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The impact of audit committees on the adoption of IFRS 15: An applied study on a sample of Iraqi banks

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Abstract
The objective of the research is to comprehend the notion of audit committees and assess their influence on the implementation of IFRS 15 "Revenue from Contracts with Customers" by banks that are publicly traded on the Iraq Stock Exchange. In order to accomplish the study goal and examine its hypotheses, a descriptive analytical approach was employed. The study utilized the yearly reports of the Iraqi Securities Commission, which were available on its website, for practical purposes. The research population consisted of all 46 banks that were listed on the Iraq Stock Exchange. The sample, which spanned from 2013 to 2022, contained 12 institutions that satisfied two specific criteria: they had to demonstrate continuity and have the necessary data available. The findings suggested that the attributes of audit committees, namely their size and the independence of their members, did not have any influence on the adoption of IFRS 15. Nevertheless, the features of the audit committees, namely the financial and accounting knowledge of its members and the frequency of their meetings, had a beneficial effect on the implementation of IFRS 15 Revenue from Contracts with Customers.

Keywords: Audit committees, IFRS 15 revenue from contracts with customers, financial and accounting expertise, frequency of audit committee meetings

1. Introduction

Recently, audit committees have garnered significant attention from international organizations, regulatory bodies, and specialized researchers. This surge in interest follows the setbacks and disruptions experienced by major global corporations, prompting a focus on enhancing the functions of audit committees and improving their performance quality. This effort is closely linked to establishing the pillars and foundations of a corporate governance framework aimed at achieving credible and transparent financial statements, which in turn fosters efficient application of corporate governance principles in financial markets. Such practices protect the rights of all stakeholders and related parties by establishing a supervisory body that works alongside management. This body undertakes various tasks, including auditing the applied accounting policies and management estimates to achieve the company's objectives.

The adoption of sound corporate governance rules is crucial for implementing accounting practices in accordance with International Financial Reporting Standards (IFRS). Forming committees from the board of directors, such as audit committees, serves as an enhancement to the corporate governance system. These committees make sure that the policies are in tune with the existing accounting standards and give correct and transparent details in the financial statements. These are on revenues recognition, costs, depreciation, and other accounting estimates. In order to enhance previous standards for recognizing revenues, the IASB has developed IFRS 15, "Revenue from Contracts with Customers." IFRS 15 supersedes all prior related standards by the IASB for periods ending after January 1, 2018 (IASB, 2019b). Revenue recognition is best practiced as a standard procedure in audit operations with emphasis on work by audit committees.

The purpose of this study is to explore the role that audit committees play in the application of IFRS 15, in the context of Iraq. It will be important to divide the research into four different fields. The first section will review a collection of earlier research concerning the two subjects of the investigation and their link. Further, the research will include the methodological part, which means that scientifically the given research problem will be recognized and addressed in such a way as to ensure the possibility of an objective check of the hypotheses and achievement of the objectives of the research.

The second section will delve into the theoretical framework of the study, focusing on the two variables: audit committees and the adoption of IFRS 15 "Revenue from Contracts with Customers," and their relationship. The third section will address the empirical study, which includes data collection, discussion of results, and hypothesis testing. The researcher will conclude the study with the fourth section, which presents the conclusions and recommendations.

Section one: General framework of the research and previous studies

Through relevant accounting studies, this section outlines the research method, its scientific approach, and the gap derived from reviewing the literature on the research topic.

1.1. Research Problem

Revenue is a crucial performance indicator utilized by investors and other stakeholders to assess a company's performance and potential for the future. Hence, revenue accounting is a substantial difficulty for firms and continues to be a prominent area of audit risk. Audit committees have a vital function in safeguarding the interests of shareholders and stakeholders at large. Corporate governance mechanisms are essential components of companies and play a crucial role in the contemporary economic landscape. Audit committees supervise the compilation of the company's financial statements and guarantee their precision. However, there are concerns about the mere formal presence of audit committees and their inadequacies in performing their effective role, especially following the move towards adopting IFRS standards. This includes the implementation of the five-step model for revenue recognition according to IFRS 15 and the variability in impact post-adoption.

The research problem is summarized in the following question:

- Is there a statistically significant impact of audit committees on the adoption of IFRS 15, the International Financial Reporting Standard for revenue from contracts with customers?

1.2. Importance of the Research

The research is important since it focuses on a significant issue and analyzes the factors involved, namely the audit committees as the independent variable and IFRS 15 as the dependent variable. This study examines the impact of audit committees on the adoption of IFRS 15 in the modern business world. Specifically, it focuses on the characteristics of audit committees, including the independence of their members, the size of the committee, the accounting and financial expertise of its members, and the frequency of annual meetings. Moreover, to the best of the researchers' knowledge, there is a scarcity of studies that have explored the relationship between these variables. Therefore, the benefit of this research lies in elucidating and empirically testing this relationship within the environment of Iraqi banks.

1.3. Research Objectives

The primary objective of this research is to test the contribution of audit committees, through their characteristics (independence of members, size, accounting and financial expertise, and frequency of meetings), in the adoption of IFRS 15, "Revenue from Contracts with Customers." The main objective and its sub-objectives are summarized as follows:

a) To understand the concept of audit committees and IFRS 15, "Revenue from Contracts with Customers."
b) To explore the relationship between audit committees and the adoption of IFRS 15, "Revenue from Contracts with Customers."
c) To test the impact of audit committees on the adoption of IFRS 15, "Revenue from Contracts with Customers" within the Iraqi environment.

1.4. Research Hypotheses

In light of the research problem and its objectives, the following hypotheses have been formulated:

(H1) First Main Hypothesis: There is a significant relationship between the audit committee and the adoption of IFRS 15.

(H2) Second Main Hypothesis: The audit committee has a significant impact on the adoption of IFRS 15.

(H3) Third Main Hypothesis: The impact of the dimensions of the audit committee on the adoption of IFRS 15 varies.

1.5. Research Methodology and Approach

The current research adopts a descriptive analytical approach by reviewing literature from references, articles, studies, and scientific research related to the subject. This approach is used to describe the research variables and depict the expected relationship. Subsequently, this relationship is tested based on reports and statements published in the Iraq Stock Exchange, identifying audit committees as the independent variable and the adoption of IFRS 15, "Revenue from Contracts with Customers," as the dependent variable.

1.6. Research Boundaries

The research framework, both theoretically and practically, comprises a set of scientific, spatial, and temporal determinants as follows:

a) Scientific Objective Boundaries: The research focuses on two variables, namely audit committees and the adoption of IFRS 15 (Revenue from Contracts with Customers), and the derived relationship between them.
b) Spatial Boundaries: The research is conducted within the spatial boundaries of Iraqi banks registered in the Iraq Stock Exchange.
c) Temporal Boundaries: The research period extends temporally before and after the adoption of IFRS 15 (Revenue from Contracts with Customers), covering the period from 2012 to 2022 based on published financial reports.

1.7. Previous Studies

A. Study (Jatiningrum *et al.*, 2018) [18]

The study aimed to examine the relationship between audit committees, earnings management, and the adoption of International Financial Reporting Standards (IFRS) in financial reporting preparation. It provided empirical evidence that prior to adopting international financial reporting standards, the financial expertise of the audit committee significantly influenced earnings management practices. However, factors such as audit committee meetings, audit committee independence, and audit committee size did not have a significant impact. The study also revealed that the level of earnings management practices decreased after the adoption of international financial reporting standards compared to before adoption. This study's contribution has implications for practices and beneficial effects for regulators. The results indicated that corporate governance practices in Malaysia have their unique characteristics compared to other emerging economies.

B. Study (Farag, 2021)

This study aimed to test the relationship between audit committee quality and audit fees for auditing full annual financial statements of companies listed on the Egyptian Stock Exchange during the period from 2012 to 2018, before and after the adoption of International Financial Reporting Standards (IFRS) in Egypt. The researcher used multiple regression analysis for a sample consisting of 80 companies over two phases: before adoption (years 2012, 2013, 2014) and after adoption (years 2016, 2017, 2018). Audit committee quality was measured through five indicators: audit committee independence, financial expertise of audit committee members, professional accounting qualifications of audit committee members, audit committee meetings, and the number of reports issued by the audit committee. It has been evidenced in the study that audit committee quality has an effect on audit fees in auditing full annual financial statements of the companies listed in Egyptian Stock Exchange. It was suggested that the need to align IFRS with the Egyptian environment should be a key consideration in adjusting IFRS in Egypt.

C. Study (Aladwey & Diab, 2023) [10]

This research aimed at identifying factors that lead to the early adoption of IFRS 15, taking into consideration the factors of governance and board characteristics in the Egyptian Stock Exchange as a developing market. The study also compared the impact of IFRS 15 on the records of financial data between the early adopters and other firms that have not joined the bandwagon. This research used a sample of 79 firm-year observations from the early adoption period of 2019 and 2020 using the EGX 100 index. The data was collected from the annual reports of Egyptian corporations and Thomson Reuters' database. It was then subjected to logistic regression as well as t-tests. This gave a clear picture that there was significant difference in the profitability of those organizations who adopted IFRS 15 at an early stage compared to other organizations who did not. These findings illustrate the impact of adopting IFRS initially and the value of staying current on updates across expanding markets.

D. Study (Oussii & Klibi, 2020) [20]

The purpose of this research was to analyse the relationship between the level of financial literacy of audit committees and the actual use of IFRS in Tunisia. The study, which used a sample of 497 observations for the years 2012 to 2018, suggests that financial specialists are critically involved in monitoring financial information and exerting pressure on management to improve the quality of disclosure. Consequently, the implication of IFRS in Tunisia is highly dependent on the financial literacy of audit committees. The evidence provided a positive relationship between the percentage of financial specialists in the audit committee and the IFRS adoption in practicality. Furthermore, the analysis of the interaction with the audit committee was done.

E. Study (Sammut, 2016)

The study aimed to assess changes in local construction companies as a result of implementing IFRS 15. Notably, the standard's implementation has accounting ramifications, considering its impact on external auditing processes. The study employed a qualitative approach using semi-structured interviews to achieve research objectives. Among the key findings was the failure of primary and secondary data to predict any significant changes in revenue recognition timing. However, exceptions to this rule negatively impacted local construction companies. In all cases, increased levels of judgments, estimates, and disclosures through IFRS 15 necessitate new internal control systems, thereby requiring increased audit and internal control procedures in companies to obtain reliable confirmation, ultimately reducing conflicts between company management and stakeholders and incentivizing management to work for stakeholders' interests.

1.8. Distinguishing Features of the Current Research

Prior research has examined the subject of audit committees and its attributes, such as the regularity of committee meetings, autonomy, and the accounting and financial proficiency of members, in the overall implementation and compliance with IFRS standards. In addition, they have examined the effects of implementing the International Financial Reporting Standard 15 (Revenue from Contracts with Customers) in both Arab and international contexts, including governance systems and firm characteristics. However, based on the researchers' understanding, none of these studies have particularly investigated the correlation between audit committees and the implementation of IFRS 15.

Therefore, the current research stands out from previous studies in the following ways:

a) It addresses the relationship between audit committees and the adoption of IFRS 15 (Revenue from Contracts with Customers).
b) It tests this relationship within the context of Iraqi banks through an empirical study.

Chapter Two: The Theoretical Framework of the Research

This chapter illustrates the theoretical concepts of the research variables and provides an inference of the expected relationships between these variables based on the relevant accounting literature related to the research topic.

2.1. Concept and Characteristics of Audit Committees

The origin of the audit committee is based on agency theory, which emerged in the seventies of the last century and deals with solving problems that may arise due to the imbalance of interests between management (agents) and investors (principals). The audit committee is seen as a supervisory structure necessary to protect the interests of shareholders by providing assurances regarding governance. Ultimately, stakeholders have no choice but to rely on the credibility and effectiveness of governance by control and management structures to protect their interests (Coetzee & Erasmus 2019:3) [16].

The Canadian Institute of Chartered Accountants (CICA) defines the audit committee as: "A committee composed of members of the board of directors whose responsibilities are focused on reviewing the annual financial statements before submitting them to the board of directors. The audit committee acts as a link between auditors and the board of directors, and its activities include nominating external auditors, reviewing the scope and results of the audit with them, reviewing the company's control system and ensuring its effectiveness, ensuring compliance with corporate governance rules in the company, and verifying all financial information prepared for disclosure" (Fateh & Ahmed, 2017:184) [2].

The Corporate Governance Guide for Iraqi Banks, revised on 7/11/2018 and issued by the Central Bank of Iraq, states that the audit committee, which is formed by the board of directors, must have a minimum of three members. These members should be independent individuals who are either board members, consultants, or experts in finance or auditing. The approval of the Central Bank is required for their appointment. The chairman of the committee must be a board member who is independent and cannot be a member of any other committee that originates from the board.

The board should ensure that each member of the committee possesses adequate financial expertise and experience, including:

1. Auditing knowledge and skills acquired over the period**.**
2. Knowledge of internal audit techniques and processes for generating company financial statements**.**
3. Knowledge of the accounting standards that would be used by the bank in preparing its statements**.**
4. The audit committee is an essential component of a company and has various responsibilities in relation to the company's operations and performance**.**
5. Proficiency in assessing the bank's financial statements and key ratios such as balance sheet, income statement, statement of cash flow and statement of change in shareholders' equity.

2.2. Characteristics of the Audit Committee

It is noteworthy that the majority of the authors and scholars insist on the importance of developing a list of the characteristics or attributes of audit committees in any enterprise. This is to ensure that these committees can effectively and optimally discharge tasks assigned to them and be a bridge between the board of directors and both the external auditor and internal auditing for the smooth running of the company. While there are no special requirements or directives that stipulate the functions of an audit committee, it is possible to describe at least five qualities that are inherent to the members of this committee. These are independence of the committee involved, number of members in the committee, expertise and experience in the required areas and frequency of the committee's sitting. Here is a brief overview of these characteristics: Here is a brief overview of these characteristics:

1. The audit committee members must possess accounting and financial experience, which is a crucial need. Proficiency in financial reporting methods, comprehensive grasp of the company's activities, and familiarity with the industry it works in are essential. The growing intricacy of financial instruments, capital structure, the rise of new sectors, the implementation of international accounting standards, and other obligations have directly resulted in the prioritization of financial competence (Al-Ayadi, 2022:35) [5]. The effectiveness of the audit committee is improved by the financial knowledge of its members, which is the crucial characteristic that guarantees efficient functioning (Buallay, 2018:186) [15].
2. The size of an audit committee can vary among companies and countries, based on factors such as the size of the board of directors, the company's size, and the nature of its operations. Typically, the committee should have a suitable number of members to ensure they possess the necessary competencies and experiences to effectively fulfill their given responsibilities and accomplish their objectives (Isa, 2021:21). Increasing the size of the audit committee has a mitigating effect on fraudulent activities and the falsification of financial accounts. Increasing the size of the audit committee can enhance the oversight of financial data auditing in accordance with current accounting standards. Having a greater number of members in the audit committee is linked to effective oversight and supervision of management, leading to improved financial information quality (Ashari & Krismiaji, 2019:144) [12].
3. Frequency of Committee Meetings: The regularity and number of committee meetings annually are important indicators of its ability to fulfill its responsibilities. The number of annual meetings depends on the size of its responsibilities and the circumstances facing the company. Among the items that should be discussed in these meetings is the evaluation of external auditors during their audit period. The audit committee should also meet separately with the internal audit manager and management to discuss any issues believed to be necessary within a limited scope. For the appropriate number of times the committee should meet during the year, it should not be less than three times annually or on a quarterly basis as recommended by the Treadway Commission (Abu Qurain *et al*., 2022:70) [1].
4. The audit committee's independence is a crucial attribute. The committee should be composed of non-executive members of the board of directors, as they play a significant role in avoiding infractions. The board of directors and the audit committee members has complete autonomy, which allows them to make decisions honestly and realistically, free from any external influence, even if it contradicts the goals and interests of top management (Abdulaziz, 2023:391) [4].

Based on the foregoing, the audit committee must consist of independent members who can perform a vital role. The committee should be unbiased in carrying out its responsibilities, and its work should not be influenced by legislative instructions but rather rely on the financial expertise in accounting and financial qualifications acquired through accounting education and work experience in auditing and financial management as an expert or financial manager, enabling them to perform the duties of financial experts. Matching the size of the company with the size of the committees reduces cases of fraud and cheating. Collaborating with the company's internal auditing ensures regularity in their meetings to discuss and overcome obstacles and complexities in the external auditor's evaluations.

2.3. Adoption of IFRS 15 Revenue from Contracts with Customers

Revenue is a crucial metric utilized by investors and other stakeholders to evaluate a company's performance and potential for future success. Hence, revenue accounting is a substantial problem for firms and remains a prominent area of audit risk (Khamis, 2016:4) [19].

The IFRS 15 standard, as defined by the International Accounting Standards Board (IASB), seeks to establish a more thorough and resilient structure for identifying, quantifying, and disclosing revenue. It consists of a set of regulations that eliminate uncertainties and deficiencies in order to improve the comparability of revenue recognition practices (Lemus, 2014:4) [23]. Additionally, it seeks to ensure possible advantages through enhanced transparency. The implementation of the IFRS 15 standard poses several difficulties for financial users and auditors, who need further advice to navigate its provisions on revenue recognition from client contracts. According to the IFRS 15 standard, organizations are required to adhere to a set of five stages in order to properly acknowledge income from contracts with consumers (Boujelben & Kobbi, 2020:4) [14].

1. Determine the agreement(s) with the client.
2. Determine the specific obligation(s) related to performance.
3. Calculate the transaction price.
4. Apportion the transaction price to the specific obligations for performance outlined in the contract.
5. Revenue should be recognized when the organization fulfills a performance obligation.

1. Step One: Identifying the Contract with the Customer

The contract may be expressed in writing or oral form and can be inferred from the company's customary business procedures. The customer contract is subject to the International Financial Reporting Standard (IFRS) 15, which mandates the identification of the contract with the client (Ali, 2020:823) (Salman, 2022:23) [3]. During this stage, the firm differentiates between contracts with clients that are subject to the application of IFRS 15 and contracts that are not covered by this standard (Abdullah & Hussein:2227).

2. Step Two: Identifying Performance Obligations in the Contract

During this stage, the firm determines the specific items or services that have been mutually agreed upon in the contractual agreement with the consumer. After the contract with the client is subject to the International Financial Reporting Standard (IFRS) 15, the subsequent task is to determine the specific duties to be fulfilled within each contract. The IFRS 15 standard outlines two procedures for determining if products or services (or a combination of both) in a contract are different performance obligations. Both criteria must be satisfied to establish that the items or services are really distinct (Bernoully & Wondabio, 2019:142) [13].

3. Step Three: Determining the Transaction Price

The transaction amount refers to the sum of money that the corporation anticipates receiving in return for providing the promised products and services. When estimating the transaction price, the firm needs to take into account the contract conditions and its business practices. However, any funds collected on behalf of a third party, such as sales tax, should be excluded from this consideration (Bernoully & Wondabio, 2019:142) [13].

4. Step Four: Allocating the Transaction Price to Performance Obligations in the Contract

The transaction price is allocated to each performance obligation. Each good or service represents the consideration expected to be received by the company in exchange for transferring the goods or services pledged to the customer. "The company must allocate the transaction price for each performance obligation based on the proportion and proportionality to the selling prices of the goods and services assessed at their standalone selling prices".

5. Step Five: Recognizing Revenue when the Company Satisfies Performance Obligations in the Contract

According to IFRS 15, the firm fulfills its duties in the contract when it transfers control of the products or services to the consumer. Control refers to the capacity to utilize and acquire most of the remaining advantages linked to the transferred commodities or services (Nicolae & Claudia, 2014:127). Revenue recognition occurs when the customer gains control as an indicator of fulfilling the performance obligation. At the start of the contract, the company must determine if the performance obligations will be fulfilled within a specific timeframe or over a specified period (Ahmed *et al*., 2022:421) [2].

The relationship between audit committees and the IFRS15 standard aims at producing accounting information that enhances decision-making processes and sets accounting policies for companies, measuring the impact on their business results and financial position. Adoption entails applying the standards as they are without modifications, with professional organizations attempting to increase comparability and reduce differences in accounting practices across countries through convergence in professional accounting practices and minimizing discrepancies. Some have tried to standardize these accounting practices internationally, such as the International Federation of Accountants (IFAC). Adaptation means applying the standards after making adjustments to fit the professional practice environment (Ibrahim, 2017) (Faraj, 2021: 71) [6]. Governance dictates that an audit committee be composed of members with financial expertise, as it serves as a tool for auditing the control system and exerts pressure to reduce cases of fraud and manipulation, with its effectiveness being a determinant for adjusting practices to align with the adoption of IFRS15.

Aladwey & Diab (2023) [10] used agency theory following the argument that the implementation of IFRS can help in the improvement of the quality of financial reports due to the reduction of information asymmetry and irregularity in management reporting practices like earnings management that are expected to solve the agency problem. Further, the perspective argues that establishing proper governance structures such as audit committees work as factors that can influence the implementation of the IFRS15. They can function as effective monitoring and control devices on the behaviors and procedures of corporate management, which is crucial for mitigating the agency problem (Aladwey & Diab, 2023: 3) [10].

The paper by Oussii & Klibi (2020) [20] highlighted the need for audit committees to be staffed with individuals possessing adequate accounting and finance knowledge so as to closely monitor the process of adapting accounting practices and systems to IFRS. Based on the results of Abdullah & Hussein (2023) [4], the challenges to adopt IFRS and provide the necessary requirements to facilitate its adoption in the Iraqi environment serve to strengthen the quality and sustainability of profits of the banks. It also aims to decrease instances of manipulation and earning management, believing that both are necessary for the development of the banking institutions. This enhances the odds of risk and complexity in financial reporting that audit committees encounter in their efforts to regulate due to the adoption of IFRS15 which greatly influences users' decisions.

Chapter Three: Practical Application of the Research

This chapter of the research study focuses on the sample of research and measurement and description of the variables which leads to the result of the statistical analysis. Thus, hypotheses were tested and all the research objectives were met according to these findings.

First: Research Population and Sample

The field of study focuses on the banking industry as this sector is crucial for the development of the local economy and the improvement of trade and commerce on the international level. The target population is all the banks operating in the Iraq Stock Exchange and the sample consists of 46 banks. A purposive sample was chosen to accurately reflect this group, using two specific criteria. The initial criterion involved the ongoing provision of financial reports by the chosen banks throughout the research duration, while the second criterion entailed the presence of essential data within these institutions for variable measurement purposes. Therefore, a total of 12 banks were selected as the sample for the present study, which accounts for 26.8% of the whole study population. The study period encompassed a decade, namely from 2013 to 2022, resulting in a total of 120 observations (bank/year) included in the study sample. The following table (1) provides a list of the names of the banks included in the study sample.

Table 1: Study Sample Banks

S	Bank	Code	S	Bank	Code
1.	Baghdad	BBOB	7	Al-Ahli	BNOI
2.	Ashur	BASH	8	Al-Tijari	BCOI
3.	Al-Mansour		9	Al-Ittihad	BUOI
4.	Al-Mutahid	BUND	10	Sumer	
5.	Al-Sharq Al-Awsat	BIME	11	Al-Mosul	BMFI
6.	Iraqi Credit	BROI	12	Al-Khaleej	BGUC

Source: Table prepared by the researcher.

Secondly, measuring the variables

The research included two types of variables, as follows:

1. The independent variable represented by audit committees, denoted as (AC), which included four characteristics (a. Committee size, b. Committee independence, c. Accounting and financial expertise, d. Frequency of committee meetings) as dimensions of the independent variable. Table (1) shows the measurement methods for these characteristics.

Table 2: Measurement methods for audit committee characteristics

S	Property	Code	Measurement Method	Reference
A.	Committee Size	AC1	The number of audit committee members per year	Maadi and Akhoun, 2022: page 159
B.	Committee Independence	AC2	Comparison between Non-Executive Independent Members to Total Committee Members: It is measured by comparing the ratio of the number of independent non-executive members to the total number of committee members.	Al-Ayadi, 2022: page 19 [5]
C.	Committee Accounting and Financial Expertise	AC3	It is measured by comparing the ratio of individuals with expertise and qualifications in accounting education to the total number of committee members.	Oussii & Klibi, 2020: page 1252 [20]
D.	Meeting Frequency	AC4	It is measured by the number of meetings held by the committee during the fiscal year.	Al-Ayadi, 2022: page 19 [5]

Source: The table is prepared by the researcher.

The second variable: The application of the International Financial Reporting Standard (IFRS15) was assessed by utilizing ten indicators as proof of the implementation of the five processes outlined in this standard. If the indication is applied, it is assigned a value of (1); otherwise, it is assigned a value of (0). The following indicators are listed (Salman, 2022: 25) [3]:

1. Customer contract information disclosure.
2. Execution of contractual commitments within the specified terms.
3. Key terms for meeting contractual duties.
4. The company's obligations to provide goods and services as specified in contracts with consumers.
5. Presentation of revenue liabilities and refund procedure.
6. Declaration of obligations and guarantees.
7. Reveal the contract pricing for periods more than one year upon their completion.
8. Explanation and categorization of techniques employed for revenue recognition.
9. Presentation of methodologies employed to ascertain contract prices with clients.
10. This section provides a detailed explanation and method for identifying personal estimations used to determine the value of assets.

The closer the score is to (10), the greater the application of the standard. The adoption rate of the IFRS15 standard was calculated using the following equation:

$$\text{(IFRS15)} \; \frac{\text{The number of applicable items}}{\text{Total items}}$$

The higher the percentage, the higher the level of standard adoption.

Thirdly: Description of Research Variables

Table (2) displays the descriptive analysis of the study variables for the entire sample, using acceptable statistical methods including the mean, standard deviation, minimum and maximum values, and coefficient of variation.

Table 2: Description of research variables at the total sample level

Variables and Dimensions	Code	Mean	Standard Deviation	Minimum Value	Maximum Value	Coefficient of Variation
A. Committee Size	AC1	3.117	0.322	3.000	4.000	10.34%
B. Committee Independence	AC2	0.931	0.135	0.500	1.000	14.46%
C. Accounting and Financial Expertise of the Committee	AC3	0.531	0.207	0.000	1.000	38.99%
D. Frequency of Meetings	AC4	6.642	3.750	2.000	17.000	56.46%
IFRS15 Standard	IFRS15	0.737	0.186	0.300	1.000	25.32%

***Source*:** Table prepared by the researcher using SPSS software.

According to Table (2), the number of audit committee members is around 3, which is the average for the entire sample. This generalization affirms the reduction in the number of sample observations, as seen by the fall in both the standard deviation and the coefficient of variation. Furthermore, the audit committee members exhibit a significant degree of autonomy, as evidenced by a mean value of 0.931. This suggests less variation in the observations made from the estimates due to a decline in the standard deviation and coefficient of variation. Furthermore, the committee has a tiny level of accounting and financial profession at the sample level with an average value of 0. 531. This is true as the range has been reduced due to a decrease in both the range and the coefficient of range. As it has been seen the level of annual audit committee meeting frequency in the sample is also quite satisfactory which more than 6 regular yearly meeting is. Nevertheless, the mean value cannot be applied universally to the whole sample because of the significant standard deviation and coefficient of variation. This leads to a greater spread of observations within the sample and variance in those observations over the years of the research sample. Moreover, there is a rather substantial degree of acceptance of the IFRS15 standard, as shown by a mean value of 0.737. The small values of both the standard deviation and the coefficient of variation suggest a reduction in the spread of sample observations, which improves the accuracy of mean values in reflecting the whole sample. Nevertheless, the accounting information quality is rather inadequate, as evidenced by a mean value of -0.173. The adoption of this mean value is not feasible due to the large dispersion among the observations in the sample, as demonstrated by the high standard deviation and coefficient of variation for the variable measuring the quality of accounting information.

Fourthly, the researcher conducted a test for the normal distribution of the research data

The researcher employed both the skewness and kurtosis coefficients to assess the normality of the data. This evaluation was conducted to ascertain the appropriate statistical methods for testing the hypotheses. If the data followed a normal distribution, parametric methods would be utilized. Conversely, if the data did not exhibit normal distribution, non-parametric methods would be employed. Data is deemed to follow a normal distribution if the computed skewness values are within the range of (+1 to -1) and the kurtosis values fall within the range of (+3 to -3). After examining Table (3), it is noted that the values of skewness and kurtosis are within the specified range. Thus, it may be inferred that the data follows a normal distribution, allowing for the use of parametric statistical methods to evaluate the hypotheses.

Table 3: Skewness and Kurtosis coefficients

Variables and Dimensions	Code	Skewness	Kurtosis
A. Committee Size	AC1	0.419	1.914
B. Committee Independence	AC2	-.515-	0.556
C. Accounting and Financial Expertise of the Committee	AC3	0.429	-.324-
D. Frequency of Meetings	AC4	0.975	-.108-
IFRS15 Standard	IFRS15	-.016-	0.177

***Source*:** Table compiled by the researcher using SPSS software.

Fifthly, Testing the Hypotheses of Relationship

This section included one main hypothesis as follows:

(H1) The first main hypothesis: There is a statistically significant relationship between the audit committee and the adoption of IFRS15.

To test this hypothesis, the Pearson correlation coefficient was calculated to determine the significance, strength, and direction of the relationship between the research variables. Table (4) shows the correlation coefficients.

Table 4: Correlation coefficients between audit committee and (IFRS15) standard

Variables		AC1	AC2	AC3	AC4
(IFRS15)	Person	0.152	0.129	0.283**	0.276**
	(Sig.)	0.098	0.162	0.002	0.002

(*) Significant at the 5% level of statistical significance.
(**) Significant at the 1% level of statistical significance.
Source: Table prepared by the researcher using SPSS software.

From Table (4), it is observed that there is a significant positive correlation between the adoption of the (IFRS15) standard and both attributes (A. Accounting and Financial Expertise, B. Regularity of Committee Meetings). This means that the presence of these attributes will be accompanied by a greater inclination in the studied bank sample to adopt the standard. However, the significance of the relationship between the standard and the attributes (A. Committee Size, B. Committee Independence) was not established. Hence, the first main hypothesis is accepted.

(H2) Second Main Hypothesis: There is a significant effect of the audit committee on the adoption of the (IFRS15) standard.

This main hypothesis branches into four sub-hypotheses as follows:

(H2.1) First Sub-Hypothesis: There is a significant effect of committee size on the adoption of the (IFRS15) standard.

In order to verify this hypothesis, a basic linear regression equation was created to estimate the (IFRS15) standard using committee size as a predictor variable. The goal was to identify the degree to which committee size influences the (IFRS15) standard. Table 5 displays the outcomes of this influence.

Table 5: Results of the impact of committee size on (IFRS15) standard

Variables	(R^2)	$(\text{Adjusted}R^2)$	(F)	(Sig.)
	0.023	0.015	2.787	0.098
	The constant term (β0)	The regression coefficient (β)	(T)	(Sig).
Committee Size	0.463	0.088	1.669	0.098

***Source*:** Table prepared by the researcher using SPSS software.

Table (5) shows that the regression equation model's validity is not consistent, as evidenced by an F-value of 2.787 at a significance level higher than 5%. This suggests that the size of the committee has a limited impact on the capacity to accurately anticipate the IFRS15 standard. Furthermore, the T-value of 1.669, which above the 5% significance level, indicates that the influence is not significant. Therefore, the initial sub-hypothesis is invalidated.

(H2.2) Second Sub-Hypothesis: There is a significant effect of committee independence on the adoption of the (IFRS15) standard.

In order to evaluate this hypothesis, a basic linear regression equation was created to estimate the (IFRS15) standard using committee independence as an independent variable, with the aim of determining the magnitude of its influence on the (IFRS15) standard. The impact results are presented in Table 6.

Table 6: The effect of committee independence on (IFRS15) standard

Variables	(R^2)	$(\text{Adjusted } R^2)$	(F)	(Sig.)
	0.017	0.008	1.982	0.162
	The constant term (β0)	The regression coefficient (β)	(T)	(Sig)
Committee Independence			1.408	0.162

***Source*:** Table developed by the researcher with the help of the software SPSS.

From table (6) it is confirmed that the validity of the regression equation model of the research is not constant and the F-value is 1. 982 at a significance level of more than 5 percent. This means that there is a lack of independence in the committee to assess the IFRS15 standard as the actual effects of it. In addition, the T-value was 1, which indicates that the research hypothesis was strongly supported at the 0. The results of t = 408, which is above the 5% significance level, also suggest that the impact is not significant. Thus, the second sub-hypothesis is false.

(H2. 3) Third Sub-Hypothesis: In this case, accounting/ financial expertise has a robust impact on the implementation of the (IFRS15) standard.

To provide empirical evidence for this hypothesis, a simple regression equation was developed to model the (IFRS15) standard with accounting and financial experience as independent variables that would help in establishing the degree of influence that these factors have on the (IFRS15) standard. The impact of this factor is presented in table (7).

Table 7: Results of the Impact of Accounting and Financial Expertise on (IFRS15) Standard

Variables	(R^2)	(Adjusted R^2)	(F)	(Sig.)
	0.080	0.072	10.254	0.002
	The constant term (β0)	The regression coefficient (β)	(T)	(Sig.)
Accounting and Financial Expertise	0.598	0.255	3.202	0.002

***Source*:** Table prepared by the researcher using SPSS software.

Table (7) shows that the regression equation model's validity is consistent, as demonstrated by an F-value of 10.254 at a significance level below 5%. This suggests that one must possess a strong understanding of accounting and financial principles in order to accurately assess the IFRS15 standard. Furthermore, the T-value of 3.202, which is below a significance level of 5%, demonstrates the statistical importance of the impact. In addition, the regression coefficient (β) of 0.255 indicates a positive effect, indicating that a gain in accounting and financial competence leads to a higher adoption level of the (IFRS15) standard in the bank sample being analyzed. In addition, the coefficient of determination (R2) of 0 is also acceptable for this research. As highlighted by 080, accounting and financial competence was found to be the cause of 8% of the variance in the (IFRS15) standard. Thus, the third sub-claim can be considered true.

(H2. 4) Fourth Sub-Hypothesis: There is a considerable impact of the frequency of the committee's meetings on the implementation of the (IFRS15) standard.

To test this hypothesis, a simple linear regression model was developed to estimate the effect of frequency of the committee meetings on the (IFRS15) standard and its magnitude. The analysis of the impact results is carried out in Table 8.

Table 8: Research findings on the relationship between meeting frequency of the committee and (IFRS15) standard

Variables	(R^2)	(Adjusted R^2)	(F)	(Sig.)
	0.076	0.068	9.736	0.002
	The constant term (β0)	The regression coefficient (β)	(T)	(Sig.)
Committee Meeting Regularity	0.645	0.014	3.120	0.002

***Source*:** The researcher used the Statistical Package for Social Sciences (SPSS) to develop the following table.

As it is seen from the Table (8) the regression equation model is tested and the value of F is 9 which indicates the validity and stability of the model. With a value of less than 5% for the significance level. This means that the level of precision that defines the (IFRS15) standard can highly be dependent on the frequency of the committee meetings. Furthermore, the T-value of 3.120, which is below the 5% significance level, reveals the statistical importance of the impact. Moreover, the regression coefficient (β) of 0.014 indicates a positive relationship, indicating that an increase in the frequency of committee meetings leads to a higher adoption level of the (IFRS15) standard in the bank sample under study. Furthermore, the coefficient of determination (R2) value of 0.076 suggests that the frequency of committee meetings accounts for 7.6% of the observed variances in the (IFRS15) standard. Therefore, the fourth sub-hypothesis is deemed valid. Consequently, considering the outcomes of all four sub-hypotheses, it can be inferred that the second primary hypothesis is also accepted.

(H3) Third Main Hypothesis: The impact of audit committee dimensions varies in the adoption of (IFRS15).

To test this hypothesis, a multiple regression equation was formulated to estimate the (IFRS15) standard based on the characteristics of the audit committee (4 characteristics: A. Committee Size, B. Committee Independence, C. Accounting and Financial Expertise, D. Committee Meeting Regularity) to determine the extent of their variation in influencing the (IFRS15) standard. In analyzing the data, the Multiple Regression Backward method was used, which involves excluding the least impactful characteristics on the dependent variable. Table (9) presents the results of testing the variation and level of influence of audit committee characteristics on the (IFRS15) standard.

Table 9: Results of the backward regression analysis for the variation in the level of influence of audit committee characteristics on (IFRS15) standard

Variables	(R^2)	(Adjusted R^2)	(F)	(Sig.)
	0.144	0.129	9.841	0.000
	The constant term (β0)	The regression coefficient (β)	(T)	(Sig.)
AC3	0.524	0.235	3.044	0.003
AC4		0.013	2.959	0.004

Source: Table prepared by the researcher using SPSS software.

Table (9) summarizes the results of several tests conducted through the backward regression equation. This is the final model of regression equations among the five models that the test proposed. The following two factors are identified to be defining the audit committee: The following eight characteristics were excluded; A. Committee Size, B. Committee Independence, C. Accounting and Financial Expertise, D. Committee Meeting Regularity, E. Audit Committee Party Affiliation, F. Audit Committee External Members, G. Audit Committee Internal Members, and H. Audit Committee Chair. The summary of this table is as follows: The summary of this table is as follows:

1. It was also tested that the stability of the regression equation model was significant, F = 9. 841, also the test

is significant at 5% level. This suggests that there is a possibility of assessing the (IFRS15) standard depending on two factors of the audit committee (C. Accounting and Financial Expertise, D. Committee Meeting Regularity), confirming the model’s validity.

2. The results of regression analysis revealed that out of two audit committee characteristics, two variables exhibited reasonable stability based on T-values, with a significance level below 5% for both, namely: C. Accounting and Financial Expertise, D. Committee Meeting Regularity. This proves the extent of effects of these characteristics. According to the beta coefficient (β), there was variation in the level of influence on the (IFRS15) standard, with the mechanism of (C. Accounting and Financial Expertise) showing a significantly greater positive impact than (D. Committee Meeting Regularity). These results confirm the variation in the impact of audit committee characteristics in terms of degree and significance.
3. The adjusted determination coefficient value (Adjusted R2) was 0.129, confirming the relationship between the two audit committee features (C. Accounting and Financial Expertise, D. Committee Meeting Regularity) explain 12.9% of the variations occurring in the (IFRS15) standard.

   Therefore, it can be concluded that the third main hypothesis is accepted.

Chapter Four: Conclusions and Recommendations

First: Conclusions

The research conclusions are summarized from both theoretical and applied perspectives as follows:

1. There is a significant positive correlation between the adoption of the (IFRS15) standard and audit committees with their dimensions represented by both characteristics (Accounting and Financial Expertise, and Committee Meeting Regularity), while the significance of the relationship between the standard and characteristics (Committee Size, and Committee Independence) was not confirmed.
2. There is a significant effect of audit committees on the adoption of the (IFRS15) standard, represented by the characteristics of Accounting and Financial Expertise, and Committee Meeting Regularity, while the impact of both the size and independence of the committees was not established.
3. There is variation in the level and significance of the influence of audit committee characteristics on the (IFRS15) standard, where the mechanism of Accounting and Financial Expertise showed a significantly greater positive impact than the characteristic of Committee Meeting Regularity.

Second: Recommendations

The research, based on the above presentation, recommends:

1. Mandatory adoption of the (IFRS15) standard by banks, as revenue represents the most important performance indicator, and it poses a major challenge for audit committees to curb manipulation in accounting policies and estimates.
2. The need to move towards implementing the requirements of adopting the (IFRS15) standard to ensure the necessary information for audit committees' work and enhance their effectiveness, which is associated with the expertise of their members and the number of their meetings.
3. The necessity for relevant entities, organizations, and authorities to focus on adopting the (IFRS15) standard to activate the oversight role of governance through the mechanism of audit committees to protect the interests of investors.

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