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Fundamental Qualitative Characteristics of Accounting Information Systems and their Effect on the Preparation of Planning Budgets - An Applied Study in Iraqi Commercial Banks Listed on the Iraq Stock Exchange

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Abstract

The study aimed to identify the effect of financial and accounting information systems by depending on the basic and reinforcing qualitative characteristics of those systems by depending on indicators (appropriateness, faithful representation, appropriate timing, verifiability, comparability, and understandability) on the one hand, and what is their effect on the preparation of planning budgets in Iraqi commercial banks? By depending on scientific principles for preparing planning budgets based on indicators (comprehensiveness, realism, annual budget participation, forecasting and time distribution, linking the budget to control periods). To achieve the objectives of the study and ensure the validity and results of the analysis of its hypotheses, it was based on the descriptive analytical approach and through the use of the questionnaire, which consisted of (54) items and the study population was Of the employees of the Iraqi commercial banks listed on the Iraqi Stock Exchange together, amounting to (22) banks, to test the plan and hypotheses of the study, as it is one of the important sectors that has recently witnessed a significant demand for it. As for the study sample, it was limited to officials who have the authority to participate in making decisions: (420) questionnaire forms were distributed to a purposive sample of managers, department heads, divisional and unit officials, and employees of the commercial banks surveyed, and only (397) valid questionnaires were retrieved. The researcher used the software Ready-made (24 AMOS, V26 SPSS) for inferring percentages, frequencies, means, arithmetic calculations, standard deviations, and response rates. The study has reached several results: It has been shown that there is a statistically significant effect of the qualitative characteristics of financial and accounting information on the principles of preparing planning budgets in Iraqi commercial banks. Therefore, the commitment of Iraqi commercial banks to the qualitative characteristics of financial and accounting information will contribute to improving adherence to the principles of preparing planning budgets in Iraqi commercial banks and will help the financial system. The accounting method is applied in Iraqi commercial banks to provide management with the necessary accounting information at the appropriate time to make the decision to choose alternatives from the alternatives available to management. The ability of planning budgets to confront the state of risk and uncertainty that characterizes practical reality, as the procedures for preparing the budget and the forecasting of the future it includes can... It helps to study potential problems before they occur and to study ways to solve them when they occur. The participation of employees in preparing the budget leads to creating motivation among the organization's employees and the desire to work with motivation and satisfaction, which results in raising the level of performance and strengthening the group spirit. Through the results of the study, the most important recommendations were framed, which are: The necessity of having a sound financial and accounting information system that provides ease of obtaining the necessary data and information at the appropriate time, as the success of implementing the planning budget system depends to a large extent on the various information provided by the administrative and accounting information system in the bank, The necessity of using scientific methods in forecasting planning budget estimates, because forecasting Planning budget estimates must be made on an accounting, scientific, and realistic basis for internal and external conditions, and correct and accurate statistical methods, must be used in preparing these estimates until realistic, achievable estimated numbers are established.

Keywords: Financial information systems, Accounting information systems, characteristics, Enhanced characteristics, planning budgets Fundamental qualitative

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1- Introduction

Accounting and financial information are a vital tool that plays a direct role in forming the planning budget of commercial banks. This information provides accurate and reliable details that can be depended on in making sound decisions and efficiently planning financial activities. By properly designing and implementing accounting and financial information systems, this can greatly contribute to managing the huge amount of information necessary to manage banks and enhance their financial and competitive performance. Financial and accounting information are also essential elements in determining the efficiency of banks and ensuring that such information reaches all administrative levels accurately and in a timely manner, and supporting the activities of institutions, whether profitable or non-profitable.

Most economic units suffer from misuse of available resources, including material and human resources, which require effective solutions to direct these resources towards optimal use and protect them from waste or misuse. Therefore, the idea of budgets planning is a tool for planning, control, performance evaluation and directing the resources of facilities towards optimal exploitation. The planning budget is one of the means through which the future can be thought about and planned for the appropriate solution at the lowest possible cost and the highest possible quality for banking operations.

The Study Problem focuses on studying accounting information systems and the characteristics they are distinguished by, and showing the extent to which the desired quality elements are available in their outputs to assist preparing planning budgets, and identifying the problems that may arise as a result of using these systems.

The Study Importance is manifested in the collection of the framework of accounting information systems in general, and analysis of the financial and accounting system applied in Iraqi commercial banks in particular. Moreover, it aims to explore how to prepare planning budgets based on previous studies and understanding the relationship between these aspects. The study aspires to enrich knowledge and benefit future researchers, as the importance of financial information increases as a vital source for planning, control, and decision making.

The Study Aimed to explore the effect of accounting information systems on the preparation of planning budgets in commercial banks. It focuses on the basic and complementary characteristics of those systems, such as relevance, faithful representation, and how they affect the scientific indicators used in preparing planning budgets. The researcher used two approaches:

1. Descriptive approach: where the descriptive approach will be depended upon in the theoretical aspect by reviewing books, periodicals, university theses and dissertations in addition to information published on the internet related to the research topic.
2. Analytical approach: by designing the questionnaire form and distributing it to a sample of the study population as a key tool for collecting data from the study population and analyzing the answers of the research sample members.

2- The Study Theoretical Framework

2-1 The Concept of Accounting Information Systems

(Fakeeh,2015) defined the accounting information system as the system that track financial matters simultaneously through the use of electronic computers. Therefore, it provides the possibility to view reports and data from any place, and for any stakeholder, whether close to the workplace or far from it. (Beg, 2018) defined it as a mixture composed of a group of people, machines, methods,

skills and ways to produce data and information that benefits work. It is a system in which many factors, hands and subsystems work together to show information in a useful and correct way that helps the institution's management to take appropriate policies and administrative procedures.

An accounting information system can be defined as an integrated set of sub-information systems within the economic institution consisting of (tangible and intangible parts) that are interrelated, which work to produce the transformation of financial data into financial information that can be used by internal and external users, and on the basis of which the processes of planning and decision-making are built.

2-1-1 Qualitative Characteristics of Accounting Information

The qualitative characteristics of accounting information are defined as the attributes and characteristics that accounting information is distinguished by and which increase its usefulness and effectiveness. These characteristics are applicable to the information contained in the reports submitted to users (Nakhaei, Nakhaei & Ahmadimousabad, 2014: 645-648). Accounting represents quality characteristics of the financial and accounting information contained in the financial reports generated by the system in institutions or companies, which have credibility, impartiality, clarity and transparency in presenting the information and optimal use in making appropriate decisions by its users (internal and external). The primary goal of accounting and financial reporting in the conceptual framework models of different countries is providing financial and accounting information that assists users in making economic decisions. In order for this information to be useful, it must have characteristics or qualities that give it value in making economic decisions. These are the qualitative characteristics of accounting information (Al-Najar, 19:2012). In this study, the researcher will depend on the qualitative characteristics of accounting information issued by (FASB) in September 2010, which are the following:

The Fundamental Characteristics Are: (IASB,2010: 23)

1- Relevance: Relevance means that there is a close relationship between the financial information and the purposes of its preparation. Information is considered relevant or closely related to a particular decision if it helps the decision maker evaluates one of the alternatives to which the decision relates, provided that the other characteristics possessed by useful information are available. In order for this information to be useful, it must have a close relationship to the decisions made by the users of that information. To achieve this goal, the information must be relevant to the users' needs by helping them evaluate past, present and future events. Therefore, it must have three sub-characteristics: (predictive value, confirmatory value, relative importance).

2- Faithful Representation: Faithful representation means the credibility of information. It is a term that describes lack of bias, because biased information is inherently unreliable or undependable. Financial information that is impartial serves to meet the common needs of its internal and external users. Financial and accounting information is characterized as free from bias towards any predetermined results, and this trait places a duty on those responsible for preparing financial reports with regard to making decisions about choosing between alternative valuation methods (Bennouna, 2010:225-247). Under the faithful representation characteristic, there are three sub-characteristics: (freedom from error, neutrality, completeness).

2-2 Planning Budgets

Planning budgets are considered one of the administrative systems that play an important role in economic institutions, including banks. Planning budgets provides relevant information on

time to help managers perform their various functions such as planning, control, performance evaluation and decision making. This is done by translating numeric indicators, future plans and policy implementation into financial and cash budgets through which available alternatives can be compared, taking into account management's goal of maximizing profits. Every decision requires information, and this is where the responsibility of the administrative accountant lies in making the right decisions.

2-2-1 The Concept of Planning Budgets

There are several definitions of the planning budget, each definition focusing on a specific aspect that varies according to the writers and their intellectual and scientific orientations. Most of these definitions revolve around planning, control, motivation, and taking corrective actions. It has been defined as a detailed plan for the future that is usually expressed in formal quantitative terms (Brewer. et. al 2019:334). (Bhimani. et. al 2019:425) defines the budget as a quantitative expression of management's proposed action plan for a future time. It assists in coordinating and implementing the plan that can cover financial and non-financial aspects of this plan. (Datar & Rajan 2021: 213) state that the budget is (a) a quantitative expression of a management's proposed action plan for a specified period (b) an aid to coordinating what needs to be done to implement that plan. The budget generally includes both financial and non-financial aspects of the plan and serves as a roadmap to be followed by the economic unit in an upcoming period. Based on the above, planning budgets can be defined as "proposed plans for programs and activities set by institutions, including (banks), for future periods expressed quantitatively and numerically to ensure achieving the institution's goals scientifically and with the participation of all administrative levels of (department managers, responsibility centers and officials)".

2-2-2 Principles of Preparing Planning Budgets

The scientific principles governing the preparation of planning budgets have been defined as guiding principles that lead to improving the use of budgets as a valuable tool for planning and increasing their effectiveness in the field of control. The principles are basics and motivating prerequisites necessary for the success of planning budgets. There is a set of scientific principles that serve as a reference to be guided by for the continuation of the different stages through which the budgets go through, as these principles help clarify the nature of the budget, deepen understanding of it, and explain its significance. These principles include (Ibrahim, previously mentioned reference: 37):

- **Principle of Comprehensiveness:** It means that the budget should include all the institution's activities, departments and responsibility centers. This means that the budget includes estimates of revenues and costs in each department or administration. Comprehensiveness is a principle that does not stop at a certain limit, just as comprehensiveness can be viewed at a higher level if the budgets cover a group of institutions (Razi and Hejazi, 2001: 21).
- **Principle of Realism:** It is represented in achievable goals, so that the desired goals are achievable given the capabilities available to the institution, whether human or material. These goals enable the budget to make it an effective means to achieve and coordinate the institution's activities and their needs during the budget period (Al-Fadl, Nour and Al-Rawi, 2010: 235).
- **Principle of Forecasting and Time Distribution:** Planning budgets express a future financial period so they are fundamentally based on predicting the future. Good prediction is based on a scientific, realistic study and analysis of the overall internal and external conditions, leading to realistic achievable estimates to achieve the best results in light of all institution's surrounding considerations and circumstances (Al Ayani,2009: 4041).

- Principle of Flexibility: The principle of flexibility is considered one of the basic pillars for planning budget success that helps management achieve its goals efficiently and effectively as possible, even if the circumstances in which the budget was set change. The practical reality is often characterized by constant change, fluctuations and instability and multiple alternatives (Abdul Latif, 2004: 157).
- Principle of Participation: According to the principle of comprehensiveness, the budget estimate extends to all administrative levels in the economic unit, so the principle of participation means the need for these levels to have a role in preparing the budget estimate, otherwise these levels will feel that the budgets are a means imposed on them. It is well known that the departments and sections that carry out the actual implementation are the most suitable entities to develop their plans, because each person in charge at any administrative level would be able to assess the circumstances surrounding his department, and thus have sufficient knowledge when setting plans related to the activity of his department.
- Principle of Budget Unity: The principle of budget unity means including all expenditures and revenues expected to be spent or collected during the budget cycle in one document, i.e. in one budget, or in other words, no multiplicity of budgets. The purpose of this principle is financial and economic. Financially means the comparison is facilitated through the financial position, and economically means all expenditures and revenues are presented in one budget. The percentages of financial quantities can be determined in relation to GDP and their effect on GDP, and work to redistribute income, which is difficult in case of multiplicity of budgets. Two general principles may branch out from this principle (Al-Amour, 2009: 21-22).

3- Literature Review, Theoretical Frameworks, and Derivation of Assumptions

3-1 Theoretical Frameworks Interpreting the Research Topic: Many researchers and academics in the accounting field have developed a range of theories attempting to explain the production of accounting, financial, and non-financial information, as well as interpretive theories of budgets. The researcher can review interpretive theories related to the research topic as follows:

- Capital Need Theory: It can help clarify the underlying reasons for accounting disclosure of information provided by institutions. This theory suggests that company managers have an incentive to disclose additional information that enables them to raise capital under the best available conditions (2014:18-26, Shehata). The theory expects that increased accounting disclosure by company managers will enable them to reduce the cost of capital by increasing transparency in financial reports and reducing investor uncertainty about future performance (Hassan et al., 2011: 33-52).

Through the Capital Need Theory, the researcher realizes that clarity and objectivity in information production and disclosure in financial reports can be easily accessible to beneficiaries without cost, leading to a reduction of the cost of capital.

- Signaling Theory: This theory involves managers conveying good and bad news about the institution's performance to the market. Good news signals positive performance to the market, and according to this theory, financial and accounting information disclosure is a tool used by managers to communicate signals to the market. Therefore, when managers tend to disclose specific information, we consider their disclosure as positive signals about their institutions, and it weakens information inconsistency. The signaling theory predicts that financially strong institutions are more likely to disclose information than those facing pressures or financial difficulties (Yousef, 2013: 43).

- Positive Accounting Theory: According to this theory, all useful information used by investors in decision-making is reflected in stock price changes and institutional values. Institutional disclosure of information leads to positive effects on stock prices and the value of institutions with the most disclosure. Therefore, institutions have a strong incentive to disclose more information to positively affect the institution's value (Abdo, H., et al., 2018: 341-358). The researcher sees that Positive Accounting Theory focuses on the most useful financial and accounting information for users due to its suitability, credibility, understandability, verifiability, and timely availability in making decisions that positively affect the activities of those institutions.
- Agency Theory: It formulates the relationship between the principal and the agent, where agency is defined as "a contract under which one or more persons (the principal) engage another person (the agent) to perform some service on their behalf, which includes delegating authority to make some decisions on behalf of the principal." At the institutional level, the agent (manager) is considered a deputy and authorized by the principal (owner or shareholder). Managers assume, through this theory, that maximizing their own benefits (financial and non-financial) may conflict with the interests of shareholders. Therefore, managers make decisions that achieve their goals at the expense of shareholders, and this theory considers managers having an incentive to voluntarily disclose their activities and management results to reduce the monitoring costs resulting from this conflict.
- Stakeholder Theory: This is an ethical administrative theory concerned with the institution strategic management that establishes the foundations for business values and ethics. It identifies stakeholder groups, their values, and their interests associated with the institution, as well as the relative importance of each group. Stakeholder theory provides the basis for managing relationships with stakeholder groups, facilitating a kind of balance between conflicting interests. This theory emphasizes the institution's social, legal, and ethical responsibility directly and indirectly towards stakeholders to achieve their interests (Abu Shaloua, 2013: 26). The researcher believes that the reason for adopting these theories lies in their strength and ability to explain the cause-effect relationship. There is no unified theory that can explain how financial and accounting information is obtained. This information possesses characteristics such as suitability, high credibility, error-free and unbiased, valuable for prediction and evaluation, available at the right time, understandable, comparable, verifiable, and influences decision-making. It can be provided to beneficiaries in institutions in general and banks in particular, affecting budget preparations.

3-2 Previous Studies and Assumption Derivation: This study contributes to highlighting the important and appropriate role of the qualitative characteristics of accounting information in banks listed in the Iraqi Stock Exchange. Considering that this entity is a significant indicator in the development of the Iraqi economy, it requires credibility, accuracy, clarity, transparency, and disclosure in the reports published by the banking sector as one of the sectors listed in the Iraqi Stock Exchange. The researcher will mention some studies that have contributed to deriving assumptions.

- Rashwan's study (2017) demonstrated the effect of using scientific principles (comprehensiveness, realism, time, performance measurement, and participation principles) in preparing budgetary plans in municipalities in the southern sector of Gaza in Palestine. The study concluded that there is an effect of using scientific principles, including comprehensiveness, realism, time, performance measurement, and participation, on the preparation of budgetary plans in municipalities in the southern sector of Gaza.

- Hindi, et al. study (2021) pointed out the existence of a contradiction and relative disparity between the qualitative characteristics of accounting information. This is attributed to the availability of alternatives in accounting methods and policies, which constitutes a weakness in the current accounting model. Integrated business reports, with their characteristics and content, provide more useful information to stakeholders of all categories compared to the informational content of current financial reports. Business reports contribute positively to enhancing the qualitative characteristics of information provided in published financial reports and help reduce this contradiction and relative disparity, especially in terms of suitability and faithful representation.
- Al-Hanini et al., (2021) study sought to identify the role of accounting information systems in enhancing corporate governance in banks operating in Jordan. The study found that there is a role for the qualitative characteristics of accounting information systems (suitability, credibility, understandability, timeliness, completeness, verifiability, and accessibility) in enhancing corporate governance in banks operating in Jordan.
- Patty study (2019) addressed budgeting errors, deviation in budgeting, and financial efficiency indicators. The study found a strong effect of budgeting estimation errors on deviations in budgeting, and a positive effect of financial efficiency indicators on the relationship between budgeting estimation errors and deviations in budgeting.
- Awadhalla and Abdulqadir study (2020) highlighted the importance of using budgeting plans in the planning, control, and performance improvement process in Sudanese industrial companies. The results showed that the majority of Sudanese industrial companies apply budgetary plans according to the scientific rules and principles followed in preparing budgetary plans, using them as an effective tool in the planning and control of the production process and performance evaluation.
- Adam study (2022) aimed to understand the effect of inflation accounting on the data of institution's budgetary plans. The results revealed that using a fixed currency unit in measurement when preparing budgetary plans leads to obtaining unverifiable information. Using historical data when preparing budgetary plans in inflation conditions does not reflect the institution's true profit.

Based on the debate about the importance of accounting information systems in preparing budgetary plans, the significance of this research stems from whether commercial banks listed on the Iraq Stock Exchange adhere to providing information according to the qualitative characteristics of information as stated in the September statement in 2010. It also aims to study and test whether accounting information enhances the efficiency of preparing budgetary plans in Iraqi commercial banks. So, the researcher expects a reasonable level of commitment from commercial banks regarding financial and accounting information systems, and the information has an effect on the quality of financial reports, which affects the preparation of budgetary plans in Iraqi commercial banks. In light of the above mentioned results, we can deduce the following main hypothesis:

Main Hypothesis: There is a relationship of statistical significance between the basic qualitative characteristics of accounting information and the principles of preparing budgetary plans in Iraqi commercial banks. Sub-hypotheses emanate from this main hypothesis:

- 1- The first Sub-hypothesis: There is a relationship of statistical significance between the characteristic of suitability and the principles of preparing budgetary plans in Iraqi commercial banks.

- 2- The second Sub-hypothesis: There is a relationship of statistical significance between the characteristic of faithful representation and the principles of preparing budgetary plans in Iraqi commercial banks.

4- Application Aspect

The researcher used a (Likert) scale, which is one of the methods used to measure behaviors and preferences derived by the American psychologist and statistician Likert (1930-1981). It is commonly used in surveys, especially in statistical fields. The scale based on responses indicating the degree of agreement or disagreement with statements. This type of scale is characterized by its simplicity, accuracy, and clarity of analysis.

4-1 Study Population and Sample: Employees of Iraqi commercial banks listed on the Iraq Stock Exchange were selected as the study population to test the study's plan and hypotheses, as it is an important sector that has recently witnessed significant attention. The study sample was limited to decision-makers with authority, and (420) survey questionnaires were distributed to the study sample, managers, departments' heads, branch managers, and employees in the researched commercial banks. Only (397) valid questionnaires were returned.

4-2 Testing Hypotheses: The current study aimed to analyze the relationships of influence using the Structural Equation Modeling (SEM) approach, depending on the Amos v.24 program. This method is considered one of the best modern methods for determining the level of influence between variables based on the structural model and the resulting outputs. It is a complex and multivariable technique suitable for testing various assumed and proposed relationships between variables compared to other statistical analysis methods. The main hypothesis states that there is a relationship of statistical significance between the basic qualitative characteristics of accounting information and the principles of preparing budgetary plans in Iraqi commercial banks. Sub-hypotheses stemmed from the main hypothesis:

- 1- the first Sub-hypothesis: There is a relationship of statistical significance between the characteristic of suitability and the principles of preparing budgetary plans in Iraqi commercial banks.

Based on the structural equation model illustrated in Figure (1) and the validity of this hypothesis, the results of the statistical analysis in Table (1), represented by the regression analysis showed a significant positive effect between the characteristic of suitability and the principles of preparing budgetary plans in Iraqi commercial banks. This is evidenced by the regression coefficient value of (0.314), and with a calculated Critical Ratio (C.R) value of (3.291), which is greater than the tabulated value, based on the works of (Qatarawi, 2015, 93) and (Amir, 2018, 315). Additionally, the significance value (P-value) was (0.000), which is less than (0.05), indicating that Iraqi commercial banks are interested in the characteristic of suitability in preparing and presenting financial and accounting data in financial reports. This leads to increased adherence to the principles of preparing budgetary plans in Iraqi commercial banks. Based on this, the null hypothesis will be rejected, and the alternative hypothesis, which states that there is a relationship of statistical significance between the characteristic of suitability and the principles of preparing budgetary plans in Iraqi commercial banks, will be accepted.

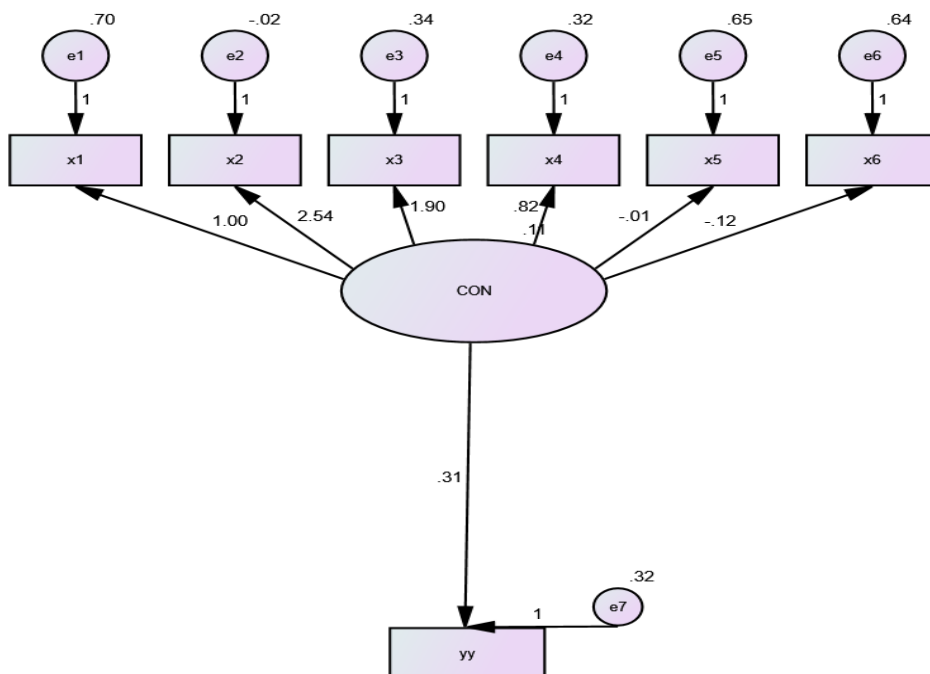


Figure (1): Structural Equation Model for Testing the First Sub-Hypothesis.

Table (1): Regression Analysis for the First Sub-Hypothesis.

			Estimate	S.E.	C.R.	P	Label
x1	<---	CON	1.000				
x2	<---	CON	2.541	.370	6.864	***	
x3	<---	CON	1.900	.258	7.373	***	
x4	<---	CON	.821	.136	6.055	***	
x5	<---	CON	-.013	.122	-1.02	.918	
x6	<---	CON	-.117	.123	-0.956	.339	
yy	<---	CON	.314	.095	3.291	***	

Source: Prepared by the Researcher Based on (AMOS V24).

2-Second Sub-Hypothesis

There is an Effect Relationship of Statistical Significance Between the Characteristic of Truthful Representation and the Principles of Preparing Planning Budgets in Iraqi Commercial Banks.

Figure (2) shows the structural equation model to prove this hypothesis. The statistical analysis results in Table (2), represented by regression analysis, show a significant positive effect between the characteristic of truthful representation and the principles of preparing planning budgets in Iraqi commercial banks, as shown by the regression coefficient value of (1.150), and based on the calculated (C.R) value of (4.736), which is greater than the standard (tabular) value based on the propositions of (Al-Qatrawi, 2015, p. 93) and (Amir, 2018, p. 315) and as shown by the (P-value) significance value of (0.000) which is less than (0.05). This indicates that Iraqi commercial banks are interested in the truthful representation of financial and accounting data

when preparing financial reports, which leads to increased commitment to the principles of preparing planning budgets in Iraqi commercial banks. In light of the aforementioned information, the null hypothesis will be rejected and the alternative hypothesis accepted, which states that there is an effect relationship of statistical significance between the characteristic of truthful representation and the principles of preparing planning budgets in Iraqi commercial banks.

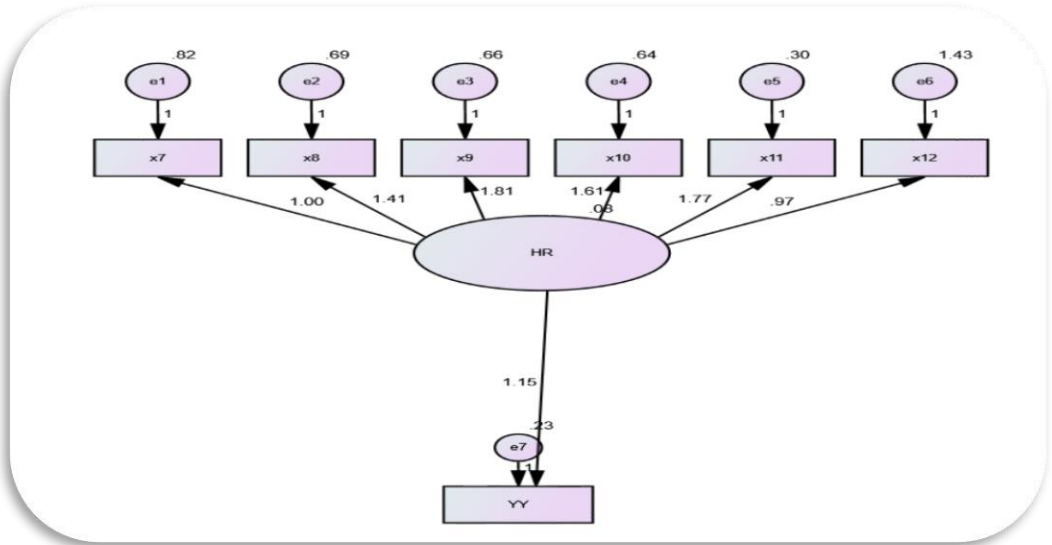


Figure (2): Structural Equation Model for Testing the Second Sub-Hypothesis.

Table (2): Regression Analysis for the Second Sub-Hypothesis.

			Estimate	S.E.	C.R.	P	Label
x7	<---	HR	1.000				
x8	<---	HR	1.409	.321	4.388	***	
x9	<---	HR	1.813	.388	4.673	***	
x10	<---	HR	1.609	.351	4.584	***	
x11	<---	HR	1.769	.363	4.873	***	

Source: Prepared by the Researcher Based on (AMOS V24).

4-3 Discussing the Results of Hypothesis Testing

Through the results of testing the six sub-hypotheses above, it is clear that there is a commitment by Iraqi commercial banks to the qualitative characteristics of financial and accounting information and the principles of preparing planning budgets in Iraqi commercial banks. Iraqi commercial banks are interested in applying those characteristics and principles. This result is consistent with previous studies that addressed the characteristics of information, including:

- (Khadr, 2021), (Al-Hanini et al., 2021), (Mohammed, 2021). (Qassoum: 2017) studies clarified the role of the qualitative characteristics of accounting information in improving financial performance and decision making or enhancing the reputation of the organization, as they all enable the decision maker inside and outside the institution to make an appropriate decision and contribute to the application of scientific principles for budget preparation.

- (Al-Sahebi et al., 2022), (Jaafar et al., 2022) (Adam, 2022) (Awadhalla and Abdulqadir, 2020) studies which dealt with planning budgets showed that the budget is a tool through which institutions can predict the future in terms of planning, coordination, control, guidance, and the effect of the participation principle for all administrative levels in preparing the budget positively, otherwise it will affect budget preparation and implementation. Moreover, the more planning budgets based on accurate scientific basics, the better for the institution, and if not, deviations may occur that may affect the institution as a whole. Audit firms attach great importance to the directives and publications of professional institutions and organizations. (Rashwan, 2017) study referred to the effect of using scientific principles, represented (by the principle of comprehensiveness, reality, time, performance measurement, and participation) on budget preparation. From which the following sub-hypotheses branch out:

Table (3): Summary of Main Hypothesis Testing Results.

Hypothesis test result	significance	Effect type	Sub-hypotheses	No.
acceptable	Significant at 5%	positive	First sub-hypothesis: There is a statistically significant effect relationship between the characteristic of relevance and the principles of preparing planning budgets in Iraqi commercial banks.	1
acceptable	Significant at 5%	positive	Second sub-hypothesis: There is a statistically significant effect relationship between the characteristic of faithful representation and the principles of preparing planning budgets in Iraqi commercial banks.	2

Through the results of statistical analysis and testing the study sub-hypotheses related to the second main hypothesis to test the effect of relationship between the qualitative characteristics of accounting information and the principles of preparing planning budgets in Iraqi commercial banks, we have found that there is an effect of statistical significance for the basic qualitative characteristics (relevance, faithful representation) of accounting information on the principles of preparing planning budgets in Iraqi commercial banks. Thus, the commitment of Iraqi commercial banks to the basic qualitative characteristics of accounting information will contribute to improving the commitment to the principles of preparing planning budgets in Iraqi commercial banks.

5. Conclusion

The results of the practical aspect of all the study variables (the qualitative characteristics of accounting information as an independent variable and the scientific principles for preparing planning budgets as a dependent variable) were extrapolated, and the results reached by the statistical study, which formed in their contents a starting point for the study hypotheses and

questions. The conclusions reached through analyzing and interpreting their indicators, variables and results of their practice in Iraqi commercial banks, and the extent of their direct and indirect effect on the study. The study concluded that there is an effect of statistical significance for the basic qualitative characteristics of accounting information on the principles of preparing planning budgets in Iraqi commercial banks. Hence, the commitment of Iraqi commercial banks to the qualitative characteristics of accounting information will contribute to improving the commitment to the principles of preparing planning budgets in Iraqi commercial banks, and the ability of the accounting information system applied in Iraqi commercial banks to process financial data and transform it into accounting information with a high degree of accuracy and speed. Moreover, the planning budgets provides relevant information in a timely manner to management to assist managers in carrying out their various functions such as planning, control, performance evaluation and decision making. Furthermore, planning budgets play an important role in economic institutions, including banks, which translates numeric indicators, future plans and implements their policies into financial and monetary budgets through which the available alternatives can be compared. Finally, management's goal of maximizing profits should be taken into account that involves employees role in preparing the budget and leads to creating an incentive for the institution's employees and the desire to work with motivation, satisfaction.

Based on the study conclusions, there are several recommendations that the researcher focused on the necessity of keeping pace with the continuous technical developments in all different branches of knowledge. The accounting information system had to keep pace with those developments to achieve its intended goals, and the need for a sound accounting information system that provides easy access to necessary data and information in a timely manner, and the need to benefit from the budget system as a tool for planning and control in Iraqi commercial banks. The necessity of adhering to the timetable by those responsible for preparing planning budgets in terms of the general steps for preparing them and the period it takes to implement all these steps

The necessity of having an organizational structure in the bank that defines the organizational structure and the scope and powers of each administration in the bank, and this helps to determine the responsibilities of each administration in carrying out what is required of it in preparing, implementing and subsequently controlling the proper implementation of the budget. The necessity of using scientific methods in forecasting planning budget estimates because forecasting planning budget estimates must be made on an accounting, scientific and realistic basis for internal and external circumstances, and using correct and accurate statistical methods in preparing these estimates so that realistic estimable numbers are developed that can be achieved.

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