities for the first quarter of 2022 are as follows:

Liabilities for the first quarter of 2022 (Y = 8,920 + 6,114 * 8 = 57,832

D- Equity: Rights are calculated for the first quarter of 2022 by adopting the budget equation:

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$$\text{Equity} = \text{Assets} - \text{Liabilities}$$

$$= (235,242 + 340,534) - 57,832 = 517,894$$

E- The predictive activity result (net income) for the first quarter of 2022 and Forward- Looking cash flows for the first quarter of 2022 according to Table No. (8)

Table (8) net income and cash flow balances for the years 2020/2021 (amounts in thousands of dinars):

Financial Flows	Net income	Details
15,060	10,155	First semester of the year 2020
17,964	28,580	The second quarter of the year 2020
47,123	56,009	Third quarter of the year 2020
72,192	68,910	Fourth quarter of the year 2020
(29,651)	8,871	First quarter of 2021
(53,424)	13,200	Second quarter of 2021
(40,006)	24,112	Third quarter of 2021
(45,933)	60,114	Fourth quarter of 2021

Source: Prepared by the researcher based on the financial reports of Baghdad Company for the years 2020/2021

When applying the time series equation for the 8 periods for the purpose of predicting the value of net income for the first quarter

of 2022, the results were as follows, which are shown in Table (9):

Table (9) results of the time series analysis of net income:

Calculated F	Coefficient of determination	Beta	intercept	Dependent variable Y	Independent variable X
7.11	82%	1,071	360	Net income	time

Source: prepared by the researcher based on the data in Table (8).

Considering the time function (x=8) and by substitution in the time series model, the Forward- Looking net income for the first quarter of 2022 is as follows:

$$\text{Liabilities for the first quarter of 2022 (Y} = 360 + 1,071 * 8 = 8928$$

With regard to the analysis of the time series of operating cash flows and the result of the apparent instability in the results of cash flows over 8 time periods spanning two years, this makes the results distorted and

unreliable in predicting Forward- Looking cash flows for the first quarter of 2022.

E- Preparing disclosures of comparative Forward- Looking financial indicators for Baghdad Soft Drinks Company: Providing Forward- Looking information for the components of the financial position and the result of the activity contributes to providing Forward- Looking financial indicators that enhance the informative and reporting content of the financial reports. This is consistent with the objective of these

reports, which is described in the Conceptual Framework for Financial Accounting. This is represented in providing appropriate financial information, and one of the most important pillars of suitability is that it has a Forward- Looking predictive value that guides decision-making by users. As the comparative circulation ratio shows the ability of the economic unit to pay its obligations in the short term and its ability to exploit its current assets in achieving its operational goals. While the ratio of return on assets and return on equity refers to the ability of the economic unit management to achieve the targeted profits in accordance with the available production capacities and access to the economic and effective exploitation of the available resources.

While the debt ratio refers to the indicators of risk and the policy of the unit's management in diversifying the capital structure and the policy of the unit's management in providing the necessary financing, taking into account the cost of borrowing in the short and long term. While the comparative earnings per share refer to the unit management's efforts in maximizing the benefits of investors and owners and its ability to achieve its most important goals, which is maximizing the profitability of shareholders, and thus these ratios enhance the information and media content and enhance the comprehension and ability to predict Forward- Looking events. These ratios are the basis of the evaluation and as shown in Table (10)

Table (10) Forward- Looking financial indicators for the first quarter of 2022:

actual (first quarter 2021)	Forward- Looking (first quarter 2022)	Financial Indicators (Financial Ratios)	
2.95	4,006	trade rate	1
0.018	0.331	return on assets	2
0,022	0.017	return on equity	3
0,161	0.100	debt ratio	4
0.193	0.111	Debt to Equity Ratio	5
0.053	0.051	earnings per share	6

Source: Prepared by the researcher based on calculated and actual Forward- Looking information in the reports.

6- Sustainable non-financial disclosures: With regard to the provision of Forward-Looking non-financial (environmental and social) information, the available financial reports do not provide detailed information about the company's contributions to environmental protection and its contributions to community service. As well as the lack of difficulty in measuring (quantifying) information related to risk

management and governance mechanisms as it is narrative information. This is the responsibility of the management of the economic unit as defined by the standards and laws, so for the purpose of verifying the hypothesis of the study in its aspect related to Forward- Looking non-financial information, the questionnaire form is adopted and its results are analyzed according to the following:

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A- Description of the research sample: The sample represented by users of financial reports was selected from investors, creditors and financial analysts in the Iraqi Stock Exchange, as well as the management of those companies. The description of the study sample members aims to clarify the most important characteristics of the sample members through what was included in the questionnaire, including a set of general information related to the sample members. Including information related to the academic qualifications of the sample members, as well as the number of years of experience in the field of investment in securities. The form was distributed to the aforementioned categories, and the percentage of investors and creditors was the highest.

B - Description of the research variables: - To find out the impact of sustainable Forward- Looking disclosure in enhancing the media content of financial reports. The questionnaire was designed according to two axes. It included the first axis (sustainable Forward- Looking disclosure) limited to (6) questions, as for the second axis (the effect of sustainable Forward- Looking disclosure in enhancing the media content of financial reports) limited to (6) questions. The number of the studied sample was (40) individuals, and its entire vocabulary was browsed, and the (spss.v21) program was

used to analyze and process the data. The internal consistency coefficient (ALPHA GRANBACH) was used, which measures the extent of stability and internal interdependence of the paragraphs of the resolution, and its value reached (0.7230) for the entire paragraphs of the resolution, which is higher than (60%) the statistically acceptable percentage. Therefore, it can be concluded that the measurement tool (resolution) is evident with stability and consistency and is able to achieve the objectives of the research.

C - Analyzing the results of the questionnaire and testing the research hypotheses: Show the results of the regression analysis using the SPSS program according to the table below:

The results of Table (11) indicate that there is a good significant correlation, that is, the independent variable (sustainable Forward-Looking disclosures) explains and affects 78% of the dependent variable (the media content of financial reports). The regression equation has a high impact in terms of the high F value of (13.007), and the result of the coefficient (CORREL) coefficient of the significant correlation is high, and it shows the effect function with a value of (0.602), which is a positive relationship in light of the significant level (Sig) of (0.000). Thus, the hypothesis of the study is accepted, as shown in Table (11):

Table (11) Regression Equation Results Quality of Auditing Sustainability Reports:

Dependent variable: the informational content of financial reports					The independent variable: Forward- Looking sustainable disclosure Big data technology
CORREL	R2	SIg	F	P.	
0,602	0.782	0.000	13.007	0,002	

Source: Prepared by the researcher based on the data in Table (11)

Forth: Conclusions and recommendations

First: the conclusions

1- Accounting disclosure represents the focus of the accountant's job and the product of his professional efforts in the accounting measurement stage, which represents a response to the pressures of agency theory.

2- The quality of accounting disclosure is a function of reducing and increasing the costs of obtaining capital by reducing the information gap between management and users.

3- Sustainable accounting information represents a development in the requirements of information quality and is a response to the users' need to determine their Forward- Looking decisions for the expected economic activities and to exploit the opportunities available in the short term.

4- The accounting system applied in industrial companies listed in the Iraqi Stock Exchange is not compatible with the requirements of sustainable Forward- Looking disclosure, as it needs to be developed in the accounting disclosure requirements to comply with the needs of users.

5- By analyzing the financial reports of the study Sample Company and preparing appropriate predictive Forward- Looking indicators that enhance the media content of the financial reports.

Second: Recommendations:

1- Developing the accounting systems applied in economic units to allow the introduction of Forward- Looking

disclosures within the main reports or in additional disclosures attached to the basic financial reports.

2- Inclusion of the requirements of sustainable Forward- Looking disclosure within the requirements of listing in the Iraqi Stock Exchange.

3- Professional organizations in the local environment should develop the skills of accountants in the local environment to be able to keep pace with development in accounting disclosure, including sustainable disclosures.

4- Issuing local accounting rules regulating the process of disclosing sustainable accounting information and determining the methods of its measurement and the accompanying confirmations.

5- Introducing disclosure requirements, types and developments in the accounting education curricula so that accountants are academically qualified to deal with the mechanisms of sustainable accounting measurement and disclosure.

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