Arab American University
Faculty of Graduate Studies
Department of Administrative and
Financial Sciences
Master Program in Accounting and Auditing

The Impact of Integrated Reporting on Improving the Quality of Financial Reporting/ Evidence from Palestinian Banks.

Kholoud Ma'en Sabri Labadi
202216421

Supervision Committee:
Dr. Firas Barakat
Dr. Tariq Darabee
Dr. Sharif Abu Karsh

This Thesis Was Submitted in Partial Fulfilment of the Requirements for the Master Degree in Accounting and Auditing

Palestine, 2/2025

© Arab American University. All rights reserved.

Arab American University
Faculty of Graduate Studies
Department of Administrative and Financial Sciences
Master Program in Accounting and Auditing

Thesis Approval

The Impact of Integrated Reporting on Improving the Quality of Financial Reporting/ Evidence from Palestinian banks.

Kholoud Ma’en Sabri Labadi
202216421

This thesis was defended successfully on 19th Feb 2025 and approved by:

Thesis Committee Members:

	Name	Title	Signature
1.	Dr. Firas Barakat	Main Supervisor	
2.	Dr. Tariq Darabee	Member of Supervision Committee	
3.	Dr. Sharif Abu Karsh	Member of Supervision Committee	

Palestine, 2/2025

Declaration

I declare that, except where explicit reference is made to the contribution of others, this thesis is substantially my own work and has not been submitted for any other degree at the Arab American University or any other institution.

Student Name: Kholoud Ma’en Sabri Labadi

Student ID: 202216421

Signature: Kholoud Labadi

Date of Submitting the Final Version of the Thesis: 13th March 2025.

Dedication

To the soul of my dear father, for whom education was one of his priorities and most important commandments, who instilled in my heart the love of knowledge and the pursuit of knowledge, he departed from this world but never left my heart and mind for a moment, to you I dedicate the fruits of my effort in gratitude and appreciation for everything you have given me, hoping that God will illuminate your grave with the light of heaven.

My dear father

To the symbol of love and giving, I dedicate the fruits of my efforts and the results of my staying up late. Her prayers were the light that illuminated my path, and her tenderness was the strength that gave me patience and determination. I ask God to protect you and grant you health and wellness, and to always make me a reason for your pride and happiness.

My dear mother

To those who are closer to me than my soul, to those who shared my mother's embrace and from whom I derive my pride and determination

My sister and brothers

To those who made me forget my studies and shared my worries as a memory and appreciation

My friends and colleagues

To the beacon of knowledge and scholars

My distinguished teachers

To everyone who is worthy of appreciation, respect and dedication to all those who care about me and encouraged me to complete my educational journey to all of them I dedicate this research.

Kholoud Maen Sabri Labadi

Acknowledgments

I thank God Almighty who has blessed me by helping me to complete this work and to achieve what I was aspiring to in completing my master's degree, praise be to the majesty of your face and the greatness of your power.

I can only extend my utmost thanks and gratitude to Dr. Firas Barakat for the effort and time he spent guiding and directing me to contribute to the completion of this thesis in its final form.

I also extend my thanks to my distinguished professors on the discussion committee:

Dr. Tariq Darabi
Dr. Sharif Abu Karsh

For their contribution to enriching and increasing the value of this thesis

I also extend my thanks to my prestigious university, the Arab American University, represented by its distinguished professors in the Colleges of Graduate Studies, Business and Economics

And thanks to my beautiful family for their patience and continuous support, and to everyone who was a light in our paths and lit candles of hope for us and generously gave us the fruits of their thought to light the way to complete this research

And I will not forget the favor of my colleagues, colleagues and friends

Kholoud Maen Sabri Labadi

The Impact of Integrated Reporting on Improving the Quality of Financial Reporting/ Evidence from Palestinian banks.

Kholoud Maen Sabre Labady

Supervision Committee:

Dr. Firas Barakat

Dr. Tariq Darabee

Dr. Sharif Abu Karsh

Abstract

The study aimed to identify the impact of disclosure of integrated reports on improving the quality of financial reports of Palestinian banks listed on the Palestine Stock Exchange (PSE). In order to complete the study and achieve its objectives, the descriptive approach and the inferential (analytical) approach were used with the application of statistical models to measure the quality of earnings and its relationship to integrated disclosure. The study population consisted of all Palestinian banks listed on the PSE from 2017-2023, which numbered 6 banks, but the PSE and Al-Safa Bank were excluded due to the lack of availability and completeness of some of its data that could be used to measure and calculate the study variables, as it was listed on the PSE in 2022. The results showed a positive and statistically significant relationship between governance and earnings volatility. Other elements such as the business model and performance had positive effects in reducing volatility. Governance also played an important role in enhancing the accrual ratio, while the foundations of preparation and presentation and the business model showed clear negative effects in reducing reliance on accruals. As for the operating cash index, the results revealed that the foundations of preparation and presentation had a strong positive effect, confirming the role of integrated disclosure in enhancing the efficiency of operating cash flows. As for the gap between accounting profit and cash flow, the study showed a significant negative relationship between governance and this gap, reflecting the role of governance in improving the alignment between accounting and cash profits. These results generally indicate that integrated reporting has a fundamental impact on improving the quality of financial reports, as it contributes to increasing transparency, enhancing operational efficiency, and reducing opportunities for financial manipulation. Accordingly, the study recommends adopting integrated reporting as a basic standard for preparing financial reports, with a focus on developing governance elements and preparation and presentation methods to achieve better financial sustainability.

Keywords: Integrated Reporting, Accounting Disclosure, Financial Reporting, Quality of Financial Reporting, Quality of Earnings.

Table of Contents

Title	page
Declaration	I
Dedication	II
Acknowledgments	III
Abstract	IV
List of Tables	VIII
List of Figures	IX
List of Definitions of Abbreviations	X
Chapter One: Introduction and Research Basics	
Introduction	1
Importance of the study	3
Statement of the Problem	3
Research Objectives	4
Research Hypotheses	5
Variables	5
Limitations	6
Conceptual and procedural definitions	7
Chapter Two: Literature Review	
integrated reporting (IR)	8
The concept of integrated reporting	8
Overview of Integrated Reports	10
The emergence of integrated reports	11
Objectives of Integrated Reports	13
Strengths of Integrated Reporting	14
Weaknesses of Integrated Reporting	15
The importance of integrated reports	15
Value Creation in Integrated Business Reports	16
Contents of integrated reports	17
Motives for Disclosure through Integrated Business Reports	18
The benefits of disclosure through integrated reports	19
The quality of integrated reports	19
Partial reports that are collected to prepare integrated reports	20

Accounting and administrative theories and their relationship to integrated reports 22
Quality of Financial Reporting (QFR) 23
The concept of quality of financial reports 23
Factors affecting the quality of financial reports 24
From the perspective of the external user: Analysis of the relationship between integrated reports and the quality of financial reports. 26
Previous Studies 30
Summary of previous studies 34
The study is distinguished from previous studies 38
Chapter Three: Methodology
Introduction 40
Research Methodology 40
Research population and sample 40
Conceptual Framework 40
Research variables, measurement and behavior 41
Statistical methods and data collection methods 53
Chapter Four: Results
Introduction 56
Descriptive Statistics for Integrated Reporting Disclosure and Study Variables (2017–2023) 56
Preliminary Insights into the Correlation Between Integrated Reporting Indicators and quality of financial reports. 58
Impact of Integrated Reporting Elements on Earnings Volatility 61
Influence of Integrated Reporting Elements on the Accruals Ratio 63
Effect of Integrated Reporting Elements on the Operating Cash Index 66
Relationship Between Integrated Reporting Elements and the Accounting Profit to Cash Flow Gap Ratio 68
Evaluation and Comparison of Regression Models 70
Summary of results and comparison with previous studies 71
Chapter Five: Discussion
Conclusions and Recommendations 72
Results 72

Recommendations 73
References 74
ملخص 82

List of Tables

Table #	Title of Table	Page
(2.1)	Contents of Integrated Reports	17
(2.2)	Partial Reports	21
(2.3)	Summary of previous studies	34
(3.1)	Independent study variables	42
(3.1)	Disclosure of Palestinian banks of indicators of the general view of the bank and the external environment for the years 2017-2023	44
(3.3)	Disclosure of Palestinian banks of indicators of the governance for the years 2017-2023	45
(3.4)	Disclosure of Palestinian banks of indicators of the business model for the years 2017-2023	46
(3.5)	Disclosure of Palestinian banks of indicators of the Risks and Opportunities for the years 2017-2023	47
(3.6)	Disclosure of Palestinian banks of indicators of the Strategy and resource allocation for the years 2017-2023	48
(3.7)	Disclosure of Palestinian banks of indicators of the performance for the years 2017-2023	49
(3.8)	Disclosure of Palestinian banks of indicators of the Future prospects or expectations for the years 2017-2023	50
(3.9)	Disclosure of Palestinian banks of indicators of the Foundations of preparation and presentation for the years 2017-2023	51
(4.1)	Descriptive Statistics for Integrated Reporting Disclosure and Study Variables (2017–2023)	56
(4.2)	Correlation Matrix of Integrated Reporting Disclosure Elements and Financial Reporting Quality Based on Four Key Variables	60
(4.3)	Impact of Disclosure Elements on Earnings Volatility Ratio	62
(4.4)	Effect of Disclosure Elements on Accruals Ratio	65
(4.5)	Effect of Disclosure Elements on Operating Cash Index	67
(4.6)	Impact of Disclosure Elements on the Accounting Profit to Cash Flow Gap Ratio	69

List of Figures

Figure #	Title of Figure	Page
(3.1)	Study variables (dependent and independent variable)	41

List of Definitions of Abbreviations

Abbreviations	Title
CSR	Corporate Social Responsibility
GAAP	Generally Accepted Accounting Principles
GRI	Global Reporting Initiative
IASB	International Accounting Standards Board
IFAC	International Federation of Accountants
IIRC	International Integrated Reporting Council
IRCSA	Institute of Risk Management South Africa
OECD	Organization for Economic Co-operation and Development
WBCSD	World Business Council for Sustainable Development

Chapter One: Introduction

1.1 Introduction

Financial information is one of the basic pillars of the business world, and has witnessed significant development in light of rapid technological progress, increasing market size, competition between companies, and increasing complexities, threats, risks and opportunities (Mohamed & Abdel Jaleel, 2018). Financial reports used to be based on the simple single-entry system, but with the expansion of business activities and the emergence of joint-stock companies they evolved into the double-entry system, which is considered the basis of modern accounting (Laitinen, 2018). In the twentieth century, International Accounting Standards (IFRS) and American Standards (GAAP) emerged to unify and coordinate corporate financial reports, which helped increase transparency and comparability between financial institutions (Mankin et al., 2017). Some companies still withhold their private information and only disclose important financial information, leaving room for multiple interpretations and sometimes hiding important information.

The integrated report represents a vital step towards creating sustainable value and an advanced model for information disclosure by integrating financial and non-financial information, providing a comprehensive picture of the company's sustainable performance. These reports contribute to improving transparency, enhancing trust and supporting strategic decision-making that leads to better financial performance. Investors demand comprehensive information on how organizations manage their resources. With regard to shareholders and stakeholders, it takes into account the six types of capital identified by the International Integrated Reporting Council, which include financial, industrial, natural, human, social, intellectual and social capital (Santis& Bianchi, 2020). These six capitals form the basis on which the organization's activities are based by creating interconnected models that work together to achieve the organization's activities, and are therefore very important in the process of assessing the true performance of the company in the long term (IIRC, 2015).

Financial reports are one of the most important means of providing information to external users and stakeholders in companies, but they do not provide comprehensive information about the company's performance, future and ability to create value (De Villiers & Sharma, 2020). Therefore, there is a need to create a report that provides financial, economic, social, environmental and governance information in an integrated manner within a single report, which increases the quality of the information provided, meets the needs of stakeholders, and enhances the ability of organizations to achieve sustainable value in the long term. The quality of financial reports refers to the accuracy, comprehensiveness and objectivity of the information provided, and this quality reflects the company's ability to clearly express its financial performance, making it easier for investors and management to understand. There are several factors that affect the quality of financial reports, including the extent of compliance with international accounting standards, transparency in disclosure, and the extent of updating information (Muraina & Dandago, 2020).

Some studies indicate a positive relationship between integrated reports and the quality of financial reports. This relationship is that the level of disclosure of integrated reports leads to a higher level of quality of financial reports. Therefore, overall accounting disclosure will grow based on integrated reports, which narrows the opportunities for management to exploit opportunistic practices in accounting choices. The adoption of integrated reports contributes to enhancing transparency and increasing the accuracy of the information provided, which makes it easier for investors and stakeholders to make informed decisions. Disclosure of non-financial information also increases the credibility and confidence of investors, as disclosure of social information provides more relevant information that serves the purposes of the individual user and stakeholders. Disclosure of sustainability, profitability and leverage reports has a positive impact on the quality of financial reports (Othman, 2020; Amamra & Zarfawi, 2018; Ramadan, 2019; Muhi & Benaissa, 2023).

While other studies have indicated that the relationship between integrated reports and the quality of financial reports is a negative relationship, meaning that there is no relationship between voluntary disclosure, which is general information about the company, its activity, social and environmental responsibility, and the company's future, or information about ratios and financial analyses, and any impact on the quality of financial reports. Integrated reports do not contribute significantly to improving the accuracy and reliability of financial information, and sometimes the complexities of the data and information provided in these reports may confuse users, making it difficult for them to understand the data correctly (Bouaka & Tadr, 2023).

Disclosure is considered one of the important issues that international accounting standards have focused on due to its impact on the quality of accounting information. With major developments, the need for users of financial reports has increased and the search for more disclosure of honest accounting data that expresses the true content of financial and non-financial events in the institution and higher levels of transparency, so it was necessary to use integrated reports to improve accounting disclosure (Abdo, 2019).

Based on the above, there is a contradiction between the results of previous studies on the nature of the relationship between integrated reports and the quality of financial reports, which prompted the researcher to study this relationship, especially since previous studies conducted in this regard are limited and very few.

1.2 Importance of the study

The importance of the study stems from the topic it seeks to address, and it is of particular importance due to the scarcity of studies that have addressed the relationship between integrated disclosure and the quality of financial reports. The study seeks to clarify whether disclosure through integrated reports will affect the quality of financial reports of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023, by determining the impact resulting from the disclosure of integrated reports on the quality of financial reports by working on two main axes, which are measuring the disclosure of integrated reports by examining whether the integrated reports contain an overview of the company's external environment, governance, business model, risks and opportunities, strategy and resource allocation, performance, prospects and expectations, and foundations for preparation and presentation. The second axis is the quality of financial reports of Palestinian banks, which will be measured through the quality of earnings, which is represented by 4 indicators: the profit volatility ratio, the accrual ratio, operating cash, and accounting profit to cash flow gap.

1.3 Statement of the Problem:

Many institutions face challenges in providing reliable financial information that accurately reflects their performance, as traditional financial data provided by financial reports have become insufficient to predict the future, and despite the importance of these reports, they often lack the necessary transparency or some ambiguity in the financial figures, and these reasons limit the ability of investors to make informed decisions, hence the need to search for new disclosure models that include more disclosures about the institution that help in making rational and sound decisions.

Integrated reports have emerged as a promising solution to address the lack of comprehensiveness that may cause ambiguity in the actual performance of the institution, and thus negatively affect investors' decisions and increase potential risks, as integrated reports seek to integrate financial and non-financial information, which enhances the quality of financial reports, but many institutions are still hesitant to adopt this model of disclosure, and based on the above, it is expected that the disclosure of integrated reports will affect the improvement of the quality of financial reports in Palestinian banks, and the study problem revolves around answering the following question:

What is the impact of integrated reports on improving the quality of financial reports in Palestinian banks?

The main question branches into 4 sub-questions, which are:

1- What is the impact of integrated reports on the quality of financial reports measured through the quality of earnings using the profit volatility ratio index.

2- What is the impact of integrated reports on the quality of financial reports measured through the quality of earnings using the accruals ratio index.

3- What is the impact of integrated reports on the quality of financial reports measured through the quality of earnings using the operating cash index.

4- What is the impact of integrated reports on the quality of financial reports measured through the quality of earnings using the accounting profit index to the cash flow gap.

1.4 Research Objectives:

The objectives of the study are as follows:

1- Identify the reality of integrated reports on the quality of financial reports in Palestinian banks for the years 2017-2023.

2- Identify the impact of integrated reports on the quality of profits measured by the profit volatility ratio in Palestinian banks for the years 2017-2023.

3- Identify the impact of integrated reports on the quality of profits measured by the accrual ratio in Palestinian banks for the years 2017-2023.

4- Identify the impact of integrated reports on the quality of profits measured by the operating cash ratio in Palestinian banks for the years 2017-2023.

5- Identify the impact of integrated reports on the quality of profits measured by the accounting profit to the cash flow gap in Palestinian banks for the years 2017-2023.

1.5 Research Hypotheses:

The study seeks to know the impact of disclosure of integrated reports on the quality of financial reports in Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 by proving the following hypotheses:

H_1: There is a statistically significant effect of integrated reports on the quality of financial reports measured by the quality of earnings using the profit volatility ratio index for banks listed on the Palestine Stock Exchange.

H_2: There is a statistically significant effect of integrated reports on the quality of financial reports measured by the quality of earnings using the accrual ratio index for banks listed on the Palestine Stock Exchange.

H_3: There is a statistically significant effect of integrated reports on the quality of financial reports measured by the quality of earnings using the operating cash ratio index for banks listed on the Palestine Stock Exchange.

H_4: There is a statistically significant effect of integrated reports on the quality of financial reports measured by the quality of earnings using the accounting profit index to the cash flow gap for banks listed on the Palestine Stock Exchange.

1.6 Variables:

Independent variable: represented by integrated reports, so the study included 8 elements for disclosing integrated reports as independent variables, which are:

1- Overview of the company and the external environment.

2- Governance.

3- Business Model.

4- Risks and Opportunities.

5- Strategy and resource allocation.

6- Performance.

7- Future prospects or expectations.

8- Foundations of preparation and presentation.

Dependent variable: is the quality of financial reports, and it will be measured in our study through the quality of earnings, through 4 indicators:

1- Earnings volatility ratio.

2- Accruals ratio.

3- Operating cash index.

4- Accounting profit to cash flow gap ratio.

1.7 limitations

The study limits are as follows:

1- Objective Limits: The study deals with integrated reports and their impact on improving the quality of financial reports.

2- Spatial Limits: This study was applied to Palestinian banks listed on the Palestinian Stock Exchange.

3- Temporal Limits: This study was conducted during the year 2024.

4- Research population and sample: the study population consists of all Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023, which number 6 Palestinian banks, as the sample did not include the Palestine Stock Exchange (Palestine Stock Exchange) and Al-Safa Bank due to its listing on the Palestine Stock Exchange in 2022.

1.8 Conceptual and procedural definitions

1- Integrated report: its publications as a new reporting framework that achieves integration between financial and non-financial information in a single concise report that explains the company's strategy, performance and governance (Camilleri, 2018).

2- Quality of financial reports: preparation of financial reports in accordance with the international reporting framework, the delivery of the content of these reports to their users in a timely manner, and the avoidance of material distortions in this content so that these financial reports truthfully express the economic status of the company or organization (Ben Haleema et al., 2017).

3- Earnings Quality: It is the ability to reflect the financial reality of a company's performance and help provide a reliable basis for predicting future profits and achieving profits on a regular and continuous basis (Hasanuddin et al.,2021).

4- Earnings volatility: A statistical measure of how stable or volatile a company's reported earnings are over a given period of time (Oktapriana & Reyes, 2024).

5- Accrual: Recording items in the financial books on the accrual basis at the time they occur, where revenues and expenses are recognized when they are realized and not when cash is received or paid (Shofia & Utami 2021).

6- Accrual Ratio: A financial measure used to assess the quality of earnings by comparing accounting earnings with operating cash flows (Younes, 2019).

Chapter Two: Literature Review

First Theoretical Framework

2.1 Integrated Report (IR)

2.1.1 The concept of integrated reporting

It is a comprehensive and integrated representation of the company's financial performance and sustainability, as recommended and defined by the King III Report (Third King's Report) in South Africa (Ibraheem, 2019). The main insights of this report were directed towards achieving the main objective of the integrated report, which is to enable analysts, investors and stakeholders to assess the company's ability to create and maintain value at all levels and times, both immediate and future, by companies that bear responsibility for the global economy as a whole, with all its human elements, whether shareholders, sustainability, society or the environmental element. The King III Report encourages transparency and accountability, and believes that the integrated report should demonstrate the overall value achieved by the organization, not just its financial performance, with a focus on sustainability and social responsibility (Haji & Anifowose, 2016).

The Global Reporting Initiative (GRI) has launched a sustainability disclosure initiative, which led companies to further disclose their impacts on sustainability and current and future social impacts (Halkos & Nomikos,2021). Special reports have evolved to become part of integrated reports, which include, in addition to financial performance reports, governance reports, social performance reports, and others. This shift has been a prominent trend in the business world environment, integrated reports take into account environmental, social, and governance factors, which helps investors understand the impact of businesses more deeply and enhance transparency by integrating financial data with information (Adams et al.,2016).

The International Integrated Reporting Institute (IIRC) has defined integrated reporting in its publications as a new reporting framework that achieves integration between financial and non-financial information in a single concise report that explains the company's strategy, performance and governance (Camilleri, 2018).

The Integrated Reporting Committee in South Africa explained that it is not limited to integrating financial statements and the Institute of Risk Management South Africa

(IRCSA) sustainability report, but rather it should provide stakeholders with a summary view of the organization and provide a comprehensive view of performance that goes beyond traditional financial measures, which enables the organization to enhance trust among stakeholders and contribute to sustainable development (Haji & Anifowose, 2016).

The general objective of an integrated report is to explain and illustrate how an organization creates value over time for financial capital providers. It helps investors and analysts assess a company’s ability to create and sustain value in the short, medium and long term (Villiers & Sharma, 2020). Integrated reports provide non-financial information that financial reports do not provide, such as value creation factors and performance indicators that form the basis for assessing, improving, achieving and increasing the company’s value, what are the strategic plans and aspirations, the external environment, and the risks and opportunities surrounding it (Kılıç & Kuzey, 2018).

Sustainability reports aim to provide descriptive information about the company's performance in terms of its environmental and social aspects (Orazalin & Mahmood, 2018). Integrated reports are characterized by being a broader and more comprehensive quantitative information framework than descriptive information that can be measured, verified and compared as much as possible, which improves the quality of information and the ability to predict the company's future performance, helps investors make decisions and enables the company to allocate available resources efficiently (Bouma,2015).

Based on the above, the integrated reports are a mirror of the company as a whole, and are of great importance to the organization and stakeholders. They reflect for all beneficiaries and stakeholders all the company’s activities, mechanisms and procedures followed in its core activity, all its internal relationships with employees, managers and others, and the goals, plans and strategies that follow, and all its external relationships with all parties. They focus on integrating financial, governance, social and environmental information, and on generating value in the short, medium and long term by clarifying the organization’s business model and strategies and the ability of stakeholders to evaluate the organization’s performance and its ability to survive in the future.

Integrated reports aim to provide financial and non-financial information by integrating the financial report with the sustainability report in a way that provides a comprehensive picture of the company's overall performance in a clear manner that shows the company's value or its ability to create it in the future.

2.1.2 Overview of Integrated Reports

The world has been affected by the financial crises it has experienced in the past decades, and therefore countries have taken the initiative to improve the quality of financial reports. These initiatives were strengthened after the financial crisis in 2008 and the bankruptcy of many international banks, as the crisis revealed the importance of paying attention to governance and risk issues, which increased the demand for reports that explain how companies deal with risks and contribute to sustainability. The reform models came with a common goal, which is to work on raising the quality of disclosure in a way that benefits all parties to society, namely shareholders, the market, the workforce, companies and society as a whole. Among these benefits are corporate sustainability, enhancing the company's reputation and legitimacy, which is stimulated by forward-looking disclosure, environmental reports, and others (Menicucci & Paolucci, 2018; Buallay et al., 2020).

The International Integrated Reporting Council (IIRC) was formed in 2010 in the United Kingdom. It is a committee of investors, companies and directors from the International Federation of Accountants (IFAC), the International Accounting Standards Board (IASB), the World Business Council for Sustainable Development (WBCSD) and the Global Reporting Initiative (GRI). It has developed a framework for integrated reporting with the aim of making it a globally accepted framework. This has led to an increase in the number of integrated reports published worldwide in general and in the Middle East in particular (Buallay et al., 2020; IIRC, 2013). The IIRC also provides a global database of corporate reports that follow its framework, so companies looking to issue their first integrated report, as well as companies seeking to develop their reports, can benefit from this database (Kılıç & Kuzey, 2018).

2.1.3 The emergence of integrated reports

In (1960-1979), global interest in environmental issues and corporate social responsibility began to grow as a result of the industrial revolution and the increasing environmental damage associated with it. There were no integrated reports as we know them today, but some companies began to face pressure from stakeholders to disclose their environmental and social impacts. In 1972, the first United Nations Conference on the Human Environment was held in Stockholm, which focused on the importance of environmental protection and the role of companies in it. This conference raised global awareness of corporate environmental and social responsibility and initiated the discussion on the importance of transparency in reporting (Kumar, 2020).

The concept of sustainable development emerged in 1987, when companies began issuing sustainability reports as separate documents from financial reports, focusing on environmental and social performance. It was strengthened after the issuance of the Global Reporting Initiative (GRI) in 1997 with the aim of setting unified standards for sustainability reports, which led some companies to voluntarily disclose some non-financial information and business, but this disclosure was in the form of separate reports from financial reports and statements, and therefore faced significant criticism due to its lack of connection to the company's financial report, as there are no causal relationships between it and financial information, and analysts and stakeholders did not use it in their analyses and measurement of indicators, and were satisfied with financial reports. As a result, the so-called integrated business report came to address the weakness and enhance community confidence in the company by making fundamental amendments to traditional financial reports and sustainability and governance reports as a response to the criticism directed at sustainable development reports (Alaraji & Aljuhishi, 2020).

Hence the idea of preparing a single report that includes all the reports issued by the company, based on the concept of integrated thinking. Some believe that the idea of integrated reports dates back to 1994 through the triple line principle proposed by one of the researchers. The TBL model encouraged expanding the scope of reports to include non-financial factors, which made companies start thinking about the need to provide a comprehensive picture of their performance (Zaharia, 2021).

As awareness of the importance of sustainability has grown, pressure has increased on companies to report on the value of their activities and their impact on society and the environment. Then came the global financial crisis in 2008, which exposed the gaps in traditional reporting methods, as it became clear that many financial reports did not reflect the actual risks facing companies, which led to a growing awareness of the importance of providing comprehensive reports that combine financial and non-financial performance (Stone & Lodhia, 2019).

Recently, the United Nations began talking about the idea of the integrated report, where in 2009 it called on the International Federation of Accountants and the Global Reporting Initiative to form a supervisory committee to work on developing a global framework for integrated reports. This framework for integrated reports was introduced in 2013, and the committee emphasized that integrated reports help companies improve future strategic planning processes and how to think properly towards adding value and a strong position for the company by documenting the company's story and events in one report. This framework, which resulted from the committee, aimed to achieve the following (Mohammad & Abdel Jaleel, 2018):

1. Improving the quality of information provided to investors and lenders in order to improve the efficiency of capital use and achieve better returns on investments

2. Enhancing the effectiveness and consistency of company reports through a set of standards that ensure consistent disclosure of all key factors that affect the creation of value for the company

3. Enhancing oversight and supervision of all company issues related to financial matters, production or manufacturing, labor, human resources, and relations Between society and the environment, in order to achieve comprehensive harmony inside and outside the company and facilitate its interconnection with positive links

4. Supporting comprehensive and holistic thinking and planning to make appropriate decisions and actions to create value in the short, medium and long term.

Finally, the International Integrated Reporting Committee was formed in 2010 to develop a systematic framework for integrated reporting that supports investors' long-term information needs, links financial and environmental, social and governance elements in decision-making to clarify the path to sustainability and economic value creation, balances financial and non-financial performance measures, provides information about management’s day-to-day business practices, and focuses on long-term value creation rather than just short-term gains (de Graaff, 2023).

2.1.4 Objectives of Integrated Reports

The main objective of integrated business reports is to enable stakeholders and users of reports to assess the company's ability to create value in the short term and sustain it in the medium and long term by highlighting the company's strategies and financial, social, environmental and governance performance and facilitating communication and interaction between the company and users of reports to provide them with this information that helps them make decisions that are consistent with their own interests, which is positively reflected in the company's operational and financial performance alike. It aims to enhance transparency, build trust with stakeholders, and achieve long-term sustainability. The objectives of integrated reports, as shown by the International Council for Integrated Reporting and academic studies, are summarized as follows (De Villiers & Sharma,2020; Vitolla et al., 2020; IIRC,2015):

1- Forecasting the company's future cash flows and evaluating the continuity hypothesis, which is represented in helping the company and stakeholders predict the future financial position and ensure business sustainability.

2- A comprehensive and integrated assessment of the company's performance indicators

3- Demonstrates the company's ability to overcome and manage all internal and external risks

4- Reducing information asymmetry for decision-makers, and supporting managers in the decision-making process.

5- Enhancing the idea of integrated thinking and decision-making and clarifying the mechanisms that lead to generating value.

6- Providing information about the company's current resources and restrictions on their use, if any

7- Increasing transparency and enhancing accountability and supervision, especially with regard to the six capitals, improving communication with stakeholders by disclosing strategies and their impact on results.

Integrated reports are a strategic tool that aims to enhance a comprehensive understanding of corporate performance, by linking financial and non-financial factors, which contributes to improving transparency, building trust with stakeholders, and supporting the achievement of long-term goals. These reports play a pivotal role in highlighting the impact of companies on society and the environment, making them a key element in enhancing sustainability and competitiveness (Wang et al., 2020).

2.1.5 Strengths of Integrated Reporting

Integrated reporting is associated with improved transparency, credibility and openness of information for the company, which is crucial for business sustainability and contributes to building trust with stakeholders (Vitola et al., 2020; Salvi et al., 2020). This transparency helps reduce information asymmetry between the company and its stakeholders, especially shareholders, thus enhancing the decision-making process and improving the company's reputation (Maroun, W. (2019); Amiruddin et al., 2021). Integrated reporting is believed to narrow the expectation gap between investors and reduce the advantage of informed investors, thus reducing information asymmetry, as combining financial and non-financial data helps in long-term planning and enhances the ability to deal with sustainable challenges (Sanchez Garcia et al., 2019). Secondly, integrated reporting is known to improve the quality of disclosure, which positively affects the company's competitive advantage (Vitola et al., 2020).

It is also associated with the increased value proposition of information produced by the company, providing insights into the company's business model, corporate strategy, risks and opportunities, and forecasting perspective (Caglio et al., 2020; Carp et al., 2019; De Villiers& Sharma, 2020). Integrated reporting plays a role in enhancing investors' ability to estimate future cash flows, compared to stand-alone corporate social responsibility (CSR) reports or classic financial reports. Integrated reporting provides a comprehensive view of how financial, social, and environmental activities impact long-term financial sustainability, making it a more powerful tool in predicting companies' future prospects than CSR reports that focus primarily on non-financial activities and do not link them to future financial impacts (Tlili et al. 2019). This aspect is important in helping company management enhance information disclosure and improve the company's ability to create value. Integrated reporting is associated with a reduction in information asymmetry, which impacts investment decisions and enhances the company’s credibility and reliability (Wahl et al., 2020). Integrated reporting gives analysts the ability to assess risks and opportunities in a more comprehensive way, which helps them make more accurate forecasts about future cash flows and sustainable growth for companies (Alshdaifat et al., 2024). Integrated reporting has been found to affect the quality of analyst forecasts (Rossinoli et al., 2022).

2.1.6 Weaknesses of Integrated Reporting

Starting with the lack of clear guidance on how to effectively link financial and non-financial information, which hinders companies’ ability to integrate this data in a comprehensive manner (De Villiers et al., 2017). Balancing brevity and completeness are also a major challenge, as reports aim to provide a concise overview of a company’s strategy and performance, but maintaining accuracy and clarity while being comprehensive can be difficult (Melloni et al., 2017). Additionally, there are difficulties in integrating accountants into the integrated reporting process, as there may be resistance or regulatory challenges to companies fully leveraging their expertise in non-financial areas (Arora et al., 2022). Finally, enhancing transparency, whether through individual reports or adopting a framework such as the GRI, is costly, which creates an additional burden on companies in the context of integrated reporting (Landau et al., 2020).

Integrated reporting focuses too much on investors while ignoring less important stakeholders, which leads to companies failing in the integrated reporting process due to incomplete contact information, vagueness of importance, and lack of reliability and completeness of reports. There is also misleading information when writing good information in order to make bad information appear ambiguous, and organizations use this report to make unsustainable practices appear sustainable (Vena et al., 2020).

2.1.7 The importance of integrated reports

Integrated reports are a strategic tool that aims to enhance a comprehensive understanding of corporate performance. They integrate financial and non-financial reports at the same time, which saves time and cost by using a single team. They also help improve and facilitate the linking of the company's strategies and financial performance with its environmental, social and governance performance, thus facilitating the decision-making process by data users and making them a key element in enhancing sustainability and competitiveness. The importance of integrated reports is summarized as follows (Vitolla et al., 2020; Mohammad & Abd aljaleel, 2018):

1- Analysts and stakeholders ignore and do not use separate sustainability reports, so the integrated report came to enhance interest in non-financial elements.

2- Ensuring the sustainability of corporate performance because the integrated report takes into account the company's social responsibility and reporting on its performance, which facilitates clarifying the relationship between the company's performance for the purpose of sustainability and its long-term value.

3- Improving the company's financial performance, especially in the long term, enhancing competitiveness and the company's readiness to deal with future challenges and sustaining its success in the markets

4- Increasing financial capital and borrowing more easily and at lower costs due to the lender's ability to measure the risks, future and value of the company easily and clearly

5- It works to provide all information, whether positive or negative, about the company, as it provides integrated information that helps management and investors make decisions based on accurate and interconnected data.

2.1.8 Value Creation in Integrated Business Reports

The basis of the value creation process is the application of the company's business model (Salvi et al., 2020). The company's business model is the system that explains how the company uses and transforms inputs through a set of operations, planning, manufacturing, and linking them to the capitals on which the company depends, along with risks, opportunities, strategy, and company performance, and transforming them into outputs and results, provided that the results are what the company aims to achieve in the form of an activity (or) of business activities through which it seeks to create value in the short, medium, and long term. Therefore, each company must identify its basic and essential inputs, the most important of which are the six capitals, so that it can understand and create its business model and determine its effectiveness and flexibility (IIRC, 2013).

2.1.9 Contents of integrated reports

The process of determining the contents of integrated reports is done by identifying the elements and information through which appropriate financial and non-financial performance indicators can be found to assess the company's readiness to create value and assess the efficiency of the company's management in the process of optimal exploitation of available economic resources and creating value for them. In addition, integrated reports contain all information related to various issues, whether economic, environmental, social, ethical, strategic, and governance, to demonstrate trust and credibility in the company, so that the elements of the contents are included in a circle whose center is the guiding principles for preparing the integrated report. To prepare integrated reports, ten complementary elements must be available, as shown in Table (De Villiers& Sharma, 2020; Vitolla, 2020; IIRC, 2014; Shaaban, 2019; Ibrahim, 2019; Younes, 2019):

Table (2.1) Contents of Integrated Reports

Item	Content
1. General study of the establishment and external factors	An explanatory file on the nature of the company, the nature of its work, the businesses and activities it provides, and the surrounding circumstances.
2. Governance	How the governance support process is carried out, which works to organize administrative aspects and create value for governance in the short, medium and long term.
3. Business Model and Framework	An explanation of the company's business model.
4. Opportunities and risks	Risks and opportunities to create value and how the company deals with them to eliminate risks as much as possible, and exploit opportunities in the best way.
5. Strategy and resource allocation	Where is the company going, what are its goals, plans and resources it aspires to reach.

6. Performance	To what extent has the company achieved its desired goals and the results achieved during the specified time plan for the reporting period and its impact on financial resources (capital).
7. Future prospects and expectations.	Obstacles that the company may face when starting the strategic implementation process and the potential impacts on work and performance in the future.
8. Presentation basis (disclosure)	How the company determines the important topics that should be included in the integrated reports and what is the basis for determining their importance.
9. Compensation and reward policies	How are wages and salaries currently paid to senior management and executives, employees and workers, and do they change according to changes in the future, and if they are fixed or variable and what is related to end-of-service and housing allowance.
10. Company self-evaluation	Accomplishing what is planned, working with the organizational structure that was planned in the previous stages and the effects that are built upon it, whether positive or negative.

2.1.10 Motives for Disclosure through Integrated Business Reports

Professional organizations' publications have emphasized the importance of integrated business reports in filling the gaps and deficiencies in traditional financial disclosure. As a result, a draft of the Integrated Business Reporting Framework 2013 (IIRC) was issued by the International Integrated Business Reporting Committee, which includes in its membership the following (Ibraheem, 2019):

- Financial Accounting Standards Board (FASB).
- The King III.
- International Federation of Accountants (IFAC).
- International Organization for Standardization (ISO 14064).

- International Accounting Standards Board (IASB).

2.1.11 The benefits of disclosure through integrated reports are (Ibraheem, 2019):

1. Facilitating and enhancing communication and good communication processes between departments and branches in companies, and between companies and their beneficiaries and beneficiaries.

2. Helping users of reports and beneficiaries to evaluate the actual and expected from the company in economic, ethical, environmental and social aspects in addition to risks and financial dimensions.

3. Continuous improvement and development as a result of the process of follow-up, updating and revealing the weaknesses, strengths and risks that may threaten the facility.

4. Clarifies how the facility deals with its responsibilities to investors and beneficiaries, to society and the surrounding environment.

5. Explains the actual performance levels of activities, which facilitates the evaluation process and ensures the continuity of the facility in the future.

6. Develops the company's full readiness to face risks and develop future plans to avoid them.

2.1.12 The quality of integrated reports

The quality of the report is according to the quality of the information content and data it contains and the time period it covers. The quality of information and reports is measured by adherence to international principles, standards, frameworks, rules and specific items for creating good reports. As for the quality of integrated reports, it is measured by adherence to the information, principles and elements provided by the International Integrated Reporting Council (IIRC) and according to their coverage of essential information and data (Raimo et al., 2021).

The quality of integrated reports is positively and directly related to the important elements in the facility, most notably liquidity, governance, inventory, quality of accounts, its social responsibility, and how it is controlled. Full disclosure of them helps investors and stakeholders to know the company's strategy, its work, the administrative style and the extent of its reliance on integrated thinking. This makes it easier for investors to estimate expected and current expenses and make new and good strategic decisions. The company must issue a confirmation of the information included in the reports, whether financial or non-financial, in order to increase the confidence of the beneficiaries of the facility and raise the quality of the reports.

Challenges facing companies when preparing integrated reports (Chouaibi et al., 2021; Ismaeel, 2016; Alshdaifat et al., 2024):

There are many difficulties and challenges that establishments and companies may face when starting to prepare integrated reports, which are as follows:

1. There is no general agreement on the process of creating and the contents of integrated reports.

2. The establishment's management is unable to create an efficient balance between economic, environmental and social issues.

3. It is difficult to link financial and non-financial information in all its forms, which results in a separation between financial and non-financial information, which weakens the quality of integrated reports for a number of reasons, the most prominent of which is the inability of data analysts to analyze financial and non-financial information to obtain accurate results.

4. The high cost of collecting and linking financial and non-financial information is high as a result of the increase in burdens and structural and organizational requirements and their coordinates, and because it requires the employment of experts and investment in information technology aspects on a large scale due to the lack of a specific and clear scientific approach.

2.1.13 Partial reports that are collected to prepare integrated reports

Integrated reports are produced by collecting separate or partial reports and the information contained therein and working to improve and enrich them in the form of one comprehensive report that is relatively clear and reflects what the company wants. This collection includes 5 partial reports shown in the following table (Muhi & Benaissa, 2023; IIRC, 2013; Hoque, 2017; EY, 2014):

Table (2.2) Partial Reports

Report	Description
1. Traditional financial reports	The list of financial position includes income, cash flows, and non-owners' equity. Companies use the conceptual framework of the International Accounting Standards Board (IASB) in making these reports. These reports include quantitative and short-term financial information that explains the company's performance. Since they do not provide a description of the distant future, they cannot find a value for the company directly and clearly
2. Board of Directors Reports	These are reports through which the company reveals its position, financial system and cash operations, and focuses on operational and financial information, whether related to financial capital or industrial capital. This type of report enables company owners to identify the risks and opportunities they may face and determine the resources available to them.
3. Sustainability reports	These are reports that provide companies with financial and non-financial data, both quantitative and qualitative, related to economic, environmental, social, governance and strategic issues, and information about the participation of company owners. What distinguishes this information is that it clarifies the future and past of the company because it studies strategies. Despite this, it has received a lot of criticism due to the defects of the reports, which are represented by the lack of integration of information because it is presented in an unconnected and separate manner.
4. Governance reports	These are reporting whose role is to reveal the companies' operational and financial outputs, in addition to their objectives, the percentage of totality, remuneration policies, voting rights, information about the members of the board of directors, and the company's relations with

	other external parties, according to the principles of corporate governance issued by the Organization for Economic Co-operation and Development in the United Nations "OECD"
5. Intellectual capital reports	It is the report that classifies intellectual capital from the invisible assets available in the company into three types: rational, human, and organizational. This part is not explained in traditional financial reports.

2.1.14 Accounting and administrative theories and their relationship to integrated reports

There are many accounting and administrative theories that support and emphasize the importance of accounting disclosure in general and disclosure through integrated business reporting information in particular. These theories provide a framework for understanding the role of integrated reports in improving transparency, governance, and value sustainability. Each of these theories has a specific viewpoint towards the information disclosed in the integrated report due to the huge amount and the difference in the nature and quality of the disclosed information and its diversity. The most important of these theories are:

1- Agency theory:

It focuses on the relationship between managers (agents) and shareholders (other parties), where shareholders aim to maximize their wealth, and management seeks to exploit the company's resources in a way that leads to self-maximization of their own interests at the same time. Therefore, this theory is interested in knowing the causes of conflicts of interest between owners and management and trying to reduce them by reducing the asymmetry of information between them. Therefore, this doctrine believes that the primary goal of disclosure is to protect owners and their own interests from the opportunistic behavior of management by reducing the asymmetry of information, which in turn leads to reducing agency costs and other costs arising from the lack of Adequacy of disclosure or misleading disclosure, and the integrated report assumes that the information is available in a comprehensive manner (Vitolla et al, 2020; Abdel Aal & Mousa, 2017).

2- Stakeholder theory:

It recognizes the right of all those interested in the company's affairs to access all the different information that matches their various needs. Thus, the main goal of disclosure from the point of view of this doctrine is to expand the disclosure items that meet all the needs of users inside and outside the company. This theory focuses on the fact that institutions have an obligation towards all stakeholders (shareholders, customers, employees, society, environment), not just shareholders, and improving the accuracy and completeness of financial disclosure reduces the chances of manipulation or concealment of information (Vitolla et al, 2019).

3- Legitimacy theory:

Is that companies disclose financial and non-financial information in order to confirm that the company's method of performing its activities and procedures is consistent with the values, customs and beliefs prevailing in society, and thus the company can improve its reputation in society. Therefore, some consider this doctrine to be the most supportive of disclosing the environmental and social responsibilities of companies, and the quality of financial reports reflects the company's commitment to social and environmental responsibility practices, which increases its social acceptance (Nishitani et al.; 2021).

2.2 Quality of Financial Reports (QFR)

2.2.1 The concept of financial reporting quality

The quality of financial reports has many concepts. The International Federation of Financial Analysts (FAF) defined it as clarity and transparency in financial reports, and the availability of information in a timely manner. The study (Herath & Albarqi, 2017) sees it as a broad concept that does not refer to financial information only; Rather, it includes non-financial information that is important in decision-making. There are those who defined quality as a set of characteristics that distinguish accounting information to be useful and meet all its users' needs, such as credibility, relevance, understandability and comparability, it is mainly related to the clarity and accuracy of the data provided in making a difference to the decisions of users of these reports (Siriyama & Norah, 2017). The American Financial Reporting Association (AICPA) defined it as the ability to predict the future use of current information, and the extent to which this information is appropriate for the purpose of obtaining it.

2.2.2 Factors affecting the quality of financial reports

The quality of financial reports is affected by many factors, including:

1. **Company characteristics**

There are basic features that distinguish a company from others, and have a direct or indirect impact on its financial and operational performance, and thus on the quality of financial reports. The **size of the company** is one of these characteristics; companies with a large size present high-quality financial report, and **future growth** also has an impact on the quality of financial reports; When the opportunity for future growth for a company increases, it avoids providing large disclosures for fear of its competitors, and this is reflected in a decrease in the quality of reports (Djamil, 2023).

Company performance is a measure that reflects the extent to which the company has succeeded in achieving its strategic goals, whether they are financial goals such as achieving profits and growth, or non-financial goals such as enhancing customer satisfaction and sustainability. When a company's performance declines, the more this company resorts to not providing disclosures or manipulating profits, which leads to a decrease in the quality of reports. The **debt ratio** represents the company's reliance on debt to finance its assets. This ratio shows the company's ability to meet its long- and short-term financial obligations and reveals the level of financial risks that the company may face. The higher this ratio, the more companies resort to manipulating or concealing financial reports, which leads to a decrease in the quality of financial reports (Younes, 2019).

2. **The ownership structure**

represents a mechanism of corporate governance, and that founding investors can play a supervisory role and monitor management actions, which leads to reducing agency problems resulting from the separation of ownership from management, and also increasing the quality of profits, which in turn is reflected in the value of the company and the quality of financial reports (Habiba et al.,2017).

3. **Corporate governance**

is defined as the rational exercise of management powers by relying on laws and standards that define the relationship between shareholders and stakeholders, and there is no doubt that corporate governance mechanisms have an effective and influential role on the quality of financial reports, as the application of governance mechanisms leads to improving the quality of financial reports (Qorin & Qwaider, 2020)

4. **Internal control system**

It affects improving the quality of profits, and thus the quality of financial reports, as a company that has a weak internal control system will have low quality reports and vice versa (Siriyama & Norah, 2017).

5. **Quality of accounting standards**

Accounting standards are used in preparing and presenting financial reports, and the higher the quality of accounting standards, the higher the quality of financial reports, as the quality of accounting standards is reflected in the financial reports that are prepared in light of those standards, and the researcher (Yan, 2017) confirmed the impact of companies' reliance on accounting standards when preparing reports on the quality of financial reports.

6. **Internal and external audit**

Internal audit plays an effective role in reducing management behavior towards manipulating accounting information, which is reflected in the quality of profits and then the quality of financial reports, so the quality of reports depends on the quality of internal audit, and the quality of reports is also affected by external audit, as the goal of the external auditor is to discover and correct errors and thus improve the quality of financial reports, and the quality of reports is affected by the size of the audit office, the period of appointment of the auditor, the number of auditors, specialization, and audit fees (El-Sejiny, 2023).

7. **Audit Committee**

It contributes to improving the quality of financial reports, as it works to ensure the application of the laws and regulations governing the company, the application of accounting principles, supervising the preparation of reports, assisting the external auditor in performing his duties independently, and examining the effectiveness of the internal control system, and this works to create a climate of discipline and control with which the opportunity for fraud is reduced, which is reflected in the quality of accounting information, and thus improving the quality of financial reports (Furqan et al., 2020, Herath& Albarqi, 2017).

2.2.3 From the perspective of the external user: Analysis of the relationship between integrated reports and the quality of financial reports.

In the opinion of external users of the process of analyzing the relationship between integrated reports and the quality of financial reports. In compliance with the management's desire not to disclose all the information available to it, this will lead to a lack of homogeneity of information, which leads to a decrease in the quality of financial reports provided to external users. Some companies also use the process of withholding information in a significant way from beneficiaries, or delaying the period of information disclosure, or misleading the accounting figures that will be announced. Here, we hope to realize that this phenomenon is significantly linked to the efficiency of the information disclosure system and transparency. Expanding accounting disclosure is also one of the most important proposed disclosure methods to reduce and limit the lack of similarity of information in order to raise the quality of financial reports (Dimitriu, 2014; Muhi& Benaissa, 2023).

As a result of the above, external users have become concerned about the quality of the financial reports provided to them due to the ability of companies to obscure some or all of the information about it or by manipulating accounting policies and figures that affect the reported profit figures. Therefore, it has become necessary from the perspective of external users of financial statements to analyze the relationship between the expansion of the level of accounting disclosure through integrated reports and the quality of financial reports as follows:

First: The impact of the expansion of the level of accounting disclosure on the quality of financial reports.

Accounting disclosure plays a major role in working to modify or change the distribution of information, which leads us to bridge the gaps between readers and non-readers of information by increasing the amount of information available to beneficiaries, which works to increase the quality of information. Accounting disclosure also plays a role in transforming information from private information to public information available to all beneficiaries at the appropriate time, thus leading to high-quality financial reports. Accounting disclosure is not limited to financial information only, but must contain financial and non-financial information with attention to mandatory disclosure, as concealing any element of mandatory disclosure negatively affects stakeholders and investors. Some legislative disclosure requirements have played a role in obligating companies to publish some detailed information related to stock returns and risks, which has led to reducing the level of information asymmetry and thus increasing the quality of financial reports. Expanding accounting disclosure in terms of quality, timing, quantity and dissemination of information contributes to reducing the level of information asymmetry in the stock market (Abd Al-Halim, 2019; Ali & Abdelfettah, 2016).

Some studies indicate that there are some means that play a role in reducing the asymmetry in accounting information between management and investors or between investors themselves, but expanding accounting disclosure is one of the most important means by increasing the quantity and quality of information disclosed in financial reports in their current form, because this information has become insufficient to support decision-making, which has prompted interest in environmental and social responsibilities disclosure initiatives to meet the needs of owners' interests (Reimsbach et al., 2018; García-Sánchez et al., 2018).

Integrated reports have become a means of combining financial reports and sustainability reports, and clarifying the links between financial and non-financial performance. The dimensions of integrated reports are (economic, social, governance, risk and environmental), and aim to build a sustainable community around the company's ability to create value over time. (Sharaf, 2015). Accordingly, the dimensions of integrated reports can be divided in several aspects (Muhi& Benaissa, 2023):

- In terms of the disclosure of sustainability information, it can be classified into several dimensions: the economic dimension, the risk dimension, the social dimension, the governance dimension, and the environmental dimension, as integrated reports provide information on the five dimensions, i.e. non-financial performance.

- In terms of the nature of the information disclosed, it is divided into qualitative and quantitative dimensions, as integrated reports are considered comprehensive and broad in information, and can also be an alternative to sustainability reports that provide descriptive information that includes the company's performance in its environmental and societal aspects. The goal of integrated reports is to improve the quality of financial reports by expanding quantitative information and reducing descriptive information. Expanding quantitative information that can be measured and verified increases the effectiveness and efficiency of the resource allocation process and thus improves investors' ability to determine the scale of priorities.

Second: Accounting implications of integrated reports and their impact on the quality of the financial report:

Expanding the disclosure of non-financial information alongside traditional financial data in the form of integrated reports leads to achieving benefits at the company level, stakeholders, and society as a whole. These benefits are either internal by reducing reputational risks and improving resource allocation decisions, or external by improving the quality of financial information, which leads to improving the quality of financial reports (Pavlopoulos et al., 2019).

Expanding accounting disclosure is one of the most important proposed tools to overcome the problems and risks of information asymmetry, by increasing the quality and quantity of disclosed information, as this information is considered the company's value dynamo, which is collected in a single report and connected to value creation activities. Therefore, integrated reports not only save the costs of users searching for information, but also help increase liquidity. They also work to find up-to-date information content that is not present in the current set of reports of the entity, such as the company's strategy and business model in addition to forward-looking information, and focus on the links and relationships between all value drivers, which reduces information asymmetry and thus the quality of the financial report (Kaddoura, 2020).

Integrated reports achieve a number of benefits at the entity level, such as contributing to reducing the cost of financing, as they provide a lot of more appropriate information that leads to increasing the level of transparency in the company, and works to reduce the level of risks surrounding its internal and external performance. Integrated reports convey a positive image of the company to stakeholders, especially investors, which leads to increasing the company's ability to attract capital (Vogt et al., 2017).

Integrated reports also play a role in reducing the risk of reputation collapse, because integrated reports contain information about the entity's performance, which gives credibility to financial reports The mechanism provided to external users of these financial statements, thus improving the company's reputation by raising the quality of the financial report provided to beneficiaries (Stein, 2014; Raimo et al., 2022).

Integrated reports play a role in reducing earnings management practices, which leads to more comprehensive information, and leads to creating a clear, true picture of the content of the economic activity of the facility, especially for external users of financial statements, which has reduced the ability of management to manipulate accounting policies or financial figures, thus increasing the quality of profits and raising the quality of financial reports (Pavlopoulos et al., 2019).

As for investors, the integrated report provides non-financial information that gives a clear and comprehensive picture of the facility and its strategic direction, and we can rely on it as a source of information, especially in making new investment decisions or not making any decisions. Integrated reports increase the effectiveness of information disclosure and clarify how the company manages its strategies and the effectiveness of governance in line with its external environment, which contributes to extracting value (De Villiers & Sharma, 2020).

From the above, we conclude that integrated reports are considered one of the most important and best means of disclosure and communication, as they clarify the company's strategy to inflate current and future value and enable investors to evaluate the company's ability to create and maintain value in the long term. They also clarify the relationship between the company's strategy and its financial, social, governance and environmental performance. This reduces information asymmetry and increases transparency. It also helps them confront the financial risks facing the company and work to manage it well and make sound decisions. This affects market stability as a result of the quality of financial reports that contain information directed to external parties familiar with the company.

2.3.1 Previous Studies

1. (Muhi and Bin Issa, 2023) The Impact of Integrated Reports on Improving the Quality of Financial Reports: Iraq Stock Exchange.

This study discussed the relationship between financial reports and improving the quality of financial reports and analyzed the relationship between them. This study was applied to companies listed on the Iraq Stock Exchange. The researcher measured the independent variable, which is integrated reports, which includes accounting disclosure of all financial, social, governance, environmental and risks levels surrounding the company, and measured the dependent variable, which is the quality of financial reports, using the Jones Performance-Based Scale.

The researcher reached the acceptance of the alternative hypothesis, which stated that there is an impact of disclosure according to integrated reports on the quality of financial reports, meaning that the level of accounting disclosure according to integrated reports will lead to a higher level of quality of financial reports.

2. (Mustafa, 2022) Integrated reports and reducing the level of asymmetry of accounting information in the Egyptian Stock Exchange.

This study indicated the relationship between disclosure in the integrated report and reducing the level of accounting information asymmetry, as integrated reports represent the disclosure of the company's vision, strategy and mission towards achieving its current and future goals, and the link between environmental, economic, social and governance performance, and serve as a means of communication and interaction between stakeholders to assess the facility's ability to create and maintain value. The main objective of conducting this study is to determine the extent to which integrated report information contributes to reducing the level of accounting information asymmetry, as the study relied on the inductive approach - as a theoretical analytical study - by collecting, reviewing and analyzing secondary data sources, represented by relevant Arab and foreign references.

The study reached a set of main results, which are that the Egyptian stock market suffers, like most emerging markets, from the phenomenon of information asymmetry, which arises from the inequality between internal and external parties in terms of the quantity and quality of financial information available in the market. Expanding accounting disclosure in terms of increasing the quantity and quality of published information is one of the most important means of reducing information asymmetry in the stock market. Integrated reports work to raise the levels of qualitative characteristics of the information contained in the published financial reports, and these reports contribute to reducing the information gap by raising the efficiency of the market, reducing liquidity, and rationalizing decisions for investors.

3. (Shaaban, 2019) "The role of corporate social responsibility accounting in enhancing the quality of integrated business reports".

This study specifically referred to three main topics, which are integrated business reports and all the concepts associated with them, their nature, content, objectives, importance, and preparation for publication. It also addressed the concept of social responsibility, its disclosure, its importance, and how it helps in increasing the quality of integrated business reports. The researcher developed a proposed framework for integrated business reports that is compatible with Iraqi establishments and environment. The researcher conducted a case study on the financial report for the year 2017 of the General Company for the Manufacture of Medicines and Medical Supplies.

The most important results of this study were that the process of disclosure and integration of financial and non-financial information into a single integrated report would help stakeholders and users understand the relationship between this information and benefit from it, whether to measure the company's performance or its ability to create value, and that there is a positive impact of disclosure of social responsibility in enhancing the quality of integrated business reports, and the percentage of this actual contribution was estimated.

4. (Al-Adeem & Al-Khanin, 2020) Corporate Governance and the Quality of Financial Reports: Preliminary Evidence from the Kingdom of Saudi Arabia.

This study aimed to investigate the impact of corporate governance and the confidence of potential investors on the quality of a company's financial statements. The study was conducted in the Kingdom of Saudi Arabia in 2020. A sample of 56 financial analysts was taken. Financial analysts were selected for their primary role in capital markets and their use of financial data. The most important results were that corporate governance is an important factor in improving the quality of financial reports and leads to increased foreign investment flows. Therefore, adherence to corporate governance rules is of great importance to establishments in the Kingdom of Saudi Arabia. Members of boards of directors, audit committees, and internal audit departments believe that improving corporate governance mechanisms is a major factor in improving the quality of financial reports.

5. (Younes, 2019) The impact of voluntary disclosure on the quality of financial reports - an applied study on the banking sector listed on the Saudi Stock Exchange.

This study aimed to clarify the impact of voluntary disclosure on the quality of financial reports in the Saudi stock markets. The study sample consisted of 12 banks listed on the Saudi Stock Exchange. The study variables were voluntary disclosure as an independent variable and earnings quality as a dependent variable. One of the most important results of this study is the existence of a relationship between voluntary disclosure and earnings quality and thus the quality of financial reports. The researcher measured earnings quality through financial indicators. The first indicator was the ratio of cash flows from operations to operating profit, the second indicator was the ratio of the difference between accounting profit and cash flows, the third indicator was the ratio of the variance between profit and cash flows to assets, and the fourth indicator was the ratio of operating profit volatility to cash flow volatility.

6. (Ibrahim, 2019) The impact of accounting disclosure of integrated business reports on financial and operational performance in joint stock companies listed on the Egyptian Stock Exchange.

This study aimed to demonstrate the impact of accounting disclosure of integrated reports on financial and operational performance. This study was applied to a random sample of financial reports of joint stock companies listed on the Egyptian Stock Exchange. The researcher measured the independent variable, which is the disclosure of integrated reports, through three dimensions represented by disclosure of governance, social responsibility, and future information, while he measured the dependent variable, which is financial and operational performance, through specific performance indicators, which are return on assets, return on equity, and earnings per share. He relied on some controlling variables. The main hypothesis was that there is no statistically significant relationship between the disclosure of integrated reports and financial performance indicators.

The most important results of this study were the existence of a negative effect between the independent variables (disclosure of governance, disclosure of future information, and financial performance of companies), which leads to a decrease in the rate of return on assets as an indicator of financial performance, and the existence of a positive effect between the independent variable Disclosure of social responsibility and financial performance, and that disclosure of integrated reports in general helps decision makers improve the quality of these decisions.

7. (Pavlopoulos et al.,2019) Integrated reporting: An accounting disclosure tool for high quality financial reporting, the study referred to the analysis of the impact of integrated reporting on the quality of financial reporting and firm performance. The study relied on a sample of 82 international companies during the period 2011-2015, and used a descriptive experimental approach to analyze the relationship between integrated disclosure and the quality of financial reporting. The results showed that integrated reporting contributes to improving transparency and reducing information gaps among investors, and helps achieve greater stability in earnings, reduces reliance on accruals, and enhances confidence in financial reporting, which leads to better financial performance for companies.

2.3.2 Summary of previous studies

2.3 Summary of previous studies

No.	Name of researcher	Title of study	Study objective	Study method	Study variables	The most important results of the study
1	Muhi and Bin Issa	The Impact of Integrated Reports on Improving the Quality of Financial Reports: Iraq Stock Exchange	the effect that integrated reports on the quality of the financial report of companies operating in the Iraq Stock Exchange	Descriptive and analytical approach	independent variable integrated reports. dependent variable: quality of financial reporting.	The researcher reached the acceptance of the alternative hypothesis, which stated that there is an impact of disclosure according to integrated reports on the quality of financial reports, meaning that the level of accounting disclosure according to integrated reports will lead to a higher level of quality of financial reports.
2	Mustafa	Integrated reports and reducing the level of asymmetry of accounting information in the Egyptian Stock Exchange.	Determine the extent to which integrated reporting information contributes to reducing the level of accounting information asymmetry	Inductive approach	independent variable: integrated reports. dependent variable: accounting information asymmetry.	The study reached a set of main results, which are that the Egyptian stock market suffers, like most emerging markets, from the phenomenon of information asymmetry, expanding accounting disclosure in terms of increasing the quantity and quality of published information is one of the most important means of reducing information asymmetry in the stock market.

No.	Name of researcher	Title of study	Study objective	Study method	Study variables	The most important results of the study
3	Shaaban	The role of corporate social responsibility accounting in enhancing the quality of integrated business reports.	Determining the steps for preparing the social responsibility accounting report and the integrated reports of the General Company for the Manufacture of Medicines and Supplies, and the extent to which SRA contributes to supporting the quality of the integrated reports	descriptive approach and the applied approach	independent variable: accounting for social responsibility dependent variable: quality of integrated reports	The process of disclosing and integrating financial and non-financial information into one integrated report will help stakeholders and users understand the relationship between this information and benefit from it, whether in order to measure the company's performance or its ability to create value. There is a positive impact of disclosing social responsibility in enhancing the quality of integrated business reports. The actual percentage of this contribution was estimated at 11%.
4	Al-Adeem & Al-Khanin	Corporate Governance and the Quality of Financial Reports: Preliminary Evidence from the Kingdom of Saudi Arabia	The study seeks to determine the level of quality of financial reports of banks listed on the Saudi Stock Exchange (Tadawul), and to identify the impact of corporate governance mechanisms on the quality of financial reports of banks listed on the Saudi Stock Exchange (Tadawul).	Descriptive analytical approach	independent variable: Corporate Governance. dependent variable: Quality of Financial Reports	The most important results were that corporate governance is an important factor in improving the quality of financial reports and leads to increased foreign investment flows. Therefore, adherence to corporate governance rules is of great importance to establishments in the Kingdom of Saudi Arabia. Members of boards of directors, audit committees, and internal audit departments believe that improving corporate governance mechanisms is a major factor in improving the quality of financial reports.

No.	Name of researcher	Title of study	Study objective	Study method	Study variables	The most important results of the study
5	Younes	The impact of voluntary disclosure on the quality of financial reports - an applied study on the banking sector listed on the Saudi Stock Exchange	the impact of voluntary disclosure on the quality of financial reports in the Saudi stock markets	Deductive and inductive method	independent variable: voluntary disclosure. dependent variable: Quality of Financial Reports	The most important results of this study are the existence of a relationship between voluntary disclosure and earnings quality and thus the quality of financial reports
6	Ibrahim	The impact of accounting disclosure of integrated business reports on financial and operational performance in joint stock companies listed on the Egyptian Stock Exchange.	the impact of accounting disclosure of integrated business reports on the financial and operational performance of joint stock companies listed on the Egyptian Stock Exchange	Descriptive analytical approach	independent variable: accounting disclosure of integrated business reports. dependent variable: Quality of Financial Reports	The most important results of this study were the existence of a negative effect between the independent variables (disclosure of governance, disclosure of future information, and financial performance of companies), which leads to a decrease in the rate of return on assets as an indicator of financial performance, and the existence of a positive effect between the independent variable Disclosure of social responsibility and financial performance, and that disclosure of integrated reports in general helps decision makers improve the quality of these decisions.

No.	Name of researcher	Title of study	Study objective	Study method	Study variables	The most important results of the study
7	Pavlopoulos	Integrated reporting: An accounting disclosure tool for high quality financial reporting	Examines the relationship between integrated reporting and the quality of financial reporting, with a focus on how such reporting affects investor relations and corporate performance.	Descriptive method	independent variable: Degree of disclosure in integrated reports, measured based on King III standards and the International Integrated Reporting Framework (IIRC). Dependent variables: Quality of financial reporting, assessed by earnings stability, reliance on accruals, and cash flow efficiency.	There is a positive relationship between comprehensive disclosure and the quality of financial reports, as comprehensive disclosure enhances transparency and reduces information asymmetry.

2.3.3 The study is distinguished from previous studies

The previous presentation explains the axes of previous studies, their variables and results in the field of integrated reports and their impact on the quality of financial reports and accounting disclosure. It is clear that most studies focus on the impact of integrated reports on disclosure and the extent of companies' commitment to the general international framework for preparing integrated reports and the determinants of disclosure of integrated reports and how to improve accounting disclosure and disclosure of integrated reports and emphasize them. The most important thing that distinguishes the study from previous studies is:

1- The current study is distinguished from previous studies in its variables, as the study addressed the topic of measuring the independent variable, integrated reports, using the integrated reports measurement index designed by the researcher specifically for this purpose. This index consisted of 8 main elements, and each of these elements was measured through a set of sub-indicators, while the dependent variable is (quality of financial reports) and was measured through the quality of profits.

2- The study is distinguished by the novelty of the topic and its treatment of an issue that has not received sufficient attention in previous studies.

3- The scarcity of research related to integrated reports in all countries of the world, and the lack of addressing the same research topic in Palestine before - according to the researcher's knowledge.

4- The study provides a different analytical perspective by integrating aspects that have not been sufficiently discussed in previous research.

5- It is characterized by studying two axes (quality of financial reports and integrated reports), as this study is expected to produce a model to predict the response and impact of the quality of financial reports through a set of financial and non-financial indicators.

6- The study highlights the quality of financial reporting through specific criteria, such as earnings quality which is represented by 4 indicators: the profit volatility ratio, the accrual ratio, operating cash, and accounting profit to cash flow gap, and is a comprehensive analysis that adds a deep understanding of how integrated reporting affects these elements.

7- The study addressed the relationship between integrated reporting and the quality of financial reports in a new geographical context, namely Palestinian banks.

Chapter Three: Methodology

3.1 Introduction

The study methodology and its procedures are considered a fundamental axis, through which the applied aspect of the study is accomplished, as the required data are obtained through it that ensures the statistical analysis process; in order to reach accurate results and interpret them to achieve the study objectives.

Accordingly, this chapter deals with a description of the study methodology that was followed, in terms of the study method, its community, its sample, its variables, its measurement mechanism, the statistical methods used and the sources of data collection. At the end of the chapter, the statistical treatments used in analyzing the data and extracting the results will be presented.

3.2 Research Methodology

In order to achieve the study objectives, the descriptive method and the inferential (analytical) method were adopted, as the descriptive statistics method was followed to describe the study variables accurately by organizing its data and presenting its results in tables, in addition to answering the study questions. On the other hand, inferential statistics was used to answer the study hypotheses.

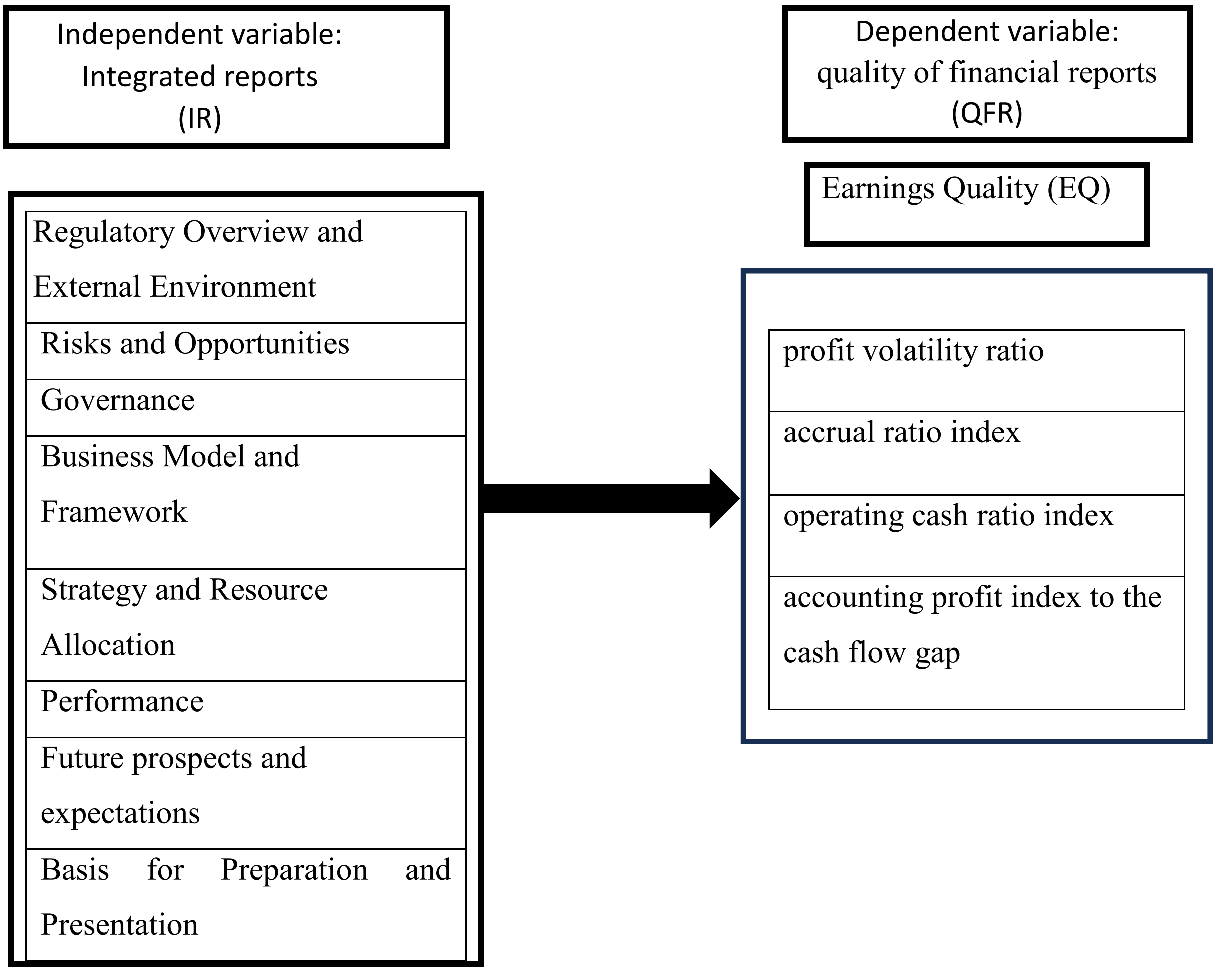
3.3 Research population and sample

The study population consists of all Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023, which number 6 Palestinian banks, as the sample did not include the Palestine Stock Exchange (Palestine Stock Exchange) and Al-Safa Bank due to its listing on the Palestine Stock Exchange in 2022.

3.4 Conceptual Framework

The study will be limited to covering the following variables, which are considered variables of financial reporting quality, namely the dependent variables represented by two variables, and the independent variable, which expresses accounting disclosure of integrated reports through 8 elements, all of which are independent, as shown in Figure (1.1).

Figure (3.1): Study variables (dependent and independent variable)



3.5 Research variables, measurement and behavior

The research variables are summarized in studying the impact of disclosure of integrated reports on the quality of financial reports in Palestinian banks listed on the Stock Exchange for the years 2017-2023, by conducting a statistical financial analysis to clarify this impact. It is necessary to first study the behavior of the dependent and independent study variables, by studying them analytically and descriptively, respectively.

Independent variables: are the elements of disclosure of integrated reports, it is symbolized by the symbol (X). so that the study included (8 elements of disclosure of integrated reports as independent variables, which were measured through a set of indicators that were developed by the researcher based on old indicators from previous studies in addition to modern indicators for each element. Table (3.1) shows the elements of disclosure of integrated reports that the study included, in addition to the indicators for each element and the studies that relied on it to measure it.

Table (3.1) Independent study variables

Elements of disclosure of integrated reports		
Indicator		Studies that dealt with measurement
First: Overview of the company and the external environment		
1.	State the company's values and ethics	(Shaaban, 2019), (Ibrahim 2019), (Younes, 2019).
2.	Ownership and operating structure	(Shaaban, 2019), (Ibrahim 2019).
3.	Presentation of the main activities, products, markets and stakeholders	(Shaaban, 2019).
4.	Describe the conceptual frameworks used such as accounting standards and bases and social responsibility frameworks	(Younes, 2019).
Second: Governance		
1.	Clear information about the bank's governance structure	(Shaaban, 2019), (Ibrahim 2019), (Younes, 2019).
2.	Report on the Remuneration of the Director and the Board of Directors.	(Shaaban, 2019), (Ibrahim 2019).
3.	Skills Possessed by the Board of Directors.	(Shaaban, 2019), (Ibrahim 2019), (Younes, 2019).
Third: Business Model		
1.	Clarifying the main activities on which the bank relies to achieve its strategic objectives	(Younes, 2019).
2.	Talking about recruitment and training, and how these impacts on enhancing the operational efficiency of the bank.	(Ibrahim 2019).
3.	Supplier Relationship Management	(Shaaban, 2019), (Ibrahim 2019).
4.	Product differentiation	(Ibrahim 2019).
Fourth: Risks and Opportunities		
1.	Identifying the essential internal risks and opportunities	(Shaaban, 2019), (Ibrahim 2019).

2.	Identifying the essential economic risks and opportunities	(Shaaban, 2019), (Ibrahim 2019).
Fifth: Strategy and resource allocation		
1.	Resource allocation, implementation and application of strategies	(Shaaban, 2019), (Ibrahim 2019), (Younes, 2019).
2.	Stakeholder insights are part of the organization's strategy.	(Shaaban, 2019)
3.	Linking strategies and key capital	(Shaaban, 2019), (Ibrahim 2019).
Sixth: Performance		
1.	Clarifying the response to stakeholders' needs	(Shaaban, 2019)
2.	Linking past and present performance	(Shaaban, 2019), (Ibrahim 2019).
3.	Commitment to employees	(Shaaban, 2019),
4.	Showing the link between the current and future outlook	(Ibrahim 2019).
Seventh: Future prospects or expectations		
1.	Expectations about the future or explanations about uncertainty	(Shaaban, 2019), (Ibrahim 2019), (Younes, 2019).
2.	Expected dividends for the coming periods	(Ibrahim 2019), (Muhi and Bin Issa, 2023), (Younes, 2019).
3.	Expectations about key performance indicators	(Ibrahim 2019), (Muhi and Bin Issa, 2023), (Younes, 2019), (Shaaban, 2019).
Eighth: Foundations of preparation and presentation		
1.	Report of the basis of preparation	IIRC framework
2.	Relative importance analysis	IIRC framework
3.	Description of the report boundaries such as the subsidiaries included and related parties	IIRC framework

Based on the variables referred to in Table (3.1) to achieve the study objectives, they will be presented and the method of measuring them will be presented in order:

First: Overview of the company and the external environment

These variable measures the percentage of banks' disclosure of their status, working conditions, and the nature of the business and activities they carry out. This study relied on (4) main indicators to measure the percentage of banks' disclosure of the general view of the organization and its external environment, which are: stating the values and ethics of the ownership bank and the operating structure, presenting the main activities, products, markets and stakeholders, and describing the conceptual frameworks used, such as accounting standards and bases and social responsibility frameworks. These indicators were measured by expressing them with the value (1) if the bank discloses this indicator in the bank's published financial reports and its website. While they were expressed with the value (0) if this indicator was not disclosed in the financial reports.

Table (3.2) Disclosure of Palestinian banks of indicators of the general view of the bank and the external environment for the years 2017-2023

First: Overview of the bank and the external environment						
Indicators	BOP	TNB	QUDS	ISBK	AIB	PIBC
State the bank's values and ethics	28.57	0	100	71.43	0	100
Ownership and operating structure	100	100	100	100	100	100
Presentation of the main activities, products, markets and stakeholders	100	100	100	100	100	100
Describe the conceptual frameworks used such as accounting standards and bases and social responsibility frameworks	100	100	100	100	100	100

Table (3.2) shows the percentages of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 that disclose indicators of the general view of the organization and the external environment. We note from the results that Bank of Jerusalem and the Palestine Investment Bank disclosed values and ethics in their financial reports during the seven years at a rate of 100%, while Bank of Palestine disclosed 28.57%, while the Palestine Islamic Bank disclosed 71.43%, while the National Bank and the Arab Islamic Bank did not disclose values and ethics during these years. As for the disclosure of the ownership and operating structure, the presentation of activities, products, markets and main stakeholders, and the description of the conceptual frameworks used such as accounting standards, foundations and social responsibility frameworks only, all banks disclosed 100% during the seven years.

Second: Governance

These variables measure the percentage of banks' disclosure of their governance framework, which regulates the administrative aspects of the value creation process in the short, medium and long term. This study relied on (3) main indicators to measure the percentage of banks' disclosure of their governance framework, namely: clarity of information about the governance structure in the bank, the report on the remuneration of managers and the board of directors, and the skills of the board of directors. These indicators were measured by expressing them with a value of (1) if the bank disclosed this indicator in its reports, while they were expressed with a value of (0) if the bank did not disclose this indicator in the published financial reports and its website.

Table (3.3) Disclosure of Palestinian banks of indicators of the governance for the years 2017-2023

Second: Governance						
Indicators	BOP	TNB	QUDS	ISBK	AIB	PIBC
Clear information about the bank's governance structure	100	100	85.71	100	100	100
Report on the Remuneration of the Director and the Board of Directors.	100	100	100	100	100	85.71
Skills Possessed by the Board of Directors.	100	100	100	100	100	100

Table (3.3) shows the percentages of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 that disclose their governance framework. We note from the results that all banks clearly disclosed information about the governance structure in the bank at a rate of 100%, except for Al-Quds Bank at a rate of 85.71%, while all banks disclosed the report on the remuneration of directors and the board of directors during the seven years at a rate of 100%, except for the Palestine Investment

Bank at a rate of 85.71%. As for the skills of the board of directors, all banks disclosed 100% during the seven years.

Third: Business Model

These variables measure the percentage of banks' disclosure of their business model. This study relied on (4) main indicators to measure the percentage of banks' disclosure of their business model, which are: clarifying the main activities that the bank relies on to achieve its strategic objectives, discussing employment and training and their impact on enhancing the bank's operational efficiency, managing supplier relationships, and clarifying how the bank builds long-term relationships with its customers. These indicators were measured by expressing them as (1) if the bank disclosed this indicator in its reports, while they were expressed as (0) if the bank did not disclose this indicator in the published financial reports and its website.

Table (3.4) Disclosure of Palestinian banks of indicators of the business model for the years 2017-2023

Third: Business model						
Indicators	BOP	TNB	QUDS	ISBK	AIB	PIBC
Clarifying the main activities on which the bank relies to achieve its strategic objectives	100	100	85.71	85.71	100	100
Talking about recruitment and training, and how these impacts on enhancing the operational efficiency of the bank.	100	100	100	100	100	100
Supplier Relationship Management	0	0	0	0	0	0
Explain how the bank builds long-term relationships with its customers.	100	100	100	100	100	100

Table (3.4) shows the percentages of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 that disclose their business model. We note from the results that Bank of Jerusalem and Palestine Islamic Bank disclosed 85.71% of the main activities they rely on to achieve their strategic objectives, while the rest of the banks disclosed 100%. As for discussing employment and training and their impact on enhancing operational efficiency, and explaining how the bank builds long-term relationships with its customers, all banks disclosed them 100% during the seven years. As for managing relationships with suppliers, no bank disclosed this topic.

Fourth: Risks and Opportunities

These variable measures the percentage of banks' disclosure of risks and opportunities for value creation and how the bank deals with them to confront the risks as much as possible and exploit the opportunities in the best way. This study relied on two main indicators to measure the percentage of banks' disclosure of risks and opportunities for value creation, which are: identifying the essential internal risks and opportunities and identifying the essential economic risks and opportunities. These indicators were measured by expressing them with the value (1) if the bank discloses this indicator in its reports, while they were expressed with the value (0) if this indicator was not disclosed in the bank's published financial reports and its website.

Table (3.5) Disclosure of Palestinian banks of indicators of the Risks and Opportunities for the years 2017-2023

Fourth: Risks and Opportunities						
Indicators	BOP	TNB	QUDS	ISBK	AIB	PIBC
Identifying the essential internal risks and opportunities	100	100	100	85.71	85.71	85.71
Identifying the essential economic risks and opportunities	100	100	100	100	85.71	85.71

Table (3.5) shows the percentages of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 that disclose risks and opportunities. We note from the results that the Investment Bank, the Arab Islamic Bank, and the Palestine Islamic Bank disclosed 85.71% of the basic internal risks and opportunities, while the Bank of Palestine, the Bank of Jerusalem, and the National Bank disclosed 100%. As for the disclosure of economic risks and opportunities, all banks disclosed 100% except for the Investment Bank and the Arab Islamic Bank, which disclosed 85.71% during the seven years.

Fifth: Strategy and resource allocation

These variable measures the percentage of banks' disclosure of their goals, plans and resources allocated to achieve them. This study relied on (3) main indicators to measure the percentage of banks' disclosure of their strategy and the resources allocated to achieve them, namely: allocating resources to implement and apply strategies, stakeholders' visions forming part of the institution's strategy and linking strategies to major capital. These indicators were measured by expressing them with the value (1) if the bank discloses this indicator in its reports, and they were expressed with the value (0) if this indicator was not disclosed in the published financial reports and its website.

Table (3.6) Disclosure of Palestinian banks of indicators of the Strategy and resource allocation for the years 2017-2023

Fifth: Strategy and resource allocation						
Indicators	BOP	TNB	QUDS	ISBK	AIB	PIBC
Resource allocation, implementation and application of strategies	100	100	100	85.71	100	85.71
Stakeholder visions are part of the organization's strategy	0	28.57	14.26	0	0	0
Linking strategies and key capital	100	100	100	85.71	100	85.71

Table (3.6) shows the percentages of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 that disclose risks and opportunities. We note from the results that the Investment Bank and the Palestine Islamic Bank disclosed 85.71% of the allocation of resources to implement and apply strategies, while the rest of the banks disclosed 100%. As for disclosing the visions of stakeholders that form part of the bank's strategy, the National Bank disclosed 28.57% and the Bank of Jerusalem disclosed 14.26%, while the rest of the banks did not disclose this indicator. As for linking strategies to the main capital, all banks disclosed 100% except for the Palestine Islamic Bank and the Investment Bank, which disclosed 85.71%.

Sixth: Performance

These variable measures the percentage of banks' disclosure of the extent to which they have achieved their strategic objectives and the results they have achieved for the specified reporting period and their impact on capital. This study relied on (4) main indicators to measure the percentage of banks' disclosure of their performance, which are: clarifying the response to stakeholders' needs, linking past and present performance, commitment to employees, and showing the link between the current and future outlook. These indicators were measured by expressing them with the value (1) if the bank discloses this indicator in its reports, while they were expressed with the value (0) if this indicator was not disclosed in the bank's published financial reports and its website.

Table (3.7) Disclosure of Palestinian banks of indicators of the performance for the years 2017-2023

Sixth: Performance						
Indicators	BOP	TNB	QUDS	ISBK	AIB	PIBC
Clarifying the response to stakeholders' needs	100	42.86	71.43	71.43	28.57	71.43
Linking past and present performance	100	100	100	100	100	100
Commitment to employees	100	100	100	100	100	100
Showing the link between the current and future outlook	100	100	100	100	100	100

Table (3.7) shows the percentages of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 that disclose their performance. We note from the results that Bank of Palestine disclosed 100% of the clarification of the response to the needs of stakeholders, while Bank of Jerusalem, Investment Bank, and Palestine Islamic Bank disclosed 71.43%, and the National Bank disclosed 42.86%, while the Arab Islamic Bank disclosed 28.57%. As for disclosing past and current performance, commitment to employees, and showing the link between the current and future outlook, all banks disclosed 100% during the seven years.

Seventh: Future prospects or expectations

These variable measures the percentage of banks' disclosure of the challenges that they are likely to face when implementing strategies and the potential impacts of the business model and performance in the future. This study relied on (3) main indicators to measure the percentage of banks' disclosure of future prospects and expectations, which are expectations about the future or explanations about uncertainty, expected dividends for the coming periods, and expectations about key performance indicators. These indicators were measured by expressing them with the value (1) if the company discloses the indicator in its reports, while they were expressed with the value (0) if they were not disclosed in the published financial reports and its website.

Table (3.8) Disclosure of Palestinian banks of indicators of the Future prospects or expectations for the years 2017-2023

Seventh: Future prospects or expectations						
Indicators	BOP	TNB	QUDS	ISBK	AIB	PIBC
Expectations about the future or explanations about uncertainty	100	57.14	71.43	100	71.43	57.14
Expected dividends for the coming periods	0	0	0	0	0	0
Expectations about key performance indicators	100	100	100	100	100	100

Table (3.8) shows the percentages of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 that disclose future prospects and expectations. We note from the results that Bank of Palestine and Palestine Islamic Bank disclosed 100% of expectations about the future or explanations about uncertainty, while Bank of Jerusalem and Arab Islamic Bank disclosed 71.43%, and the National Bank and Investment Bank disclosed 57.14%. As for disclosing expected profits for the coming periods, no bank disclosed this indicator. As for expectations about key performance indicators, all banks disclosed 100% for the seven years.

Eighth: Foundations of preparation and presentation

These variable measures the percentage of banks' disclosure of important topics that should be included in the integrated report and the basis for assessing their importance. This study relied on (3) main indicators to measure the percentage of banks' disclosure of the bases of preparation and presentation, namely: the preparation basis report, relative importance analysis, and description of the report's limits such as the subsidiaries included and related parties. These indicators were measured by expressing them with the value (1) if the bank discloses this indicator in its reports, while they were expressed with the value (0) if this indicator was not disclosed in the bank's published financial reports and its website.

Table (3.9) Disclosure of Palestinian banks of indicators of the Foundations of preparation and presentation for the years 2017-2023

Eighth: Foundations of preparation and presentation						
Indicators	BOP	TNB	QUDS	ISBK	AIB	PIBC
Report of the basis of preparation	100	100	100	100	100	100
Relative importance analysis	100	100	100	100	100	100
Description of the report boundaries such as the subsidiaries included and related parties	100	100	85.71	85.71	71.43	100

Table (3.9) shows the percentages of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 that disclose the basis of preparation and presentation. We note from the results that all Palestinian banks disclosed 100% of the basis of preparation report and relative importance analysis. As for disclosing the report's limits such as the included subsidiaries and related parties, Bank of Palestine, Bank of Jerusalem, and Palestine Investment Bank disclosed 100%, while Bank of Jerusalem and Palestine Islamic Bank disclosed 85.71%, and Arab Islamic Bank disclosed 71.43%.

Dependent variable: The dependent variable is the quality of financial reports. The quality of financial reports is defined as the preparation of financial reports in accordance with the international reporting framework, the delivery of the content of these reports to their users in a timely manner, and the avoidance of material distortions in this content so that these financial reports truthfully express the economic status of the company or organization (Abdul Qader & Abdul Haleem, 2017). There are many models for measuring the quality of financial reports, and the most common approach is to measure the quality of financial reports based on specific numbers included in the financial reports that reflect different aspects of this quality, so that each study has built one or more measures of the quality of financial reports based on specific types of information included in these financial reports, and one of the information that received the greatest attention in this context was earnings information and its components represented by cash flows and accrual accounts (Al-Harbi, 2021), and it will be measured in our study through earnings quality, and since there are many measures used to measure earnings quality, they will be measured in this study through 4 indicators that are expected to be affected by integrated reports (Younis, 2019) which will be obtained from the Palestine Stock Exchange, which are:

1- $$\text{Earnings Volatility Ratio} = \frac{\text{Standard Deviation of Net Accounting Operating Profit}}{\text{Standard Deviation of Operating Cash Flows}}$$

It is used to compare the fluctuations of accounting profit and operating cash flows. This ratio is based on the fact that the quality of profits can be measured through stability and consistency in profits. The lower this ratio, the more stable the accounting profit is and thus the possibility of using it in forecasting and increasing the quality of profits and thus increasing the quality of financial reports.

2- $$\text{Accruals Ratio} = \frac{\text{Net Accounting Profit} - \text{Net Operating Cash Flows}}{\text{Average Total Assets}}$$

It is used to measure the company's efficiency in generating profits and cash from its total assets, and it also helps in assessing how assets are converted into cash profits, which reflects the efficiency of using assets to achieve profitability and cash.

This ratio is based on the fact that the lower the difference between accounting net profit and net cash flows to average total assets, the higher the quality of profits. The higher the ratio, the lower the quality of profits and thus the lower the quality of financial reports.

$$3\text{-}\quad \text{Operating Cash Index} = \frac{\text{The ratio of net operating cash flows}}{\text{Net Operating Accounting Profit.}}$$

A measure used to analyze the company's ability to convert its operating accounting profits into operating cash flows. This ratio helps measure the effectiveness of the bank's operational processes. This measure is used as an indicator of the quality of earnings and thus the quality of financial reports. The higher the value of this ratio, the higher the quality of earnings and thus the quality of financial reports, and vice versa.

$$4\text{-}\quad \begin{array}{c}\text{Accounting Profit to}\\ \text{Cash Flow Gap Ratio}\end{array} = \frac{\text{Net Accounting Profit} - \text{Net Operating Cash Flows}}{\text{Net Operating Cash Flows}}$$

It is used to measure the gap between the company's accounting profits and the actual cash flows resulting from operating activities, and this helps in analyzing the quality of accounting profit in converting it into actual cash flow.

This ratio is based on the fact that the lower the difference between accounting net profit and net cash flows to net operating cash flows, the higher the quality of profits and thus the quality of financial reports. Conversely, the higher the ratio, the lower the quality of profits and thus the quality of financial reports.

3.6 Statistical methods and data collection methods

The data for the study were collected from secondary sources represented by financial and non-financial data of the study sample banks, which were obtained from the annual financial reports published on the Palestine Stock Exchange and reviewing their websites. The data for the independent variable were collected using a measurement index prepared by the researcher, designed specifically for this purpose from previous research indicators after modifying and improving them in line with the subject of the study and the contents of the integrated reports stipulated by the International Committee for the Preparation of Integrated Reports in its conceptual framework IRC Framework in order to obtain the necessary data to test the study hypotheses. In order to reach this data, the researcher read the annual financial reports of each bank separately during the 2017-2023 and followed the dummy variable approach, so that if the company discloses one of the indicators in its annual report, whether directly or indirectly, it takes the value (1) and takes the value (0) if the opposite is true, meaning that it does not disclose it. The percentage of banks' disclosure of the elements of disclosure of integrated reports was calculated using the following relationship:

The percentage of Banks's disclosure of integrated report

= (Total indicators/number of indicators) * 100

As for the dependent variable, specific equations were applied for each measurement indicator based on the numbers included in the financial report.

As for the statistical methods that were followed in answering the study hypotheses, the Multiple Linear Regression Analysis model will be used by constructing (4) models to answer the main study hypotheses as follows:

$$Y_1=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\beta_6X_6+\beta_7X_7+\beta_8X_8+ u_i$$

$$Y_2 = \beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\beta_6X_6+\beta_7X_7+\beta_8X_8+ u_i$$

$$Y_3 = \beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\beta_6X_6+\beta_7X_7+\beta_8X_8+ u_i$$

$$Y_4 = \beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\beta_6X_6+\beta_7X_7+\beta_8X_8+ u_i$$

The variables were represented by

X_1: Overview of the organization and the external environment

X_2: Governance

X_3: Business model

X_4: Risks and opportunities

X_5: Strategy and resource allocation

X_6: Performance

X_7: Future prospects or expectations

X_8: Bases of preparation and presentation

Y_1: Earnings volatility ratio (EVR)

Y_2: Accruals ratio (AR).

Y_3: Operating cash index (OCI).

Y_4: Accounting profit to cash flow gap ratio. (APTCFG)

While the regression coefficients were represented by B_1, B_2 and B_3, the error term was defined as u_i.

Three statistical programs will be used to analyze the data: Excel to organize the data, SPSS as the main program for analysis, and STATA16 to verify the results.

In order to verify the conditions for using multiple linear regression analysis, which are:

1. Multicollinearity: Multicollinearity is one of the conditions that must be verified for any model to be studied, such that the occurrence of multicollinearity between the independent variables leads to inflation in the estimated model, and the inability of the independent variables to explain the variance in the dependent variable. Accordingly, multicollinearity will be measured by calculating the variance inflation factor (VIF), where obtaining a (VIF) higher than 10 indicates a problem in the multicollinearity of the intended independent variable.
2. Stability of the variance of random errors. Stability of the variance of random errors is one of the important assumptions of linear regression (homoskedasticity). To verify this assumption, the Breusch-Pagan Test and Cook-Weisberg Test was used.

Chapter Four: Results

Data Analysis and Presentation of Study Research Results

4.1 Introduction

This chapter reviews the analysis of the study data to identify the impact of the disclosure of integrated reports on the quality of financial reports of Palestinian banks listed on the Palestine Stock Exchange for the years 2017-2023 through the use of descriptive and inferential statistical methods, then discussing and commenting on them.

4.2 Descriptive Statistics for Integrated Reporting Disclosure and Study Variables (2017–2023)

Table (4.1) Descriptive Statistics

	Mean	SD
Earnings volatility ratio	0.0891	0.0490
Accruals ratio	-0.0023	0.0486
Operating cash index	3.2371	12.5287
Accounting profit to cash flow gap ratio	-1.8774	3.5646
Overview of the company and the external environment	0.8810	0.1264
Governance	0.9841	0.0718
Business Model	0.7381	0.0539
Risks and Opportunities	0.9405	0.1639
Strategy and resource allocation	0.6587	0.1375
Performance	0.9107	0.1212
Future prospects or expectations	0.5873	0.1437
Foundations of preparation and presentation	0.9683	0.0990
Size: Measured in |the normal logarithm of total assets	21.1916	0.7079
The leverage of the company, measured by total liabilities/ total assets	0.8931	0.0417

This section provides a detailed analysis of the disclosure indicators in the integrated reports of banks listed on the Palestine Exchange between 2017 and 2023. These

indicators reflect how banks disclose various elements related to their performance and future outlook within a comprehensive framework, which includes aspects such as the external environment, governance, business model, risks and opportunities, strategy, performance, future expectations, and the foundations of report preparation and presentation.
Starting with the Overview of the Company and the External Environment, the indicator shows an average disclosure of 0.8810 with a standard deviation of 0.1264, highlighting some variation in the level of transparency among the banks. In contrast, the Governance indicator demonstrates a higher average disclosure of 0.9841 with a standard deviation of 0.0718, signifying a high degree of transparency regarding governance matters. Moving on to the Business Model, the average disclosure stands at 0.7381 with a standard deviation of 0.0539, suggesting that there is a variation in how banks disclose their activities, recruitment processes, and supplier relationships.

Furthermore, the Risks and Opportunities indicator reveals an average disclosure of 0.9405 with a standard deviation of 0.1639, which shows that while banks generally disclose risks and opportunities, there is a noticeable difference in how comprehensively these elements are addressed. Similarly, the Strategy and Resource Allocation indicator has an average disclosure of 0.6587 with a standard deviation of 0.1375, reflecting a range of practices among banks regarding strategic transparency.

When it comes to Performance, the indicator demonstrates a high level of disclosure, with an average of 0.9107 and a standard deviation of 0.1212. This suggests that banks are generally transparent in reporting their performance. On the other hand, the Future Prospects or Expectations indicator has a lower average disclosure of 0.5873 with a standard deviation of 0.1437, indicating significant variation in how banks disclose future expectations and forecasts. Lastly, the Foundations of Preparation and Presentation indicator shows a very high average disclosure of 0.9683 with a standard deviation of 0.0990, pointing to a strong commitment to transparency and reliability in the preparation of reports.

The quality of financial reporting indicators provides a comprehensive view of how banks manage and report their financial activities. The Earnings Volatility Ratio, which compares the fluctuations between accounting profits and operating cash flows, has an average value of 0.0891 with a standard deviation of 0.0490, suggesting that most banks exhibit stable earnings, enhancing the predictability and quality of their financial reports. The Accruals Ratio, reflecting the extent to which banks rely on accruals in their financial statements, has an average value of -0.0023 with a standard deviation of 0.0486, indicating that banks tend to report relatively low accruals, a sign of more accurate financial reporting. The Operating Cash Index, which measures the effectiveness of banks in converting accounting profits into operating cash flows, has an average value of 3.2371 with a standard deviation of 12.5287, showing significant variation across banks and reflecting differing operational efficiencies. Lastly, the Accounting Profit to Cash Flow Gap Ratio, which measures the difference between accounting profits and actual cash flows, has an average value of -1.8774 with a standard deviation of 3.5646, suggesting that banks generally struggle to convert accounting profits into cash flows, raising concerns about the reliability of accounting profits. In addition to the disclosure indicators, the Size of the banks is measured by the normal logarithm of total assets, with an average of 21.1916 and a standard deviation of 0.7079, indicating considerable variation in asset sizes among the banks. The Leverage ratio, calculated as total liabilities to total assets, has an average of 0.8931 and a standard deviation of 0.0417, suggesting that most banks are highly leveraged, with consistent leverage levels across the banks. These indicators reflect the scale and financial risk profile of the banks.

4.3 Preliminary Insights into the Correlation Between Integrated Reporting Indicators and Quality of Financial Reports

The correlation matrix offers preliminary insights into the associations between integrated reporting indicators and quality of financial reports, measured by the operating cash index, accounting profit to cash flow gap ratio, accruals ratio, and earnings volatility ratio. Notably, significant correlations emerge between some integrated reporting elements and the dependent variables. For instance, the accruals ratio exhibits a statistically significant negative correlation with the "foundations of preparation and presentation" (-0.27, at the 10% level), implying that more comprehensive disclosures in these areas may correspond to lower accrual reliance. Additionally, the earnings volatility ratio shows a positive and statistically significant correlation with "future prospects or expectations" (0.33, at the 5% level), suggesting that a focus on forward-looking disclosures aligns with higher earnings stability. Among the bank-specific characteristics, size positively correlates with earnings volatility (0.36, at the 5% level), while leverage strongly correlates with the same variable (0.51, at the 1% level), indicating their role in shaping financial reporting dynamics. These initial findings underscore the potential influence of integrated reporting practices on aspects of quality of financial reports, highlighting areas for further analysis.

Table (4.2) Correlation Matrix of Integrated Reporting Disclosure Elements and Quality of Financial Reports Based on Four Key Variables: Operating Cash Index, Accounting Profit to Cash Flow Gap Ratio, Accruals Ratio, and Earnings Volatility Ratio

	Earnings volatility ratio	Accruals ratio	Operating cash index	Accounting profit to cash flow gap ratio	Overview of the company	Governance	Business Model	Risks and Opportunities	Strategy and resource allocation	Performance	Future prospects or expectations	Foundations of preparation and presentation	Size	LEV
Earnings volatility ratio	1.00													
Accruals ratio	0.29*	1.00												
Operating cash index	-0.12	-0.48**	1.00											
Accounting profit to cash flow gap ratio	-0.06	-0.10	0.09	1.00										
Overview of the company	0.03	-0.13	-0.06	0.002	1.00									
Governance	0.15	0.16	-0.06	-0.06	-0.21	1.00								
Business Model	-0.22	0.04	0.03	-0.01	-0.21	0.48**	1.00							
Risks and Opportunities	0.17	0.04	0.04	-0.06	-0.05	-0.08	0.26*	1.00						
Strategy and resource allocation	-0.05	-0.02	0.01	0.02	-0.21*	0.26*	0.26*	0.34**	1.00					
Performance	0.13	-0.21	-0.041	0.11	0.18	0.07	-0.17	0.18	0.20	1.00				
Future prospects or expectations	0.33**	0.10	-0.27*	-0.14	0.03	0.14	-0.13	0.31**	0.24	0.52***	1.00			
Foundations of preparation and presentation	-0.06	-0.27*	0.20	-0.06	0.18	-0.07	-0.07	-0.12	-0.01	-0.07	-0.18	1.00		
Size	0.36**	-0.12	0.22	0.04	-0.29*	0.13	0.006	0.18	0.10	0.14	0.19	0.15	1.00	
LEV	0.51***	0.13	0.05	-0.05	-0.20	0.04	-0.08	0.02	0.12	0.03	0.04	0.27*	0.59***	1.00

*Notes: *statistical significance at the 10% level, **statistical significance at the 5% level and ***Statistical significance at the 1% leve*

4.4 Impact of Integrated Reporting Elements on Earnings Volatility

In the first model, as shown in Table 3, the dependent variable is the log of the Earnings Volatility Ratio. The use of the logarithm in this case significantly impacts the interpretation of the relationships between variables. Overall, applying the logarithmic transformation helps to explain the relative changes in the variables, making the relationships between them more precise.

The key finding in the model is the significant positive relationship between Governance and earnings volatility, indicated by the regression coefficient of 3.7963 and a p-value of less than 0.001. This means that stronger governance structures are associated with an approximate 3.8% increase in earnings volatility for each unit increase in governance, suggesting that governance practices may influence financial fluctuations or risk management strategies.

The Business Model showed a significant negative relationship (coefficient = -6.7558, p-value < 0.001), indicating that a well-defined business model could help reduce earnings volatility. Similarly, the Risks and Opportunities variable (coefficient = 1.7231, p-value < 0.01) showed a positive effect, meaning that greater emphasis on risk management could lead to higher earnings volatility.

Additionally, Performance was found to be statistically significant with a p-value of 0.03, showing a negative effect on earnings volatility, suggesting that better performance may help reduce earnings volatility. However, the other variables such as Strategy and Resource Allocation, Future Prospects or Expectations, and Foundations of Preparation and Presentation did not show statistically significant relationships with the dependent variable.

Multicollinearity testing revealed a Mean VIF of 2.09, suggesting no significant multicollinearity issues among the independent variables. The heteroskedasticity test produced a Prob > chi2 value of 0.6777, indicating no significant problems with heteroskedasticity. Finally, the R-squared value of 0.7634 shows that the model explains approximately 76.34% of the variance in earnings volatility, demonstrating the model's strong explanatory power for this variable.

The results showed that the impact of the years 2018 to 2023 on the quality of financial reports of Palestinian banks was not significant, indicating relative stability in the quality of reports during this period. The year 2017 was chosen as a reference because it was a relatively stable year in terms of political, economic and health events that may affect the quality of financial disclosure. This choice helps to isolate the effect of time and ensure that any changes in the quality of reports are not attributed to non-recurring external circumstances.

Table (4.3) Impact of Disclosure Elements on Earnings Volatility Ratio

Independent variables	Model
Overview of the company and the external environment	0.3964 (0.7476)
Governance	3.7963*** (0.8663)
Business Model	-6.7558*** (1.3814)
Risks and Opportunities	1.7231** (0.4971)
Strategy and resource allocation	-0.40670 (0.6281)
Performance	-1.6751* (0.7296)
Future prospects or expectations	0.7742 (0.6152)
Foundations of preparation and presentation	-1.6500 (1.1401)
Year (ref = 2017)	
2018	0.2048 (0.3329)
2019	0.2323 (0.2855)

2020	0.1850 (0.2809)
2021	-0.0642 (0.2596)
2022	0.2572 (0.2549)
2023	-0.2882 (0.3400)
Size: Measured in |the normal logarithm of total assets	0.1730 (0.1514)
The leverage of the company, measured by total liabilities/ total assets	10.3201*** (2.3938)
Cons	-13.3623*** (2.4898)
Observations	42
Prob > F	0.0000
R-squared	0.7634
Mean VIF	2.09
Prob > chi2	0.6777

*Notes: This table presents the estimation results of multiple regression models. The dependent variable is the log of the Earnings Volatility Ratio. The coefficients of the control variables, including Size (measured as the natural logarithm of total assets) and Leverage (calculated as total liabilities divided by total assets), are displayed. Standard errors are presented in parentheses. Statistical significance is indicated as *p < 0.05, **p < 0.01, and ***p < 0.001.*

4.5 Influence of Integrated Reporting Elements on the Accruals Ratio

In the second model, as shown in Table 4, the dependent variable is the lag of the Accruals Ratio, meaning that the model takes into account the previous period's value of the accruals ratio to examine its influence on current-period outcomes. The use of the first lag of the dependent variable implies that past accrual levels have an impact on the current period's behavior, affecting the regression coefficients.

The most significant findings relate to Governance, Foundations of Preparation and Presentation, Business Model, and Performance. The regression coefficient for Governance is 0.3165 (p-value < 0.01), indicating a positive influence on the accruals ratio. This suggests that stronger governance mechanisms may lead to higher accruals, possibly due to more complex financial adjustments or accounting estimates. The first lag of the accruals ratio implies that governance practices influence not only current accrual decisions but also reflect past periods' accrual patterns, reinforcing this relationship.

Foundations of Preparation and Presentation showed a significant negative effect (coefficient = -0.3328, p-value < 0.01), implying that financial reports with well-established foundational principles result in more accurate accruals. This negative relationship is particularly important, as the first lag suggests that the previous period's financial reporting practices directly influence the current period's accrual decisions, leading to more reliable financial estimates.

Business Model also exhibited a significant negative effect (coefficient = -0.4123, p-value < 0.05), meaning that a well-structured business model contributes to more precise accruals. The negative coefficient further indicates that when the accruals ratio from the previous period was lower, the presence of a clear business model helps maintain or reduce it. Performance, with a coefficient of -0.1705 and p-value < 0.05, showed a significant negative effect, suggesting that companies with better performance in the prior period are likely to experience a lower accruals ratio, possibly due to more straightforward financial reporting.

The Overview of the company and the external environment (coefficient = 0.0004, p-value = 0.0684) did not have a significant impact on accruals, indicating that the first lag of the accrual's ratio is less influenced by this variable. Similarly, other factors like Risks and Opportunities and Strategy and Resource Allocation were not found to be significant.

Multicollinearity testing revealed a Mean VIF of 1.72, suggesting no significant multicollinearity issues. The Prob > chi2 value of 0.6253 indicates no significant heteroskedasticity concerns. Finally, the R-squared value of 0.5495 suggests that the model explains approximately 54.95% of the variance in the accrual's ratio, demonstrating a moderate explanatory power for this variable.

Table (4.4) Effect of Disclosure Elements on Accruals Ratio

Independent variables	Model
Overview of the company and the external environment	0.0004 (0.0684)
Governance	0.3165** (0.0794)
Business Model	-0.4123** (0.1232)
Risks and Opportunities	0.0851 (0.0628)
Strategy and resource allocation	0.0227 (0.0557)
Performance	-0.1705* (0.0674)
Future prospects or expectations	0.0650 (0.0614)
Foundations of preparation and presentation	-0.3328** (0.0974)
Size: Measured in |the normal logarithm of total assets	-0.0234 (0.0149)
The leverage of the company, measured by total liabilities/ total assets	0.3528 (0.2280)

Cons	0.5210 (0.2738)
Observations	36
Prob > F	0.0002
R-squared	0.5495
Mean VIF	1.72
Prob > chi2	0.6253

*Notes: This table presents the estimation results of multiple regression models. The dependent variable is the lag of the Accruals Ratio. The coefficients of the control variables, including Size (measured as the natural logarithm of total assets) and Leverage (calculated as total liabilities divided by total assets), are displayed. Standard errors are presented in parentheses. Statistical significance is indicated as *p < 0.05, **p < 0.01, and ***p < 0.001.*

4.6 Effect of Integrated Reporting Elements on the Operating Cash Index

In the third model, as shown in Table 5, the dependent variable is the first lag of the Operating Cash Index. The only independent variable that shows a statistically significant effect is "Foundations of Preparation and Presentation" (coefficient = 57.8325, p-value < 0.01). This suggests that strong foundational principles in the preparation of financial reports are positively associated with an increase in the Operating Cash Index. Specifically, the first lag indicates that previous periods' emphasis on solid preparation and presentation directly influences the operating cash flows in the current period. The R-squared value of 0.2628 indicates that approximately 26.28% of the variance in the Operating Cash Index is explained by the model. The Mean VIF of 1.72 suggests no significant multicollinearity issues. The heteroskedasticity test showed the presence of heteroskedasticity (p-value = 0.0000), which was addressed by using robust standard errors, ensuring the reliability of the results. Other variables, including Governance, Overview of the company and the external environment, Business Model, Risks and Opportunities, Strategy and Resource Allocation, and Performance, did not exhibit significant effects on the Operating Cash Index.

Table (4.5) Effect of Disclosure Elements on Operating Cash Index

Independent variables	Model
Overview of the company and the external environment	-18.508 (19.7538)
Governance	-16.1996 (31.2904)
Business Model	13.2913 (48.1939)
Risks and Opportunities	8.0387 (22.9583)
Strategy and resource allocation	-6.5587 (11.3434)
Performance	10.3508 (18.2510)
Future prospects or expectations	-32.5783 (24.5663)
Foundations of preparation and presentation	57.8325** (18.226)
Size: Measured in |the normal logarithm of total assets	1.8908 (2.6632)
The leverage of the company, measured by total liabilities/ total assets	-26.7582 (43.4954)

Cons	-40.5531 (54.2915)
Observations	36
Prob > F	0.0004
R-squared	0.2628
Mean VIF	1.72
Prob > chi2	0.0000

*Notes: This table presents the estimation results of multiple regression models. The dependent variable is the lag of the Operating Cash Index. The coefficients of the control variables, including Size (measured as the natural logarithm of total assets) and Leverage (calculated as total liabilities divided by total assets), are displayed. Standard errors are presented in parentheses. Statistical significance is indicated as *p < 0.05, **p < 0.01, and ***p < 0.001.*

4.7 Relationship Between Integrated Reporting Elements and the Accounting Profit to Cash Flow Gap Ratio

In the fourth model, as shown in Table 6, the dependent variable is the Accounting Profit to Cash Flow Gap Ratio, and the most notable findings are the significant effects of Governance. The regression coefficient for Governance is -5.9570 (p-value < 0.05), indicating that higher governance quality is associated with a smaller gap between accounting profit and cash flow. This suggests that firms with better governance practices are more likely to report more consistent profit and cash flow figures. However, the Business Model did not show a statistically significant effect on the gap between accounting profit and cash flow.

Despite the significant relationship with Governance, the R-squared value of 0.0968 indicates that the model explains only about 9.68% of the variance in the accounting profit to cash flow gap, suggesting that other factors may be influencing this variable. The Mean VIF of 1.60 suggests no major multicollinearity issues within the model. While heteroskedasticity was initially identified with a Prob > chi2 value of 0.0000, the issue was addressed using robust standard errors, ensuring the reliability of the model's estimates. Additionally, other variables such as Overview of the company and the external environment, Risks and Opportunities, Strategy and Resource Allocation, Performance, and Foundations of

Preparation and Presentation were not found to have significant effects on the accounting profit to cash flow gap.

Table (4.6) Impact of Disclosure Elements on the Accounting Profit to Cash Flow Gap Ratio

Independent variables	Model (4)
Overview of the company and the external environment	0.5127 (5.4019)
Governance	-5.9570* (2.8564)
Business Model	2.4992 (5.2060)
Risks and Opportunities	-2.4160 (1.9676)
Strategy and resource allocation	2.5393 (2.7251)
Performance	6.6894 (7.4747)
Future prospects or expectations	-6.7063 (5.5426)
Foundations of preparation and presentation	-4.0279 (4.3698)
Size: Measured in |the normal logarithm of total assets	0.8521 (0.7270)

The leverage of the company, measured by total liabilities/ total assets	-9.6536 (15.6153)
Cons	-5.4007 (17.0310)
Observations	42
Prob > F	0.0032
R-squared	0.0968
Mean VIF	1.60
Prob > chi2	0.0000

*Notes: This table presents the estimation results of multiple regression models. The dependent variable is the Accounting Profit to Cash Flow Gap Ratio. The coefficients of the control variables, including Size (measured as the natural logarithm of total assets) and Leverage (calculated as total liabilities divided by total assets), are displayed. Standard errors are presented in parentheses. Statistical significance is indicated as *p < 0.05, **p < 0.01, and ***p < 0.001.*

4.8 Evaluation and Comparison of Regression Models

Before diving into the detailed analysis of each model, it is important to first compare the overall explanatory power and the statistical robustness of the models. Among the four models, Model 1 stands out as the most effective in explaining the variance in the dependent variable, with an R-squared value of 0.7634, indicating that it explains approximately 76.34% of the variance in the Earnings Volatility Ratio. In contrast, Model 2 explains 54.95% of the variance in the Accruals Ratio (R-squared), while Model 3, focused on the Operating Cash Index, explains only 26.28% of the variance, and Model 4, which estimates the Accounting Profit to Cash Flow Gap Ratio, explains just 9.68%. These figures suggest that Model 1 provides the strongest fit and explanatory power compared to the other models. Moreover, the results of multicollinearity and heteroskedasticity tests support the stability of Model 1, while other models face varying degrees of multicollinearity and heteroskedasticity, indicating potential limitations. This comparison sets the stage for a more detailed breakdown of the individual models.

4.9 Summary of results and comparison with previous studies

1- The results of the study showed a positive relationship between governance and earnings volatility, as governance increases earnings volatility by 3.8% while improving financial stability. This result is consistent with the study by Pavlopoulos et al. (2019), which showed the role of governance in enhancing transparency and reducing information asymmetry among investors, which improves the quality of financial reports.

2- The results of the study showed that disclosure according to the preparation and presentation bases enhances the operating cash index, which supports the efficiency of financial management. This result is consistent with the study by Muhi & Benaissa (2023), which showed that adherence to good preparation bases reduces reliance on accounting estimates and increases the accuracy of cash flows.

3- The results of the study confirmed that a clear business model reduces reliance on accruals and enhances transparency. This result is consistent with the study by Najat Muhammad Marai (2019), which showed that voluntary disclosure contributes to improving the quality of financial reports by enhancing consistency between accounting profits and cash flows. The study by Pavlopoulos et al. (2019) supported this result by explaining that integrated disclosure helps clarify companies' strategy and improves the quality of financial disclosure.

4- The results of the study confirmed that good governance reduces the gap between accounting profit and cash flow. This result is consistent with the study by Pavlopoulos et al. (2019) which showed that integrated disclosure enhances the consistency between accounting profits and actual financial performance, which increases the credibility of reports. The result was supported by the study by Younes (2019) which found that voluntary disclosure enhances confidence in financial reports and contributes to reducing accounting gaps.

Chapter Five: Discussion

Conclusions and Recommendations

n this chapter, we highlight the most important results of the study that the study reached through testing the hypotheses, and based on these results, the most important recommendations will be presented.

5.1 Results

After conducting this study, which aimed to know the impact of disclosure of integrated business reports on quality of financial reporting of banks listed in the Palestine Stock Exchange, the following conclusions were reached:

1- The results showed a statistically significant positive relationship between governance and earnings volatility, indicating a 3.8% increase in earnings volatility for each unit increase in governance. Other elements such as business model and performance showed a negative impact on earnings volatility, suggesting that these factors contribute to reducing volatility.

2- The results indicated a statistically significant positive relationship between governance and accruals ratio. Conversely, the foundations of preparation and presentation and business model had significant negative effects, highlighting their role in reducing reliance on accruals. Performance also showed a marginal negative effect.

3- The results confirmed that the foundations of preparation and presentation had a statistically significant positive effect on the operating cash ratio. This result highlights the crucial role of this integrated reporting element in enhancing the efficiency of operating cash flow.

4- The results showed a significant negative relationship between governance and the accounting profit to cash flow gap ratio. The other disclosure elements did not show a statistically significant effect on this ratio.

5.2 Recommendations

in light of the study results, the study recommends the following:

1- Enhancing governance practices in Palestinian banks by developing control policies in decision-making processes, forming control committees, and organizing training courses for board members on the importance of integrated disclosure and increasing transparency in decision-making.

2- Conducting future studies on the impact of integrated disclosure on the quality of financial reports in different sectors other than the banking sector, identifying similarities and differences in the application of disclosure across different sectors, and using additional dimensions for integrated reports.

3- Providing ongoing training programs for accountants and administrators on the importance of integrated disclosure and how to apply it correctly. These programs should focus on improving employees' skills in preparing integrated financial reports, and training employees helps ensure the quality of financial reports and contributes to raising the level of transparency and credibility in the banking sector, which in turn enhances investor confidence.

References

Abd Al-Halim, W.A.A. (2019). *The relationship between the level of electronic disclosure of financial reports and information asymmetry in companies listed on the Egyptian Stock Exchange: An empirical study* (Unpublished master's thesis). Faculty of Commerce, Zagazig University, Egypt.

Abd El Mageed, W. A., El Sisi, N. A., & Abd El Aal, M. H. (2019). The impact of disclosure on sustainable development on the quality of financial reports: A field study on industrial companies in the 10th Ramadan City. *Journal of Environmental Science, 48*(3), 553-578.

Abdel Aal, M. M., & Mousa, M. (2017). Determinants of disclosure in integrated business reports and their impact on stock market activity: An experimental study on companies listed in the Egyptian Corporate Responsibility Index. *Accounting Thought, 21*(8), 1110-1148.

El-Sejiny, A. H., Sabry, A., El-Ghandour, A. T., Salem, A. M. A., & Mai, M. (2023). The impact of fair value accounting according to International Financial Reporting Standard No. (13) on the significance of financial statements in Egyptian banks. *Egyptian Journal of Business Studies, 47*(2), 344-386.

Abdel Qader, & Dalia El Sayed Abdel Halim. (2017). The impact of the degree of disclosure of other information accompanying the financial statements on the quality of financial reports: An applied study on companies listed on the stock exchange. *Alexandria Journal of Accounting Research*, 1(1), 474-532.

Abdel-Majeed, W. A. A. A., Waad Abdel-Majeed Ibrahim, El-Sisi, Nagwa Ahmed, Abdel-Aal, & Mahmoud Hamed. (2019). The impact of disclosure of sustainable development on the quality of financial reports: A field study on industrial companies in the city of Tenth of Ramadan. *Journal of Environmental Sciences,* 48(3), 553-578.

Abdo 2019, Using the Integrated Reporting Approach to Improve Environmental Accounting Measurement and Disclosure 2019 *Accounting Thought Journal*.

Abdo, A. A. K. (2019). Using the Integrated Reporting Approach in Improving Environmental Accounting Disclosure and Measurement. *Journal of Accounting Thought*, 23(1).

Adams, C. A., Potter, B., Singh, P. J., & York, J. (2016). Exploring the implications of integrated reporting for social investment (disclosures). *The British Accounting Review*, 48(3), 283-296.

Alaa Wasil Al-Harbi. (2021). The Impact of Corporate Governance on the Quality of Financial Reports (An Applied Study on Banks Listed in the Saudi Stock Exchange "Tadawul"). IUG *Journal of Economics & Business*, 29(3).

Al-Adeem, K. R., & Al-Khonain, S. (2020). Corporate Governance and Financial Reporting Quality Preliminary Evidence from Saudi Arabia. *Financial Markets, Institutions and Risks*, 4(1).

Alaraji, F. A. A. S., & Aljuhishi, B. I. M. (2020). The Scope of Applicability of the Standard of the Global Reporting Initiative (GRI) for Sustainability in the Iraqi's Environment. *Quality-Access to Success*, 21(174).

Ali, A., & Abdelfettah, B. (2016). An essay to analyze information asymmetry: originality and ways of reducing the level of information asymmetry. *Management*, 3(3), 32-39.

Alshdaifat, S. M., Hamid, M. A. A., Saidin, S. F., Aziz, N. H. A., & Al Qadi, F. (2024). Strengths and weaknesses of integrated reporting: A comprehensive literature review. Sustainable Horizons for Business, Education, and Technology: Interdisciplinary Insights, 91-98.

Arora, M. P., Lodhia, S., & Stone, G. W. (2022). Preparers' perceptions of integrated reporting: A global study of integrated reporting adopters. *Accounting & Finance*, 62, 1381-1420.

Ben Halima, Fathi, Boukardid, & Abdelkader. (2023). The impact of non-financial disclosure of social responsibility on the quality of annual financial reports. *Journal of Economics and Environment*, 6(2), 98-117.

Bhasin, M. L. (2017). Integrated reporting: The future of corporate reporting. *International Journal of Management and Social Sciences Research*, 6(2), 17-31.

Bouaka, Tadr, & Ramisa. The role of voluntary disclosure in improving the quality of information in financial reports - a field study (Doctoral dissertation, University of Kasdi Merbah, Ouargla).

Bouma ،F. (2015): Determinants for the voluntary adoption of Integrated Reporting & its impact on CSR disclosure: A case study ،University of Amsterdam

Bourouis, & Othman. The impact of creative accounting on the quality of accounting information in financial statements, a field study at Sonelgaz-Ouargla (Doctoral dissertation, University of Kasdi Merbah, Ouargla).

Buallay, A., Kukreja, G., Aldhaen, E., Al Mubarak, M., & Hamdan, A. M. (2020). Corporate social responsibility disclosure and firms' performance in Mediterranean countries: a stakeholders' perspective. EuroMed *Journal of Business*, 15(3), 361-375.

Caglio, A., Melloni, G., & Perego, P. (2020). Informational content and assurance of textual disclosures: Evidence on integrated reporting. European Accounting Review, 29(1), 55-83.

Camilleri, M. A. (2018). Theoretical insights on integrated reporting: The inclusion of non-financial capitals in corporate disclosures. Corporate Communications: *An International Journal*, 23(4), 567-581.

Carp, M., Păvăloaia, L., Afrăsinei, M. B., & Georgescu, I. E. (2019). Is sustainability reporting a business strategy for firm's growth? Empirical study on the Romanian capital market. Sustainability, 11(3), 658.

Chouaibi, Y., Belhouchet, S., Chouaibi, S., & Chouaibi, J. (2022). The integrated reporting quality, cost of equity and financial performance in Islamic banks. *Journal of Global Responsibility*, 13(4), 450-471.

de Graaff, B. C. (2023). The (r) evolution of integrated reporting: The impact of integrated reporting on the visibility of integrated thinking in performance management systems.

De Laan, A., Buitendag, N., & Fortuin, G. S. (2017). Firm characteristics and excellence in integrated reporting. *South African Journal of Economic and Management Sciences*, 20(1), 1-8.

De Villiers, C., & Hsiao, P. C. K. (2017). Integrated reporting. Sustainability accounting and integrated reporting, 13-24.

De Villiers, C., & Sharma, U. (2020). A critical reflection on the future of financial, intellectual capital, sustainability and integrated reporting. Critical Perspectives on Accounting, 70, 101999.

Dimitriu, M. (2014). A Point of View on The Logic Modelling of The Financial Network. Financial Studies, 8.

Du Toit, E. (2017). The readability of integrated reports. *Meditari Accountancy Research*, 25(4), 629-653.

Esch, M., Schnellbächer, B., & Wald, A. (2019). Does integrated reporting information influence internal decision making? An experimental study of investment behavior. *Business strategy and the environment,* 28(4), 599-610.

EY, E. (2014). Integrated reporting. Elevating value. In: EYGM Limited. All Rights Reserved. EYG

Faisal, A., & Amiruddin, A. (2021). Market Response to Disclosure of Corporate Social Responsibility (CSR) during the COVID-19 Pandemic. Available at SSRN 3967866.

Furqan, A. C., Wardhani, R., Martani, D., & Setyaningrum, D. (2020). The effect of audit findings and audit recommendation follow-up on the financial report and public service quality in Indonesia. *International Journal of Public Sector Management*, 33(5), 535-559.

García-Sánchez, E., García-Morales, V. J., & Martín-Rojas, R. (2018). Analysis of the influence of the environment, stakeholder integration capability, absorptive capacity, and technological skills on organizational performance through corporate entrepreneurship. *International Entrepreneurship and Management Journal*, 14, 345-377.

García-Sánchez, I. M., Martínez-Ferrero, J., & Garcia-Benau, M. A. (2019). Integrated reporting: The mediating role of the board of directors and investor protection on managerial discretion in munificent environments. *Corporate Social Responsibility and Environmental Management*, 26(1), 29-45.

Habiba, U., Xinbang, C., & Ahmad, R. I. (2021). The influence of stock market and financial institution development on carbon emissions with the importance of renewable energy consumption and foreign direct investment in G20 countries. *Environmental Science and Pollution Research*, 28, 67677-67688.

Haji, A.A. and Anifowose, M. (2016), "The trend of integrated reporting practice in South Africa: ceremonial or substantive?", Sustainability Accounting*, Management and Policy Journal*, Vol. 7

Halkos, G., & Nomikos, S. (2021). Corporate social responsibility: Trends in global reporting initiative standards. *Economic Analysis and Policy*, 69, 106-117.

Hamad, S., Draz, M. U., & Lai, F. W. (2020). The impact of corporate governance and sustainability reporting on integrated reporting: A conceptual framework. Sage Open, 10(2), 2158244020927431.

Hasanuddin, R., Darman, D., Taufan, M. Y., Salim, A., Muslim, M., & Putra, A. H. P. K. (2021). The effect of firm size, debt, current ratio, and investment opportunity set on earnings quality: an empirical study in Indonesia. *The Journal of Asian Finance, Economics and Business*, 8(6), 179-188.

Herath, S. K., & Albarqi, N. (2017). Financial reporting quality: A literature review. *International Journal of Business Management and Commerce*, 2(2), 1-14.

Hoque, M. E. (2017). Why company should adopt integrated reporting?. *International Journal of Economics and Financial Issues,* 7(1), 241-248.

Ibrahim, T. W., & Tarek Wafik. (2020). The impact of accounting disclosure of integrated business reports on the financial and operational performance of joint stock companies listed on the Egyptian Stock Exchange (an applied study). *Accounting Thought*, 24(1), 385-438.

IIRC. (2013). Capitals background paper for Integrated Reporting.

Ismail, A. A., & Asak Abdel Moneim. (2016). The impact of the information content of integrated business reports on credit granting decisions for companies listed on the Egyptian Stock Exchange: An experimental study. *Accounting Thought*, 20(8), 161-228.

Kaddoura, M. G. M. S. (2020). The Impact of Accounting Disclosure According to the International Integrated Reporting Framework on Capital Cost, Expected Future Cash Flows, and Company Value – An Applied Study. (PhD Unpublished). Alexandria University, Faculty of Commerce.

Kılıç, M., & Kuzey, C. (2018). Determinants of forward-looking disclosures in integrated reporting. *Managerial Auditing Journal*, 33(1), 115-144.

Kumar, V. (2020). Global implications of cause-related loyalty marketing. *International Marketing Review*, 37(4), 747-772.

Laitinen, E. K. (2018). Entry-based financial statement analysis for small firms. *International Journal of Management and Enterprise Development*, 17(1), 36-52.

Landau, A., Rochell, J., Klein, C., & Zwergel, B. (2020). Integrated reporting of environmental, social, and governance and financial data: Does the market value integrated reports? Business Strategy and the Environment, 29(4), 1750-1763.

Management Accountants (CIMA), IFAC & PwC. IIRC.

Mankin, J. A., Jewell, J. J., & Rivas, J. (2017). To improve financial reporting, we need to disclose more relevant information. Mankin, JA, Jewell, JJ, & Rivas, JA (2017). To Improve Financial Reporting, We Need to Disclose More Relevant Information. *International Journal of the Academic Business World*, 11(2), 93-100.

Maroun, W. (2019). Exploring the rationale for integrated report assurance. *Accounting, Auditing & Accountability Journal*, 32(6), 1826-1854.

Melloni, G., Caglio, A., & Perego, P. (2017). Saying more with less? Disclosure conciseness, completeness and balance in Integrated Reports. *Journal of Accounting and Public Policy*, 36(3), 220-238.

Menicucci, E., & Paolucci, G. (2018). Forward-looking information in integrated reporting: A theoretical framework. *African Journal of Business Management*, 12(18), 555-567.

Mohamed Khalil Hamed Mohamed, & Mohamed Hassan Mohamed Abdel Jalil. (2018). The impact of the availability of integrated information on the success of competitive strategy. *Journal of Economic, Administrative and Legal Sciences*, 2(3), 122-105.

Mr. Ahmed Ramadan, M., & Mohamed. (2019). Measuring the impact of sustainability reporting disclosure on the quality of financial reports: An applied study. *Scientific Journal of Business and Environmental Studies*, 10 (Issue 3, Part 2), 377-405.

Muhi, M. A., & Benaissa, M. (2023). The impact of integrated reporting on improving the quality of financial reporting. *International Journal of Professional Business Review*: Int. J. Prof. Bus. Rev., 8(5), 65.

Muraina, S. A., & Dandago, K. I. (2020). Effects of implementation of International Public Sector Accounting Standards on Nigeria's financial reporting quality. *International Journal of Public Sector Management*, 33(2/3), 323-338.

Mustafa, & Omaima Abdel Nasser Mohamed. (2022). Integrated reporting and reducing the level of accounting information asymmetry in the Egyptian stock market. *Alexandria Journal of Accounting Research*, 6(3), 283-336.

Nishitani, K., Unerman, J., & Kokubu, K. (2021). Motivations for voluntary corporate adoption of integrated reporting: A novel context for comparing voluntary disclosure and legitimacy theory. *Journal of Cleaner Production*, 322, 129027.

Djamil, N. (2023). Factors affecting the Quality of Financial Reports: A Value Relevance Based Analysis. *Journal Rumpun Ilmu Ekonomi*, 1(1), 1-11.

Oktapriana, C., & Reyes, M. A. (2024, November). Sustainability and Resiliency Dimensions of Go Public Companies: The Role of Audit Report Lag and Earning Volatility in Impacting the Earning Quality. In Proceeding of the International Conference on Family Business and Entrepreneurship.

Orazalin, N., & Mahmood, M. (2018). Economic, environmental, and social performance indicators of sustainability reporting: Evidence from the Russian oil and gas industry. Energy policy, 121, 70-79.

Pavlopoulos, A., Magnis, C., & Iatridis, G. E. (2019). Integrated reporting: An accounting disclosure tool for high quality financial reporting. *Research in International Business and Finance*, 49, 13-40.

Qorin, & Haj Qwaider. (2020). The role of corporate governance in improving the quality of financial reports in Algerian economic institutions - a case study of Batimatel. Review of Economic Reforms and Integration in the World Economy, 14(1), 364-380.

Raimo, N. (2021). Integrated reporting: State of play, theoretical underpinnings and empirical insights: The role of corporate governance mechanisms.

Raimo, N., Caragnano, A., Mariani, M., & Vitolla, F. (2022). Integrated reporting quality and cost of debt financing. *Journal of Applied Accounting Research*, 23(1), 122-138.

Reimsbach, D., Hahn, R., & Gürtürk, A. (2018). Integrated reporting and assurance of sustainability information: An experimental study on professional investors' information processing. *European accounting review,* 27(3), 559-581.

Rossignoli, F., Stacchezzini, R., & Lai, A. (2022). Integrated reporting and analyst behaviour in diverse institutional settings. *Meditari Accountancy Research*, 30(3), 819-851.

Salvi, A., Vitolla, F., Giakoumelou, A., Raimo, N., & Rubino, M. (2020). Intellectual capital disclosure in integrated reports: The effect on firm value. *Technological forecasting and social change*, 160, 120228.

Santis, S., & Bianchi, M. (2020). Disclosing Information on Financial and Non-Financial Capitals in the Integrated Report: An Empirical Analysis of Financial Industry. *International Journal of Business and Management*, 15(11), 62-78.

Shaaban, Samir (2019) The role of corporate social responsibility accounting in enhancing the quality of integrated business reports. Master's thesis, Tikrit University, Iraq.

Sharaf, A. A. Q. (2015). A Proposed Approach to Confirming Egyptian Companies' Sustainability Reports and Its Reflection on Stakeholder Perception: A Comparative Study. (PHD Unpublished). Cairo University, Faculty of Commerce.

Shofia, A., & Utami, W. (2021). The effect of accrual quality and operating cash flows on future cash flows in the basic industry and chemical sectors. *Asian Journal of Advanced Research and Reports*, 15(3), 46-59.

Siriyama, H. & Norah, A. (2017). Financial Reporting Quality: A Literature Review. *International Journal of Accounting & Finances*, 6(12), 200-222

Steyn, M. (2014). Organisational benefits and implementation challenges of mandatory integrated reporting: Perspectives of senior executives at South African listed companies. *Sustainability Accounting, Management and Policy Journal.*

Stone, G. W., & Lodhia, S. (2019). Readability of integrated reports: an exploratory global study. Accounting, *Auditing & Accountability Journal*, 32(5), 1532-1557.

Tlili, M., Ben Othman, H., & Hussainey, K. (2019). Does integrated reporting enhance the value relevance of organizational capital? Evidence from the South African context. *Journal of Intellectual Capital*, 20(5), 642-661.

Vena, L., Sciascia, S., & Cortesi, A. (2020). Integrated reporting and cost of capital: The moderating role of cultural dimensions. *Journal of international financial management & accounting*, 31(2), 191-214.

Vitolla, F., Raimo, N., & Rubino, M. (2020). Board characteristics and integrated reporting quality: An agency theory perspective. *Corporate Social Responsibility and Environmental Management*, 27(2), 1152-1163.

Vitolla, F., Raimo, N., Rubino, M., & Garzoni, A. (2020). The determinants of integrated reporting quality in financial institutions. Corporate Governance: *The International Journal of Business in Society*, 20(3), 429-444.

Vogt, M., Hein, N., Silva-da Rosa, F., & Degenhart, L. (2017). Relationship between determinant factors of disclosureof information on environmental impacts of Brazilian companies. *Estudios Gerenciales*, 33(142), 24-38.

Wahl, A., Charifzadeh, M., & Diefenbach, F. (2020). Voluntary adopters of integrated reporting–evidence on forecast accuracy and firm value. *Business Strategy and the Environment*, 29(6), 2542-2556.

Wang, R., Zhou, S., & Wang, T. (2020). Corporate governance, integrated reporting and the use of credibility-enhancing mechanisms on integrated reports. *European Accounting Review*, 29(4), 631-663.

Yan, X., & Zheng, L. (2017). Fundamental analysis and the cross-section of stock returns: A data-mining approach. *The Review of Financial Studies*, 30(4), 1382-1423.

Yasmina, Ammar, Abdel Karim, & Zarfawi. (2018). The impact of disclosure according to international accounting standards on the quality of accounting information. *Journal of Business Research and Studies*, 2(2), 307-327.

Zaharia, R. M., & Zaharia, R. (2021). Triple bottom line. *The Palgrave Handbook of Corporate Social Responsibility*, 75-101.

أثر التقارير المتكاملة على تحسين جودة التقارير المالية / دليل من البنوك الفلسطينية .

خلود معن صبري لبدي

د. فراس بركات

د. طارق درابيع

د. شريف أبو كرش

ملخص

هدفت الدراسة إلى التعرف على أثر الإفصاح عن التقارير المتكاملة على تحسين جودة التقارير المالية للبنوك الفلسطينية المدرجة في بورصة فلسطين. ولإكمال الدراسة وتحقيق أهدافها تم استخدام المنهج الوصفي والمنهج الاستدلالي (التحليلي) مع تطبيق النماذج الإحصائية لقياس جودة الأرباح وعلاقتها بالإفصاح المتكامل. وتألف مجتمع الدراسة من جميع البنوك الفلسطينية المدرجة في بورصة فلسطين من عام 2017–2023 والتي بلغ عددها 6 بنوك، ولكن تم استبعاد بورصة فلسطين وبنك الصفا لعدم توفر واكتمال بعض بياناتها التي يمكن استخدامها لقياس وحساب متغيرات الدراسة، حيث تم إدراجها في بورصة فلسطين في عام 2022. وأظهرت النتائج وجود علاقة إيجابية ودالة إحصائياً بين الحوكمة وتقلب الأرباح، كما كان للعناصر الأخرى مثل نموذج الأعمال والأداء آثار إيجابية في الحد من التقلب. كما لعبت الحوكمة دوراً هاماً في تعزيز نسبة الاستحقاق، في حين أظهرت أسس الإعداد والعرض ونموذج الأعمال آثاراً سلبية واضحة في تقليل الاعتماد على الاستحقاقات. أما بالنسبة لمؤشر النقدية التشغيلية، فقد كشفت النتائج أن أسس الإعداد والعرض كان لها تأثير إيجابي قوي، مما يؤكد دور الإفصاح المتكامل في تعزيز كفاءة التدفقات النقدية التشغيلية. أما فيما يتعلق بالفجوة بين الربح المحاسبي والتدفق النقدي، فقد أظهرت الدراسة وجود علاقة سلبية كبيرة بين الحوكمة وهذه الفجوة، مما يعكس دور الحوكمة في تحسين التوافق بين الأرباح المحاسبية والنقدية. وتشير هذه النتائج بشكل عام إلى أن التقارير المتكاملة لها تأثير جوهري على تحسين جودة التقارير المالية، حيث تساهم في زيادة الشفافية وتعزيز الكفاءة التشغيلية وتقليل فرص التلاعب المالي. وعليه، توصي الدراسة باعتماد التقارير المتكاملة كمعيار أساسي لإعداد التقارير المالية، مع التركيز على تطوير عناصر الحوكمة وطرق الإعداد والعرض لتحقيق استدامة مالية أفضل.

كلمات افتتاحية: التقارير المتكاملة، الإفصاح المحاسبي، التقارير المالية، جودة التقارير المالية، جودة الأرباح.