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The moderating role of joint audit acceptance on the effect of audit quality on earnings managementin banks admitted to the Iraqi stock exchange.

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Abstract : The worldwide financial crises have prompted inquiries on the caliber and extent of independent audits. As a response to the prevailing circumstances faced by numerous private banks, including bottlenecks and bankruptcies, and in line with the Central Bank of Iraq's objective to enhance the efficacy of external auditing, the Central Bank mandated the joint audit approach for the examination of private bank accounts pertaining to the fiscal year's final financial statements. The current year is 2016. The primary objective of the present study is to examine the impact of altering the acceptance of joint audit on the relationship between audits quality and earnings management in banks that are listed on the Iraqi Stock Exchange Organization. The research utilized a statistical population consisting of all 44 banks that were admitted to the Iraqi Stock Exchange. From this population, a sample of 15 banks that applied for joint audit was selected for the purposes of this study. The initial hypothesis test findings indicate a lack of statistical significance in the association between earnings management and audit quality. However, when considering the independent variable of auditor expertise as a metric for assessing audit quality, a positive and statistically significant relationship between earnings managementand audit quality is observed. The findings from the second hypothesis test of the study indicate that there is no evidence to support the notion that joint audit plays a moderating effect in the association between audit quality and profit management.
Keywords: joint audit, audit quality, profit management, stock exchange.

Introduction: Banks are economic institutions that facilitate economic growth and development by mobilizing savings from the surplus unit and directing it to the deficit unit for productive investments. Also, banks provide the payment and settlement system and implement the government's monetary policies. Based on this, Senusi (2012) considers banks in the financial system as the central nervous system of the economy. The banking sector operates under strict regulations and supervision in order to ensure efficiency and protect the economy from crisis. One of the main mechanisms for monitoring and ensuring the safety of public funds is the audit of financial statements.

Wallace (1980) describes audit quality as synonymous with auditor independence and a measure to measure the auditor's ability to reduce confusion in accounts and improve communication in accounting data. According to him, a higher quality audit increases the perception that auditors have higher objectivity and are therefore more likely to report discovered errors, intentional distortions and misstatements in financial statements or earnings management.

The emergence of worldwide financial crises has prompted inquiries over the caliber and extent of autonomous audits. In an endeavor to rectify this circumstance, the European Commission (EC) put forth a range of overarching remedies in 2010, with the suggestion of implementing joint audit being among them.After the scandals, economic collapses and financial crises that the world witnessed, from the economic crisis of Mexico in 1994 to the crisis of Southeast Asian countries in July 1997 and the crisis of Russia at the end of the 90s, then the crisis of Argentina (2001-2002) and also what that the US economy witnessed the financial collapses of a number of poles of American institutions, starting with the energy company (Enron) in 2001, and at the end of the global financial crisis in (2008) and the resulting bankruptcies and the collapse of companies Boghor made the need to review the structure of the board of directors necessary from the perspective of investors, management and researchers; Most of the researchers attribute the causes of these collapses to a group of factors, the most important of which is the resort of companies' management to some procedures and accounting methods in an effort to create an unrealistic improvement in its profitability or financial status in order to achieve its goals. Because executive management seeks to increase profit to maximize its reward, whether financial or non-financial, or to reduce with the aim of not paying taxes and preventing government interference, which is known as: profit management behavior in accounting.

Profit management is considered as a deliberate intervention in the process of preparing external financial reports of an organization with the aim of achieving special interests, which leads to a deviation in the actual performance of the institution. Management decisions in this field positively or negatively affect the net profit, which may be considered fraud or manipulation of accounting information where this behavior has the characteristic of being intentional. The management in the behavior relies on profit management based on justifications, the most important of which is non-violation of legal rules and non-opposition to the accepted principles of accounting, but despite this, this behavior is especially from the shareholders in addition to the rest of the stakeholders in the institution. It is considered undesirable.For all these reasons, this study focuses on the ability of a quality external auditor to mitigate earnings management practices in banks. Therefore, our goal is to understand the impact of audit quality on profit management, specifically in Iraqi banks.

Therefore, considering the conditions that many private banks have experienced, the bottlenecks and failures that they have been exposed to, and the need to improve the quality level of auditing, the idea of research was proposed by adopting the concept of joint auditing. By relying on the concept of joint audit on improving the level of performance and professional research in every matter related to the subject and the conditions and regulatory environment of this type of audit and resistance to practical challenges to ensure the success of the participants in the audit process and overcome the issues and imposed professional problems related to the nature of joint work

1-2 problem statment

On April 28, 2016, the Central Bank of Iraq issued a directive in response to the challenging circumstances faced by numerous private banks, including delays and bankruptcies. The objective of this directive was to enhance the quality of external audit performance. Resolution No. 9 / M / 167 issued by the Central Bank pertains to the mandate for conducting audits on private bank accounts utilizing the joint audit approach, specifically focusing on the final accounts of the fiscal year 2016(Basma Al-Nuaimi 2020).

The integration of audit components offers numerous advantages, one of which is the mitigation of failure risks in large organizations through collaborative audits. The occurrence of financial bankruptcy has a detrimental impact on investor confidence and can lead to monetary instability. Moreover, the collaborative nature of the audit enhances its quality since it involves the scrutiny of financial matters under the supervision of an additional auditor, hence facilitating a more comprehensive examination of intricate components.

In the majority of nations, multiple audit agencies are responsible for overseeing and examining government actions and expenditures. The simultaneous engagement in these activities presents both advantages and challenges for these organizations. On one hand, it is possible for the activities of the Supreme Audit Institution (SAI) of a particular country to overlap and potentially conflict with those of other audit institutions. On the other hand, there exists the opportunity for cooperation in educational matters, information exchange, and audit methodology, as well as the potential for collaborative audits, which can contribute to an overall increase in effectiveness and efficiency. The function of efficiency in audit and quasi-audit matters should be primarily supportive, aiming to mitigate the impact of audits on government entities. Traditional knowledge and epistemology posit that the implementation of joint audit can enhance the quality of audit procedures by augmenting the accuracy of acquiring audit evidence and upholding the necessary independence of auditors.

In order to ensure its continued existence, the auditing profession, similar to other professions, relies heavily on the establishment and maintenance of public trust. Hence, to establish public confidence, auditors are obligated to fulfill the societal standards. The discipline of auditing is subject to societal expectations that necessitate the provision of audit status reports of exceptional quality. The significance of the audit statement arises from the existence of a discrepancy between the producers of the financial statement and its recipients. In contrast, when examining the matter of stock pricing and the influence of the provided financial statements on it, it becomes imperative to ascertain the credibility of these financial statements.

The financial statement serves as a primary source of data in the trading and capital market. Consequently, its significance is substantial for shareholders and investors, as it plays a crucial role in informing their economic decision-making processes. As a result, the presence of higher quality accounting data significantly influences the selection of more advantageous decisions. One of the most notable data points in this context is the accounting profit, which is widely regarded as a key indicator of an organization's performance. Accruals enable primary managers to determine the organization's profitability in a manner that reflects its intrinsic worth, while simultaneously granting them the ability to exploit the flexibility of accounting procedures and compromise the integrity of its data. The ability of shareholders to exert direct control over the opportunistic behavior of managers within the business is limited. However, auditors possess the capacity to mitigate profit manipulation through their meticulous and high-caliber investigations.

Earnings managementis a phenomenon that arises from the fluctuating and strategic decisions made by senior-level managers in their financial reporting. These managers may leverage this capability to control the degree of profit or confidential operational transfers, with the aim of influencing the future performance of the firm. Earnings management is executed with a predisposition towards the interests of the capital owners, as evidenced by the analysis of financial statements or the focus on contractual outcomes that rely on accounting profits. Earnings managementrefers to the ability of a manager to implement an accounting approach that is aimed at achieving specific objectives. Earnings managementbased on accounting numbers can be conceptualized as genuine earnings management in two distinct manners. Firstly, it involves the utilization of accruals to align accounting figures in a manner that accurately reflects the financial position of the organization. Secondly, it entails making adjustments to certain operational decisions, which occurs when earlier strategies or approaches are deemed ineffective or suboptimal. Earnings managementis a crucial concept for the proprietors of capital inside a firm. Particularly when the magnitude of financial gain is seen as an indicator for assessing the integrity and accuracy of financial disclosures. The qualitative level of financial statements is significantly influenced by accounting obligations. However, it is important to note that these accruals can potentially become incorrect due to the potential for changes in management. The level of audit quality significantly influences the reduction of profit management.

1.2.Importance of research

Most researches in the field of earnings management and audit quality are focused on earnings management based on accruals. In this research, the effect of audit quality, apart from profit management based on accruals, on real profit management is also examined, on the other hand, the effect of each aspect of audit quality, which includes: expertise, tenure, size and independence, on management. Profit based on accruals and real profit management are considered separately. This research has the necessary effects and consequences for the organizations accepted in the stock exchange organization and subordinate bodies, which may require the implementation of reforms in the level of audit quality and the functions related to the elite characteristics of the auditor.

According to the above, the current research aims to modify the role of acceptance of joint audit on the effect of audit quality on profit management in banks admitted to the stock exchange in Iraq.

1.3.Research innovation

Aspects of research innovation

This research helps to clarify the issue of joint audit. Due to its recent use in Iraq and the lack of research and studies in this field in general, the addition of joint audit and its effect on audit quality and limiting profit management practices in Iraqi banks. which obliged the central bank in 2016 to implement joint audit of Iraqi banks. In addition, this issue is raised for the first time in Iraq, and as far as the research shows, no one knows about the modifying role of joint audit acceptance due to the quality of audit on the management of profit in banks admitted to the stock exchange organization. Securities in Iraq has not discussed.

According to the above, the current research aims to modify the role of acceptance of joint audit on the effect of audit quality on profit management in banks admitted to the stock exchange in Iraq.

2.The idea behind audit quality

A definition of "audit quality" has been attempted numerous times in the past, but it has never been agreed upon by the general public. Since auditing is a broad concept with many facets and direct and indirect affects, it is not possible to investigate this topic from a single point of view in order to realize audit quality in a more comprehensive manner. Stakeholder groups have differing perspectives on the audit concept, which is related to how much they participate directly in the audit process and how they assess the audit quality. However, these differences in viewpoints among shareholders about the audit concept indicate that it is not possible to assume the dominant effect for any one element of the audit concept. Thus, through a more thorough audit quality assessment, a wider and deeper awareness of the nuances and specific variances in this issue needs to be produced. Shareholders should also take into account the possibility that the practices they approved could negatively affect other people's perceptions of the quality of the audit. In order to improve auditing from a theoretical standpoint, it is crucial to comprehend other people's perspectives and the effects that various procedures may have on those views of audit quality. Broadly speaking, the idea of audit quality can be investigated from the following fundamental angle (IAASB, 2011):

1. Inputs (inside the data): Regardless of the audit criteria, there are a number of ways to ensure the quality of the audit. The auditor's personal qualities, such as his knowledge, moral principles, and mental capacity, are among the most crucial inputs. Additionally, the audit process is regarded as one of the key inputs for the precision of the audit procedure, the effectiveness of the instruments utilized in the accounts audit, and the availability of suitable technical support, all of which have an effect on the audit's quality.

2. Results: Since shareholders frequently consider this matter while assessing the quality of the audit, the audit process's outputs rank among the most significant influencing variables in the audit's quality. Consequently, the quality of the audit will improve if the auditor's report makes clear the results of the audit process. The quality of the audit may be positively impacted, for instance, by the auditor's rapport with the committees in charge of evaluating the

audit's quality in connection to the qualitative elements of the financial reporting process and the shortcomings in internal control.

3. Contextual factors: Contextual factors affect the quality of auditing in the same way that appropriate corporate management affects auditing quality. This is particularly true if the management has fostered an environment of ethical behavior and transparency within the organization. Regulations and guidelines can also have an impact on the audit's quality and establish a basic foundation for its effective execution. In the same way that organizational supervision can establish a dynamic framework for assessing the quality of auditors' work, it can also foster productive dialogue between auditors and planners.

3. The concept and philosophy of joint auditing

The general concept of a joint audit is that the audit report is signed by the auditors of two independent and different auditing institutions, each of which will be jointly responsible for the published report. The historical emergence of joint auditing is described and summarized in two rationales as follows (Francis, et al. 2009).

1. A method for handling auditor malpractice: hiring an auditor is just a substitute for the commercial court's ruling, which may come from a delay in the annual report's accessibility—something that businesses may not want to occur.

2. A Joint audit that maintains audit independence: The legitimacy and dependability of the auditing profession may be greatly impacted by this case.

According to (Piot, C. Janin, R. 2007), there are now two benefits to joint audits that make them reasonable and appropriate: the reinforcement of each auditor's independence and the opportunity for both parties to evaluate each other's work. Additionally, he contends that the degree of parity and comparability in the workload distribution between the two auditors determines the efficacy and efficiency of the joint audit, and that the ultimate goal of this type of audit should be to raise the audit's quality (Marmousez, S., et al. 2007).

All professional institutions were forced to seriously search for solutions as a result of the abrupt collapse and financial crises that impacted the majority of commercial enterprises, including auditing firms. This caused the users' belief in the financial reports of those companies to be shaken. and suitable actions. Measures and strategies to rebuild trust in the auditing profession: In this context, the European Commission published a paper in 2010 that raised the prospect of applying the French example of mandating that businesses create a joint audit program on a national level (Fares et al, 2020: 573).

Upon reviewing the literature on joint audit, it is evident that multiple definitions have been put forth in this area. The researcher provides a collection of these definitions below.

The definitions of joint audits refer to the collaborative examination of financial statements by two or more independent auditing firms.

Joint audit refers to a collaborative auditing approach wherein two auditors, typically from separate audit offices, undertake the task of examining a company's financial records. These auditors collectively sign and release a joint audit report, assuming joint and several responsibility for their findings. Furthermore, they collaborate in devising the audit method and allocating the field work responsibilities. (Al-Jabr and Al-Saadoun, 2014: 285)

The concept of joint audit refers to a collaborative audit procedure in which two separate and independent audit firms allocate the workload and responsibilities among themselves. These firms jointly strategize and plan the audit process, distributing the field work tasks between them. Ultimately, they produce a unified audit report that reflects a consensus viewpoint, signed by both parties. The obligation for auditing and ensuring the accuracy of the material presented in the report lies with both parties involved (Sakel, 2012, p.9 Ratzinger).

According to Baldauf (2012), the concept of joint audit pertains to the utilization of two auditors for the purpose of strategizing and implementing the audit procedure, which encompasses the interpretation of findings and provision of commentary (p.9).

However, in the context of joint accounting, the phrase "joint audit" refers to the appointment of a minimum of two independent audit institutions to perform an annual audit. These institutions are responsible for dividing their tasks, including delivering views and signing the audit report. In order to ensure fairness and accountability, it is imperative for individuals to assume equal levels of responsibility (Muraz, 2014, pp. 14-23).

According to Alanezi (2012, pp. 109-129), the term "joint audit" refers to the audit process conducted on a single legal entity, such as a firm, when two audit institutions collaborate to carry out the responsibilities and tasks associated with the audit.

3.1.Joint audit and banking crisis:

The banking crisis is one of the biggest issues the economy is currently experiencing. Because the work in the banking sector is different from other sectors and the risks it faces are numerous, complex, and interconnected, central banks aim to regulate and oversee the activities of banks in order to ensure their safety and continuity in carrying out their fundamental responsibilities. This calls for effective corporate governance. Because any bank that has weak governance could experience issues that have an impact on other banks as well as the stability of the banking and financial industry as a whole. Significant advancements have been made in the field of corporate governance, particularly in the wake of the 2010 global financial crisis (the mortgage crisis). A number of authoritative bodies and associations have released a number of corporate governance guidelines; the most significant of these was supplied by the Basel Banking Supervision Committee and outlined the requirements that the audit committee and external auditor must fulfill in order to enhance the caliber of bank audits. The Central Bank of Iraq has accepted that it is responsible for the supervision and control of the banking system and its management, as stated in the law (56 of 2004). The banking sector in Iraq has faced numerous challenges and obstacles, including internal ones related to laws and regulations and external ones related to global markets (technical changes). Additionally, the many bottlenecks and inadequacies in private banks have necessitated the improvement of effective audit quality, which was accomplished by the Central Bank of Iraq's requirement that private banks audit their accounts by two auditors using the joint audit method. As. According to the best-known international practices, this was put into effect starting with the 2016 fiscal year's final accounts. As is well known, joint audit methods have been used for many years and in many countries throughout the world for audit processes, including Iraq's neighboring countries.

3.2.Fundamental joint auditing procedures:

Typical auditing techniques consist of the following: (AGS 10, 2015, p. 4)

1. The joint audit technique requires the same type, amount of time, and scope of work for the financial statement audit as it does for the individual audit. Additionally, it is expected of the joint auditors to determine the proper audit techniques for joint implementation and to adhere to the guidelines and standards of the recognized auditing standards for the joint evaluation of risks.

2. The joint auditors decide to jointly create the audit plan and decide on the audit process's overall strategy.

3. The joint auditors reach a written agreement regarding how each auditor will divide up the work; also, the work must be divided up so that each major component of the company's financial statements gets audited.

The task may be divided among the joint auditors according to business units, subsidiaries, geographical areas, asset and liability items, revenues and expenses, or any other formula that has been agreed upon.

3.3.Benefits and drawbacks of joint auditing

A: Advantages of joint auditing

The benefits of joint audit include the following:

1. Because the audit team members from both institutions have various technical specialties and a diversity of skills, joint audits leverage the professional competence of auditors and better apply audit procedures. Additionally, it expedites the fulfillment of the tasks allocated to them and shortens the time it takes to release the audit report. Additionally, integration and ongoing communication between different industrial specializations and the audit team's specialties—whether they are from large audit institutions or other audit institutions—are realized through the joint audit process (Mohammed, 2018: 869).

2. It strengthens the financial ties between auditors and management, hence promoting auditor independence. Because each institution's ability to withstand pressure from the audit subject company is strengthened when multiple institutions collaborate to complete audit assignments. Since management may have less of an impact on two audit institutions at once than it can on one audit institution alone. It is quite improbable that both institutions won't be able to withstand this strain because it is split between the two, and this will enhance the audit quality (Mahmoud, 2016: 144).

3. Reducing the phenomenon of market concentration in the audit industry among a small number of audit institutions, particularly the four large corporations and their hegemony over the audit service market; this enables other institutions to compete in the market and take a bigger share of the market by expanding their expertise and experience. Specifically, their involvement in the joint audit process and the support of at least one institution outside of the "big four"

4. Increasing the accuracy of the audit report as a result of joint auditors' increased moral and legal accountability for the audit process' outcomes. Since a report signed by two auditors from separate auditing organizations demonstrates greater trustworthiness and confidence than a report signed by just one. The report's opinion is endorsed by both auditors, and in the event of a disagreement, the third auditor mediates the matter and upholds the accurate assessment of each of them. Additionally, when two auditors work together on an audit, there is an increased risk to each of them due to the potential for one of them to fail to complete the audit tasks. And this increases the accountability of each auditor, which in turn boosts public opinion, investor confidence, and stakeholder faith in the financial statements of the supervised company. All of these factors positively impact the stock price of the client (Ebrahim, 2018: 55).

5. Encouraging mutual supervision of all auditing procedures between institutions strengthens professional suspicion and lowers the likelihood of collusion between an auditing institution and the management of the company. This raises the possibility of errors being discovered during audits and improves audit quality (Semaan, 2019: 669).

B:drawbacks associated with joint audits.

The anticipated rise in expenses associated with joint audits in commercial enterprises is attributed to the higher fees paid to multiple auditors compared to a single auditor. However, this critique can be countered by considering that the benefits already discussed in preceding paragraphs may be equal to or exceed these costs. On the contrary, the expenses and exertions borne by the auditor in a collaborative audit, as well as the obligations and vulnerabilities assumed in a joint audit involving another entity, may be comparatively lower than those associated with a solitary audit including all its corresponding duties and hazards. According to Abd al-Hamid (2014: 184), he experienced suffering.

It is important to acknowledge that the relationship between joint audit and audit fee lacks stability. This is primarily attributed to the fact that joint audit is significantly associated with higher audit fees, maybe stemming from the involvement of two auditors, one of whom is affiliated with one of the four main audit companies. The statement "Is" lacks sufficient context to provide an academic response. Please provide more information The balanced distribution of auditors in the joint audit system has an impact on the audit fee. However, achieving a balance in practice, particularly between two institutions, one of which is a member of the big four, presents challenges. The variation in the elevated audit fee might also be attributed to the client's inclination to offer a larger remuneration in return for an increased level of assurance in the outcomes of the audit procedure. Furthermore, the execution of a collaborative audit necessitates an extended duration, amounting to approximately 10% more time compared to an audit conducted alone by an individual institution (Al-Jabr and Al-Saadoun, 2014: 285).

In certain instances, a lack of collaboration or integration between two auditors may arise due to their inherent competitive nature. This competitiveness incentivizes each auditor to strive for market share expansion and, on occasion, victory. To provide In certain instances, each auditor endeavors to attain the approval of the management and secure greater recognition compared to their counterpart, even if the company requires services that the rival party excels in. Moreover, in the event that the corporation contemplates replacing one of the auditors, this matter will become more pronounced. Hence, the diminished communication and information exchange among stakeholders may lead to the adoption of a single auditor approach by the company's management. However, this practice can potentially compromise the quality of the audit process and, in certain instances, impede the auditor's independence (Abd al-Hamid, 2014: 18).

Occasionally, auditors may encounter divergent viewpoints that hinder their ability to arrive at a unanimous decision. This is particularly true given the multifaceted nature of professional standards, which need auditors' subjective assessments and can consequently give rise to disparities or disputes. Consequently, the lack of a clear decision-making process inside the company's management leads to indecisiveness, while simultaneously undermining the authority of the auditors vis-à-vis the management. Another limitation of joint auditing is the potential for interdependence in performance between the auditors. In certain situations, rather than relying on individual effort and personal accountability, the auditors may become dependent on each other's efforts (Mohi 2016, p. 77),

The process of selecting audit institutions is challenging and intricate due to the restricted availability of options in the audit services industry, particularly for large corporations. The limited availability of reliable institutions upon whom the client can depend is mostly attributed to the dominance of the four major audit institutions (Al-wakeel, 2019: 20).

3.4.Joint audit's impact on audit quality

The concept of audit quality has been articulated through multiple perspectives. Audit quality is commonly characterized in professional literature by its alignment with the prescribed audit criteria. In contrast, accounting scholars examine several facets of audit quality, resulting in divergent definitions with distinct characteristics. According to Palmers, the concept of audit quality encompasses the provision of assurance on the accuracy and reliability of financial statements, while also considering the absence of material misstatements or distortions within those statements. D'Angelo presented the most comprehensive definition of audit quality. The author has provided a definition of auditing quality, which encompasses the assessment of an auditor's capacity to identify significant misrepresentations and, as per D'Angelo's perspective, uncover instances of falsification. Furthermore, the disclosure of these distortions in the auditor's report serves as an indicator of their independence. Hence, it can be posited that audit quality pertains to the enhancement of the auditor's capacity to identify accounting distortions and assess the competence and impartiality of the audit as seen by the market. In other words, the primary premise is that the market knows the audit quality. There are several considerations that support the notion that joint audit can enhance the quality of the audit process and thus enhance the credibility of financial statements. In a joint audit, the allocation of fees for audit services and lucrative consultations between two distinct audit institutions enhances their ability to resist managerial pressure and control exerted by company owners. Consequently, the comments provided by these audit institutions in the audit report carry greater weight. It appears to possess a greater degree of autonomy. Furthermore, on the assumption that auditors are not simultaneously replaced (i.e., rotation is not implemented), it is possible for one audit institution to acquire expertise and experience from another institution. In certain circumstances, the competence of the audit institution can be enhanced, hence allowing for the retention of its client base and business. Lastly, the probability of both major audit firms (or one major and one non-major) concurrently acquiescing to the client's request to withhold reporting of identified cases is lower in comparison to a single audit company. Put differently, there is an increased likelihood of enhancing honesty in audit reports. One of the challenges encountered in the domain of assessing the influence of joint audit on audit quality pertains to the insufficiency of information exchange between two audit institutions involved in the joint audit process. The exchange of information between two audit companies is facilitated through the process of conducting a joint audit. However, it is important to note that the competitive nature of auditors, driven by the desire to increase their market share in the subsequent year, may potentially hinder the level of cooperation anticipated between the two audit firms. Furthermore, it is worth noting that several studies have utilized atypical accrual items as indicators for measuring audit quality in joint audits. This particular approach has raised concerns regarding the credibility and reliability of the research findings. The experimental data derived from these research appear to exhibit inconsistencies.

There are several arguments that support the notion that joint auditing has a positive impact on audit quality and enhances the credibility of financial statements. Firstly, the practice of engaging two distinct audit firms enables the rotation of auditors, which safeguards auditor independence. This rotation also ensures that auditors retain their residual knowledge of the client's business operations. As a result, the potential adverse outcomes associated with auditor rotation are mitigated (Carsillo & Vanaji, 2004). Furthermore, the potential risk to auditor independence stemming from economic interdependence is expected to have a diminished significance in the collaborative audit approach compared to the individual auditor approach. The rationale behind the division of audit work and profitable consultancy in joint audits is primarily due to the involvement of two distinct audit companies.

3.5.earnings management

Earnings managementinvolves a range of legal and illicit operations to affect a company's profitability. The goal is to maintain stability and objective fulfillment in the financial market by refining profit levels at regular intervals. Earnings managementcan be defined as focused involvement in external financial report preparation to accomplish private objectives, manipulation in accounting results to create distorted perceptions of business and performance, or manipulation of financial reports to deceive stakeholders about the business's economic performance or influence contract outcomes based on accounting data. These actions are often a result of conflicts between client and attorney interests, each seeking to further their own interests. Earnings managementinvolves the management taking steps to achieve specific goals and objectives for the company's benefit, including improving net profit figures.

3.6.The impact of joint audit on the practice of earnings management

Through a comprehensive analysis of prior research pertaining to the joint audit approach and its impact on profitability, and taking into account the divergent findings of these studies concerning the nature of the association between the implementation of joint audit and the utilization of discretionary rights and benefits for earnings managementpurposes, we can formulate the initial hypothesis. Based on the analysis conducted, it has been determined that the following findings can be drawn.

Multiple studies (Zang, 2006; Zang, 2007; Zang, 2011; Chi et al., 2015; Zhu et al.) have demonstrated the favorable impact of audit quality on the implementation of actual earnings management practices. This is attributed to the reduced scrutiny faced by cases where auditors are only responsible for providing reasonable assurance regarding the conformity of financial statements to accepted accounting principles. Furthermore, it is imperative that the financial statements produced by the company appropriately depict its operational activities. It is worth noting that the auditor's role does not encompass assessing the management's objectives behind their decisions about operational activities (Graham et al., 2005; Burnett et al., 2012; Zang, 2015; Zhu et al.). Hence, in the event that managerial personnel encounter difficulties in manipulating profits via discretionary compensation and benefits, and considering the effectiveness of the external audit, there exists a potential inclination for managers to resort to earnings management through tangible operational actions.

The rise in instances of fraudulent activities experienced by prominent multinational corporations globally, coupled with the subsequent downfall of these entities, has significantly impacted the confidence of financial report users. Consequently, regulatory bodies in developed nations have begun contemplating the necessity of implementing collaborative auditing practices. This consideration arises from the recognition of internal control systems' limitations in effectively detecting instances of fraud and manipulation. The execution of this task is carried out by the managerial personnel (Al-Farah 32:2011).

There have been varying viewpoints expressed by researchers regarding the correlation between joint audit and earnings managementperformance. Notably, several researchers have concurred on the presence of such a relationship. One study that has highlighted the favorable impact of joint audit is the research conducted by Ali in 2015. This study demonstrates that the implementation of joint audit has the potential to mitigate earnings managementtechniques. This outcome holds significant value as it serves as a reliable indication for assessing the overall quality of the audit process. According to Hiah, (2013: 364), In contrast, a study conducted by Azib and Velte (2015) found no discernible disparity in the extent of earnings management employed by firm management undergoing either joint audits or single audits. (Azib & Velte, 2015: 549) is a citation indicating a source for information.

4.Methodologhy

4.1.Research hypotheses

1- The first hypothesis the effect of using auditing can be determined subscriber on bank profit for bank registerd in the Iraq stock exchange

2- The second hypothesis holds that the quality of earnings managementaudits performed by banks accepted into the Iraqi stock market organization has a moderating effect on joint audit.

4.2.research objective

1 -Investigating the quality of auditing on the way of profit management in banks admitted to the stock exchange organization of Iraq.

2- Investigating the modifying role of acceptance of joint audit on the effect of audit quality on profit management in banks admitted to the stock exchange organization of Iraq.

4.3.Society of statistics

The study's statistical community comprises all forty-four banks that have been granted admission to the Iraqi Stock Exchange. They must do joint audits in accordance with the central bank's decision. The bank was established in 2016 and is accessible via the Iraqi Stock Exchange's official website. Data from 2011 to 2020 was released, including annual financial lists, reports, and joint audit reports. An identification review of the research community and sample.

The statistical sample of the research is the Iraqi banks listed in the Iraqi Stock Exchange, which are 44 banks. During the years of study, that is, from 2011 to 2020, data related to them have been published in the official electronic database of the Iraqi financial bond market, which include financial statements and annual financial reports, as well as related joint audit reports during the years of the study period. Based on this, 15 Iraqi banks were identified as private shareholders, which are registered in the Iraqi stock market, and joint audit has been used in these banks since 2016. As a research example, the data of these banks has been analyzed after collection, which is taken from financial statements and annual financial reports and joint audit reports. The names of these banks are as follows: 1 - Investment Bank of Iraq 2- Middle East Bank 3- Bank of Baghdad 4- National Islamic Bank (Al-Masrif al-vatani al-Islami) 5- Islamic Bank of Iraq 6- Ashur Bank 7- Al Mansour Bank 8-Al Ahli Bank of Iraq 9 - United Investment Bank (Al-Muthahid Lal-Isthmamar) 10- Tejarat Bank of Iraq 11-Iraqi Credit Bank 12-Al-Etihad Bank of Iraq 13-Bank of Mosul 14- Tejarat Al-khalij Bank 15-Ilaf Islamic Bank

4.4.Model of research

A model has been suggested for this study in order to examine each hypothesis. This is the model that was utilized to investigate the first hypothesis:

H1: $Earnings\ Management_{\text{it}} = \alpha 0 + \beta 1\text{Audit Quality}i,t + \beta 2\text{Size}i,t + \beta 3\text{Leverage}i,t + \beta 4Age\,i,t + \beta 5Growth\,i,t + \beta 6\text{ROA}i,t + b7\text{OCF}i,t + \varepsilon i,t$

The following model is used to test the second hypothesis.

H2: $Earnings\ Management_{\text{it}} = \alpha 0 + \beta 1\text{Audit Quality}i,t + \beta 2\text{Joint Audit } i,t + \beta 3(\text{Audit Quality}i,t \times \text{Joint Audit } i,t) + \beta 4\text{Size}i,t + \beta 5\text{Leverage}i,t + \beta 6Age\,i,t + \beta 7Growth\,i,t + \beta 8\text{ROA}i,t + b9\text{OCF}i,t + \varepsilon i,t$

4.5.Examining the linear regression model's assumptions

4.5.1.Check for collinearity

We used the Spearman correlation matrix shown in Figure 1 to verify that there was no collinearity between the independent and control variables. The low correlation between the independent and control variables, as demonstrated by Spearman's correlation, allays worries about collinearity.

4.5.2.heterogeneity

The problem of variance heterogeneity is one of the major ones that econometricians deal with. Variance heterogeneity refers to the uneven variances of the error sentence values during regression model estimation. Actually, we first assume that all of the error sentences in the regression estimation process, which uses the ordinary least squares method, have equal variances. Once we estimate the model, we then employ a number of methodologies and strategies to analyze this. We presume that the variance in our model is indeed homogeneous. Nevertheless, while

using econometrics in practice, the researcher is always faced with two issues: 1) How can the presence of heterogeneity of variance in the model be determined when the values of error sentences are hidden from view in the original population? 2) It is quite unlikely that all of the erroneous phrase variations are exactly the same in practice; instead, most variances deviate slightly from one another. Thus, the question that naturally arises in this situation is whether there is a statistical criterion that quantifies the degree of variance inequality such that, using it, it can be concluded that, if the degree of variance inequality exceeds a given value, our model has a variance inequality issue. It should be mentioned that economists employ a variety of techniques, including the Brush-Pagan, White, and Park tests, to address the aforementioned problem.
White's test takes into account the most general scenario and is highly sensitive to the detection of heterogeneity variance since it is typically employed when we do not know the variance distribution of mistake sentences and do not have an estimate about it.

4.5.3.test for unit root

When using a combined data structure for a period of less than ten years, the unit root test of variables is not required (Bani Mahd et al., 2015).

4.5.4.Test using random or fixed effects

Panel data Panel data sets are used in statistics and econometrics to contain observations for various sectors (households, businesses, etc.) gathered across various time periods. In other words, a panel data model comprises N components over T time periods and information in both space and time. A panel is deemed balanced if the total number of time observations for each component in the panel is equal; otherwise, it is deemed unbalanced if several components have missing observations.

Limer's F statistic is used to select between panel data and combined data approaches. To put it another way, Limer's F test statistic establishes whether or not each organization has a distinct origin. When using Limer's F test, the opposite hypothesis (panel data) shows that the width from the origins is heterogeneous, while the zero hypothesis (combined data) implies the same width from the origins. Consequently, the panel data approach is approved if the null hypothesis is disproved.

Is it possible to examine the relationship using fixed effects or random effects methods if the null hypothesis is rejected following the Limer's F test? This problem is specified by Hausman's test. In this test, the null hypothesis (random effects method) indicates that the explanatory factors are independent of one another and that there is no relationship between the disturbance component associated to the width from the origin. On the other hand, the method of fixed effects implies, according to the alternative hypothesis, that there is a correlation between the explanatory variable and the disturbance component. The fixed effects approach is applied if the null hypothesis is rejected; if not, the random effects method is applied.

5.Conclusions

5.1.Descriptive Statistics

For the purpose of this study, information from 15 banks was gathered during a ten-year period (2011 to 2020), totaling 150 observations. Table 1-4 presents an overview of the descriptive results for the research variables, including mean, median, standard deviation, minimum, and maximum. Please take note that the research's continuous variables are Winsorized at the 1% level in order to limit the impact of outlier data. Appendix 1 displays the outcomes of the descriptive statistics analysis.

The anomalous distribution of the data is demonstrated by the results of Jarkiobra's test.

Table 1: Descriptive statistics results of research variables

Variable	symbol	mean	median	standard deviation	min	max
Earnings management	EM	2.69	-0.034	0.14	-0.61	0.41
Joint audit	Joint_Audit	0.53	1	0.5	0	1
Auditor tenure	Audit_Quality1	2	2	1.21	1	1

Auditor expertise	Audit_Quality2	0.57	1	0.49	0	1
Bank growth	Growth	21.34	0.03	149.4	-0.99	1067
Financial Leverage	LEV	0.75	0.91	0.27	0.25	1.03
Bank age	LNAGE	2.90	2.94	0.39	1.94	3.78
Return on assets	ROA	0.061	0.007	0.33	-0.009	2.86
Operating cash flow	OCF	0.019	6.99	0.12	-0.28	0.69
Bank size	SIZE	23.62	25.77	3.44	19.53	28.01

5.2.Testing the assumptions of the linear regression model

5.2.1.Collinearity check

In order to check the absence of collinearity between the independent and control variables, the Spearman correlation matrix presented in Figure 1 was used. Spearman's correlation shows that the correlation between the independent and control variables is low, which removes the concern caused by the presence of collinearity.

Figure 1-Spearman's correlation

Covariance Analysis: Spearman rank-order
Date: 09/08/23 Time: 17:24
Sample: 2011 2020
Included observations: 150

Correlation Probability	EM_TRM	AUDIT_QUAL	AUDIT_QUAL	JOINT_AUDIT	SIZE_TRM	ROA_TRM	OCF_TRM	LNAGE_TRM	LEV_TRM	GROWTH_T
EM_TRM	1.000000									

AUDIT_QUALITY1	0.115169	1.000000								
	0.1605	-----								
AUDIT_QUALITY2	-0.234560	-0.014917	1.000000							
	0.0039	0.8562	-----							
JOINT_AUDIT	-0.158782	-0.041602	-0.455709	1.000000						
	0.0523	0.6132	0.0000	-----						
SIZE_TRM	-0.372714	0.102042	0.710061	-0.213715	1.000000					
	0.0000	0.2140	0.0000	0.0086	-----					
ROA_TRM	0.303184	0.013949	-0.316586	0.031787	-0.446823	1.000000				
	0.0002	0.8655	0.0001	0.6994	0.0000	-----				
OCF_TRM	-0.364734	0.001811	-0.209034	0.008796	-0.200575	0.089675	1.000000			
	0.0000	0.9824	0.0103	0.9149	0.0139	0.2751	-----			
LNAGE_TRM	0.024025	0.147276	-0.509636	0.364224	-0.256473	0.031466	0.172695	1.000000		
	0.7704	0.0721	0.0000	0.0000	0.0015	0.7023	0.0346	-----		
LEV_TRM	0.093579	0.006939	0.399161	-0.798855	0.266065	0.074480	0.087732	-0.281990	1.000000	
	0.2547	0.9328	0.0000	0.0000	0.0010	0.3650	0.2857	0.0005	-----	
GROWTH_TRM	-0.021718	0.077447	0.201096	-0.337161	0.162418	0.078055	0.362583	-0.178755	0.419207	1.000000
	0.7919	0.3462	0.0136	0.0000	0.0471	0.3424	0.0000	0.0286	0.0000	-----

5.2.2. heterogeneity

In order to solve the concern related to the heterogeneity of variances, all estimations have been made using White's robust variance, which solves the mentioned concern.

5.2.3.unit root test

The unit root test of variables is not necessary in a time period of less than 10 years with a combined data structure (Bani Mahd et al., 2015).

5.3.Determining the appropriate model

Table 2 displays the Chaw's test findings for each dependent variable. Table 4-2's results demonstrate that the test statistic's significance value is less than 5%, indicating that the null hypothesis is rejected and that fixed or random effects should be employed instead of bound effects in this model.

It is preferable to employ model estimation in between sections of accounting study since the number of sections is frequently greater than the number of years (Bani Mahd et al., 2015). To differentiate between fixed effects and random effects models, the Hausman test was employed. The Hausman test results are shown in Table 3, and based on these findings, the test's null hypothesis is accepted and the hypothesis test model is fitted with random effects at a significance level higher than 5%.

Table 2- chaw test

Hypothesis number	Dependent variable	Test statistics	Significance level
1-1	EM	2.91	0.0007
1-2	EM	2.34	0.006
2-1	EM	3.41	0.0001
2-2	EM	2.64	0.002

Table 3-Hausman test results

Hypothesis number	Dependent variable	Significance level
1-1	EM	1.0000
1-2	EM	1.0000
2-1	EM	1.0000
2-2	EM	1.0000

5.4.Testing hypotheses of research

Audit quality and joint audit are the research's independent variables. The third chapter discusses how the auditor's tenure and skills are used to gauge the quality of the audit. Consequently, each of the research's hypotheses has been fitted twice. The auditor's tenure has been utilized to gauge the quality of the audit once again, and the auditor's knowledge has served as the foundation for this evaluation.

5.4.1.Test of the first hypothesis

Table 4 shows the results of the first hypothesis test in exchange for using the tenure of the auditor.

Table 4- result of first hypothesis test

variables	Prob	t-Statistic
AUDIT_QUALITY1	0.6910	0.3983
SIZE	00***0.00	-6.9070
ROA	0.2022	-1.2813
OCF	00***0.00	-14.378
LNAGE	.30580	-1.0277
LEV	231*0.0	2.2968

GROWTH		0.0718	1.8136
^{2}R	0.7150	F	51.098
Prob	0.000	Durbin-Watson	1.73

Description: * Significance at the 0.05 level ** Significance at the 0.01 level *** Significance at the 0.001 level

Table 4's findings indicate that there is no discernible correlation between earnings managementand audit quality when the auditor's tenure is taken into account as an index. These findings contradict and do not support the research's theoretical underpinnings. Furthermore, the results show a substantial and negative correlation between bank size and profit management. The financial leverage variable's significance level and explanatory coefficient show that earnings managementrises when financial leverage does as well. The f statistic's significance level (prob<0.05) indicates the significance of the regression model. According to the model's coefficient of determination, 71% of the changes in the dependent variable are predicted by the independent variables.

The Durbin-Watson test is used to determine whether autocorrelation exists between error levels. There won't be any self-correlation between the error values if the statistic's value falls between 1.5 and 2.5. In this model, the Durbin-Watson's statistic value shows that there is no self-correlation of model errors.

Table 5 shows the results of the first hypothesis test in exchange for the use of the auditor's expertise.

Table 5-The results of the first hypothesis test

variable		Prob	t-Statistic
2AUDIT_QUALITY		00***0.00	5.238
SIZE		00***0.00	9.579-
ROA		18220.	3405-1.
OCF		00***0.00	5.361-1
LNAGE		5665.0	0.5746-
LEV		*0.0382	09212.
GROWTH		760.07	7771.
^{2}R	38.70	F	57.43
Prob	000.0	Durbin-Watson	831.

Earnings managementand audit quality have a favorable and significant link, according to Table 5's data, if the auditor's experience is taken into account when determining audit quality. These findings validate and align with the research's theoretical underpinnings. Furthermore, the results show that as the bank's size increases, earnings managementdeclines. operational cash flows and earnings managementhave an inverse relationship, according to test results using operational cash flow as a control variable. The financial leverage variable grows at the 5% error level when the financial leverage of earnings managementincreases, according to the significance level and the explanatory coefficient. The regression model is significant, as indicated by the f statistic's significance level (prob<0.05), and the model's coefficient of determination indicates that 73% of changes in the dependent variable are predicted by the independent variable.

In this model, the Durbin-Watson's statistic value shows that there is no self-correlation of model errors.

5.4.2.Test of the second hypothesis

The results of the second hypothesis test in exchange for using the tenure of the auditor are shown in Table 6.

Table 6-The results of the second hypothesis test

variable		Prob	t-Statistic
AUDIT_QUALITY1		.32850	-0.9805
JOINT_AUDIT		08***0.00	-3.4189
JOINT*QUALITY1		0.3933	0.8562
SIZE		00***0.00	-6.8607
ROA		0.3345	-0.9684
OCF		00***0.00	-14.40
LNAGE		0.7272	-0.3495
LEV		0.9622	-0.0474
GROWTH		0.0629	1.8748
^{2}R	729.0	F	41.97
Prob	000.0	Durbin-Watson	1.766

Table 6's findings demonstrate that the joint audit variable has no moderating effect on the link between audit quality and earnings managementwhen the auditor's tenure is taken into account as a measure of audit quality. locate Furthermore, it is evident that operating cash flow variable and earnings managementhave a negative and significant link. The regression model is significant, as indicated by the f statistic's significance level (prob<0.05), and the model's coefficient of determination indicates that 72% of changes in the dependent variable are predicted by the independent variable.

In this model, the Durbin-Watson's statistic value shows that there is no self-correlation of model errors.

The results of the second hypothesis test in exchange for the use of the auditor's expertise are shown in Table 7.

Table 7-The results of the second hypothesis test

variable	Prob	t-Statistic
2AUDIT_QUALITY	00***0.00	5.537
JOINT_AUDIT	*0.0419	2.0534-
2JOINT*QUALITY	46850.	72690.
SIZE	00***0.00	9.6190-
ROA	29630.	1.0482-
OCF	00***0.00	15.33-
LNAGE	4970.7	-0.3196
LEV	0.6997	0.3865
GROWTH	0.0781	1.7746

^{2}R	.74270	F	44.908
Prob	000.0	Durbin-Watson	1.858

Earnings managementand audit quality have a favorable and significant link, according to Table 7's data, if the auditor's experience is taken into account when determining audit quality. The findings of the model fitting indicate that there is no moderating effect of joint audit in the link between earnings managementand audit quality. Furthermore, the results show that as the bank's size increases, earnings managementdeclines. operational cash flows and earnings managementhave an inverse relationship, according to test results using operational cash flow as a control variable. The independent variable in this model predicts 74% of the changes in the dependent variable, according to the coefficient of determination, and the Durbin Watson statistic indicates that autocorrelation is absent in the model errors. These findings are supported by the significance level of the f statistic (prob<0.05) and the regression model's significance.

6.Conclusion

The results of the first hypothesis test of the research showed that there is no significant relationship between profit management and audit quality. These results are not compatible with the theoretical foundations of the research and do not support them. In addition, the findings indicate a negative and significant relationship between profit management and bank size.

The results of the first hypothesis test of the research with the independent variable of auditor expertise as a measurement criterion showed that audit quality has a positive and significant relationship between profit management and audit quality. These results are consistent with the theoretical foundations of the research and support them. In addition, the findings indicate that the profit management decreases with the increase in the size of the bank. The test results of operating cash flow variable as a control variable indicate that there is an inverse relationship between profit management and operating cash flows.

The results of the second hypothesis test of the research show that if the tenure of the auditor is used as a measure of audit quality, the joint audit variable does not have a moderating role in the relationship between audit quality and profit management. Profits decrease. In addition, it can be seen that there is a negative and significant relationship between operating cash flow variable and profit management.

The results of the second hypothesis test of the research with the independent variable of auditor expertise as a measurement criterion showed that audit quality has a positive and significant relationship between profit management and audit quality. The model fitting results show that joint audit does not have a moderating role in the relationship between audit quality and earnings management. In addition, the findings indicate that the profit management decreases with the increase in the size of the bank. The test results of operating cash flow variable as a control variable indicate that there is an inverse relationship between profit management and operating cash flows.

1 .A joint audit involves the involvement of two or more independent, separate auditing firms in the financial statement auditing process for a customer. To prevent task duplication, a combined audit process organizes the planning phase, audit processes, and audit activities together. It is split between the auditors, and at the end of the joint audit, a single report bearing the signatures of both auditors bearing joint accountability for the views expressed in that report is released.

2 .From the final accounts of the 2016 fiscal year, private banks operating in Iraq were mandated by the Central Bank of Iraq to conduct joint audits of individual bank accounts. additionally as a result of the bankruptcy they encountered.

3 .In addition to the absence of guidelines published by the Auditing and Supervision Professional Council, there is no global standard or regional manual that governs the application of the audit procedure based on the common audit technique, which causes the emergence. There are numerous issues related to this kind of audit.

4 .Many nations and economic units have experience requiring the use of joint audits, particularly in banks and insurance firms. However, some nations have systems in place that mandate the use of audits or joint audits by businesses. One has the freedom to select. A voluntary approach to auditing has been adopted by certain nations.

5 .Only first-class auditors were allowed to participate in joint audit operations for private banks; second-class auditors were not allowed to participate.

6 .The majority of articles on joint auditing have taken the form of research and studies because, as far as we are aware, no one has addressed this topic in accounting offices, with the exception of a small number of instances and the intended topic of Iraq. One issue that has been employed recently is joint audit. Despite the requirement that graduates be knowledgeable before entering the job market, there is a need for further research and study on this topic, and it is not taught in university audit and control courses. Learn about it.

7 -The audit procedure for private banks has a five-year rotation period, during which time all joint auditors may rotate simultaneously as long as the process is in place, whether it be a joint audit or a regular one. They are free to leave the bank within the same year, for any reason.

6.1.Restrictions

There are a number of variables and circumstances that are beyond of the researcher's control but may have an impact on the research's findings during the scientific method. A portion of these constraints are innate, while others arise due to the surrounding circumstances and the research's temporal constraints. It is imperative to consider the current limits while analyzing the findings of scientific research. The research's primary limitations include its narrow emphasis on a single business and the limited number of accessible observations, which should be carefully considered before extrapolating the findings.

7. Suggestions

7.1.Practical recommendations

The first hypothesis test of the study revealed a positive and substantial association between earnings managementand audit quality, with auditor competence serving as the independent variable and measurement criterion. Consequently, it is advised that banks select an auditor who specializes in the relevant area. thus they are more able to learn about profit management.

1 .Because of the benefits it offers in terms of enhancing and raising the caliber of auditing, the central bank publishes the regulations or guidelines required to make joint auditing easier for private banks, and it's regarded as a chance to look into how it affects the internal environment. In particular, it has been demonstrated to raise the standard of audit quality across a range of economic sectors in research tests (experiences) conducted in numerous nations.

2 .The need to learn more about joint auditing by carrying out additional research and studies on the topic and its application in the Iraqi context.

3 .The Central Bank of Iraq and private banks host training sessions, conferences, and seminars on joint auditing, which are organized by the Association of Accountants and Auditors in Iraq. These events are attended by both researchers and practitioners in the field. gonna be Participating to enhance bank performance, learning about this novel idea and its application mechanisms, staying up to date with emerging techniques and trends in the global audit landscape, and reaping their benefits will all contribute to quality improvement. examining and reducing the disparity in expectations.

4 .The employment of subpar auditors in joint audit projects for private banks in an effort to build a solid reputation that would aid in the auditing of other big businesses, as banking work is unique in many ways from other industries. Furthermore, the involvement of these auditors creates rivalry with reputable auditing firms operating in the Iraqi market as well as new job prospects.

5 .Growing the scope of joint audit work and promoting its adoption so that all joint-stock companies—rather than just banks, particularly those recognized by the Iraqi Stock Exchange—are included.

6 .Establishing a conduit for ongoing collaboration and constant communication between Iraqi professional associations and global associations, in time with economic developments and the creation and sharing of novel and contemporary notions and ideas in the fields of accounting and auditing, as well as the capacity to sustain and propagate them. Continue to be innovative and creative at all times.

7 -Researchers can carry out studies and research that involve comparisons between audit types to ascertain the influence of joint auditing on various accounting issues thanks to companies' and banks' publication of joint audit data.

8 -It is advised that when examining the audited companies, the users of the financial statements consider the auditor's term.

9-It is advised that the stock exchange organization enact policies and guidelines requiring the companies accepted into the stock exchange to hire as many different auditors as feasible to audit their financial accounts.

7.2.Ideas for additional research

1 -The measurement models examined in the research should be used in future studies to gauge audit quality under the joint audit approach.

Future study should consider the following recommendations:

Examining how auditor independence affects the relationship between audit quality and earnings managementas a moderating factor.

Analyzing how joint audit influences the link between audit quality and profit quality in a moderating manner.

2 .Performing additional research to investigate the relationship between audit quality standards and the influence of audit quality on the reduction of profit management. This research should make use of a model other than the Jones model, which has been modified from the widely used models in the measurement of profit management.

3 .Using a dummy variable to examine the relationship between earnings managementand the auditor's tenure, so that the virtual variable's value is equal to one when the auditor is employed by the auditing company and equal to zero otherwise.

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