Investigating the impact of auditor's opinion on auditor change with the moderating role of ownership structure in the Iraqi Stock Exchange

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Abstract

The ownership structure of companies plays an important role in determining the auditor's opinion and auditor change. Examining the impact of this structure on audit performance and auditor selection in this context can lead to a deeper understanding of the complex relationships governing auditing and also help develop auditing theory. In this context, there are numerous studies and experiments, but many of them have so far examined the effect of ownership composition on these issues and have focused especially on managerial ownership. These studies show that a correct ownership structure can not only help managers to best meet shareholder goals, but also try to reduce agency costs. The results showed that there is a significant relationship between auditor opinion and auditor change. Also, ownership structure, ownership concentration, institutional ownership moderate the relationship between auditor opinion and auditor change

Keywords: Auditor opinion, Auditor change, Ownership structure, Iraqi Stock Exchange

1. Introduction

Independent auditing is a very crucial mechanism in the field of corporate governance to ensure the quality and reliability of accounting information of companies that are traded on the stock exchange. In fact, auditing firms accepted by the Securities Exchange Organization are responsible for conducting independent audits of companies traded on the stock exchange. Auditors play a very important role in assessing the financial statements of listed companies using accounting standards (Nagari and Noriatno, 2022). Audit work on financial statements leads to a valid audit report (opinion) on the compliance of the audited financial statements with standards and laws (Andreas and Savitri, 2019).

Auditors' opinions not only reflect the quality of accounting information, but also inform the operating decisions of listed companies and investment decisions for investors. The basic principles for assessing whether auditors are performing their duties properly depend on whether audit opinions truly reflect the quality of accounting information.

Considering that the auditor's report on financial statements and other financial information is considered as one of the vital tools to ensure the reliability of corporate information. Independent auditors, by evaluating financial statements and other financial information, extract errors from financial information and ensure that corporate information is transparent and reliable. This practice increases transparency and confidence in corporate information over time (Dehghan, 2018). Independent auditors are expected to play a monitoring role in maintaining the credibility of financial reports, limiting earnings management, and reducing information asymmetry between managers and external shareholders. It is necessary for the auditor's opinion to provide a level of assurance that the financial reports accurately reflect the financial activities of the company. Therefore, the auditor's report is a potential method to confirm the availability of financial information. Audit opinions are divided into two types: qualified and unqualified. Qualified opinions are issued when a financial report is accurate and free of measurable errors and inconsistencies. Adverse audit opinions are issued when audit firms identify problems within financial reporting. Auditors issue an adverse audit opinion to inform companies of any suspected accounting errors or deficiencies identified in the reports. Disclosure of suspicious accounting may result from agency problems, which involve conflicts of interest between managers and their shareholders. According to agency theory, agency problems arise from the difference between the interests of shareholders and managers. The interests of shareholders should be of higher importance because the objectives of the company should be in line with the interests of shareholders. Agency theory suggests that the separation of ownership and control can create a difference in the interests of owners and managers (Al-Kilani et al., 2019).

The presence of auditors and their credibility for the financial statements of business entities, as a fundamental component, greatly strengthens the trust of shareholders and investors. In this process, financial information is carefully assessed by auditors and the auditor's statements are considered as a reliable representative of the company's financial situation. On the other hand, the information provided indicates the relationship between the auditor's modified

opinion and the change of auditor. As a result, this section analyzes the adverse opinion from the perspective of the change of auditor. The change of auditor, as a phenomenon that has led to many studies in the field of auditing in recent years, indicates the importance and position of the auditor in the reporting process. Professional authorities and experts have suggested regular changes in audit firms in order to maintain the independence of audit firms and increase the quality of work. Transparent and timely information plays an important role in optimizing corporate strategies and reducing conflicts of interest between managers and shareholders (Kuhi et al., 2023).

The type of auditor's opinion plays a fundamental role in assessing the accuracy and complete compliance with the company's laws and regulations. An unacceptable opinion indicates a violation of laws and regulations by the company and indicates an undesirable state of the financial statements. This causes company managers to make great efforts to properly implement laws and regulations in a better and more systematic way. In fact, receiving an acceptable audit report seems like a positive resume and record, and managers do their best to comply with laws and regulations. In the present study, the auditor's opinion variable has been examined as a dependent variable. In this way, this variable clearly shows the positive or negative impact of the auditor's opinion on the process of changing the auditor (Pourali, 2022).

The ownership structure is a launching pad that can also affect the optimization of the type of financing and capital structure of the unit in question in the future. Ownership structure refers to the structure of the distribution of shares among the shareholders of the company (Gikunyo Mwangi and Nasiko, 2022), (Golshwari and Badie, 2016), or the total percentage of shares held by large shareholders who own at least 5% of the shares. Large shareholders play an important role in the internal control of a company because large ownership strengthens the incentive of shareholders to monitor management actions in order to protect their investments or provides a special advantage such as the use of profit-cutting techniques to reduce rewards to other shareholders (Lee and Nguyen, 2023). Due to the lack of an effective investor protection and market mechanism to control companies, the agency problem among listed companies is more serious, especially in Iraq (Kato and Welang, 2006). Other reasons also contribute to the agency problem, such as the delay in introducing management incentive mechanisms. Also, only a few listed companies use the incentive mechanism participation (Lu and Zhang, 2011). When companies are controlled by internal

shareholders who have free and unrestricted decision-making, they make corporate decisions based on their own interests (Chen et al., 2010).

Nowadays, business companies are trying to optimize their long-term strategies strategically and based on social, political, and economic conditions and market competition. In this process, having transparent and timely information is of particular importance. Reliable and timely information not only helps business units to reduce conflicts of interest between managers and shareholders, but also has special importance for reporting financial statements. Therefore, auditing financial statements by independent auditors is considered as one of the basic requirements for companies in various stock exchanges around the world. This question brings the present study as follows: Is there a meaningful relationship between the ownership structure and the opinion of independent auditors and ultimately on the change of auditors in companies listed on the Iraqi Stock Exchange?

2. Research Method

Research Method

This study is descriptive-correlational in nature in terms of its applied purpose and considering that the current situation is described exactly.

In this study, the statistical population of companies listed on the Iraqi Stock Exchange from 2015 to 2024. To collect the information required for theoretical discussions and financial information based on the audited financial statements of the banks under study, the library method (financial information and bank data) was used. In this study, a combined regression based on panel data was used to estimate the model.

In the present study, classified and audited financial data of active companies listed on the Iraqi Stock Exchange will be used to test the research hypotheses. The statistical sample is all companies that meet the following conditions.

• The company's fiscal year ends at the end of March of each year.

• The company has not changed its fiscal year during the years 2015 to 2024.

• The necessary financial information is available to extract the required data.

Method of measuring variables:

Two characteristics of concentrated ownership firms are the largest shareholders with a high percentage of shares and shareholders from the top ten shareholders are concentrated. We use factor analysis to extract the common factor of the total percentage of shares of the top ten shareholders. Based on the common factor score after standardization, we select the 30% of the highest-scoring firms as the

high-concentration-ownership samples and the 30% with the lowest scores as the low-concentration-ownership samples. Logit logistic regression is used to test the hypotheses. The logit models are as follows:

Model 1: Modified statement

$$\text{MAO}_{i,t} = \beta_0 + \beta_1\text{INST}_{i,t} + \beta_2\text{TOP}_{i,t} + \beta_3\text{BOARD SIZE}_{i,t} + \beta_4\text{IND}_{i,tt} + \beta_5\text{MEETING}_{i,t} + \beta_6\text{LEV}_i$$
$$+ \beta_7\text{ROE}_{i,t} + \beta_8\text{GROWTH}_{i,t} + \beta_9\text{SIZE}_{i,t} + \text{INDUSTRY} + \text{YEAR} + \varepsilon_{i,t}$$

Model 2: Change of auditor

$$\text{SWITCH}_{i,t+1} = \lambda_0 + \lambda_1\text{MAO}_{i,t} + \lambda_2\text{BORD SIZE}_{i,t} + \lambda_3\text{IND}_{i,t} + \lambda_4\text{MEETING}_{i,t} + \lambda_5\text{LEV}_{i,t}$$
$$+ \lambda_6\text{ROE}_{i,t} + \lambda_7\text{GROWTH}_{i,t} + \lambda_8\text{SIZE}_{i,t} + \text{INDUSTRY} + \text{YEAR} + \varepsilon_{i\,t}$$

Dependent variables:

The dependent variables are MAO and SWITCH, where MAO and SWITCH are livestock variables.

MAO (Modified Audit Opinion) is equal to 1 if the audit provides a modified opinion, otherwise MAO is equal to 0. It should be noted that the variable stated in the second model is stated as an independent variable.

SWITCH (Auditor Change) is equal to 1 if the audit changes for listed companies, otherwise SWITCH is equal to 0.

Table 1 Independent and Covariate Variables

How to collect	Variable type	Variable name	Variable symbol
Explanatory notes or interpretative report in Kodal	Independent	Percentage of stock ownership by institutional investors	Inst
Explanatory notes or interpretative report in Kodal	Independent	Percentage of shares held by the largest shareholder	Top
Interpretive report in Kodal	Controlled	Board size	Board size
Interpretive report in Kodal	Controlled	Percentage of independent (non-executive) members, as a percentage of total members.	Ind
Interpretive report in Kodal	Controlled	Number of board meetings during the year	Meeting
Statement of Financial Position	Controlled	Debt-to-asset ratio	Lev

Statement of Financial Position	Controlled	Return on equity	Roe
Statement of Financial Performance	Controlled	Sales revenue growth rate	Growth
Statement of Financial Position	Controlled	Logarithm of total assets	Size
	Controlled	Year	Year
	Controlled	Industry	Industry

In the inferential statistics section, multiple regression tests will be used to explain the relationships between variables. These tests are performed using the EVIEWS statistical software at a confidence level of 95%. To test the research hypotheses, the basic variables are first measured. The measurement of variables is done in the Excel software environment and through the functions of this software. Then, the relationships between the obtained variables are examined using regression tests.

3.Statistical data analysis

The nature of the data used in this study is of a mixed type and is such that they contain more points and concepts that can be used to extract more analyses. Mixed data, on the one hand, shows changes over time, and on the other hand, they also reflect changes within a group or individual within a cross-section. Mixed data is a set of data that includes several cross-sections and a time period. The cross-section can represent individuals, groups, firms, industries, etc. The time period can be a day, week, month, season, or year, etc.

In general, to examine composite data, we can start with the following regression equation:

$$Y_{it} = \beta X_{it} + \alpha Z_i + \varepsilon_{it}$$

X_{it} : The time variable is an explanatory variable that varies both across and within groups.

Z_i : It shows the specific characteristics of each individual or group, which in fact shows intergroup heterogeneity..

It is assumed that these heterogeneities remain strong and constant over time. If the specific characteristics of each individual are visible to all individuals, then the above model can be considered as a normal linear model, but in general there are several cases that we will examine.

Aggregate regression: If the specific characteristics of each individual only include one constant term that is the same for all groups, then we will have the following equation:

$$Y_{it} = \beta X_{it} + \alpha + \varepsilon_{it}$$

This equation can be estimated using the OLS method, which will produce efficient and consistent estimates.

Fixed effects: If the characteristics of each individual are not observed but are correlated with the explanatory variable, then we will have the following equation:

$$Y_{it} = \beta X_{it} + \alpha_i + \varepsilon_{it}$$

In this case, we will have one width from the origin for each group.

Random effects: If there are no individual or cross-sectional inconsistencies observed and they are not correlated with the explanatory variable, then we will have the following equation:

$$Y_{it} = \beta X_{it} + \alpha + u_i + \varepsilon_{it}$$

The financial information required for this study was collected from companies listed on the Iraqi Stock Exchange during the period 87 to 91. This data was analyzed by eviews software and in this chapter the analyses carried out for the most important factors of the research subject are presented.

The following steps were taken to test the hypotheses of this study:

1- Selecting sample companies from the statistical population

2- Obtaining financial statements and other required information from the selected companies as a sample and extracting the required information from the financial statements of the sample companies.

3- Calculating the required ratios of the selected companies using Excel software

As mentioned in the study; to test the hypotheses, the Pearson correlation coefficient and the adjusted coefficient of determination are used to describe and examine the relationship between the research variables to each other, and in order to examine the extent of the explanatory power of the variables for the entire regression model. To determine the use of the regression line equation and the possibility of generalizing the sample results to the population, the significance of the correlation coefficient must be tested, which is done using the t-test. If the t calculated from the table is greater than 90 to 99 percent at a confidence level, it means that the correlation coefficient obtained is so significant that the probability

of it being due to random changes is small and its result can be generalized to the population. The statistic for this test is as follows.

$$t = r\sqrt{\frac{n-2}{1-r^2}}$$

t: test statistic

r: correlation coefficient

n: number of samples

r^2: coefficient of determination

Panel Regression Analysis Results

Testing for the Significance of Fixed Effects

To test the significance of the alpha coefficient, we can use the t-test. This hypothesis is only for a specific group. If we want to test the group effects together, we can use the F-test. In this case, we test whether the group effects are different or the same. Thus, the hypotheses are as follows:

$$H_0 : \alpha_1 = \alpha_2 = ... = \alpha_n = \alpha$$
$$H_1 : \alpha_i \neq \alpha_j$$

The F-statistic is used to test this hypothesis. A large F-statistic means that the null hypothesis is rejected, so the fixed effects are significant and the alphas are not the same. In other words, the differences between individuals or groups are significant.

Table 2 - Results of Limer's F-tests.

Null hypothesis (H_0)	Research Models	Statistics F-Limmer	Probability	Test Result
Combined data (width from the origins of all sections are the same.)	Model1	2/308618	000/0	H_0 It is rejected.
	Model2	2/342893	000/0	H_0 It cannot be rejected.

In fact, the null hypothesis indicates the absence of fixed effects. The value of the F statistic for all research hypotheses is large enough and their significance level

is less than 0.05, so the null hypothesis can be rejected, which means that there are fixed effects.

Therefore, to examine the first and second hypotheses of the regression, it is necessary to use cross-sectional fixed effects regression. To choose between fixed effects regression or random effects regression, the Hausman test is used. This test examines the lack of correlation between the observed explanatory variables and the specific unique random effects.

2 Hausman test

The main assumption of the random effects model is that the random effects are not correlated with the explanatory variables. The general method for this test was proposed by Hausman, which is to compare fixed and random effects estimates of coefficients. Let us first estimate the model by considering the cross-sectional random effects. Then the Hausman test is performed. Under the null hypothesis, the statistic used to test this hypothesis is the chi-square statistic with the number of degrees of freedom equal to the number of explanatory variables (K-1) minus one. If the chi-square value is small, then the null hypothesis is not rejected. That is, the hypothesis that individual effects are not correlated with the explanatory variables leads us to conclude that individual effects should be considered as random effects and not as fixed effects.

The hypotheses are as follows:

No correlation between the observed explanatory variables and the random effects: H0

Existence of correlation between the observed explanatory variables and the random effects: H0

Table 3 - Results of Hausman tests

(H_0)	Research Models	Statistic	Probability	Test Result
Random effects model	Model1	011666/10	0140/0	H_0 It is rejected.
	Model2	007500/12	0065/0	H_0 It cannot be rejected.

According to Table 3, because for the second hypothesis, the chi-square statistic for the above hypothesis is small, it is not in the critical region and their probability values are greater than 0.05. The null hypothesis that random effects are appropriate cannot be rejected. Therefore, the random effects model can be appropriate for them and the fixed effects model is not preferred, but for the first hypothesis, the fixed effects model is confirmed.

Unit root test in mixed data

Various tests have been presented to check the existence of a unit root in mixed data, some of which include Levine, Lin, and Jo (2002), and Brightong (2000). In general, the unit root test in mixed data is similar to univariate time series. For this purpose, consider the AT(1) process for the Y series:

$$Y_{it} = \phi_i Y_{it} + \alpha_i + \beta_i X_{it} + \gamma_i t + U_{it}$$

The cross-sectional unit root test is presented as the following hypothesis:

$$H_1: \begin{cases} \phi_i = 0, i = 1,2....n_1 \\ \phi_i < 0, i = n_1 + 1, n_1 + 2,..., n \end{cases}$$

Table 4-Results of stability tests

Variable type	Variable	Statistics	Probability
Dependent variable	Ownership Structure	9726/28-	0/000
Independent variables	Auditor Opinion	814/146-	0/000
	Auditor Change	1533/31-	0/000

The above results show that for all hypotheses based on LLC, there is no common unit root and the variables are stationary.

Statistical results of hypotheses

Hypothesis 1

1- .» Ownership structure moderates the relationship between auditor opinion and auditor change

Statistical model:

Information Asymmtry$_{it}$

$$\text{MAO}_{i,t} = \beta_0 + \beta_1 \text{INST}_{i,t} + \beta_2 \text{TOP}_{i,t} + \beta_3 \text{BOARD SIZE}_{i,t} + \beta_4 \text{IND}_{i,tt} + \beta_5 \text{MEETING}_{i,t} + \beta_6 \text{LEV}_i$$
$$+ \beta_7 \text{ROE}_{i,t} + \beta_8 \text{GROWTH}_{i,t} + \beta_9 \text{SIZE}_{i,t} + \text{INDUSTRY} + \text{YEAR} + \varepsilon_{i,t}$$

The statistical hypothesis is presented as follows:

H0 There is no significant relationship between timeliness and information asymmetry in the Iraqi capital market:

H1: There is a significant relationship between timeliness and information asymmetry in the Iraqi capital market

H0: The regression coefficient of the explanatory variable is not significant

H1: The regression coefficient of the explanatory variable is significant

H_0: $\beta_i \neq 0$

H_1: $\beta_i = 0$

Table 5- Results of cross-sectional random effects regression

Information Asymmtry$_{it}$ Information Asymmtry$_{it}$ Information Asymmtry$_{it}$ = 33/937 + 0/9992* Rep_lag$_{it}$ Rep_lag$_{it}$				
Variables	Estimated coefficient	Standard error	T-test statistic	T-test probability
REPLAG	/27109990	010660/0	1/420498	/97040
C	93783/33	664129/1	39375/20	/00000
Coefficient of Determination	545232/0	Akaike Criterion		751580/7
Adjusted Coefficient of Determination	287816/0	Schwartz Statistics		0333928/9
Limer F-Statistic	118095/2	Hannah Quick Criterion		267472/8
Limer F-Probability	000018/0	Durbin Watson Criterion		566815/2

According to Table 5, it can be seen that the significance level of the F statistic is less than 5 percent

(P-value > 0.05), so the opposite hypothesis of at least one of the regression coefficients being zero is confirmed and this is an indication of the significance of the regression.

Table 5 shows the results of estimating the coefficient of determination and the adjusted coefficient of determination. According to the adjusted coefficient of determination obtained from the test output, 78.28 percent of the changes in the dependent variable are explained by the independent variables in the model.

The Watson-Dorbin test is also one of the most famous tests for identifying the correlation between data series (serial correlation). In models that are subject to

autocorrelation and their Watson-Dorbin rate is different from their critical rate, the efficiency of the estimated estimate is questioned. For this purpose, the following test is performed to check the absence of autocorrelation of the data.

The Watson-Dorbin test is used to check the independence of the errors from each other. The value of the test statistic is in the range of 0 and 4, and if this statistic is in the range of 1.5 or 2.5, the test of uncorrelation between the errors is accepted, and otherwise there is a correlation between the errors.

The Watson-Dorbin statistic for this test is 2.567, which is in the acceptable range for confirming the independence of the errors.In Table 5, in the column related to regression coefficients, the regression coefficient of each explanatory variable has been calculated. If the significance level for each of the regression coefficients is less than 0.05, that regression coefficient will be meaningless. Considering that the significance level for a fixed value is 0.05>0.000, the regression line has a width from the origin.

But in the case of the first hypothesis, as can be seen, according to the table above, the significance level of the test and the t-statistic are equal to ( ), which means that it is statistically confirmed.

Second Hypothesis

« • Ownership concentration moderates the relationship between auditor opinion and auditor change. »

Statistical Model:

$$SWITCH_{i,t+1} = \lambda_0 + \lambda_1 MAO_{i,t} + \lambda_2 BORD\ SIZE_{i,t} + \lambda_3 IND_{i,t} + \lambda_4 MEETING_{i,t} + \lambda_5 LEV_{i,t}$$
$$+ \lambda_6 ROE_{i,t} + \lambda_7 GROWTH_{i,t} + \lambda_8 SIZE_{i,t} + INDUSTRY + YEAR + \varepsilon_{i\,t}$$

The statistical hypothesis is presented as follows:

H0: Growth opportunity does not affect the relationship between timeliness and information asymmetry:

H1: Growth opportunity does affect the relationship between timeliness and information asymmetry

$$\begin{cases} H_0 : B = 0 \\ H_1 : B \neq 0 \end{cases}$$

H0: The regression coefficient of the explanatory variable is not significant.

H1: The regression coefficient of the explanatory variable is significant

Table 6- Results of cross-sectional random effects regression

$$\text{Information Asymmtry}_{it} = 33/02684 + 0/006644 \text{ Rep\_lag}_{it} + 1/384322 \text{ GROWOP}_{it}$$

Variables	Estimated coefficient	Standard error	T-test statistic	T-test probability
REPLAG	006644/0	010702/0	620843/0	5356/0
SWTTCH	3843221/	225760/0	7023452/	0/0730
C	02684/33	667755/0	80318/19	0000/0
Coefficient of determination	555824/0	Akaike Criterion		717092/7
Adjusted coefficient of determination	298371/0	Schwartz Statistics		016713/9
Limer F statistic	158935/2	Hannah Quick Criterion		240211/8
Limer F probability	000012/0	Durbin Watson Criterion		592013/2

According to Table 6, it can be seen that the significance level of the F statistic is less than 5 percent.

(P-value > 0.05), so the opposite hypothesis of at least one of the regression coefficients or the slope of the line being zero is confirmed and indicates that the regression is significant.

Table 6 shows the results of estimating the coefficient of determination and the adjusted coefficient of determination. According to the adjusted coefficient of determination obtained from the test output, 29.83 percent of the changes in the dependent variable are explained by the independent variables in the model.

The Durbin-Watson statistic for this test is 2.592, which is within the acceptable range for confirming the independence of errors.In the case of the second hypothesis, as can be seen, according to the table above, the significance level of the test and the t-statistic for the ownership concentration variable is equal to ( ) and the t-statistic for the auditor's opinion variable is equal to ( ), which means that the significance of the ownership concentration variable is statistically confirmed, but the presence of the auditor's opinion variable is not confirmed due to its significance level exceeding 0.05. This effect became meaningless when the auditor change variable was entered. As a result, it can be said with 95%

confidence that growth opportunity has an effect on the relationship between timeliness and information asymmetry.

1. Conclusion and Suggestions

The first hypothesis of this study was as follows:

Ownership structure moderates the relationship between auditor opinion and auditor change

The significance level of the F statistic is less than 5 percent (P-value < 0.05), so the opposite hypothesis of at least one of the regression coefficients being zero is confirmed and it is an indication of the significance of the regression. The results show the estimated coefficient of determination and the adjusted coefficient of determination. According to the adjusted coefficient of determination obtained from the test output, 78.28 percent of the changes in the dependent variable are explained by the independent variables in the model.

The Watson-Camera test is also one of the most famous tests for identifying the correlation between data series (serial correlation). In models that are subject to autocorrelation and their Watson-Dorbin rate is different from their critical rate, the efficiency of the estimated estimate is questioned. For this purpose, the following test is performed to check the absence of autocorrelation of the data.

The Watson-Dorbin test is used to check the independence of the errors from each other. The value of the test statistic is in the range of 0 and 4, and if this statistic is in the range of 1.5 or 2.5, the test of uncorrelation between the errors is accepted, and otherwise there is a correlation between the errors.

The Watson-Dorbin statistic for this test is 2.567, which is in the acceptable range for confirming the independence of the errors.

In the case of the first hypothesis, as can be seen, according to the table above, the significance level of the test and the t-statistic is equal to ( ), which means that it is statistically confirmed.

In the case of the second hypothesis, as can be seen in the data analysis, the significance level of the test and the t-statistic for the ownership concentration variable is equal to ( ) and the t-statistic for the auditor's opinion variable is equal to ( ), which means that the significance of the ownership concentration variable is statistically confirmed, but the presence of the auditor's opinion variable is not confirmed due to its significance level exceeding 0.05. This effect became meaningless when the auditor change variable was entered. As a result, it can be

said with 95% confidence that growth opportunity has an effect on the relationship between timeliness and information asymmetry.

As the results of the research show that companies are trying to present profits on time, this issue should be considered from two perspectives: first, when auditing companies, in order to issue reports, they should pay special attention to the risk of distorting financial statements using profit smoothing tools, and second, when developing accounting standards by the audit organization, they should take the necessary measures to minimize profit distortion tools.

According to the results obtained from testing the first main hypothesis, in general, it can be said that improving the timeliness of financial information, which leads to increased information asymmetry, can be effective in evaluating performance for investors' decisions.

According to the results of testing the second hypothesis that growth opportunities affect the relationship between timeliness and information asymmetry, this model can be suggested to investors and financial managers who are looking to invest in the stock exchange, who can achieve higher returns by using growth opportunities in their decision-making model.

Given the significant relationship between timeliness and information asymmetry, it is suggested that this feature be addressed in discussions of company valuation, along with other factors, and if listed companies disclose their financial statements at the appropriate time, investors can choose stocks of companies whose information is presented and made transparent. Also, given the confirmation of the above hypothesis, it seems that investors should place more emphasis on this issue.

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