Disclosure of operational risks in the Services sector and its reflection on asymmetric information - a guide from the Iraqi environment

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Abstract

The disclosure of non-financial risks aims to enhance the effectiveness of financial reports with the information they provide appropriate to users. It reduces the information gap between management and external parties and the importance of disclosing non-financial risks, especially operational risks that contribute to understanding the risks to the economic units of external parties investors, stakeholders and those interested in knowing the status of the economic unit so Operational using the method of intelligent content analysis (contant Analysis Intllgent) , and the dependent variable (information asymmetry) was measured through the scale (Borghei 2018),The research community represents (9) economic units for the years (2018-2020),The research sample was selected with (6) And an economic unit through which the extent of volatility in the disclosure of economic units of the value of shares will be indicated and the extent to which there is asymmetric information between the different parties

Keywords: Non-financial disclosure, operational risk , asymmetric information

Introduction

As a result of the global financial crisis, doubts and risks have increased in the investment market for securities and are related to the uncertainty situation related to non-financial conditions and information. Its impact is reflected in the value of the economic unit and its ability to achieve profits and its desired objectives. Companies have become required to disclose information related to risks and to provide reliable information about the management of their activity and to reduce the uncertainty associated status (AL-DUBAI & ABDELHALIM, 2021;255), the development of the concept of risks with the progress of time accompanying the development of human knowledge and its beginnings were directly related to natural phenomena and sudden disasters, and therefore risks are the state of change or fluctuation of the expected losses of the economic unit, or risks are defined as any event that has a tangible impact on the performance of the economic unit and an example of risks, including social risks and moral risks (salem et al, 2019; 569), risks refer to the negative consequences caused by a specific situation, which is a state of uncertainty associated with potential gains or losses. Six risk classifications are financial risks, strategic risks, operational risks, empowerment risks, information processing risks, and Technology and Integrity Risks (Kamaruzaman, et al, 2019; 115), and from the above, it can be said that the disclosure of risks means the inclusion of financial reports with all information that has the possibility of affecting the uncertainty of cash flows and future profits of economic units, whether the information isquantitative or descriptive, historical or future1. Non-financial risksNon-financial risks are risks that are voluntarily disclosed and are divided into risks in terms of business related to the product for innovations in technology, product design and marketing, and strategic risks that are related to all economic and legislative changes, competition and operating risks related to information security, employee risks and business risks for raw materials (Radwan, 2020:6), the types of disclosures in annual financial reports are divided into two types (mandatory disclosures and optional disclosures). Mandatory disclosure is defined by the disclosure of the economic unit to provide accounting information related parties in accordance with legal provisions and regulatory requirements such as international accounting standards or IFRS. Optional disclosure practices are higher in companies with equity-based compensation in non-family businesses. (Susetyo et al ;2020,1), Non-financial risks have been defined as the situation in which there are no rules or regulations imposed on companies to mandatory disclosure of such information over a period of time, and as a result of the increasing demand for non-financial risk information provided by companies. This is because this information helps shareholders gain a more comprehensive understanding of the company's strategies and performance (Kamaruzaman,2019;116)

Previous studies

Study of (Leopizzi et al,2019) aimed to analysis of the disclosure of non-financial risks and the first after the introduction of the European Directive. Content analysis was used, the level of non-financial risk disclosure was verified after the introduction of the(2014/95/EU) guidance on non-financial information, and to understand the effectiveness of non-financial risk management, future trends (past, present and future) and the type of risks were examined (positive, negative and neutral), the results found a better way to disclose the level of non-financial risk disclosure in Italian companies than before the introduction of the directive, and it also depends on the perspective of past and present, rather than the future perspective.

Study of (Zaki,2019) aims to develop disclosure related to non-financial risks to reduce ambiguity and maximize objectivity, by developing a proposed framework to improve the quality of non-financial risk disclosure. The study was applied to a sample of industrial companies listed on the Egyptian Stock Exchange. The researcher relied on the inductive approach and the deductive approach: The most important conclusions were that companies may voluntarily disclose non-financial risks, which led to many problems related to the disclosure of these risks.

Study of (Rossi& Harjoto) aims to show the relationship between the non-financial disclosure ratings of Italian companies listed on the Italian Stock Exchange, performance, risks and agency cost. Based on stakeholders-Agency theory, the study demonstrated the role of non-financial disclosures in reducing asymmetric information and agency costs among managers and stakeholders at large. The Standard Ethics Rating (SER) was used as a measure to classify a company's non-financial disclosure. The study found that non-financial disclosure is positively valued by the company and negatively impacts the risks to the economic unit and agency costs. The study recommended providing information on non-financial risks to managers and investors to know the added value through regulations that enhance disclosures and non-financial ratings issued by an independent rating agency, as it works to enhance companies' performance and reduce risks and agency costs.

Study (Assidi,2020) aimed to find a way that contributes to improving the processes of voluntary disclosure and corporate governance in France. The researcher used the analysis of the content (notes) of the selected samples based on a sample of 1001 notes for French companies. From 2006 to 2016, it contributes to guidance to investors, managers, and policymakers to increase value through the application of best practices. One of the most important findings. Study of (Romito& Vurro,2020) aimed at whether the (non-financial disclosure structure, defined as the dissemination of financial, social, and environmental information, is part of the language of dialogue between the company and stakeholders, reduces the asymmetry of information. The method of content analysis and the method of squares were used for a sample of US companies listed in the P500&S index during the period(2004-2014). The most important conclusions are that information does not have a negative impact on the value of the company and that the provision of information is transparent because of its positive impact on the protection of investors and enhancing the value of the company. The most important recommendations are the emergence of results in the existence of a relationship between the level of non-financial disclosure and the similarity of information. The more it expands in disclosure, the less the dissimilarity of information, and thus its impact is reflected in the provision and distribution of information in a balanced manner among different categories of stakeholders. Study of (Aureli et al,2020) aimed to reveal the existence of non-financial disclosures and what factors affect disclosure the study found through the use of content analysis method for financial reports published on websites to reveal disclosure determinants to companies with the use of the method of meeting employees variation in disclosure, the study recommended the researchers recommended the application of Spanish regulations and laws through the mandatory application of non-financial disclosure of government companies and the need to rely on a common framework for reporting information Non-financial compulsory public sector. Study of (Huynh et al,2020) aimed to test the asymmetry of information on the value of the company, using company-wide data from 250 non-financial companies with 2,500 observations over the course of a year for companies collected from two stock markets in Vietnam covering a period of 10 years from (2008-2017), The study found that the asymmetry of information has a negative impact on the value of the company and that the provision of information is transparent because of its positive impact on protecting investors and enhancing the value of investors. The company, by using the method of analyzing the dispersion of the standard deviation to expect analysts about the profitability of the stock, recommended the provision of information understandably and comparable by companies listed on the Vietnamese Stock Exchange which has an impact on investment and attracting investors.

Study of (Ezz, 2020) aimed to examine and study what is the impact of information quality in improving non-financial disclosure in the financial reports of industrial companies. The study reached a disparity in the level of non-financial disclosure in the economic units of the Egyptian industrial sector. The researcher adopted the descriptive statistical method. The study recommended the study on the need for the Ministry of Industry to issue a guide for the Chambers of Industry and Commerce to help them develop information systems in line with the information revolution. Study of (Abd Al-Baqi, 2021) aimed to indicate the role of optional accounting disclosure in reducing the asymmetry of information in the lists of the economic unit. Through the questionnaire concluded that disclosure contributes to reducing the asymmetry of accounting information and providing that information to predict the future profits of the economic unit. The study recommended the need to emphasize the provision of accurate information to the relevant parties to reduce the asymmetry of accounting information, with the need to continue the optional disclosure.

Study of (Ahmed, 2021) aimed mainly to show the extent to which the adoption by Sudanese banks of the policy of expanding the disclosure of information, both financial and non-financial, contributed to reducing the asymmetry of information. The study concluded that through the researcher's use of the questionnaire method to collect data, there is no relationship between the expansion of the voluntary disclosure of financial and non-financial information and reducing the asymmetry of information. The study recommended increasing interest in expanding financial and non-financial information to meet the needs of its users and narrowing the information gap between the parties related to Sudanese banks. Study (Moses, 2022) aimed to research the measurement of the impact of optional disclosure in reducing the risk of asymmetry of information in order to activate the stock market, in addition to explaining the role of optional disclosure in reducing asymmetry of information in the stock market and its impact on the efficiency of the stock market, the study reached conclusions that there is a disparity in the level of optional disclosure between companies according to the characteristics of the company, and there is a disparity in the level of optional disclosure between companies according to governance mechanisms. The work of the applied study was carried out by testing a sample of companies registered on the Egyptian Stock Exchange during the financial years (2019, 2018, 2017), represented by (52) companies within the most active (100) A company listed in the EGX100 index and its importance resulted from the need for the Egyptian capital market to pay attention to voluntary disclosure and the need to overcome the problem of asymmetry of information. The study recommends motivating Egyptian companies to expand the level of voluntary disclosure of information for the purpose of reducing information asymmetry and thus attracting new investment opportunities, which results in revitalizing the stock market by setting more controls, rules and standards to regulate the optional disclosure process.

Conceptual Framework

non-financial disclosure

Non-financial disclosure meets the needs of users of annual reports and provides them with a comprehensive and balanced picture of the company's performance through its similar information that contributes to meeting their needs for the required information. Non-financial information disclosed by companies contributes to the accuracy of predictions for financial analysts.Which enhances investor (Bini, 2019;7) and provides non-financial economic benefits represented by stronger management systems, encouraging employees, stimulating innovation and continuous improvement, and the benefits of those indirect benefits to companies, from their direct effects of economic issues that benefit from the high value of intangible assets and the appreciation of inventory value (Abu Madi,2020;31). Based on the above Thus, it reflects positively on the company.

Objectives of non-financial disclosure

The main objective of risk disclosure is to enhance the effectiveness of financial reports by providing user-friendly information. It reduces the information gap between management, which prepares and submits financial statements and reports and other parties. It helps investors in the decision-making process with the information it provides in the financial statements and thus improves the company's reputation and maintains its image (Peña &Jorge ,2019;583) Disclosure of estimated risk and future prospects for recognized or unrecognized items (Sheikh and Ali, 2021;434)

Operational risks

Stakeholders, researchers, users of financial reports and accounting standards have increasingly paid attention to non-financial risks and their inclusion in annual reports (Veltri et al,15; 2019), As(zaki, 2019:8) pointed out (Operational risks relate to potential losses due to insufficient or failure of internal processes, people and systems or caused by external events. These risks are found in industrial companies significantly where production and operating methods involve a lot of risks to employees or property, and arise due to insufficient procedures and policies such as reduced operational capacity, disruption of operations or equipment, an increase in operating costs, human error, health and safety problem, logistics and procurement problems, risks Information security, and the risks of protecting company assets.)Based on the classification of (ICAEW), corporate risks have been divided into categories, which are financial risks and non-financial risks. Non-financial risks will be clarified in the following categories: operations risks, mastery risks, technology and cybersecurity risks, integrity risks, strategic risks, environmental risks and operational risks. Non-financial risks have an indirect impact on the assets and obligations of the economic unit and affect its competitive position. Operational risks to the economic unit, including production risks or non-observance of laws and compliance with them. They consist of operating risks, workers' risks and each work involved in some risks. The company bears a certain amount of them in every activity carried out by (Abdulhadi, 2021;97) The activity is successful or not, its words result in operational risks until the improvements that the company is working on to develop its business (spacey,2021), and the risks are divided according to the classification of the Linley and Shrives study (2005).(Customer satisfaction, product development, efficiency and performance, inventory obsolescence, product and service failures, health and safety, environmental risks).Stakeholders, researchers, users of financial reports and accounting standards have increasingly paid attention to non-financial risks and their inclusion in annual reports (Veltri et al,15;2019), As(zaki, 2019:8) pointed out (Operational risks relate to potential losses due to insufficient or failure of internal processes, people and systems or caused by external events. These risks are found in industrial companies significantly where production and operating methods involve a lot of risks to employees or property, and arise due to insufficient procedures and policies such as reduced operational capacity, disruption of operations or equipment, an increase in operating costs, human error, health and safety problem, logistics and procurement problems, risks Information security, and the risks of protecting company assets.

Asymmetric information.

It is a phenomenon suffered by the stock markets as a result of the imbalance between the parties involved, where one party has more and better information than the other, which leads to the amount of difference in the volume of information available to the different parties on transactions, which results in inequality for the completion of transactions. The information does not have a negative impact on the market value of the economic unit and leads(wu & Donng ,2020:1) and classify the financial information of the economic unit into three categories

1. Mandatory disclosure of information

2. Voluntary disclosure of information

3. Private information not disclosed by the financial department (Idan, 2020)

1- Types of unsimilar information

There are two types of asymmetry of information.

1. The information is not the same between the administration, internal parties and investors (Al-Nafi et al, 2020;95)

2. The information that can be between the management of the company and the external parties is not the same as between them (Nasir 17:2021) and Yusuf and Samia, 2017:24 and (Al-Nafi:2020,95) The information is not similar between investors and occurs when internal information is obtained by some shareholders and others cannot obtain it.e. The economic unit

has useful information to make a specific decision and is not available to external parties, which results in the risks of negative selection as a result of their lack of access to the information previously. The information between the administration and external parties is the result of the lack of information needed by the other party compared to the information owned by the management of the economic unit and is considered a source of the problem of agency that establishes Between the parties that generate uncertainty about future revenues and result in moral hazards (song et al,2021;449).

2. Reasons for the asymmetry of information

The term asymmetry of information refers to the possession of information by one party more than the other, and there are reasons that lead to this, including conflicts of interest, managers have a lot of experience and knowledge that prevents shareholders from interfering and supervising them, the low level of disclosure (449, 2021: song & zeng & zhou). One of the main reasons for the similarity of information is the **first reason** is conflict of interest that managers have a lot of experience and knowledge that is in front of preventing shareholders from interfering and supervising them.The **second reason** is the low level of disclosure for companies. Disclosure of information in sufficient quantities helps stakeholders and investors to evaluate the company's activities and find alternatives and evaluate them in the labor market and its economic effects on transactions. The lack of disclosure will be an incentive for investors to obtain information more to reduce the asymmetry of information between different parties and the high cost of obtaining this necessary informationSecond, , which include managing profits and focusing on profits, conflicts of interest resulted from the fact that

1- Managers are rational people who maximize their personal benefits by withholding useful and private information from other parties, which results in a problem of asymmetry of information. Managers benefit by reducing the level of disclosure because dispersed shareholders will have a weak vote on decisions because of the weak situation so that they are not allowed to influence the decision of managers (Saha& Kabra , 2020; 129). The low level of disclosure is a phenomenon of information that is closely related to disclosure, the more insufficient disclosure, the higher the rate of dissimilarity of information and decreases in economic units that disclose more information and this percentage rises in economic units that do not provide sufficient disclosure of that information(Idan, 2021;48).

The impact of the disclosure of the risks involved and its reflection on the asymmetry of information

There are two types of disclosures that affect the asymmetry of information are reverse selection that has a negative impact when the necessary information that investors need is not provided and its impact will be reflected in reverse selection when making good investment decisions for investors, creditors, financial analysts and others, which leads to a loss in their investments as a result of making incorrect financial decisions (Huynh, ,2020;3). Ethical risks occur due to the separation of ownership from management, which results in difficulty in monitoring the performance of management directly by shareholders and investors, which creates an opportunity for management to achieve its objectives and interests. (Naseer, 2021; 18), the problem of reverse-negative choice - usually illustrated by high financing and trading costs and low levels of liquidity stocks investors need to provide them with the necessary information to assess risks and returns as a result of making their investment decisions, when shareholders see the high risk of negative choice and uncertainty take the necessary protections to avoid reverse selection (Jamaan,2020;35), Operational risks are the risks incurred by the company in order to create a competitive advantage and the economic unit is exposed to the risks of production or non-compliance with laws such as risks of volatility of raw materials prices, workers' risks and interruptions in the supply chain, Any result from the failure resulting from the failure of services and products - internal processes - measured under indicators proposed by professional organizations exporting companies and free to disclose the risks they provide with the need to choose appropriate measurement indicators for each sector of companies Industrial and operating risks consist especially in the security of information and the risks of workers and every work involved in some risks and the company bears a certain amount of it in each daily activity whether it is successful or not all of it results in operational risks even the improvements that the company is working on to develop its business and measurement indicators for operational risks as follows Unexpected business interruptions, demand associated with the production season, lack of natural resources (e.g. water), inadequate resources and raw materials, inventory obsolescence, customer satisfaction, product or service failure, disclosure of internal control, acceptance of risks, human errors, safety and safety of the working environment, legal risks, legal supplies, major supplies, failure to secure suppliers, further disclosure of non-financial operational risks contribute to reducing conflicts of interest between parties and reducing the degree of asymmetry of information between the different parties in the company. (Song et al,2021;449).

The Applied Side

Personality Instead of achieving the objectives of the economic unit, which negatively affects the efficiency of the market for securities and thus leads to the collapse of the market (Naseer , 2021;18), the problem of reverse-negative selection, which is usually manifested in the high costs of financing and trading and low levels of liquidity. Investors need to provide them with the necessary information to assess the risks and returns as a result of making their investment decisions. When shareholders see the high risk of negative choice and the case of uncertainty, they take the necessary protections to avoid reverse selection (Jamaan ,2020;35), operational risks are the risks borne by the company in order to create a competitive advantage and exposure to the economic unit, including the risks of production or lack thereof. Taking into account laws such as the risks of fluctuating the prices of raw materials, workers' risks and interruptions in the supply chain, any losses resulting from the failure of services and products - internal processes - measured according to indicators proposed by professional organizations exporting companies that have the freedom to disclose the risks they provide with the need to choose the appropriate measurement indicators for each sector of industrial companies. To develop its business and from the measurement indicators of operational risks as follows :Unexpected business interruption, demand related to the production season, lack of natural resources (such as water), insufficient resources and raw materials, obsolescence of inventory, customer satisfaction, failure of the product or service, disclosure of internal control and the extent of acceptance of risks, human errors, safety and safety of the work environment, legal risks, legal supplies and main supplies and lack of insurance of suppliers. The expansion of disclosure of operational non-financial risks contributes to reducing conflicts of interest between the parties and reducing the degree of asymmetry of information between the various parties in the company (Song et al,2021).

Methodology

The method of analyzing the content was used for the financial reports of the companies. The content analysis is one of the methods of scientific research aimed at the objective and organized quantitative description of the apparent content and the expression of this description with measurable numerical data. The volume of the disclosed information was measured according to the non-financial risk disclosure index using the method of double registration for each item of the index by giving (1) in the case of disclosure of the item and (0) in the event of non-disclosure. Using the following equation, the gross disclosure rate was measured for each economic unit of the research sample companies and for each year:

$$\boldsymbol{T} = \frac{\mathbf{NID}}{\mathbf{TII}} * \mathbf{100}\%$$

T = TOTAL DISCLOSURE PERCENTAGE NID
ND= NUMBER OF ITEMS DISCLOSED
TII = TOTAL INDICATOR ITEMS

Table (1) Indicator of disclosure of non-financial risks according to the signal theory

N	Number of paragraphs	Operational risk
1	**1**	Unexpected business interruption
2	**2**	Demand related to the production season
3	**3**	Lack of natural resources (such as water)
4	**4**	Insufficient resources and raw materials
5	**5**	stock obsolescence
6	**6**	customers satisfaction
7	**7**	Product or service failure
8	**8**	Disclosure of internal control and the extent of risk appetite
9	**9**	human errors
10	**10**	Work environment safety and security
11	**11**	Main supplies and non-securing suppliers

First-Measuring the percentage of disclosure of non-financial operational risks for companies Research sample: asuring the independent variable - operational risks

Table (2) Measuring the non-financial risk disclosure ratio of Al Amin Real Estate Investments

year / Types risk	**Items**	**2018**		**2019**		**2020**		**Average**	
		Number of items	**%**	**Number of items**	**%**	**Number of items**	**%**	**Number of items**	**%**
Operational risk	**11**	**5**	**45**	**5**	**45**	**5**	**45**	**5**	**45**

Measuring the percentage of disclosure of non-financial risks for Baghdad Iraq Public Transport Company

year / types risk	**items**	**2018**		**2019**		**2020**		**Average**	
		Number of items	**%**	**Number of items**	**%**	**Number of items**	**%**	**Number of items**	**%**
Operational risk	**11**	**3**	**27**	**3**	**27**	**4**	**36**	**3**	**30**

Measuring the percentage of non-financial risk disclosures for the tourist city of Karkh Games

year / Types risk	**Items**	**2018**		**2019**		**2020**		**Average**	
		Numb	**%**	**Number of**	**%**	**Number of**	**%**	**Number of**	**%**

		er of items		**items**		**items**		**items**	
Operational risk	**11**	**4**	**36**	**4**	**36**	**4**	**36**	**4**	**36**

Measuring the percentage of disclosure of non-financial risks for the Mosul Games Cities Company									
year	**items**	**2018**		**2019**		**2020**		**Average**	
types risk		**Number of items**	**%**	**Number of items**	**%**	**Number of items**	**%**	**Number of items**	**%**
Operational risk	**11**	**4**	**36**	**4**	**36**	**4**	**36**	**4**	**36**

Measuring the non-financial risk disclosure rate of Al-Mamura Real Estate Investments									
year	**Items**	**2018**		**2019**		**2020**		**Average**	
Types risk		**Number of items**	**%**	**Number of items**	**%**	**Number of items**	**%**	**Number of items**	**%**
Operational risk	**11**	5	**45**	5	**45**	5	**45**	**5**	**45**

Measuring the non-financial risk disclosure rate of Elite General Contracting Company									
year	**items**	**2018**		**2019**		**2020**		**Average**	
Types risk		**Number of Items**	**%**	**Number of Items**	**%**	**Number of Items**	**%**	**Number of Items**	**%**
Operational risk	**11**	5	**45**	5	**45**	5	**45**	**5**	**45**

The table above shows (2) the level of disclosure of non-financial risks to Al-Amin Real Estate Investments Company. Where it did not exceed the threshold of the middle and for all years of research, and this indicates that the senior management of Al-Amin Real Estate Investments Company and Baghdad Iraq Public Transport Company chooses the information it wants to highlight through the quality and quantity of information disclosed towards the risks surrounding it commensurate with its own interests away from the interests of uninformed parties. The management of Al-Amin Real Estate Investments Company focused on disclosing operational risks compared to other types of non-financial risks. The average corporate disclosure of non-financial risks for the years of the research period is explained as follows.

1- The highest average disclosure to Al-Amin Real Estate Investments Company for the disclosure of operational risks by a low percentage of (45%) and for all years of research; although the items for this type of non-financial risk are largely represented by risks that occur for internal reasons, the disclosure rate has not been up to the required level.
2- The highest average non-financial operational risk disclosure for Baghdad Iraq Public Transport Company was as low as (30%) and for all research years, although the items for this type of non-financial risk are largely represented by risks that occur for internal reasons, the disclosure rate did not rise to the required level
3 - The average disclosure of operational risks at Al-Karkh Tourist Games City recorded low rates of (36%),`1 respectively, and for all years of research.
4-The average disclosure of the operational risks of Mosul Game Cities Company recorded low percentages of (27) respectively and for all years of research.
5-The table above shows the level of disclosure of non-financial business risks to Al Mamoura Real Estate Investments Company. The management of Al-Maamoura Real Estate Investments Company focused on the disclosure of operational risks. The average disclosure of the operational risks of Al-Maamoura Real Estate Investments Company recorded low percentages of (45%), respectively, and for all years of research.
6. The average disclosure of operational risks to Elite General Contracting Company recorded low rates of (45%), respectively, and for all years of research. These low percentages reflect the lack of interest of Elite General Contracting Company management to provide useful information to parties who are not informed outside the company about these types of risks to which is exposed, which is a sign of the existence of bad information about the internal events of the company and the extent to which the company follows legal procedures.
In general, the results showed the analysis of the operational risks of the economic units. These low percentages reflect the lack of interest of the management of economic units. The sample, the research is to provide useful information to parties who are not informed outside **the company about these types of risks to which they are exposed, which is a sign of the existence of bad information about the internal events of economic units**
Second/ Measuring the dependent variable (the asymmetric information)
To measure the dissimilarity of information, the researcher is based on the measure of volatility of stock yields and based on the study of(Borghei et al, 2018).
The volatility of the returns of shares is calculated by calculating the daily return of shares of economic units. The research sample for the duration of each year of the research, the researcher uses the following equation to measure the dissimilarity of information:
VOLA=STDEV.P (daily stock returns t-1)%
VOLA = stock return volatility.
STDEV.P = standard deviation.

STDEV.P : $S_x = \sqrt{\frac{\sum(x-\bar{x})^2}{n-1}}$

Daily stock returns = (opening price - closing price)
t-1 = returns calculation periodSTDEV.P = STANDARD DEVIATION DEFINED AS THE SQUARE ROOT OF DATA CONTRAST OR THE SQUARE ROOT OF THE AVERAGE SQUARES OF DEVIATION OF VALUES FROM THEIR ARITHMEtic MEDIUM.Daily stock returns = Daily stock return (open price – closing price).The asymmetry of the information to the research sample companies will be measured in detail and according to the tables (3) as follows:-
1- **A measurement that does not match the information of Al-Amin Real Estate**

Investments Company: Table (3) shows a measurement that does not match the information and as follows:

Table (3) Measuring the percentage of disclosure of non-financial risks for Al-Ameen Real Estate Investments Company			
Year	2020	2019	2018
VOLA	**0.039**	**0.022**	**0.004**
VOLA Average	**0.022**		
overall average	**0.162**		
Source / prepared by the researcher based on the Iraq Stock Exchange website			

The volatility of the share yields of Al-Amin Real Estate Investments Company recorded a continuous increase starting from the year (2018), which recorded the lowest volatility rate of (0.004) to the year (2020), which recorded the highest percentage of (0.039). The average volatility of the company's share yields reached (0.022), which is a low percentage compared to the general average of companies, the research sample of (0.162), which is an indication of the low problems of information sharing between parties inside the company and not familiar outside it.

2- A measurement that does not match the information of Baghdad Iraq Public Transport Company: The table () shows a measurement that does not match the information of Baghdad Iraq Public Transport Company as follows:

Table (4) Measurement of information asymmetry for Baghdad Iraq Public Transport Company			
Year	2020	2019	2018
VOLA	**0.672**	**0.281**	**0.228**
VOLA Average	**0.394**		
overall average	**0.162**		
Source / prepared by the researcher based on the Iraq Stock Exchange website			

The volatility of the dividends of Baghdad Iraq Public Transport Company recorded a continuous rise from the year (2018), which recorded the lowest volatility rate (0.228) to the year (2020), which recorded the highest volatility of share returns of (0.672). The volatility of the returns of shares of Baghdad Iraq Public Transport Company recorded a ratio of (0.394) higher than the overall average of companies research sample (0.162), which is an indication of the high problems of information sharing between the parties informed within the company and not informed outside it

Asymmetric measurement of the tourist city company Karkh: A table shows (5) a measurement that is not the same as the information of the tourist city company Karkh Games as it comes

Table (5) Asymmetric measurement of the Tourist City Of Karkh Games Company			
Year	2020	2019	2018
VOLA	**0.066**	**0.103**	**0.063**
VOLA Average	**0.077**		
overall average	**0.162**		
Source / prepared by the researcher based on the Iraq Stock Exchange website			

The fluctuation of the share yields of Al Karkh City Tourism Company recorded convergent percentages for the years (2018) and (2020) amounting to (0.063) and (0.066), respectively. The highest percentage of fluctuation of returns recorded in the year (2019) by (0.130). The average volatility of the share yields of the Karkh City Company recorded a percentage of (0.077), which is a low percentage compared to the general average of the research sample companies of (0.162), which is an indication of the decrease in the problems of information sharing between the parties familiar with the company's income and the parties not informed outside it.

1- A measurement that does not match the information of Mosul Company for Games Cities: Table (6) shows a measurement that does not match the information of Al-Mos Connector Company for Games Cities, as follows:

Table (6) Asymmetric measurement of Mosul Gaming Cities			
Year	2020	2019	2018
VOLA	0.299	0.271	0.228
VOLA Average	0.281		
overall average	0.162		
Source / prepared by the researcher based on the Iraq Stock Exchange website			

The volatility of the dividends of Mosul Games Cities company recorded close rates for the two years (2018) and (2019) to (0.273) and (0.271) respectively; the highest volatility recorded by the company in the year (2020) was (0.299). The company's average stock returns were (0.281), a high percentage compared to the overall average of 0.162 research sample companies, which is an indication of the high problems of information sharing between the parties familiar with the company's income and those not informed outside it.

Asymmetric measurement of Al-Mamoura Real Estate Investments: The table (7) shows a measure that is not as similar to the information of Al-Mamoura Real Estate Investments company as it comes

Table (7) Asymmetric measurement of Al-Mamoura Real Estate Investments			
Year	2020	2019	2018
VOLA	**0.068**	**0.050**	**0.024**
VOLA Average	**0.047**		
overall average	**0.162**		
Source / prepared by the researcher based on the Iraq Stock Exchange website			

Al Mamoura Real Estate Investments Company recorded low share yield volatility rates despite the continuous rise in these percentages. The lowest fluctuation of returns recorded in the year (2018) by (0.024) and the highest fluctuation of return recorded in the year (2020) by (0.068). The average volatility of the company's stock returns reached (0.47), which is a low percentage compared to the general average of the companies of the research sample of (0.162), which is an indication of the decrease in the problems of information sharing between the parties familiar with the company's income and the parties not informed outside it.

Asymmetric measurement of elite general contracting company:
Table(8) shows a measure that is not as similar to the information of the elite general contracting company as follows:

Table (8) Asymmetric measurement of elite general contracting company			
Year	2020	2019	2018
VOLA	**0.018**	**0.008**	**0.009**
VOLA Average	**0.012**		
overall average	**0.162**		
Source / prepared by the researcher based on the Iraq Stock Exchange website			

Elite General Contracting Company recorded low share yield volatility ratios for three years. The two years (2018) and (2019) recorded convergent percentages of (0.008) and (0.009) respectively, while (2020) recorded the highest percentage of (0.018). These low percentages were reflected in the average volatility of the company's share yields, by (0.012), a large difference from the general average of companies, the research sample of (0.162), which is an indication of the low problems of information sharing between the parties inside the company and uninformed outside it.

Hypothesis Test / "There is a statistically significant relationship between the disclosure of non-financial risks according to signal theory and the information of companies does not match the research sample."

To test this main hypothesis, the researcher tests the following sub-hypothesis:-

The first sub-premise / "There is a statistically significant relationship between the disclosure between operational risks and the information of the companies does not match the research sample

Table (9) Test - Pearson Correlation for the first sub-hypothesis		
Variables	**correlation coefficient**	**morale level**
operational risks	**-0.511**	**0.000**
Asymmetric **information**		

Table (9) shows the test results of the Pearson Correlation factor and shows the inverse relationship between operational risks and the information of the companies does not match the research sample and statistically senses with a correlation coefficient of (0.511-) and at a moral level of (0.000) less than (0.05), that is, the increase in the disclosure of operational risks is offset by a decrease in the asymmetry of information.Therefore, the sub-premise is accepted, which states that "there is a statistically significant relationship between the disclosure of operational risks and the information of companies does not match the research sample."

Conclusions and recommendations

1- The highest average disclosure of non-financial risks to companies The research sample was for the disclosure of operational risks by a low rate of (39%) and for all years of research. Although the items for this type of non-financial risk are largely represented by risks that occur for internal reasons, industry risks, product or service development and strategic planning, the disclosure rate did not rise

2- Companies that disclose more information about non-financial risks give an indication to uninformed investors of their credibility and reduce the uncertainty of what is reflected in the increase in the value of their shares.

3- There is a discrepancy in the disclosure of non-financial risks between the sectors, the research sample, which is an indicator of a problem that does not match the information between the sectors, the research sample.

The most important recommendations

The results of the research on its theoretical and applied sides resulted in a set of important results.

1- Non-financial disclosure has become an imperative to meet the need for information for stakeholders and help them assess the performance of the economic unit from all risks to which it is exposed and evaluate the value of the economic unit with the possibility of evaluating its future performance.

2- The units should provide a comprehensive disclosure of risks and because traditional financial reports do not provide a complete picture of the status of the economic unit, especially in the long term, which requires the management to provide a disclosure of risks, both financial and non-financial, within its annual reports or within the company's websites.

3. Encouraging units to adopt, prepare and publish non-financial reports, which reflects their compliance with international and professional laws and guidelines, which contributes to strengthening their competitive position in the Iraqi Stock Exchange.

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