



**AUDIT REPORTS DELAY OF IRAQ'S LISTED COMPANIES**

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**UNIVERSITY UTARA MALAYSIA**

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# **AUDIT REPORTS DELAY OF IRAQ'S LISTED COMPANIES**



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**By**

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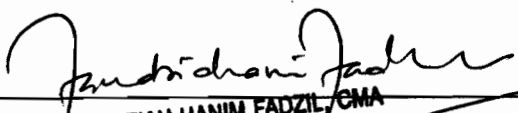
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## **Abstract**

The financial information timely disclosure through audited financial reporting plays a significant role in reducing the asymmetric dissemination of financial information. This investigates the determinants of audit reporting delays for companies listed in Iraq Stock Exchange. The problem, which is highlighted in this study, is that Iraqi companies lacks in terms of audit report delay. An efficient audit can help speed up the review of the audit reporting. The variables which are use in this study are company's size, audit firm technologies and signs of income. The objective of the research is to determine the extent of the audit delays of audit reports in Iraq's listed companies; to examine the relationship between company size and audit report delays, to investigate the relationship between audit firm technologies and audit report delay and lastly to examine the relationship between the signs of the income and audit report delays. The questionnaire is used as an instrument to collect the data. There were 110 companies listed in both main board and second board of Iraq Stock Exchange but only 89 companies were used. The unit of analysis of this study is the auditors of the companies. The findings suggest that there is positive relationship between audit company size, audit firm technology and sign of income on audit reporting delay. Therefore, this study confirms that company's size, audit firm technology and sign of income do have positive relationship with audit report delay in Iraq's listed companies. Hence, Iraq's listed companies should speed up their audit report process and publish timely financial report for the benefits of internal and external interest of the company.

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## **LIST OF ABBREVIATION**

<b>Abb.</b>	<b>Full lists</b>
ARD	Audit Report Delay
SIZE	Company Size
AUDTEC	Audit Firm Technology
LOSS	Sign of Income
IOSCO	International Organization of Securities Commission
ARL	Audit Report Lags
EAL	Earnings Announcement Lags
MLR	Multiple Logistic Regression

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

One of the important issues affecting the timeliness of the financial statements which convey financial information to investors is the timeliness of the audit reports (Dopuch, Holthausen & Leftwich, 1986; Field and Wilkins, 1991; Loudder, Khurana, Sawyers, Cordery, Johnson, Lowe and Wundererele, 1992). The financial information timely disclosure through audited financial statements plays an important role in reducing the asymmetric dissemination of financial information (Jaggi & Tsui, 1999).

Indeed, the shorter the time between the end of the accounting year and the publication date, the greater the benefits that can be derived from the financial statement. The delay in disseminating the financial statement will most likely boost the uncertainty associated with the decisions made based on the information contained in the financial statements. Thus, delays may contribute to decision that may not be of superlative quality (Abdulla, 1996).

It has been found by much empirical and analytical evidence that the timeliness of a financial statement has some impact on the firms' value (Beaver, 1968; Givoly and Palmon, 1982; Chamber and Penman, 1984; and Kross and Schroeder, 1984). Beaver (1968) asserts that investors may postpone their purchases and sales of securities until the earnings report is released. Givoly and Palmon (1982) contended that the price reaction to

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**APPENDIX: A**

**QUESTIONNAIRE**