

## **The Impact of Internal Auditing Quality on Accounting Conservatism in Financial Reports of Jordanian Banks**

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### **Abstract**

This study aims at identifying the effect of internal audit quality and its dimensions (compliance with internal audit standards, continuous evaluation of the work of audit programs, quality of reports for the internal auditor, prevention of cheating and fraud, and quality control of internal audits) on the accounting reservation in the financial reports of the Jordanian banks. In order to achieve the objectives of this study, a questionnaire that reflects the variables of the study was developed and was subject to scientific and methodological judgement by specialists in accounting science. (175) questionnaires were distributed the study population of which retrieved, and (150) questionnaires were subject to statistical analysis. The analysis of data showed the following results:

The existence of a statistically significant effect on the quality of internal auditing and its dimensions (compliance with internal audit standards, continuous evaluation of the work of audit programs, quality of reports for the internal auditor, prevention of cheating and fraud, and quality control of internal audits) on the accounting reservation in the financial reports of the Jordanian banks. The study also ensured the existence of a statistically significant effect of all dimensions of the quality of internal audit on the accounting reservation in the financial reports of Jordanian banks.

The researcher recommends a set of recommendations; among them is the need to develop the legislations by the responsible authorities to strengthen the processes of adherence to international internal auditing standards and to judge the reliability of internal auditing processes and the reports resulting from internal audits which would reduce the distortion of financial reports of commercial banks by reducing the accounting reservation operations.

**Key Words :**

Internal Auditing Quality, Accounting conservation in financial reports, Jordanian Banks.