



The Effect of Accounting Conservatism in The Opinion of The External Auditor

An applied study on a sample of companies listed in the Iraq Stock Exchange

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ABSTRACT: The investigation will assess the consequences of accounting conservatism regarding the external auditor's opinion, assuming that there is a significant statistical effect of accounting conservatism on the opinion of the external sector. auditor regarding the companies listed on the Iraqi stock exchange. Of the companies in the Iraqi stock exchange that are listed and have a number of (13) sectors, from 2011-2018, as the Beaver and Ryan (2000) model was employed, the relationship between market value and book value was used to measure the degree of accounting conservatism. and the multiple regression model was adopted in the (SSPS) program for extracting results, which indicated that there is a statistically significant effect of accounting conservatism in the type of external auditor's opinion, meaning that companies that committed to a level of accounting conservatism received an unqualified audit opinion.

KEYWORDS: accounting conservatism, auditor's opinion, qualified opinion, unqualified opinion.

Introduction

Accounting is the main source of information for users from management, auditors and stakeholders interested in a company, whether to monitor its efficiency or for investment purposes, so it is important that the level of accounting conservatism is sufficient to provide them with information reliably. Their available resources in the capital market, they tend to search for information that will rationalize their decisions, assuming the company's ability to generate future returns.

The degree of accounting conservatism and the opinion of the external auditor are both topics that are distinct, and they are indicative of the degree of information symmetry and help stakeholders to assess the performance of the administration, and the opinion of the external auditor is a judgment on the quality of the information that is achieved or not. can lead to identifying this homogeneity between reservation Accounting and auditor's opinion and control and to greater insights for both and more consideration of how changing economic conditions.

On this basis, our current study will be based, by testing the conservatism's relationship is significant because the measurement of accounting conservatism is crucial to clearing up any doubts about the external auditor's report. level of the company's financial performance, and the level and ability of future cash flows to continue, and reinforce his decision, whether the financial information provided by the company is presented fairly, or that it has disclosed all the data fairly, or if there is a fundamental problem that affected the application of accounting principles properly.

To achieve the objectives The study was divided into three sections, with the first section dedicated to methodology of the study, the second section dedicated the theoretical aspects of the study, and the third topic included the field side of the study, and finally a summary was presented that included the most important conclusions and recommendations.

1.Study methodology

1.1. The problem of the study: the weak knowledge about the quality of information in companies, the lack of confidence in its quality, the insufficient awareness of the factors affecting the quality of the financial reports and the insufficient evidence for the external auditor to evaluate the legitimacy of the financial statements and determine if they meet all of the specific requirements of financial reports. based on approved standards that are: One of the most important problems facing auditors is to issue a neutral technical opinion on the quality of financial reports. Accordingly, the main study problem can be formulated by the following question:

- Is there a statistically significant effect of accounting conservatism on the type of opinion of the external auditor?

1.2. Research hypothesis: The research is based on the following hypothesis: (In the opinion of an external auditor, there is a significant statistical effect of accounting conservatism on companies listed on the Iraq stock exchange.)

1.3. The importance of the research: The significance of the research is in the value of the variables that it produces, which is the importance of accounting conservatism as a means of gauging companies' worthiness. performance and their future economic status, and the opinion of the external auditor as a summary of the information contained in the financial reports, and basically expressing the extent of quality and reliability.

1.4. Research Objectives: The main objective of this research is to measure the degree to which accounting is conservatism and to evaluate the magnitude of its influence on the external auditor in a collective company. on the Iraq Stock Exchange.

1. Check the extent of the impact of accounting conservatism in the opinion of the external auditor
2. Work on developing a clear and integrated theoretical framework related to the concept of accounting conservatism and its measurement method.
3. Familiarization with the concept of the opinion of the external auditor and its four types.

2. The theoretical aspect of the study

2.1. accounting reservation

Accounting conservatism is the practice of recognizing losses before they are actually realized, but profits are instead recognized after the fact, which results in a smaller net worth and a more rapid release of negative information (Kang et al., 2017: 1)

Accounting conservatism is a beneficial financial reporting strategy that benefits the users of the company's financial statements (Mokoaleli & Iatridis, 2017: 35). as external investors demand accounting conservatism due to the asymmetry of information between them and the company's insiders, as conservatism information can mitigate the problem of non-compliance This information is similar because it is reliable and verifiable (Hamdan, 2020: 4).

The researchers believe that accounting conservatism is a basic principle of accounting that involves expecting no profit and predicting all losses., and not expecting any profit means not recognizing profits until the validity of the claims related to the profits realized for income, and the purpose of it is so that there is no legitimate claim for these profits except when they are achieved .

Basu (1997) distinguished between two types of reservation, ex post and ex post, these are also known as profit reservation or conditional reservation. The previous reservation is the amount of money on the balance sheet, which is also known as the unconditional reservation. Examples of ex post custodianship include the cost of inventory management or the market price of goods related to accounting and the cost of maintaining long-lived assets, which is greater than the expected economic cost of depreciation (Yunos et al., 2012: 36).

One of the most significant metrics used to assess unconditional conservatism in the income statement is to divide the market value by the book value. The market value is the final price of the year, while the book value is calculated by taking the total share of each party minus their preferred stock, and taking the average number of shares owned by the public. abide with the investigation (Jassim, 2020), (Hamdan, 2020), (Awajh, 2017) as follows:

$$MTB-CON = MVE_{it} / BVE_{it}$$

MVE_{it} is the market value of the equity capital of company i in year t.

BVE_{it} is the book value of the equity of company i in year t.

2.2. The opinion of the external auditor

One of the important issues the process of preparing financial reports is work. of auditors that participate. in the process of assessing and reporting the reliability of financial information to effectively enhance the credibility of financial reports, and since management is responsible for preparing financial reports, users of accounting information, such as market shareholders, need a third party An independent party to provide assurance of the accuracy of the information reported (Abad et al., 2017: 2), and the independent party assists the company in confirming the reliability are trustworthy to external stakeholders, and in this regard, an auditor who is an independent party Because it works to provide a statement of the usefulness statements and an assessment and prediction of the company's viability through audited financial reports. After evaluating the company's financial reports, the auditor will provide opinions according to the actual conditions of the company itself (Yendrawati & Ghaisani, 2020: 230).

Additionally, the purpose of the audit process is to increase the degree of trust in the target user's financial reports, this is accomplished by expressing the auditor's opinion regarding the financial reports'

preparation or lack thereof, in all significant aspects, this was confirmed by (Maldonado et al., 2019: 1), As a result, the auditors form opinions about the financial reports' preparation and reflectedness in all significant aspects, this was confirmed by (Maldonado et al., 2019: 542). (Naviantia, 2020: 132) is defined as an auditor's opinion as an auditor's professional statement that states the fairness of financial reports based on financial information fairness standards. (Crucean, 2019:92) considers that the opinion passage represents the complete conclusion of the auditor's work with respect to the financial reports, and considers that the auditor expressed an opinion on the professional's compliance with International Financial Reporting Standards.

As for (Prihandoko & Supriyati, 2020:98), the auditor's opinion is described more broadly, since it is part of the primary information in the audit report, and the opinion expressed by the auditor is a statement about the suitability of all. Aspects of financial management, results of business operations and cash flows associated with a particular entity, whether or not in accordance with general accounting principles (Pamungkas et al., 2018 :5) added that the auditor's

assessment of the financial report should include a preamble that clarifies the management's obligation to financially report and provide an appropriate audit opinion regarding the entire report.

As a result of the two researchers' review of the opinion paragraph in a set of financial reports for a group of companies listed on the Iraqi Stock Exchange, he concluded that the auditor's opinion is a general document that the auditor uses as a way to communicate the results of the work to the manager and other users of The financial report that describes the fairness of the finances, in all significant aspects, the level of financial performance and the flow of cash for the fiscal year, is sometimes accompanied by notes that the auditor will interpret as meaning the basis of the opinion is a series of notes that the auditor interprets as meaning the basis of the opinion.

2.2.1. Types of external auditor's opinion

Each of ((Habib, 2013: 188), (Pamungkas et al., 2018: 5 Naviantia, 2020: 132), (Liu et al., 2020: 5) classified the opinion of the external auditor into four main types, namely:

- Unqualified (clean) opinion.
- Conservative opinion.
- Negative (reverse) opinion
- Refusal to express an opinion (disclaimer).

Whereas (Simamora & Hendarjatno, 2019: 147) classified the auditor's opinion into five types, namely:

- Unqualified (clean) opinion.
- Unqualified opinion with explanatory language.
- Conservative opinion.
- Negative (reverse) opinion.
- Refusal to express an opinion (disclaimer).

(Maldonado et al., 2019: 1) that an auditor's opinion may be considered unchanged (unchanged) if the auditor is satisfied that the financial statements have been prepared, in all material respects, in accordance with an appropriate financial reporting framework, or a revised opinion (an adverse opinion or a disclaimer of the company's liability)) is available. for the annual financial statements) if the auditor assumes, based on the audit evidence obtained, that the annual financial statements as a whole are incorrect or free of material misstatements.

Also, on the same side, (Crucean, 2019: 93) states that when the opinion differs from the unaltered (unqualified) opinion, the auditor should include a description in his report that explains the reasons for his opinion.

Following is an explanation of each of the four types of opinions:

2.2.1.1. Unqualified (clean) opinion

The most common type of audit opinion is an unqualified opinion, in which the auditor concludes that the financial statements reflect, in all material respects, the financial position and condition of the company, indicating the reliability of the financial statements. (Liu et al., 2020:1)

(Saif et al., 2012: 28) describes an unqualified statement as accurate when the financial statements give a factual and accurate view of the finances and are prepared in accordance with a specific financial reporting protocol. (Al-Zoba'i, 2010: 62-63) defines the conditions for a clean (unqualified) opinion in the auditor's report as follows:

1. The auditor obtains sufficient and valid evidence to ensure that the general auditing standards are met.
2. The evidence proved that there are no fundamental violations of generally accepted accounting principles, and they have not been corrected.
3. There were no general accounting changes that would affect the possibility of making comparisons between different financial periods.
4. The absence of any important circumstances surrounded by doubt and uncertainty that there was no intention to estimate them or remove them and remove their effects.

There are at least three reasons why companies desire to obtain an unqualified audit opinion and they are the prestige or reputation of the company, clarity and cleanliness of the company, and the image of the company (Naviantia, 2020: 132).

Additionally, investors prefer unaccountable opinions of auditors, because the stock market perceives these modified (conservative) opinions as detrimental, the management may also postpone the release of information when it's subject to a alteration of the auditor's opinion, in order to delay the release of this information. Companies that receive unsystematic audits report their income prior to those that receive systematic audits (Cullinan et al., 2012: 333).

2.2.1.2. conservative opinion

Also called an impure or limited opinion, the auditor concludes, after obtaining sufficient appropriate audit evidence, that the misstatements, individually or in the aggregate, are significant but not common in the financial statements, or the auditor is unable to obtain necessary audit evidence that supports the opinion (Sesalem, 2018: 38).

Because a qualified auditor's opinion shows concerns about the reliability of a company's financial information, it increases uncertainty about the accuracy of accounting numbers and thus increases information risk in evaluating financial reports by market participants (Abad et al., 2017: 12).

(Liu et al., 2020: 5) "Conservative" considers that the auditor implies that the financial statements present financial results of the corporation to a degree that includes "omits" areas of financial reporting that the auditor deems to be of little importance, and "except" is used to indicate that the financial reports are corrupt or lacked the necessary information to provide.

Usually, a conservative opinion is issued in one of the following two cases: (Saif et al., 2012:28)

1. There are limitations to the range of auditing work that prevent it from being sufficiently extensive to provide an unaltered opinion.

2. The auditors refuse to alter the reported finances, or the consequence of this report may be significant to the finances., and therefore these reports may not provide a true and fair picture of the matters that the auditors should report or non-compliance with.

2.2.1.3. Negative (reverse) opinion

The most severe type of assessment of the auditor's opinion is the negative assessment, which the auditor states that the financial reports don't account for the financial results properly., or that the entire set of financial reports lacks credibility (Liu et al., 2020:5), or when the impact of Differences in financial reporting are fundamental and widespread (Ghale & Jabbari, 2014: 1364), the conviction that there is no agreement with generally accepted accounting principles (Hassan, 2015: 68), and the information in the management plan was lacking or incorrect, the result was a negative impact that deviated from GAAP, the auditor therefore rendered a negative opinion. (Prihandoko et al., 2020: 98).

(Zakieh, 2017: 131-132) believes that a negative opinion is a rare occurrence because the auditor usually presents a set of recommendations before his negative report, and companies are often committed to implementing these recommendations. This type of opinion is usually due to one or more of the following reasons:

1. The weakness of the internal control system to the degree that the auditor is unable to rely on it.
2. The company's management setting restrictions and obstacles.
3. The company's adoption of the bases for evaluating assets at a value different from the real value, or the company's changes in the accounting policies it uses from one period to another.

2.2.1.4. Refusal to express an opinion (disclaimer)

It may be that the auditor is reluctant to comment on the financial statements that he is presented with., and this situation occurs when the scope of the audit is very limited, because of the management's restrictions, the auditor lacked the opportunity to fully assess the financial reports and thus formed an opinion on them., and this may also occur in the event that the client has fundamentally abandoned the generally accepted accounting principles, when preparing and presenting financial reports (Zalloum et al., 2014: 258). This category is intended for the external auditor to express his professional opinion on the extent to which the financial statements reflect the company's financial position and the result of its operations, often due to the lack of independence of the external auditor in the audit process or the scope of the audit (Hassan, 2015: 68.)

(MohammadRezaei et al., 2016: 89) states that a disclaimer audit report is created when auditors fail to express an opinion regarding the financial status of a company, the cause is either a lack of experience regarding the specifics of the client's accounts or a scope of work that was not sufficiently expansive to create an opinion. (Al-Zoba'i, 2010: 65) stresses that in cases that involve multiple significant uncertainties regarding financial reports, it is appropriate to refrain from expressing an opinion.

2.2.3. The effect of accounting conservatism on the auditor's opinion

Accounting conservatism is one of the important characteristics of the quality of financial information, and the quality of information contained in financial statements is an important characteristic that affects the decisions made by the auditor regarding his opinion about the level of this information.

(Hamdan, 2011) studied the association between accounting conservatism and external conservatism. auditor opinion in a study on sample consisting of a group of public shareholding industrial

companies listed on the Amman Stock Exchange and which published their financial reports for the period from 2001-2006. Which adhered to accounting conservatism when preparing its financial reports, received a clean report from the auditor.

It is possible to examine the impact of accounting conservatism on the external auditor's opinion by studying the relationship between conservatism and audit quality, because the increase in accounting conservatism according to the opinion of (Omar, 2020:358) leads to an increase in audit quality, as accounting conservatism leads to the creation of an informed capital market that provides Qualified financial statements constitute verifiable financial numbers, and this may encourage the auditor to adopt unqualified opinions.

From the above, researchers conclude that conditional conservatism of accounting is one of the basic principles of financial reporting, because it reflects the company's tendency to recognize bad news faster than good news, and this may lead to giving a positive indication to the auditor and a greater tendency to judge unqualified opinions. The level of relationship and influence between the accounting conservatism

3. The field aspect of the study:

3.1. Sample selection and data collection: The community of research was affiliated with the member companies that were listed on the Iraqi stock exchange. Exchange to a variety of important economic sectors in the country, while the sample selection criterion was based on companies that have financial reports for the period from 2011 to 2018 and obtained an opinion from The external auditor describes the extent to which these reports comply with the accounting principles and rules, to determine accordingly 13 companies belonging to five sectors as a sample for research, meaning that the sample reached 104 observations (company - year).

3.2. Measurement of variables: The study included three types of variables, represented by the independent variable by accounting conservatism, and it will be measured based on the level of unconditional conservatism according to the Beaver & Ryan model (2000), in agreement with the study: (Ibrahim, 2019), (Jassim, 2020). While the the second type included the dependent variable, which was represented by the auditor's opinion, and it was measured as a dummy variable to represent on the investigation. (Sutrisno, 2019), and the third type is the governing changes, including (financial leverage, company size and profitability).

3.2.1. Measurement of accounting conservatism

The measure based on market value to book value (MTB-CON) will be used.

Where this measure focuses on the conservatism in the balance sheet, which was used by Beaver & Ryan (2000) and is expressed as the ratio of market value to book value as follows:

$$MTB-CON = MVE_{it} / BVE_{it}$$

When the market value of a property is greater than its book value, the latter is nullified. this indicates the presence of reservation, that is, whenever the result of the scale is greater than one, this indicates the presence of reservation. The calculation result of the previous model was as in table (1) and was as follows:

Table (1) Conservation levels for companies

company	2011	2012	2013	2014	2015	2016	2017	2018	Average
Ashur Bank	0.7805	0.8181	0.6729	0.6963	0.3979	0.3364	0.2818	0.2008	0.5231

company	2011	2012	2013	2014	2015	2016	2017	2018	Average
	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	
Commercial Bank	0.5132	0.4328	0.5638	0.5362	0.3738	0.4256	0.4198	0.4138	0.4599
	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation
Gulf Bank	0.8884	0.7600	0.9458	0.7631	0.4757	0.4249	0.3646	0.1908	0.6016
	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation
Iraqi carpets		1.1891	1.0345	0.8617	1.0750	1.3577	1.9318	1.8564	1.3295
		Conservation	Conservation	No Conservation	Conservation	Conservation	Conservation	Conservation	Conservation
Baghdad for drinks	1.2818	1.1853	2.2631	1.5174	1.8046	1.4005	1.1624	1.9113	1.5658
	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation
Al-Mansour Pharmaceutical	2.5597	0.9967	0.7875	0.6316	0.6513	0.5759	0.5891	0.5400	0.9165
	Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation
Al Amin Insurance	1.0964	0.7843	1.1295	1.4607	0.6643	0.5704	0.4500	0.2856	0.8051
	Conservation	No Conservation	Conservation	Conservation	No Conservation	No Conservation	No Conservation	No Conservation	No Conservation
Dar Al Salam Insurance	2.4680	1.3243	1.4988	1.4182	0.7155	0.6069	0.7976	0.4366	1.1582
	Conservation	Conservation	Conservation	Conservation	No Conservation	No Conservation	No Conservation	No Conservation	Conservation
Iraqi Meat Production	5.5908	5.7865	4.8601	3.6141	3.2240	2.5287	5.7126	3.3754	4.3365
	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation
Iraqi agricultural production	2.2478	3.0644	3.8632	1.7186	1.0207		1.0137	1.3301	2.0369
	Conservation	Conservation	Conservation	Conservation	Conservation	No Conservation	Conservation	Conservation	Conservation
Mansour Hotel	25.6088	38.9551	46.4851	47.2494	24.0583	31.6193	11.3780	10.5248	29.4848
	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation	Conservation
Babylon Hotel					46.5035	25.6690	17.3165	12.0382	25.3818
					Conservation	Conservation	Conservation	Conservation	Conservation

company	2011	2012	2013	2014	2015	2016	2017	2018	Average
National Tourist	12.9167	10.9256	9.5374	12.6121	7.1932	4.9408	2.9974	3.0632	8.0233
	Conservati on	Conservati on	Conservati on	Conservati on	Conservati on	Conservati on	Conservati on	Conservati on	Conservation

Source: The table was constructed by the researchers based on the results of the statistical software (SPSS).

It is noted in Table (1) that the conservative policy prevails in the companies, as (8) companies registered a conservative policy out of (13) companies, i.e. (62%) of the companies, and that this conservative policy may be due mostly to the uncertainty about future earnings in companies.

3.2.2. Measuring the opinion of the external auditor: it was measured as a dummy variable to express the type of the auditor's assessment, as the value was attributed (1) if the auditor's assessment was not conservative and the value (0) if the opinion was (conservative, negative or abstaining from opinion). The results were as shown in the following table (2):

Table (2) Type of auditor's opinion of companies

company	2011	2012	2013	2014	2015	2016	2017	2018	average
Ashur Bank	0	0	0	0	0	1	1	1	0.38
	qualified	qualified	qualified	qualified	qualified	Unqualifie d	Unqualifie d	Unqualifie d	qualified
Commercial Bank	1	1	1	1	1	1	1	1	1
	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifi ed
Gulf Bank	1	1	0	0	1	0	0	0	3.8
	Unqualifie d	Unqualifie d	qualified	qualified	Unqualifie d	qualified	qualified	qualified	qualified
Iraqi carpets	0	0	0	0	0	0	0	0	0
	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified
Baghdad for drinks	1	1	1	1	1	1	1	1	1
	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifi ed
Al-Mansour Pharmaceut ical	1	1	1	1	1	0	1	1	0.88
	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	qualified	Unqualifie d	Unqualifie d	Unqualifi ed
Al Amin Insurance	1	0	0	1	1	1	1	1	0.75
	Unqualifie d	qualified	qualified	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifie d	Unqualifi ed
Dar Al Salam Insurance	1	1	0	0	0	0	0	0	0.25
	Unqualifie d	Unqualifie d	qualified	qualified	qualified	qualified	qualified	qualified	qualified
Iraqi Meat Production	0	0	0	0	0	0	0	0	0
	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified
	0	0	0	0	0	0	0	0	0

Iraqi agricultural production	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified
Mansour Hotel	0	0	0	0	0	0	0	0	0
	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified
Babylon Hotel	0	0	0	0	0	0	0	0	0
	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified
National Tourist	0	0	0	0	0	0	0	0	0
	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified	qualified

Source: The table was prepared by the researchers based on the outputs of the statistical program (SPSS).

It is noted in Table (2) that the conservative opinion is the prevailing opinion in the companies, as (9) companies received a conservative opinion out of (13) companies, or (69%) of the companies.

3.3. Description of variables

Table (3) illustrates the average value and standard deviation of the research variables. Through descriptive analysis, the degree of conservatism in accounting can be determined in the study sample companies, as well as the dependent variable associated with it. according to the type of auditors' assessment, in addition to the governing variables represented by financial leverage, size and profitability.

Table (3) The arithmetic mean and standard deviation of the study variables

Variables	conservatism	Auditor's opinion	Leverage	company size	profitability
Arithmetic mean	5.184608	0.38	0.2564	10.060486	0.05315
standard deviation	10.1120228	0.487	0.2042	0.9485427	0.0816171
smaller value	0.1908	0	0.01-	8.2286	0.3695-
highest value	47.2494	1	1	11.9119	0.2719
Variation coefficient	1.950393	1.281579	0.796412	0.094284	1.535599

Source: The table was constructed by the researchers based on the results of the statistical software (SPSS)

It is apparent from Table (3) that the accounting conservatism is still significant despite the high average of the number, this indicates the presence of a significant degree of conservatism, however, the large difference between the average and the number's high end makes this conclusion less significant.

the minimum and the highest values and the high percentage of the coefficient of variation reduce the importance of that rise, which may come from extreme values of observations, which were It was previously observed in the tourism sector significantly.

3.4. Hypothesis Test

To test the hypothesis of the study, a multiple regression model was adopted to estimate the level of the auditor's opinion in terms of accounting conservatism, and table (4) shows the results of the impact test by the type of auditors' opinion.

Table (4) The results of the regression analysis of how accounting conservatism affects the type of auditors' opinion.

Dimensions	regression coefficient(β)	Values T ()Sig.(stability coefficient) β	Values)F()Sig.()R()R ² ()R ² (revisionist
conservatism	0.010-	2.079- (0.040)	1.398-	7.463 (0.00)	0.493	0.243	0.210
Leverage	0.372-	1.518- (0.132)					
company size	0.194	3.947 (0.000)					
profitability	0.409-	0.743- (0.460)					

Source: The table was developed by the researchers based on the statistics software's (SPSS's) results.

It's apparent from Table (4) that:

1. The consistency of the regression equation's model, which had a value of (F) of 7.46, which is significant at the 5% level of significance.
2. The consistent nature of the coefficients associated with conservatism, leverage and volume, the value of (T) for the fixed limit for both coefficients was significant at a level of 5%, but it was not significant in relation to only profitability, this suggests that conservatism, leverage and volume have an effect on the type of auditor's opinion, instead of the profitability impact.
3. The value of the regression coefficient (β) is negative because it implies that the relationship is reciprocal. indicates the negative effect of conservatism on the type of auditor's opinion, that is, the lower the levels of accounting conservatism, this leads to an increase in the levels of the auditor's unqualified opinion, and each of the governing variables supports and decreases this effect, as each of the Leverage and profitability increases this effect, while the volume variable decreases the level of this effect.
4. The value of the adjusted coefficient of determination was (0.210)=Adjusted R², which indicates that the accounting conservatism accompanied by the three governing variables explains 21% of the alterations to the opinion of the auditor.

Based on the information above, the hypothesis of the investigation is admitted. This is in line with the reasoning and is consistent with the research. (Hamdan, 2011) within the Jordanian companies, in which the results of his study indicated that the companies that adhered to the level of accounting conservatism received an unqualified audit opinion.

4. Conclusion

Accounting conservatism is one of the basic accounting assumptions on which many accounting principles are based, and its availability as a characteristic of profits has important implications in evaluating the performance of companies. The auditor is responsible for evaluating the level of accounting

conservatism in companies, and his opinion about the company's ability to continue is very important to shareholders, investors, and every stakeholder in the financial statements.

The objective of studying the external auditors' perspective is to identify the legitimacy and reliability of the financial statements, as well as the degree to which the company is capable of continuing, when an auditor finds evidence that challenges the company's capacity, he must write this in the opinion section. The conservative audit opinion is the most common form of audit in the financial statements of Iraqi corporations, this is primarily due to the large number of observations in the financial report. This may raise concerns about the proper way to write the opinion article...

And the levels of accounting conservatism recorded a significant correlation, and this leads us to the conclusion that the importance of this variable in evaluating the opinion of the external auditor, and the results of the study indicated that the companies that adhered to the level of accounting conservatism received an unqualified audit opinion.

We advise that companies in Iraq should follow the policy of accounting conservatism when preparing financial statements, this will maintain the reliability of the statements and will maximize the benefit of the auditors and stakeholders.

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