

-RESEARCHARTICLE-

## THE ROLE OF IFRS IMPLEMENTATION AND TRAINED PERSONNEL ON FINANCIAL REPORTING DISCLOSURE AND QUALITY OF IRAQI COMMERCIAL BANKS

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### —Abstract—

Financial reporting (FR) quality plays a critical role in organizational success and has become a key area of focus for researchers. This study investigates the impact of International Financial Reporting Standards (IFRS) implementation and the role of trained personnel on FR disclosure and quality within Iraqi commercial banks. Additionally, the study explores the mediating effect of FR disclosure between IFRS implementation, trained personnel, and FR quality. Data was collected from employees of Iraqi commercial banks involved in IFRS implementation through surveys. The relationships between the variables were analysed using Smart-PLS. The results indicate that both IFRS implementation and trained personnel positively influence FR disclosure and quality in these banks. Furthermore, the study finds that FR disclosure significantly mediates the relationship between IFRS implementation, trained personnel, and FR quality. Based on these findings, the study suggests that policymakers should focus on developing policies that enhance FR quality through

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improved FR disclosure and the effective implementation of IFRS with trained personnel.

**Keywords:** International Financial Reporting Standards (IFRS) Implementation, Trained Personnel, Financial Reporting Disclosure, Financial Reporting Quality

## INTRODUCTION

IFRS implementation has become an important global issue as it makes the financial statements more meaningful, transparent, and harmonised. IFRS has been built to make a common language for FR across borders to assist the investors, regulators and other interested users to make better decisions. About Iraqi commercial banks, there is no doubt that IFRS is significant in improving a range of financial stability while at the same strengthening the credibility of financial statements. The process of implementation of these standards is not independent but it needs persons to carry out the different requirements of the complex and dynamic IFRS. This implies that the sheer development of standards, but with inadequate human capital underlying their implementation could deliver suboptimal FR standards. This study assesses two variables, namely implementation of IFRS and trained personnel to evaluate its impacts on the quality of FR among the Iraqi commercial banks. FR quality is the ability or condition of financial reports to provide value relevant and reliable information to the users of reports (Golmohammadi Shuraki et al., 2021). It has been established that the quality of the reported financial information plays a crucial role in the decision made across various sectors and more specifically within the banking sector.

Such factors as transparency and accuracy of the reported information according to (Higgins et al., 2020) play a central role in managing financial risk and performance and in building trusting relationships between the banks and their stakeholders. However, between implementing IFRSs and having trained personnel as the two independent variables on one side and enhanced quality of financial reports as the dependent variable, this study establishes FR disclosure as the mediating variable. Announcing is defined as the presentation of information in financial statements to provide stakeholders with a better understanding of the organization's financial condition, operation risk and outlook. In this case, FR disclosure works as a mediator connecting the implementation of IFRS and personnel training to the general quality of FR. The successful adoption of IFRS in the context of Iraqi commercial banks is capable to achieve objective of greater disclosure and quality in FR. IFRS is a set of rules governing the preparation of financial reports which, when implemented, serve to increase comparability between institutions or countries (Nurunnabi, 2021). This is well illustrated in the banking sector, where precise financial statements can be decisive to the determination of risk and returns. As IFRS is more and more adopted, Oluwagbemiga (2021) says the quality of disclosed financial information is enhanced,

therefore there is an increase in the quality of FR. But it is important to state that in order to get IFRS working it entails a robust investment in human capital. Some expertise is required to work through various subtopics of IFRS, so that proper financial statements are prepared and reported as required.

Such people require not only strong knowledge of IFRS, but also practical abilities to use them in different spheres of economic activity. If the banking industry continued to lack qualified personnel in its workforce, the chances of inadequate as well as improper implementation of IFRS enhanced by aspect could see banks developing poor quality of FR (Masum & Parker, 2020). Minimally, the process of setting this hierarchy is inconceivable without the involvement of the concept of FR disclosure. According to Aburous (2019), disclosure is the tool for transferring the information resulting from the application of IFRS and actions of trained personnel. Increased disclosure practices make it possible for all relevant financial information to be disclosed thus minimizing information gap between banks and users. It helps to make sure that the necessities and specifics of the bank's financial business, threats and opportunities, achievements and difficulties are described to the users of the reports in detail (Lakshan et al., 2021). Where disclosure responsibility is well managed it also helps to moderate the correlation between IFRS implementation, trained personnel and FR quality by enhancing the quality of information disclosed. Thus, with the help of comprehensive disclosure, stakeholders can increase the amount of accurate information received from a bank, including information about its financial situation, as well as potential risks, to make correct decisions both in the sphere of investing and in the sphere of regulation. Selected Iraqi commercial banks provide a unique framework to investigate the interdependence of IFRS adoption, personnel training and FR disclosure.

The banking sector in Iraq has gone through hard time for years mainly due to political crises, economic sanction, and delay in the process of regulation. These issues have resulted in underdevelopment of the FR in that financial statement have often been less informative and less comparable (Yousif et al., 2023). Thus, the usage of IFRS in Iraq is not very long and began due to the need to bring the financial system of this country to a higher level. Recently, Iraqi banks have been directed to issue accounts that followed IFRS. This is a very big shift from the local accounting standards that were inadequate to support the international users. However, for proper implementation of IFRS in Iraqi banks there are also some issues. Whereas a good standard of personnel training and the actual practicing of IFRS can help the Iraqi banks to better their disclosures and therefore, in general, to raise the standards of the FR. The goals of the present research are to investigate the relationship between IFRS implementation and trained personnel on the FRO of the Iraqi commercial banks with FRD as a mediator. In particular, the goals of the study are to investigate the added value of IFRS in improving the quality of financial statements and making them more accurate, transparent, and reliable, and to determine the role of trained personnel in the further

improvement of FR. Moreover, the research aims at evaluating the aspect of FR disclosure as potential for closing a gap between IFRS adoption and personnel expertise, as well as, for improving quality of FR in Iraqi banks.

This paper also fills several significant research gaps in the literature on FR in emerging economies with a focus on Iraqi commercial banks. First, although there are many papers that investigate the cross-country adoption of IFRS, there are relatively few papers that consider the effects of IFRS adoption in developing countries, and specifically, in the context of post-conflict countries such as Iraq with relatively fragile accounting systems. Also, the involvement of professional staff in the successful adoption of IFRS in such environments has not been well captured. This study addresses this gap by examining the effect of professional human capital on the quality of FR under IFRS standards. Yet another research gaps the study fills is that the existing literature lacks studies that focus on FR disclosure as a mediator that has a significant positive impact on improving the clarity and reliability of reporting. In the same respect, this research helps to fill the gaps in theoretical and empirical knowledge of the research areas in the Iraqi banking sector with respects to the credit execution of IFRS and enhancement of the personnel skills. In the next section of this study, we will investigate the relevant literature review along with proposed hypotheses and provide a research methodology.

## LITERATURE REVIEW

The adoption of International FR Standards according to [Bananuka et al. \(2019\)](#) is of great importance in strengthening up FR all through the various sectors, especially the banking sector. IFRS gives a full structure of the preparation and presentation of the financial statements, which enhances union, clarity, and consistency of the financial reports to the stakeholders, that is investors, regulatory bodies and analysts etc([Gardi et al., 2023](#)). Main advantage of IFRS process of international FR allows for better comparability of annual financial statements of organizations of different jurisdictions. Such comparability is particularly important in a global economy where investors usually assess potential investments through the financial statements of companies in various markets. In addition, [Pucci and Skærbæk \(2020\)](#) points that IFRS adds more credibility and reliability of the financial reports since the settings of the accounting standards restrict the possibilities for changing or forging the financial results. Such credibility is especially important in banking, which as the foundation of the financial market, is built on trust and the proper assessment of the risk level by evaluating financial information. Implementation of IFRS has several other key benefits the most being the enhancement of disclosure practices.

IFRS has information comprehensive notes and other accounts related notes and additional information that accompany the financial statements which enables improvement of financial reports' quality ([Habib et al., 2019](#)). Such disclosure

minimizes information imbalance that exists between management and the relevant stakeholders by providing the latter with more detailed information about an organization's financial health, returns and risks. Risk and return information is more sensitive to the banking sector because a wide variety of financial products and risk management are typical for this industry. Finally, [Houcine et al. \(2022\)](#) finds, by afforded improved decision making in respect of investing and reporting the implementation of IFRS has the net effect of making the market more efficient.

Furthermore, implementation of IFRS encourages an application of ethics and professionalism among the organizations. Through this measure, banks and other financial institutions are forced to recruit well trained personnel with enhanced knowledge of these standards which enhance the human capital. They are not only good for FR, but also help effect overall improvement in governance and management on the body. Since people become more experienced in the application of IFRS, the possibility of mistakes in relative FR decreases, thus increasing the credibility of provided data ([Tarca, 2020](#)). In general, aspects of positive influence of IFRS implementation in enhancing quality of FR are evident for such more stringency, transparency, comparability and credibility of the financial information. Therefore, we propose that,

### **H1:** *IFRs implementation plays a positive role in improving Financial Reporting Quality*

Qualified staff are an essential input to the improvement of the quality of financial reports elucidated in the various sectors of the economy especially in the banking and financial fields. Accounting and finance professionals according to [Morshed \(2024\)](#) are the valuable asset to provide compliance with IFRS and other appropriate regulations for reporting. That is why when it comes to these standards ensure that we have personnel who are fully trained to ensure that the preparation of financial statements dials with these standards to reduce the possibility of errors or wrong figures. Experts with specific certification have the crucial skills as they understand the keyways of dealing with FR complexities, they know the principles and ways to apply them consistently in various transactions. Also, trained people enhance better disclosures that are crucial for everyone in FR business ([Hess, 2019](#)). They know well what information the stakeholders may seek and are proficient in presenting this information within financial statements and notes. This capability is especially essential in the banking industry since different forms of financial instruments and risk/ return profiles require clear explanations and reports to make the stakeholders aware of the banking institution's financial state and results. This means, as [Drake et al. \(2019\)](#) says, the better the professionals become over time in their daily responsibilities, the more on point and detailed the public disclosures about the firm's financial reports and statements become thereby aiding the shareholders and other stakeholders to make improved decisions from the knowledge gathered from those reports.

Also, confirmation of personnel ensure that the organizations treat those who are trapped in false promises and poor working environment accountability. If the staff are well informed, they are able to abide by all the existing ethical requirements and the highest standards in the preparation of the financial reports (Adhariani & De Villiers, 2019). This, in turn, does not only ensure high quality of financial reports but also generates confidence by people working and investing in the certain organization, as the companies prove them to be credible. Also, Dachner et al. (2021) says, personnel frequently is trained accordingly to the current regulations through professional development, thereby effectively helping the company update its FR to higher practices. Since the financial world is dynamic, qualified staff to support changes in standards and technologies, is crucial in the provision of good financial reports. Their skills also benefit the organization in training and orienting new and junior manpower for ethical and accurate reportage, thus play a huge role directing organizational culture on their acceptable practices in the financial domain. Therefore. We make a hypothesis that,

## **H2:** *Trained Personnel plays a positive role in improving Financial Reporting Quality*

Implementing IFRS has been argued to impact positively on FR quality and FD is established to mediate this relationship through its impact of disclosing companies' FR information. According to the previous studies like Kohler et al. (2021), the implementation of the IFRS has a firm foundation for developing the organization's financial statements and making them more coherent and similar across the world. Although, having these standards in place does not inspire of making significant progress in obtaining international acceptance for its own standards, ensure higher quality of financial reports, compliance with IFRS is only but the first step to achieving this goal through effective disclosure mechanisms. Accounting information disclosure involves the release of an organization's financial information, accompaniment of the account figures with additional notes and elaborated explanation (Gosselin et al., 2021). As a result of the use of IFRS, organizations have been obligation to improve the quality of disclosure to ensure that stakeholders receive more useful information about the situation, performance and risks of the organization. This enhanced transparency of operations minimizes information gap and makes stakeholders be able to make right decisions each time they are making them based on the right information.

Furthermore, Nurunnabi et al. (2020) finds that properly formatted and accurately implemented disclosures within financial reports can enhance the objectives of IFRS in organisations by directing top quality implementation of the standards. In this respect, qualified staff knowledgeable of IFRS and the value of efficient disclosure procedures are important. They make certain that the organization complies with the technical requirements of IFRS, and develops financial reports that meet both the legal requirement and the core mission of providing its audience with useful information (Gilchrist et al., 2023). This mediation by FR disclosure contributes towards the

improvement of the quality of the financial reports by increasing accountability and trust among the different report users. Therefore, integrated application of IFRS and complete FR disclosure enhances FR quality in making and maintaining a transparent and credible financial environment. Therefore, we say that,

**H3:** *Financial Reporting disclosure mediates the relation between IFRs implementation and Financial Reporting Quality*

Trained personnel interact with FR disclosure in a significant manner with an intermediary role with FR quality. There is no doubt that trained personnel are equipped with a set of experience and knowledge that helps them prepare correct and detailed financial reports in line with the legal rules and regulated or expected by the investors. However, the efficiency with which such training is made cannot be achieved efficiently without strong FR disclosure rules. Inexperienced accounting and financial related people are always aware of the pertinent data that should be disclosed and have effective communication in relaying financial information and data (Jones et al., 2019). When staff is provided with all the appropriate education, staff can guarantee that figures are not the only things incorporated into financial statements, but also notes and other details that give users a precise description of the situation. Al-Okaily (2024) Says, this level of disclosure diminishes information asymmetry, and empowers stakeholders with an understanding on the state of financial affairs, operations, and risks as experienced by the organization.

Therefore, FR increases in quality, which has positive implications for the increase in the transparency of financial corporations. Furthermore, the use of trained personnel means that they will observe the ethical requirements of FR which enables high disclosure quality (Adel et al., 2019). They can recognize such risks and uncertainties, and this results in more extensive and descriptive information which is provided alongside and in relation to the financial statements. Lastly, increased FR disclosure according to Mahdi Sahi et al. (2022) synchronizes with trained personnel in order to enhance the quality of FR. Trained personnel play a massive role in building stakeholder trust and confidence through making sure disclosures are complete, accurate and relevant. Thus, externally while filling the gap between trained personnel and FR quality, the mediation of FR disclosure contributes positively towards the enhancement of overall integrity of FR in organizations. Therefore, we propose that,

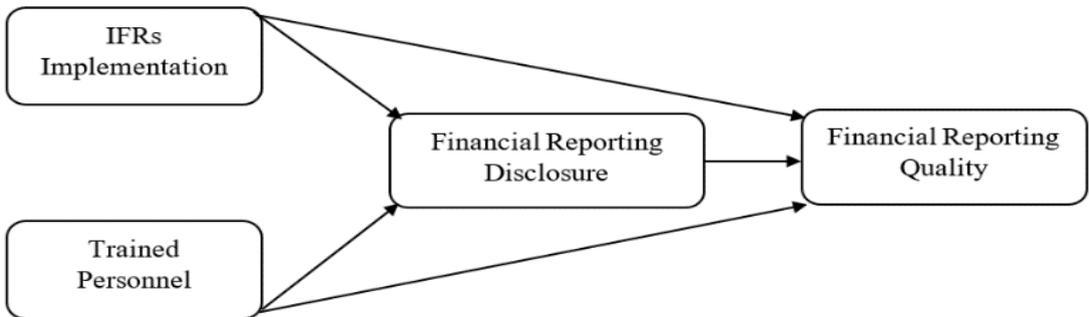
**H4:** *Financial Reporting Disclosure mediates the relation between trained personnel and Financial Reporting Quality*

## RESEARCH METHODS

The study examines the impact of IFRS implementation and trained personnel on the FR disclosure and quality and examines the mediating role of FR disclosure among

IFRS implementation, trained personnel and FR quality in Iraqi commercial banks. The study collected the data from the employees of Iraqi commercial banks who are engaged in IFRS implementations using surveys. The five point Likert scale was used to measure the constructs. The variables are measured with questions such as IFRS implementation has six questions (Abdullahi & Abubakar, 2020), trained personnel is measured with five questions (Goniewicz et al., 2021), FR disclosure is measured with six questions (Madawaki et al., 2022) and FR quality is measured with six questions (Kaawaase et al., 2021).

In addition, the employees of Iraqi commercial banks who are engaged in IFRS implementations are selected as the respondents of the study. These are selected based on purposive sampling. The surveys were distributed among employees by personal visits to the banks and through mails. The researchers distributed 602 surveys but only 357 valid surveys were received and used for analysis. These surveys have 59.30 percent rate of response. Moreover, the study also checks the associations among constructs using smart-PLS. This tool deal with primary data and gives best results even though the researchers used complex models along with large data sets (Hair Jr et al., 2020). These are given in Figure 1.



**Figure 1:** Theoretical Model

Finally, the study used two predictors named IFRS implementation (IFRI) and trained personnel (TP), while one mediating construct is used named FR disclosure (FRD) and one predictive construct is used named FR quality (FRQ).

## RESEARCH FINDINGS

The outcomes shown in Figure 2 exposed the convergent validity that showed the correlation among items that should be high correlation among items for the validity of measurement model. These outcomes are given in Table 1. The results exposed that the Alpha along with composite reliability (CR) values are larger than 0.70. The outcomes also exposed that the loadings along with average variance extracted (AVE) values are bigger than 0.50. These outcomes indicated a high correlation among items and shows valid convergent validity.

**Table 1: Convergent Validity**

Constructs	Items	Loadings	Alpha	CR	AVE
Financial Reporting Disclosure	FRD1	0.830	0.860	0.896	0.590
	FRD2	0.774			
	FRD3	0.822			
	FRD4	0.758			
	FRD5	0.736			
	FRD6	0.680			
Financial Reporting Quality	FRQ1	0.731	0.809	0.868	0.568
	FRQ2	0.740			
	FRQ3	0.797			
	FRQ4	0.802			
	FRQ6	0.693			
	IFRs Implementation	IFRI1			
IFRI2	0.864				
IFRI3	0.799				
IFRI4	0.807				
IFRI5	0.875				
IFRI6	0.861				
Trained Personnel	TP1	0.837	0.849	0.892	0.625
	TP2	0.815			
	TP3	0.788			
	TP4	0.727			
	TP5	0.780			

The outcomes show the discriminant validity that exposed the correlation among variables that should not be high correlation among variables for the validity of measurement model. The results of Fornell Larcker exposed that the first value is bigger than other values in the column. These outcomes indicated a low correlation among variables and shows valid discriminant validity. These outcomes are given in [Table 2](#).

**Table 2: Fornell Larcker**

	FRD	FRQ	IFRI	TP
FRD	0.768			
FRQ	0.644	0.754		
IFRI	0.468	0.605	0.848	
TP	0.544	0.717	0.481	0.790

The outcomes show the discriminant validity that exposed the correlation among variables that should not be high correlation among variables for the validity of measurement model. The results of cross-loadings exposed that the values that show the correlation with construct itself are bigger than other values that exposed the correlation with other variables. These outcomes indicated a low correlation among variables and shows valid discriminant validity. These outcomes are given in [Table 3](#).

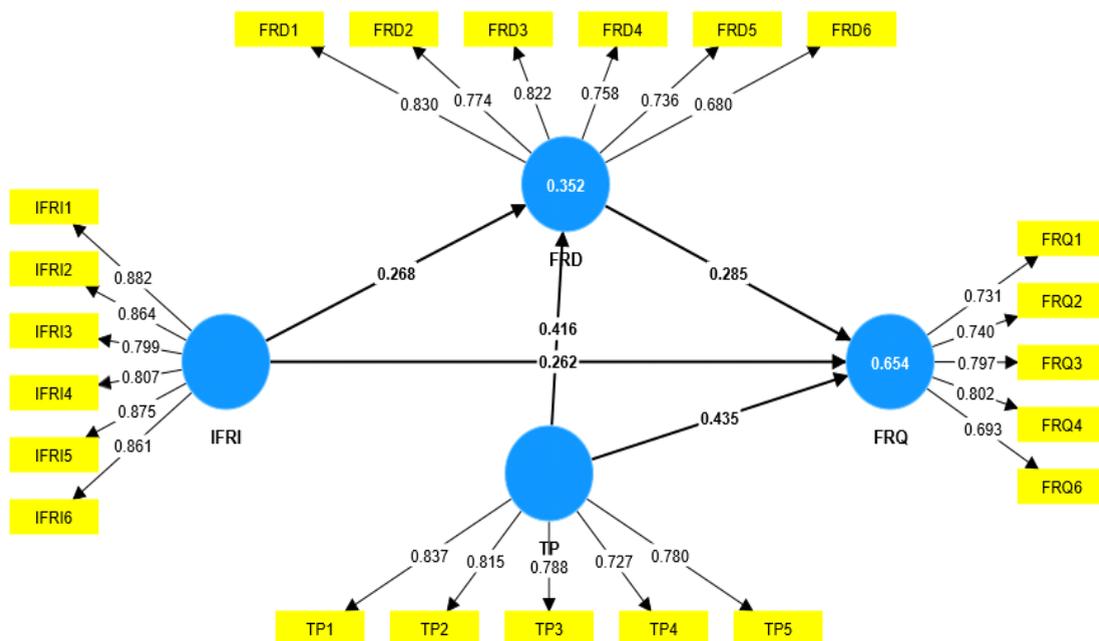
**Table 3: Cross-Loadings**

	<b>FRD</b>	<b>FRQ</b>	<b>IFRI</b>	<b>TP</b>
FRD1	0.830	0.575	0.374	0.500
FRD2	0.774	0.480	0.288	0.432
FRD3	0.822	0.509	0.373	0.382
FRD4	0.758	0.441	0.298	0.334
FRD5	0.736	0.518	0.452	0.457
FRD6	0.680	0.422	0.352	0.378
FRQ1	0.540	0.731	0.444	0.521
FRQ2	0.660	0.740	0.458	0.425
FRQ3	0.451	0.797	0.522	0.566
FRQ4	0.429	0.802	0.464	0.566
FRQ6	0.342	0.693	0.385	0.625
IFRI1	0.425	0.554	0.882	0.410
IFRI2	0.436	0.539	0.864	0.409
IFRI3	0.398	0.526	0.799	0.404
IFRI4	0.355	0.473	0.807	0.444
IFRI5	0.387	0.502	0.875	0.399
IFRI6	0.371	0.475	0.861	0.387
TP1	0.447	0.627	0.429	0.837
TP2	0.409	0.564	0.433	0.815
TP3	0.459	0.467	0.309	0.788
TP4	0.387	0.524	0.327	0.727
TP5	0.447	0.630	0.393	0.780

The outcomes show the discriminant validity that exposed the correlation among variables that should not be high correlation among variables for the validity of measurement model. The results of Heterotrait Monotrait (HTMT) ratio exposed that the values are less than 0.90. These outcomes indicated a low correlation among variables and shows valid discriminant validity. These outcomes are given in [Table 4](#).

**Table 4: Heterotrait Monotrait Ratio**

	<b>FRD</b>	<b>FRQ</b>	<b>IFRI</b>	<b>TP</b>
FRD				
FRQ	0.766			
IFRI	0.519	0.697		
TP	0.631	0.861	0.541	

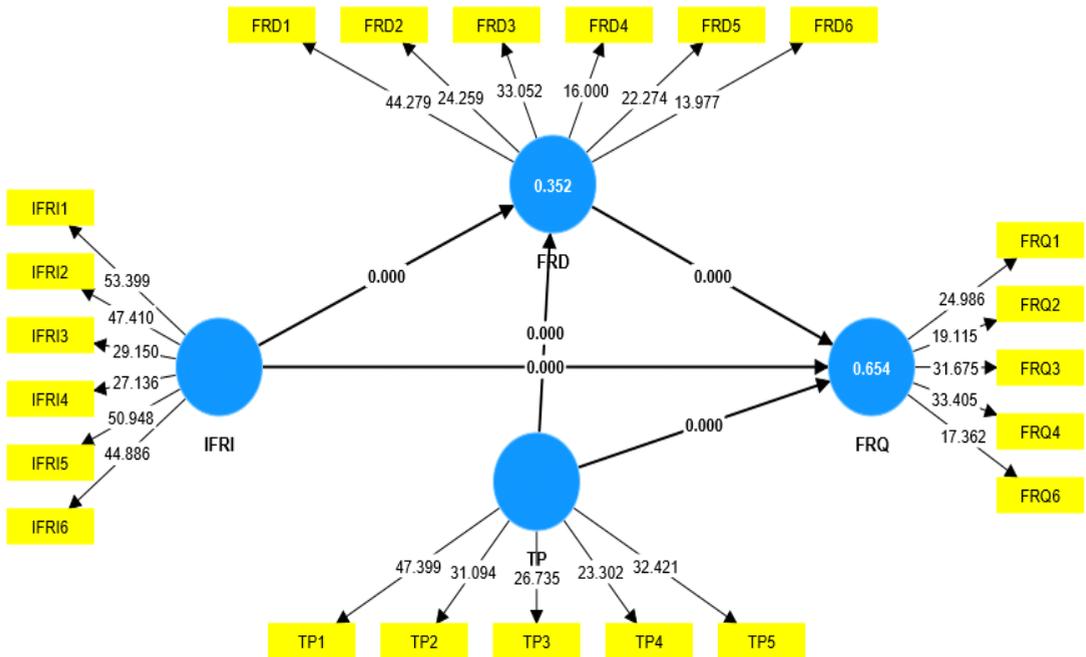


**Figure 2: Measurement Model Assessment**

The results of path analysis shown in Figure 3 revealed that the IFRs implementation and trained personnel have a positive association with FR disclosure and quality in Iraqi commercial banks and accept H1 and H2. These outcomes are given in Table 5. Finally, the outcomes also exposed that the FR disclosure significantly mediated among IFRs implementation, trained personnel and FR quality in Iraqi commercial banks and accept H3 and H4.

**Table 5: Path Analysis**

Relationships	Beta	Standard Deviation	T Statistics	P Values
FRD -> FRQ	0.285	0.052	5.454	0.000
IFRI -> FRD	0.268	0.055	4.828	0.000
IFRI -> FRQ	0.262	0.037	7.102	0.000
TP -> FRD	0.416	0.060	6.930	0.000
TP -> FRQ	0.435	0.056	7.746	0.000
IFRI -> FRD -> FRQ	0.076	0.021	3.594	0.000
TP -> FRD -> FRQ	0.118	0.031	3.808	0.000



**Figure 3:** Structural Model Assessment

## DISCUSSION

The findings of this research on the extent of IFRS implementation and trained personnel in disclosing and enhancing the quality of the financial reports of the Iraqi commercial banks provide compelling information regarding the factors which affects the FR and disclosure. This paper establishes that there are significant positive effects of IFRS adoption especially on the quality of FR. [Prather-Kinsey et al. \(2022\)](#), and [Tarca \(2020\)](#) prior works indicate that IFRS has greatly enhancing the comparability, transparency and reliability of financial statements across different countries/jurisdictions. This is especially relevant in banking where the various users depend on the quality of financial information to judge the solvency, returns, and risks of banks. As a result, the current study establishes that IFRS adoption in Iraqi commercial banks improves the quality of financial reports by dictating the manner in which entities should prepare and present their financial reports.

However, the study also documents the fact that IFRS implementation is not sufficient to ensure the quality of the financial reports. Qualified staffs who are conversant with the IFRS standards will help implementation of the standards and make it more effective. This result supports the studies of [Aburous \(2019\)](#) who observed that the overall personnel training is a critical element in the effective transition to IFRS due to the opportunity they provide to the accountants and other financial personnel acquire the necessary knowledge and skills to analyse and apply international accounting

standards. In the case of Iraqi commercial banks in which the change from national accounts to IFRS is new, trained human capital helps in closing the old and new account practices gap. When there is inadequate trained staff, there is high likelihood of either misinterpreting IFRS or applying them in wrong manner eradicating quality of the FR (Smieliauskas et al., 2022). Another theoretical contribution of this research is the nature of the relationship between IFRS implementation and personnel training, and the mediating role played by FR disclosure. FR disclosure describes the degree of communicating financial information to the users of the financial statement (Pavlopoulos et al., 2019).

This research further establishes that increased disclosure practices are necessary in the endeavour to increase the quality of FRS, especially in contexts characterized by existing information failing or asymmetry. Another similar study, done by Nair et al. (2019), have also found out that financial disclosure reduces information failure and enhance transparency in the financial markets. In Iraqi commercial banks, FR disclosure act as the communication channel that facilitates the meaning of IFRS adoption and personnel exercise into positive changes in communication of FR quality. This implies that while everything has been done right, IFRS has been implemented appropriately and personnel educated on the system of use, the quality of financial reports will only be upscale to the level of disclosure practiced by the banks. Implementation of IFRS enhances the quality of financial reports due to enhanced and coherent structure of the standards, although this benefit is enhanced if staff involved has adequate training in applying these standards, and if banks declare with unique openness (Smieliauskas et al., 2022).

The study establishes that FR disclosure enhances the effects of IFRS and personnel expertise on reporting quality by ensuring that users are provided with timely, relevant and comprehensive and accurate information. The above conclusion corresponds to the work of García-Sánchez et al. (2019), which noted financial disclosure as a bump-stone of corporate governance since it produces assurance that all available information that could decrease uncertainty is provided to the stakeholders. Further on, the investigation strengthens the existing body of knowledge because these dynamics are investigated in the context of the Iraqi commercial banks. Somewhat, the banking system in Iraq continues to function in a very unfavourable environment with politically instabilities, continuous economic sanctions, and increasing changes in regulations. Throughout history these have led to substandard FR, there is little transparency and more so there is a lot of inconsistency in financial statements. The IFRS adoption process represents a major advancement in the development of the FR system of Iraq but this process depends on the quality of human resources and the firms' disclosure policies (Alharasis et al., 2024).

In a similar Rana et al. (2020) found that emerging markets are facing difficulties when

attempting to assimilate international standards due to lack of finances and qualified personnel. This research validates the need to have professional employees to deal with these issues since they offer the professional touch needed to execute IFRS. However, this research shows that the variable of FR disclosure not only acts as a mediating variable, but also the major variable in improving confidence of stakeholders in the Iraqi commercial banks. By a way of enhancing their disclosure practices, banks can be able to deal with the problem information asymmetry where some of the players have better information than others. It remains vital in the Iraqi banking industry specifically because transparency is essential in developing the market's credibility after numerous economic and political shocks. By full and timely disclosure, banks can make the documented information available to all parties interested in them to minimize misleading controversy over financial statements.

## CONCLUSION

This research advances the literature on IFRS implementation, personnel training, and FR disclosure in explaining how these factors jointly affect the quality of FR by Iraqi commercial banks. The findings underlined the necessity of the IFRS adoption as the factor mitigating the drawbacks of the current environment, such as the lack of comparability of financial statements all across the world and increasing the level of transparency in FR. However, these findings reflected the crucial importance of the trained staff as the key factor positively influencing the accurate application of the standards. In addition, this study reveals that FR disclosure mediates the relationship between the implementation of IFRS, personnel expertise and quality of FR. Hence, many Iraqi banks understand that in order to get the best out of IFRS and enhance their investors' confidence, enhanced disclosure practices must be achieved.

## IMPLICATIONS

The findings of this study hold several major policies, banking regulatory, and financial implications for Iraq and other emerging nations. First, it emphasizes the importance of IFRS implementation as the way to improve quality and relevance of reported financial information needed to attract foreign investments and stimulate economic growth. Furthermore, the study underscores the need for enhanced training of human resource to meet the necessary skills of accounting and finance personnel so as to enhancing a practical application of IFRS. Again, enhancements in human capital will enable banks to enhance their practices in the preparation of their financial reports to avert misinterpretation of standards. In addition, the study provides a theoretical focus on improving the disclosure more so in the FR practices as the mediating factor between IFRS adoption and reporting quality. This implies that there should be a push for greater level of disclosure standards by the regulators to improve the overall disclosure standards of the Iraqi commercial banks with the view of improving stakeholder confidence.

## LIMITATIONS

The study also has some limitations which are worth a mention. First, it mainly targets the Iraqi commercial banks thus its results may not hold true for other contexts or other banking systems. Also, the research draws data from the reaction of the bank personnel, thus the responses may be biased or inaccurate. In addition, the research focuses only on the cross-sectional data on FR, which may lead to ignoring changes occurring in the annual period. Lastly, the research does not consider the other factors outside the central business, including macroeconomic environment and political risk, which affect the quality of financial reports of the banks in Iraq.

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