



# Confidentiality, integrity and availability of accounting information reflected in enhancing the quality of financial inspections by using hotels as a case study

Jasim Gshayyish Zwaid\*  
Department of Accounting  
Middle Technical University, Kut Technical Institute  
Kut, Iraq  
[jasim.alwosole@mtu.edu.iq](mailto:jasim.alwosole@mtu.edu.iq)

Ali Hussein Mhawesh and Ahmed Hadi Hussein  
Department of Accounting  
Middle Technical University, Kut Technical Institute  
Kut, Iraq

Corresponding author\*

## Abstract

The goal of this research was to study the elements of security of accounting information and how these impact on the quality of financial reporting in industrial corporate reports. Second, to have access to the most important problems facing industrial companies in applied financial reporting in the case of confidential information. Third, to identify the problems faced by industrial companies that have applied security elements of accounting information. To achieve the goal this research, the researcher developed a questionnaire including twenty one points with two sides, analyzed by using the statistics software (SPSS). The result shown that, the essence of financial reporting is a focus on providing high quality information. The information quality must be prepared and delivered by authorizers according to the safety requirements of the accounting information property. Provision of appropriate and truthful information is one of the basic characteristics of accounting information, the confidentiality of information concepts related to provide high quality information cannot manipulate or modify its contents except by authorized security measures. It means disclosure of secure information must be free of any form of manipulation. All employees in a hotel must be vigorously stimulated to promote a hands-on, critical and helpful attitude in the search for quality promotion and improvement in the treatment, security aspects and safeguarding of information.

**Keywords:** information security, confidentiality information, integrity information, financial reporting.

## Introduction

In the light of the knowledge-based economy colorless options and the trend towards globalization and the rapid pace of technological innovation, business organizations and most of the professions are facing mounting pressure about the events of change and development at a time when knowledge becomes a chief economic supplier. Facing the accounting profession at present are many challenges due to the significant changes and accelerating aspects that have occurred in the business environment, and the security of accounting information is the most prominent feature of this change. In the light of these developments, it has become necessary to do accountants adaptations and communicate within a the dynamic business environment, taking into account the effects of this new environment in the accounting profession (Akgun , 2018). Hotels must ensure the confidentiality of information and if not in place implement access control systems to all information sources.

Accounting Information systems should always be secure and protected since it includes very sensitive and confidential information. Hotels need to safeguard their information securely as menaces to information are snowballing as computer savvy thugs are more active than ever before. If a hotels database is compromised, for example, this could lead to numerous irreversible spinoffs and loss of business permanency. Thus any insufficient security can make a hotel suffer considerable client base



and profit losses. Information security must be supposed to be a continuous improvement method that allows a hotel to realize advanced security. The chief goal must be to guarantee compliance with state legislation and compliance with all laws and regulations. Thus employees in a hotel can for one seek to use equipment, systems and software available to them correctly by observing basic security, in a sense of strong confidentiality. The hotel and all employees must work according to well-developed plans developed by senior managers with employee buy-in (Nicolaidis, 2006) and processes that assure regular operational control and continuity of operations especially when there are cases of computer-related occurrences.

The technical and organizational control and monitoring systems must provide confidentiality, truthfulness and obtainability of information managed within the hotel in an operative way. The important risks that the businesses face comprise a forfeiture of personal data of guests, and this results in breaches of privacy and also legal responsibilities. They could also lead to individual loss and subsequent client claims. Losing guest details is in essence a breach of contract. This is why it is vital to have systems in place to prevent any malicious threats to operational systems. Financial fraud with customer credit card information, including bookings made using stolen identities are highly problematic (MOTC, 2018). Reputational damage may be caused as the consequence of any of these risks occurring. Third party risks are also likely related to loss of personal or confidential information due to criminals targeting sensitive data via third-party providers – for example, room booking sites or car rental companies, which maintain information on guests (MOTC, 2018).

### **Research problem**

The current research problem is related to the security of accounting information and its impact on the quality of financial reporting in industrial companies reports, and how to highlight the security of accounting information in confidentiality and integrity of information elements and also to ensure access to information and computer resources. The problem can be summarized the following manner:

What is the effect of security elements of accounting information (information confidentiality, integrity or availability of information continuity of existence) on the quality of financial reporting in industrial companies listed on the Iraq Stock Exchange and in their reports. This question is sub-divided into the following questions:

- 1 - What is the effect on the confidentiality of the information component of the quality of financial reporting in industrial company reports?
- 2 - What is the effect on the integrity of the information component of the quality of financial reporting in industrial company reports?
- 3 - What is the effect of the continuity of availability or presence on the quality of financial reporting in industrial companies reporting elements?

1. The objectives of the research are thus as follows:

Given the importance of this subject, the research aims to achieve several goals including:

- 1 – Crafting of a statement following the security elements of accounting information on the quality of financial reporting in industrial corporate reports.
- 2 - Access to the most important problems facing industrial companies applying financial reporting in the case of confidential information.
- 3 - Identifying the problems faced by industrial companies that have applied security elements of accounting information.

## The Conceptual Framework

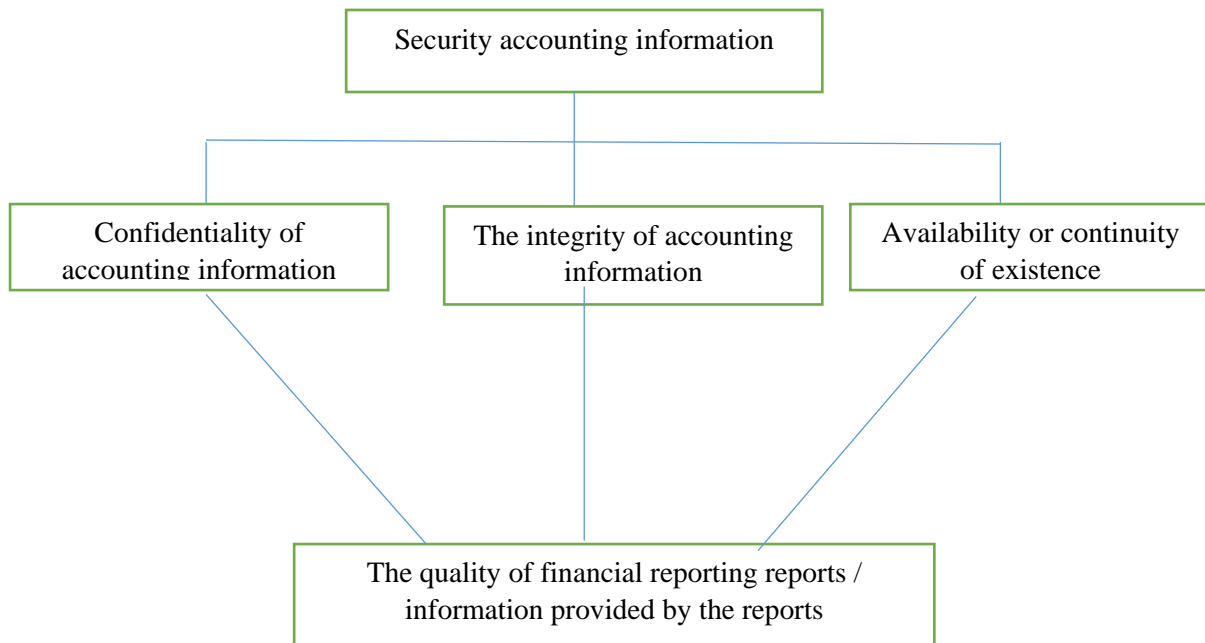


Figure 1. The Conceptual Framework

## Research Procedures

First: what is security accounting information?

The second axis: security information and relationships in the quality of financial reporting:

The third axis: the practical side: a questionnaire.

The fourth axis: findings and recommendations.

Fifth: sources.

## The first axis: security implications of accounting information

**Security concept of accounting information:** The term "information security" is commonly used within the scope of processing activities and transfer of data by computer systems despite the the introduction of modern information technology. By replacing the traditional ways to save, store and process electronic information through modern means, information is threatened more than it was in the past and it is easily accessible. Thus, there is a need for information security as a basic need and it occupies a large area of research studies and has in a sense become an obsession which haunts many of the actors. A general glance at the term security of accounting information, informs us that it refers to provided confidentiality, integrity and completeness of the information and ensures the continuity of its existence and the possibility of checking each action or each treatment applied to theses aspects. Allen (2018) divided the concept of security of accounting information into two main categories: mono and dual. Satisfactory care and due diligence must be preserved in preparing financial statements to circumvent erroneous investment decisions leading to losses.



**It is intended a security of unilateral information:** It means that for the system to be secure in itself and credible if it cannot allow any external intruder from making any changes in the system or get it out of its normal behavior or when there is some modification or change in the data itself. This must be protected from any external penetration and the user of this system must depend on it entirely and then the system should not pose any security problem one way or another.

**The bilateral security:** refers to the information needed to be protected from both sides while dealing with trade-mail systems, in which the buyer and seller have confidence in each other missing systems and require one to ensure that one's behavior towards others is based on honesty and reliability if the parties are the last to complete the business process (Ambrosie, 2015). Here, information security is defined from an academic point of view as "the science that looks at the theories and strategies for providing protection to information from the dangers that threaten it and the activities of the assault". Nonetheless from a technical standpoint of information security one realizes that it is a means and tools required and the procedures available to ensure the protection of information from internal and external threats. From a legal angle, however, information security is defined as a place of studies and measures to protect the confidentiality and integrity of the content and availability of information and the fight against abuse or exploiting them in committing crime organized activities. Brigham (2002) defined information security academically as a search in policies and strategies to be pursued to protect the information from the various attacks that it may be exposed to, and also the risks that could threaten it. Technically speaking, information security has been defined as a collection of means and measures and procedures that must be provided to ensure the protection of information menaces from both inside and outside the protected information environment of a company.

### **Accounting Information Security Strategy**

An information security strategy or information security policy refers to the rules that are applied when dealing with people and with the technical information within the enterprise and it is related to the affairs of access to information and work on the systems and management group. It is also known as a set of rules relating to access to information and disposing of it. Structure dependent information is an essential element in improving performance and achieving desired objectives, and through the above we get to an information security strategy as the rules that determine how access to information is handled and how to deal with it. The information security strategy is very important in efforts to maintain the security of accounting information systems so as to prevent persons who are not entitled to access to the information to get it. It allows one to deal with them or identify them. In preparing the state strategy on information security, and in order for this strategy to be effective, productive and purposeful it needs to contribute to the preparation and understanding and acceptance and implementation of the various job levels at a facility. This is in addition to the need for cooperation and full support of warnings, from here, the concerned persons can prepare an information security policy. They can generally include site security and network managers and staff of the computer unit and directors of various units in the enterprise and other officials in a business such as in marketing, research and other area. It also includes the response to accidents and breakdowns and representative users levels of senior management as well as the legal management team (Brigham et al., 2012).

### **The goals of Security Strategy Accounting Information**

In order to be considered successful and effective and information security at a high level, the application of the strategy must include those involved in the preparation and implementation of all job levels that are related to that strategy, where those levels seek to ensure the success of the strategy. This will be through the realization of the goals of information security strategy, which are represented in the following:

(A) a definition of users of information systems and various administrative obligations required for the protection of computer systems, networks and information in all its forms and in various stages of collection, duties and introduced processes and it is transmitted over networks and retrievable when needed.

(B) Determining and adjusting the mechanisms by which to achieve the implementation of the specific duties for each of the related information systems, and determining the responsibilities for the risk/s.



(C) A statement of procedures to mitigate or avoid the threats and risks and how to deal with them when receiving the, and the authorities in charge ([www.arablaw.org/information](http://www.arablaw.org/information)).

**Security elements of accounting information:** In order to protect the information of risks, there must be a set of elements that must be considered in order to provide adequate protection of the information. These elements are classified into the following according to Kannegiesser, (2008).

**Confidential accounting information:** Confidentiality is the term used to prevent the disclosure of information to unauthorized persons to look at it or disclose it. For example, using a credit card in a commercial transaction on a network that requires a credit card number to be transmitted from the buyer to the merchant and the merchant then completes the processing of transactions on the network and the system tries to impose secrecy by encrypting the card number during transmission. This is done by reducing access to storage areas or the appearance of the sequence of the card number (in databases, log files, backup, print receipts), and by restricting access to places. The number and data are stored.

Breach of confidentiality also take many forms such as spying on someone on a computer screen to steal the secret passwords of entry or see confidential data words without the knowledge of their owner can also be a breach of confidentiality. This is especially important if a laptop contains sensitive information about the company's employees and it is stolen or sold. This could most likely result in a violation of the principle of confidentiality and giving of confidential information via a telephone call is a violation of the principle of confidentiality if the person is not authorized to contact another so as to get information. Confidentiality is necessary (but not sufficient) to maintain the privacy of people who have their personal information systems Kaplan, (2010).

**The integrity of accounting information:** In the field of information security (safety) means to maintain the data of the change or modification and keep it safe from unauthorized persons to access when someone may intentionally or unintentionally be deleting or violating the safety aspects which are critical or damage data files, which they are not authorized to do, is a violation of the integrity of the data and when a virus infects a computer and adjusts the data or destroys it, this is a violation of the integrity of the data. Also when the employee who is unauthorized is able to modify the salary data and payroll base and when an unauthorized user is able to sabotage a website and so on.

Data integrity as well as the means for the changes in a steady data flow occur when for example, a customer of the bank withdraws money or makes a deposit, and this should be reflected on the tally in the bank.

Although prejudice of the safety of the data is not necessarily the result of an act of sabotage, it happens such as for example, interruptions in the system which create unintended changes or it does not allow the saving of changes which may have taken place (Kaplan & Norton, 2001).

**The continuity of availability or existence:** means to make sure that there is continuity of the work of the information system with all its components and the continued ability to interact with information and service delivery sites information and also to ensure that the users of such information prevent their use or access by illegal persons who may stop the service. They could do so by a pumping out a huge amount of messages over the network to the hardware of the institution.

Any information system also aims to serve its purpose, so that the information is available when you need it. This means that the work of the following elements of the system must be proper and continuous:

- Computer systems used to store and process information.
- Security controls used to protect the system.
- Communication channels used to reach target readers.
- Highly-secret systems aimed at continuity of protection at all times.
- Preventing of any and all service interruptions due to power outages or hardware failure, system of upgrades and modernization.



- ensure the prevention of denial of service attacks (Lawson et al., 2015)

**Security requirements of Accounting Information:** The issue of the protection of accounting information security of important and necessary issues that the institution needs should be taken into account and the protection of a comprehensive plan activated within the organizational and material potentials should prevail. This should be strong protection and there are several requirements for the protection of accounting information security. These can be summarized in the following way:

1. Proposing the protection of public policy for the security of accounting information is determined by the nature of the work and applications of the facility.
2. The senior management must support the enterprise's accounting information security.
3. The responsibility of accounting information security in the organization should be assigned to well-qualified people.
4. Determining the necessary protection for the various operating systems and applications is critical.
5. Determining the monitoring and inspection mechanisms for information systems and computer Networks is needed.
6. Keeping backup copies of information systems securely is also vital.
7. Encrypting information must be saved and stored and transported on a different media platform.
8. Ensuring the continuity of the work and the readiness of the security of private information in the event of crises and facing the risks associated with information systems are ongoing issues.

### **Methods and techniques of accounting information security**

With the growing need for communication and exchange of data and the increase in information, the need to document the communication and make sure the methods are legitimate and secure from potential risks mentioned above is essential. These methods can be summarized as follows:

#### **Administrative methods**

When providing the security system and procedures, priority should be given to the company's employees who should be put 'into' the account as the largest predators of the security of their information processing and who with their ability to tamper prepare the company's protection system and thus it enables them to enter from outside or allow others to do the job. So, the following steps (tasks) should be taken into account:

- \* Giving the employee the least possible advantages which are only ones able to perform assigned tasks.
- \* Reducing the disclosure of important and sensitive data and allow administrators only to look at it or Modify it as needed.
- \* Changing ongoing access methods such as passwords.
- \* Checking inputs and outputs. (Martin, 2005)

#### **Physical Methods**

These mean to ensure the protection of the hardware physically, by restricting access to the offices and sections containing significant computing resources and ensure emergency preparedness, such as fire or natural disaster. They also put up the necessary equipment to recover the lost information of plans by these disasters, a so-called disaster recovery planning in addition to the protection of the computer environment via irregular electrical currents and magnetic fields. It also makes sure the appropriate temperature, humidity and other weather conditions that affect the computer's performance over the long term are considered (McGee, 2010).

#### **The Electronic Methods**

In the past time, computers based on a Dialup or Dial on Demand method of any device would not be connected to the global network unless the user does actually apply this connection once the device is cut for that connection. Today, with the advancement communications provided, the vast majority of organizations and individuals rely on the broadband method of communication, which means that the



line of communication is always open, and once you start your Computer, given that the administrative and commercial establishments rarely turn them off, it opens the communication line to the global network including DSL technology and Leased Line Technology. Therefore, prevention measures must be strict and complete and communications must continue and be constant and continue to work using these measures as follows below (McKay & Subramoney, 2017).

### **The second axis: security information and relationships in the quality of financial reporting**

The concept of financial reporting: FASB, in the first statement (financial reporting in the economic units concepts) defined financial reporting as activities that rely on serving the needs of users of financial information which they require from the plant, and indicates the financial reporting of the term when some of the operations provide useful information for the parties that have interests within the facility. This will assist them in making investment and credit decisions and help them in determining the extent of uncertainty of cash flows desired. FASB argues that the financial reporting process is broader than financial reporting and that there is financial information such as the attached lists and reporting of reserves and it analyzes the administration contained in the annual report and also letters addressed to shareholders. These are preferably provided with the financial statements, and the acceptance of other sources as a means for reporting financial information and this is a significant shift from the previous thinking that all financial information must be reflected in the financial statements themselves.

Financial reporting in accounting is not an end in itself, rather, it is a means to deliver financial information, which is the final effectively derived accounting system outputs (Mjongwana & Kamala, 2018).

Despite all the items that are illustrated by the financial reporting, FASB confirms that the target is not to measure the value directly to the facility, even if the information provided is of great benefit to those who wish to determine its value. This is since the financial information provided by an entity in the financial statements and reports, is used by investors to help in the purchase or sale of securities in their state investment in line with their preferences regarding the risks and expected returns on their investment. On this basis, the financial reporting is designed to provide useful financial information in several important groupings. Hence, users of financial statements are usually dependent on the financial information that will assist them in planning cash flows, future inflows and outflows as financial reporting to provide information to prospective investors that will help them in assessing the entity's ability to pay the dividend income in the future. This is since they want to judge how pedestrian their success is in the form in which it increases the share price desired targets based on quality issues that leaders and managers expect to find (Nicolaidis, 2006).

The quality of financial reporting: Generally speaking, the quality means matching the product of any kind to the specifications and the realities of certain agreed-upon specific aspect by an independent official body either internationally or nationally. It should be accredited in order to achieve acceptance and satisfaction of users of that product.

Quality has been given several definitions, including convenience or conforming use in quality in the field of financial reporting as a reflection of a set of qualitative characteristics of accounting information, relying on their credibility and their relationship to the subject. This is a main consideration as well as another group of ideas in quality, such as appropriate and accurate characteristics and impartiality and the ability to compare and in a timely way, and keep the issues of the quality of financial reporting as a natural consequence of the quality of work performed by management and auditors and those who prepare financial information in accordance with required effective accounting standards (Porter, 2011).

Porter and Millar (1985) in the case of a focus on the two things together, assert that it will affect the quality of financial reporting, namely:

2-1 - High-quality accounting standards undoubtedly lead to improving the level of transparency among companies, and the adoption of an international accounting standards process (IAS) reduces mistakes that analysts expect to see in the financial statements.

2-2 - The third party to audit the financial statements makes it more sedate in terms of the quality of financial information that is communicated by management. Users assess the financial reporting



process audit information and they expect that the auditor will be investigating mistakes, detecting and finding out if it certain paragraphs of the financial statements have been deleted to the extent that these challenge users to hold the conviction that the expertise and personal information that inspectors have is independent, objective and accurate and that they are able to impart trust and credibility in their financial statements.

Poureisa et al. (2013), has also noted that there are three characteristics in the quality of the delivery of information to beneficiaries which are part of the financial reporting system including:

1. Ease of communication between the beneficiary and the system.
2. The delivery of information to the beneficiary when it is needed.
3. Use appropriate means to deliver that information.

### **The goals of the quality of financial reporting and to benefit from the information reports**

There are multiple objectives the various parties are seeking to achieve in the field of EV, which vary depending on the views on how to maximize that value or measuring. These views are as follows (Quesado, 2018):

- A - Maximizing wealth or expand the current value of the project and the sustainability of its activities.
- B - Maximizing the financial value of the facility where the economists believe that the use of profit maximization is a goal to evaluate the operating performance of an entity, because maximizing profitability expresses in their opinion the economic competence of the enterprise.
- C - Maximizing the market value of the stock as one of the most important strategic goals of the administration is to maximize the market value per share.

### **Factors affecting the quality of financial reporting reports**

There are factors that can affect the quality of financial reporting package (see also George, 2003: 2) which are:

- A - the high-quality accounting information undoubtedly leads to improved levels of transparency among companies as the adoption of international accounting standards process (IAS) reduces the errors that have come to be expected by the financial statements analyzer.
- B - that a third-party audit of these financial statements makes it more sedate in terms of the quality of financial information that is communicated by management, and users of assessing the financial reporting of audits have the information that they expect that the auditor will be the investigating for mistakes, detecting and finding out things. For example has there been deletion of certain paragraphs of the financial statements to the extent that they reach users with the conviction that the expertise and personal information possessed by the auditor is that of an independent, objective and accurate person. In addition he is able to lend confidence and sincere representation of the financial statements offered.

### **The Quality of Financial Reporting Reports Properties**

- A - Ease of communication between the beneficiary and the system.
- B - The delivery of information to the beneficiary when it's needed.
- C - Use appropriate means to deliver that information.

### **The Quality of Financial Reporting Package Variables**

There are four selected variables for the purpose of representation and measuring the quality of financial reporting and the reports of the following:

**Financial reporting accuracy:** Accuracy is one of the major quality financial reporting issues and the important reports which highlight the importance of property in this area as a result of the ability of this feature in the presentation of the bulk of the quality of financial reporting reports, especially in the field





of accounting information and its role in influencing investor decisions in general characteristics is vital. Latent problems that disturb the quality of financial reporting may include revenue and expense acknowledgement on the income statement; arrangement on the statement of cash flows and the acknowledgement, cataloguing, and amount of assets and liabilities on the balance sheet.

**Appropriate financial reporting:** This represents the appropriate property head in the quality of financial reporting packages, which means the ability of information provided to influence the decision by making a difference in the decision as a result of the provision of information, so it is one of the key characteristics required to be provided in any information system, and on this basis is being paid attention to and measured as part of the representation of the quality of financial reporting reports. High-quality reporting delivers decision-useful information which is pertinent and authentically characterizes the economic reality of the company's doings during the reporting period and then also the company's financial condition at the end of the reporting period. High financial reporting quality is shown by comprehensiveness, unbiased measurement, and sound presentation. A risk-free course to applying QFR (Quality financial reporting) is found in making improved selections when formulating GAAP financial statements. FASB has issued three standards that endorse certain reporting practices while permitting companies to use other practices that are less informative: Statement no. 89, Financial Reporting and Changing Prices, Statement no. 95, Statement of Cash Flows and Statement no. 123, Accounting for Stock-Based Compensation (Miller, 2002).

QFR is an attitude, not a set of specific practices. It involves companies getting in touch first with capital market participants to better understand their needs and serve them more quickly, thoroughly and conveniently than their competitors. To be this nimble and creative, accountants cannot consider minimum compliance with politically compromised GAAP to be sufficient, any more than car designers can consider minimum government safety and pollution standards sufficient when creating marketable vehicles. Instead, QFR calls for voluntarily expanding the scope and quality of reported information to ensure market participants are more fully informed. (Miller, 2002).

**The right timing for the quality of financial reporting reports:** This refers to timely work to provide accounting information to the beneficiary of the important characteristics of the core that increase the possibility of benefiting from the information provided by the parties, and to provide information in a timely manner is one of the qualities of financial reporting requirements that is needed. On this basis it was adopted as one of the mouthpieces of the quality of financial reporting package characteristics.

**Technologies improve the quality of financial reporting reports:** There are techniques that will help improve the quality of financial reporting and the reporting of these techniques are:

7-1 - Taking the initiative to discuss the role of quality and this is not just limited to the extent of compliance with the special accounting principles and institutions may monitors its accounts, but calls for a discussion of the following:

- A - Choosing sophisticated accounting policies.
- B - Expectations and judgments and making sure about certainty.
- C - Untypical transactions.
- D - Financial Statements and related policies to important items.
- E - Timely transactions allocated to record such transactions and duration.

7-2 - Full disclosure to get to the best judgment and less risk that the facilities have to take into account the need for full disclosure of more power for the relevant supply and decision spaces or expectations that can affect profits.

7-3 -Directing a high-quality financial reporting as a source of significant competitive benefits your thinking if it was clear that the administration usually for a series of events and subsequent accounting mistakes tended to consider the issue of expectations and judgments as personal about



the discipline of accounting and as a way to install the transaction or record the results which give an image that is more optimistic than the economic basis for transactions.

- 7-4 -Linking the accounting knowledge of the business as the strengthening of the company's reputation as they key to get the quality of the financial reporting package. It is not how can the accounting flexibility be used for the development of the results, but rather how can it be used for accounting flexibility so as to provide the best financial position of an entity and the best results of operations leading to a positive image.
- 5 - An emphasis on efficiency and the level of training in the field of accounting and financial reporting of any reports and the size and degree of complexity and overlap and multiple accounting standards, may pose severe pressures and requires attention or a fixed policy and continuous education (Bdo, 2004).

### **Security implications of accounting information on the quality of financial reporting reports**

The concept of data security accounting information may inevitably have an impact on the accounting profession and has increased the size of the challenges faced, and highlighted the importance of finding a profession of global accounting which is able to offer their services to all, regardless of geographic boundaries. This has led to the need to restore the accounting profession engineering and the application of accountants for the Systems and Technology Information and means of communication and financial reporting evolving, changing, or the development of many of the traditional accounting standards and practices. This effect has been seen in a long-financial reporting system like all other aspects of the profession, it was for the security of accounting information which has an influence on a lot of the elements of this system for the purposes of this research. In the requirements we looked for the effects of security elements of information in certain aspects of the quality of financial reporting, and these elements are stated below:

**Confidential accounting information:** This means to make sure that the information cannot be accessed or disclosed by persons who are not authorized to do so and to reflect this matter to institution must use appropriate protection methods. This can be through the use of various means such as encryption processes messages or preventing the identification of the size of those information or path to send. This is not inconsistent with the standards of quality, because the quality of financial reporting means having the quality characteristics of the stated information. This information is declared effective and requires the decisions of investors, creditors, lenders and others as confidential information.

**The integrity of accounting information:** This means to make sure that the information is true and the content has not been altered or destroyed or tampered with in any stage of processing or interchange, whether dealing internally or externally in the project by unauthorized persons. It is often done because of the illicit intrusions such as viruses where no one can break the bank database and changes the account balance for that lies with the enterprise secure content safety through the adoption of protection means suitable, such as software and hardware anti-breakthroughs or viruses, where require that the quality of financial reporting information that has been published is correct and clear, impartial and safety of mistakes or be manipulated, and you information will be safe from penetration anything has not changed from its content after publication.

QFR offers guidance for all areas of financial reporting, not just the contents of reports. For example, it sheds new light on the importance of auditor independence. Specifically, audits add credibility to management's reports and reduce uncertainty, risk and the cost of capital. It follows that management can help stockholders by engaging unquestionably independent auditors. If new standards increase independence, stock prices will rise. However, there is little wisdom in waiting for regulators to act because QFR shows managers they can create value by voluntarily increasing auditor independence. Financial managers are better off engaging the toughest auditors they can find so they can advertise their reports as having survived their scrutiny.(Miller, 2002).



**The continuity of existence or availability of accounting information:** A safe system secures the continuity of users' access to their own information without any delay. It has further characteristics of the property:

- Resistance which is the system's ability to maintain the same processes that make it unavailable to users by authorized users), for example, that the system be able to prevent the execution of queries which require a large book into server memory.
- Ease of use.
- Flexibility and availability of the capabilities and tools that enable the management of the system without requiring it to stop it.
- The ability to expand to meet the future needs.

It could be argued that the three basic dimensions of the Information Security Management, i.e., confidentiality, integrity, and availability (to be offered in both systems), but has a predominantly one over another depending on the nature of information and the organization and the circumstances surrounding them, and most of all a balance between prevention and use is known to take resolution of total ban is very easy but it is inappropriate and unhelpful (Al-adaileh, 2009), is evident from the foregoing that the provision of information has a significant impact on the quality of financial reporting where whenever the information is published and declared available in a clear and good to be easy communication between the beneficiary and the accounting system and be more useful for the beneficiary when he is needed for it.

### Practical Part

Having finished collection data required concerning the variables of the present study, the researcher has encoded and processed these data into one of the computer software to extract the desired results where the some statistical have been used within the statistical program of Social Sciences (SPSS). Then, the obtained data have been processed through field study of the sample under investigation. More specifically, the researcher has used the following appropriate statistical methods:

- 1 - Multiple linear regression analysis (stepwise): in order to test the relationship between the whole independent variables together in the dependent variable.
- 2 - Simple linear regression analysis (simple regression): in order to test the effect of each independent variable in the dependent variable.

The questionnaire has been constructed for the purpose of testing the hypothesis where the following findings have been obtained:

### Personal Information:

#### Gender

**Table 1. Gender**

| Gender  | Frequency | Percentage |
|---------|-----------|------------|
| Males   | 14        | 46.67 %    |
| Females | 16        | 53.33 %    |
| Total   | 30        | 100 %      |

#### Age

The age group of the respondents to the present study questionnaire ranges from (25-65) and from all specializations.



## Education

**Table 2.** Education

| Education | Frequency | Percentage |
|-----------|-----------|------------|
| Diploma   | 2         | 6.67 %     |
| Bachelor  | 9         | 30 %       |
| Master    | 13        | 43.33 %    |
| Doctorate | 6         | 20 %       |
| Total     | 30        | 100        |

It is clearly noted from the above table that holders of master degree constitute the bulk of the respondents with the percentage of (43.33 %); bachelors, scoring (30 %); followed by PhDs, with (20 %); finally, diploma holders with the percentage (6.67 %). These results indicate the availability of well-qualified cadre with university degrees. The ratio of the impact of the seven items of the first axis as the independent variables with each paragraph of the second axis as the dependent variable was measured by using the style of multiple linear regression analysis under way (stepwise), which provides for the introduction of all the variables and the exclusion of variables that have very little influence and sometimes no effect.

After measuring the percentage of the impact of variables (X1 to X14) on the dependent variable (Y1), where the test statistics have been (F=424.442) of a significant value (0.000). Since the p-value is less than the level of significance ( $\alpha= 0.05$ ); it is even less than the level of significance ( $\alpha= 0.01$ ). Accordingly, the model is moral and the explanatory variables (X10, X12, X5) are important and influential in the model which enhances the rising value (R2) accounting for (0.979%) of the total changes in the dependent variable (Y1). The remaining percentage (0.021%) of the changes occurring at the dependent variable (Y1) is usually attributed to the factors listed within the limit of error. To find out whether any of these factors has had a positive impact in the moral model. We conduct a (T-Test) for each parameter included in the model. The first parameter has shown the value of (3.441= (5) t); its level of significance was (0.002) which is less than ( $\alpha =0.01$ ), which demonstrates high significance for the variable (X5), i.e., it is both important and influential for the model. As for the explanatory variables (X12) and (X10), they have been gradually included in accordance with its level of the importance of impact, where the value of (t) has been (2.157, 2.500) respectively, while its level of significance was (0.019, 0.040) which is less than ( $\alpha = 0.01$ ) indicating a high level of significance for the explanatory variables, that is, they are of important impact for the model. The remaining explanatory variables have been excluded from the model due to their lack of impact. The following table is an analysis of variance as well as a table for choosing the best model. Table (1) indicates ANOVA <sup>a, b</sup>

**Table 3.** ANOVA

| MODEL        | Sum of Squares       | df | Mean Square | F       | Sig               |
|--------------|----------------------|----|-------------|---------|-------------------|
| 1 Regression | 671.338              | 1  | 671.338     | 730.206 | .000 <sup>c</sup> |
| Residual     | 26.662               | 29 | .919        |         |                   |
| Total        | 698.000 <sup>d</sup> | 30 |             |         |                   |
| 2 Regression | 681.009              | 2  | 340.505     | 561.128 | .000 <sup>e</sup> |
| Residual     | 16.991               | 28 | .607        |         |                   |
| Total        | 698.000 <sup>d</sup> | 30 |             |         |                   |
| 3 Regression | 683.507              | 3  | 227.836     | 424.442 | .000 <sup>f</sup> |
| Residual     | 14.493               | 27 | .537        |         |                   |
| Total        | 698.000 <sup>d</sup> | 30 |             |         |                   |

It clearly shows that the importance of the function of financial reporting as a means of disclosure of accounting by focusing on the importance of financial reports and respond with information and how they are connected to the outskirts of the beneficiary, the content (y1) and of asking (representing financial reporting processing information useful to investors for the purpose of helping them in their investment decisions) industry. The observation of parameter (X5) of asking (e.g. safety accounting information is to keep the information of the change or modification of unauthorized persons to do so) has enabled us to find out the influence of a clear relationship worth (3.441) related to the safety of

accounting information. This represents the core of the financial report, which focuses on providing appropriate information to users of such information, followed by the impact of the two parameters (X10, X12) of the two inquiries (to provide security of accounting information property makes with the representation of information of valid result in its activity and its financial position (f) that the safety of the accounting information includes not change or manipulate the content of by unauthorized or non-accountant). The fact is that these two parameters are focused on providing high-security related information which enhances the quality of financial reporting. This is evident from a review of the following table.

**Table 4. Model Summary**

| Model | R                 | R Square <sup>b</sup> | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |     |     |               | Durbin Watson |
|-------|-------------------|-----------------------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|---------------|
|       |                   |                       |                   |                            | R square change   | F change | Df1 | Df2 | Sig. f change |               |
| 1     | .981 <sup>a</sup> | .962                  | .960              | .95884                     | .962              | 730.206  | 1   | 29  | .000          | 1.234         |
| 2     | .988 <sup>c</sup> | .976                  | .974              | .77899                     | .014              | 15.937   | 1   | 28  | .000          |               |
| 3     | .990 <sup>d</sup> | .979                  | .977              | .73266                     | .004              | 4.653    | 1   | 27  | .040          |               |

As for measuring the effect of variables (X1 to X14) on the dependent variable (Y2), the value of test was (F=490.120) at the significant level (0.000). Since the potential value is less than the level of significance ( $\alpha = 0.05$ ) and even less than that of a moral level ( $\alpha = 0.01$ ). Accordingly, the model is significant and the explanatory variables (X5, X10) are important and influential in the model. What supports this is the high value of (R2) at (0.972%) of the total changes taking place at the dependent variable (Y2). The remaining percentage, which amounts to (0.028%) of the ongoing changes of the variable (Y2) is usually attributed to other factors listed within the limit of error and to find out whether any of the changes has had a positive impact in the moral model, a T-test is conducted to find out the significance of each parameter of the model. It is found that the first parameter was (3.465 = (10) t), where its level of significance was (0.000) which is less than ( $\alpha = 0.01$ ) which demonstrates a high level significance of the variable (X10), i.e., it is both important and influential with regard to the model. As far as the explanatory variable (X5) is concerned, it was found to be in accordance with the level of impact, where its value was (t) (3.909), where its level of significance was (0.001) which is less than ( $\alpha = 0.01$ ), pinpointing a high level of significance that demonstrates an important impact to the model. As for the remaining explanatory variables, they have been excluded from the model due to its lack of impact. The table below shows the analysis of variance and the table which shows choosing the best model: Table (2) shows ANOVA <sup>a, b</sup>

**Table 5. ANOVA**

| MODEL        | Sum of Squares       | df | Mean Square | F       | Sig               |
|--------------|----------------------|----|-------------|---------|-------------------|
| 1 Regression | 601.041              | 1  | 601.041     | 646.542 | .000 <sup>c</sup> |
| Residual     | 26.959               | 29 | .930        |         |                   |
| Total        | 628.000 <sup>d</sup> | 30 |             |         |                   |
| 2 Regression | 610.560              | 2  | 305.280     | 490.120 | .000 <sup>e</sup> |
| Residual     | 17.440               | 28 | .623        |         |                   |
| Total        | 628.000 <sup>d</sup> | 30 |             |         |                   |

This can be explained with the concept of the need for the function of financial reporting being the supplier of accounting information of high quality on the basis of which decisions of investment, credit, estimating future cash flows as well as changing various information resources, economic unity, obligation and changes that have taken place, are determined. Observing the ratio of impact of independent variables, we have found that the independent variable (X5) represented by the inquiry: (it is meant by the integrity of accounting information to keep the information of the change and modification of unauthorized persons) and that its impact ratio was (3.465) on the independent variable (y2) represented by the inquiry: (financial reporting means supplying useful information to investors to help them determine the bulk and timing of expected cash flows and the degree of uncertainty surrounding it). This can be explained by the requirements of the function of financial reporting which



are centered in the concept of providing information of high safety, free of change and adjustment of persons who are unauthorized to do so. This is the same value as that of (X10) represented by the inquiry: (the integrity of accounting information implies not changing or manipulating it by neither unauthorized persons nor accountant, which is determined by providing information of high safety.

### Model Summary

**Table 6.** Model Summary

| Model | Unstandardized coefficients |           | Standardized coefficients | t      | Sig   | 95.0% confidence interval for B |             | correlations |         |      |      |
|-------|-----------------------------|-----------|---------------------------|--------|-------|---------------------------------|-------------|--------------|---------|------|------|
|       | B                           | Std.Error | Beta                      |        |       | Lower bound                     | Upper bound | Zero-order   | partial | Part |      |
| 1 x10 | .992                        | .039      | .978                      | 25.427 | .000  | .912                            | 1.072       | .978         | .978    | .978 |      |
| 2     | X10                         | .538      | .120                      | .530   | 4.465 | .000                            | .291        | .785         | .978    | .645 | .141 |
|       | X5                          | .483      | .124                      | .464   | 3.909 | .001                            | .230        | .736         | .976    | .594 | .123 |

As for measuring the impact of variables (X1, X2, X3, X4, X5, X6, X7, X8, X9, X10, X11, X12, X13, X14) on the dependent variable (Y3), the test statistics have been (F=719.000) to a level of significance (0.000). Since the potential value is less than the level of significance ( $\alpha=0.05$ ), and it is even less than the level of significance ( $\alpha=0.01$ ). Therefore, the model is significant and the explanatory variables (X12, X4) are both important and influential to the model; what enhances this is the rising value of (R2) amounting to (0.981%) out of the total changes occurring to the independent variable (Y3). The remaining, which amounts to (0.019%) is attributed to other factors that have been listed within the limit of error. In order to explicate the positive impact of any of these variables in the significance of the model, T-Test, relevant to each of the parameters, is conducted.

The first parameter has shown the value of (5.293 = (4) t), as was the significant level (0.000) which is less than ( $\alpha=0.01$ ) which demonstrates the high level of significance of the variable (X4), which indicates that it is both an important and influential for the model. As for the explanatory variable (X12), it was in accordance with the level of impact as the value of (t) (4.621) where its level of significance was (0.000), which is less than ( $\alpha=0.01$ ) which demonstrates a high level of significance, i.e., it is of important impact to the model. The explanatory variables, in turn, were excluded from the model due to lack of impact as it is shown in the table below which demonstrates the analysis of variance as well as the table of selecting the best model. Table (3) shows ANOVA<sup>a, b</sup>

**Table 7.** ANOVA

| MODEL        | Sum of Squares       | df | Mean Square | F       | Sig               |
|--------------|----------------------|----|-------------|---------|-------------------|
| 1 Regression | 552.742              | 1  | 552.742     | 832.375 | .000 <sup>c</sup> |
| Residual     | 19.258               | 29 | .664        |         |                   |
| Total        | 572.000 <sup>d</sup> | 30 |             |         |                   |
| 2 Regression | 561.075              | 2  | 280.538     | 719.000 | .000 <sup>e</sup> |
| Residual     | 10.925               | 28 | .390        |         |                   |
| Total        | 572.000 <sup>d</sup> | 30 |             |         |                   |

This can be explained in the modern concept of financial reporting as the activity of financial reporting has not been limited to the transfer of information from the accountant to beneficiaries through financial reports only. It is also expanded to be active including the transfer and delivery of information while enhancing the ability to understand the information in the light of the quality of financial reporting requirements. Financial reporting has included financial and non-financial information, and here we find the coherence and impact parameter (X4) and of inquiry (e.g., confidentiality of accounting information is a systematic process to prevent the disclosure of information to unauthorized persons to disclose).

This will increase accounting information and if these items are not disclosed to unauthorized persons to disclose this will serve to enhances the quality of financial reporting as well as parameter (X12) and of the inquiry which reads (the provision of security of accounting information property makes with the representation of information endorsed the outcome of its activities and financial position) with an effect



on the dependent variable (y3 ) and the inquiry which reads (the concept of financial reporting represents a broader concept of accountability in the understanding of the fact that it includes all activities aimed at providing financial information) which reflect modern financial reporting so as to provide credible and understandable informational perspectives.

**Table 8.** Coefficients

| Model | Unstandardized coefficients |           | Standardized coefficients | t      | Sig   | correlations |         |      |      |
|-------|-----------------------------|-----------|---------------------------|--------|-------|--------------|---------|------|------|
|       | B                           | Std.Error | Beta                      |        |       | Zero-order   | partial | Part |      |
| 1 x4  | .965                        | .033      | .983                      | 28.851 | .000  | .983         | .983    | .983 |      |
| 2     | X4                          | .523      | .099                      | .533   | 5.293 | .000         | .983    | .707 | .138 |
|       | X12                         | .467      | .101                      | .466   | 4.621 | .000         | .981    | .658 | .121 |

As for measuring the effect of variables (X1, X2, X3, X4, X5, X6, X7, X8, X9, X10, X11, X12, X13, X14) on the dependent variable (Y4), the test statistics has (F=270.289) to the level of significance (0.000). Since the potential value is less than the level of significance ( $\alpha=0.05$ ) and even it is less than the level of significance ( $\alpha=0.01$ ). Accordingly, the model is significant and explanatory variables (X12, X6, and X2) are important and influential to the model. What promotes this is the rising value of (R2) as worth (0.968%) of the total variable changes taking place in the (Y4). The remaining changes which amount to (0.032%) of the ongoing changes of the variable (Y4) are usually attributed to other factors listed within the limit of error. To find out whether any of the changes have had a positive impact in the significant model, a T-Test is conducted on each of the parameters of the model.

The first parameter has shown the value of (2.652 = (2) t) where its level of significance has been (0.013) which is less than ( $\alpha =0.01$ ) which demonstrates the high degree of significance of the variable (X2), which means that it is both important and influential for the model. As for the explanatory variables (X12, X6), they were in accordance with the level of impact as the value of (t6) (2.317) (t12) (2.182), as their levels of significance were (0.028) (0.038) respectively, which is less than ( $\alpha =0.01$ ) which demonstrates the high significant meaning, i.e., it has an important impact important for the model. The remaining explanatory variables were excluded from the model due to the lack of impact as it is shown in the table below which indicates the analysis of variance as well as the table for selecting the best model. Table (2) shows ANOVA

This points out to the international concept of financial reporting, which includes the administrative structure and external audit as well as an accounting concept, because the function of financial reporting is essentially an accounting concept, but the quality of financial reporting requirements require the provision of a new management structure with enhanced external audit requirements to provide information with appropriate and credible.

Hence, we find correlation between (y4) of the inquiry (representing the financial reporting of an international concept of accounting which is wider than an accounting concept because it includes the administrative structure and external audit) and parameter (X2) of the inquiry (the technical concept of security information includes both means and tools that include protection of information from the dangers: internal and external). These are concentrated at the concept of change for the security of information, which is produced when the quality of the change is in the financial reporting which consolidates the external auditor requirements with respect to the two parameters (X12, X6). These aim to establish the two inquiries (e.g., the feature of availability or presence is the continuity of the work of the information system and interact with it by users (f).

To provide the feature of security for accounting information makes the representation of honest information about the result of its activities and financial position) respectively. We note that the concept of international financial reporting based on savings and the presence of property and continuity in the work of the accounting information system, while providing consolidation of the quality of the security property for that information.



## Conclusion

Deliveries of information accounting must take into account requirements of reporting financial aspects according to the international criteria to enhance the information within the property of accounting information security. The increased necessity for technology brings amplified risks of information security breaches and loss of confidentiality, integrity and availability of customer data. Accounting information must contain some basic qualitative characteristics, disclosures that have to be transparent and accurate within the properties of accounting information security. It must provide appropriate accounting information based upon the requirements of users. The information size and complexity should be suitable for economic activities and available in time. The providing of accounting information has to take into account the ability of understanding it for its many users, who have limited information. Organizations and institutions have to focus on the security property of accounting information, as this property enhances the quality of financial reporting for accounting information. Whichever security controls are selected should be acceptable and suitable based on the risk profile of a business.

## References

- Akgun, A. I., Samiloglu, F. & Oztop, A. O. (2018). The Impact of Profitability on Market Value Added: Evidence from Turkish Informatics and Technology Firms. *International Journal of Economics and Financial Issues*, 8(4), 105.
- Allen, F., Bartiloro, L., Gu, X. & Kowalewski, O. (2018). Does economic structure determine financial structure? *Journal of International Economics*, 114, 389-409.
- Ambrosie, L. M. (2015). Myths of tourism institutionalization and Cancún. *Annals of Tourism Research*, 54, 65-83.
- Brigham, E. F. & Ehrhardt, M. C. (2002). *Financial management: theory and practice*. 10 Edition. Melbourne: Thomson Learning.
- Brigham, E. F. & Houston, J. F. (2012). *Fundamentals of financial management*, Cengage Learning.
- Elton, E.J., Gruber, M.J., Brown, S.J. & William N. (2013). *Investment Analysis*, 8th Edition. Paperback: John Wiley & Sons.
- Fu, H., Chen, W., Huang, X., Li, M. & Köseoglu, M. A. (2019). Entrepreneurial bricolage, ambidexterity structure, and new venture growth: Evidence from the hospitality and tourism sector. *International Journal of Hospitality Management*, 102355.
- Kannegiesser, M. (2008). *Value chain management in the chemical industry: Global value chain planning of commodities*. Physica-Verlag Springer. Available online at <https://link.springer.com/content/pdf/bfm%3A978-3-7908-2032-4%2F1.pdf>
- Kaplan, R. S. (2010). *Conceptual foundations of the balanced scorecard*, Harvard Business School. Harvard University. Working Paper 10-074, Available online at [https://www.hbs.edu/faculty/publication%20files/10-074\\_0bf3c151-f82b-4592-b885-cdde7f5d97a6.pdf](https://www.hbs.edu/faculty/publication%20files/10-074_0bf3c151-f82b-4592-b885-cdde7f5d97a6.pdf)
- Kaplan, R. S. & Norton, D. P. (2001). Transforming the balanced scorecard from performance measurement to strategic management: Part I. *Accounting horizons*, 15(1), 87-104.
- Lawson, R. A., Blocher, E. J., Brewer, P. C., Morris, J. T., Stocks, K. D., Sorensen, J. E & ... , Wouters, M. J. (2015). Thoughts on competency integration in accounting education. *Issues in Accounting Education*, 30(3), 149-171.
- Martin, J. G. (2005). *Synergising the balanced scorecard and the value chain to reduce wastage within the Western Cape education department (Doctoral dissertation, Cape Peninsula University of Technology)*.





McGee, J., Wilson, D. & Thomas, H. (2010). *Strategy: Analysis and practice*. McGraw-Hill Higher Education.

McKay, T. & Subramoney, J. (2017). Fast Food Choices, lessons for the hospitality industry: An exploratory study in Johannesburg, South Africa. *African Journal of Hospitality, Tourism and Leisure*, 6(4), 1-10.

Miller, P.B.W. (2002). Quality Financial Reporting- Finding customer focus through the power of competition. *Journal of Accountancy*. Available online at <https://www.journalofaccountancy.com/issues/2002/apr/qualityfinancialreporting.html>

Mjongwana, A. & Kamala, P. N. (2018). Non-financial performance measurement by small and medium sized enterprises operating in the hotel industry in the city of Cape Town. *African Journal of Hospitality, Tourism and Leisure*, 7(1)

MOTC- Ministry of Transport and Communication (2018). Security Guidelines for Hotel Information Systems. Available online at [https://www.qcert.org/sites/default/files/public/documents/security\\_guidelines\\_for\\_hotel\\_information\\_systems\\_eng\\_v1.0.pdf](https://www.qcert.org/sites/default/files/public/documents/security_guidelines_for_hotel_information_systems_eng_v1.0.pdf)

Nicolaides, A. (2006). Management versus Leadership in the Hospitality Industry. *Journal of Travel & Tourism Research*, 6(1), 29-38.

Porter, M. E. (2011). *Competitive advantage of nations: creating and sustaining superior performance*. Simon and Schuster.

Porter, M. E. & Millar, V. E. (1985). How information gives you competitive advantage. *Harvard Business Review* Available online <https://hbr.org/1985/07/how-information-gives-you-competitive-advantage> [Accessed on 05 August 2019]

Poureisa, A., Ahmadgourabi, M. & Efteghar, A. (2013). Balanced scorecard: A new tool for performance evaluation. *Interdisciplinary Journal of Contemporary Research in Business* (IJCRB), 5(1), 974-978.

Quesado, P. R., Aibar Guzmán, B. & Lima Rodrigues, L. (2018). Advantages and contributions in the balanced scorecard implementation. *Intangible capital*, 14(1), 186-201.