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The Extent to Which the Corporate Governance Characteristics Has Affected the Audit Report Lag in Jordanian Banks

Lina Hani Warrad[1]

[1] Accounting Department, Applied Science Private University, Amman, Jordan

Correspondence: Lina Hani Warrad, Accounting Department, Applied Science Private University, Amman, Jordan. E-mail: l_warrad@asu.edu.jo

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Abstract

The business environment has experienced rapid changes with critical implications on organizations in different countries, companies have responded to compete by improving their business management practices and enforcement instructions for the organization of its work and the methods of administration applied there in and work to improve the efficiency and effectiveness of accounting methods and auditing, from while supporting the internal audit departments of the monitoring and follow-up committees for accounting and auditing procedures to achieve transparency and credibility financial statements within their financial reports. There is an urgent need in presently the application of corporate governance on one hand and standards Accounting, Conduct and Ethics Auditing profession on the other hand. Because of the impact on the independence of auditors and increase effectiveness of their performance, as well as their role in evaluating the performance of management in the strengths of companies are through their organization of business and their appearance and weak performance (Al-Beshtawi, 2014).

This study seeks to discuss the extent of association between corporate governance characteristics and the audit report lag ARLAG for the listed Jordanian Banks during the period from 2014 to 2016. The study used statistics measurements and tools to clarify the relations and hypotheses. The results found a significant relation between the corporate governance characteristics and audit report lag ARLAG jointly and separately with the board size BORSIZE, board diligence BORDEL, audit committee size ACSIZE and audit committee diligence ACDEL, and the relation was controlled by two variables: return on equity ROE and company size COMSIZE.

Keywords: corporate governance, audit report lag, Amman Stock Exchange (ASE)

1. Theoretical Framework

In 2004, the Central Bank of Jordan (CBJ) prepared the Institutional Governance Guide for Banks in Jordan to provide a benchmark for international best practice in this area, based on the principles of institutional governance of the Organization for Economic Co-operation and Development (OECD) and the Basel Committee guidelines on strengthening corporate governance in banking institutions. According to this guide, each of the Jordanian banks operating in the Kingdom has to prepare its own guide in a manner consistent with its needs and policies and includes the minimum requirements of the Central Bank mentioned in this manual to be applied as of 31/12/2007. In order to achieve the desired benefit of this guide, each bank has to take note of all the provisions of the manual and how to apply them on the ground, in order to improve its practices in the field of corporate governance, and to be published in the annual report of the bank and on its website. Each bank will strengthen its commitment to this guide by disclosing in its Annual Report its compliance with the terms of the Guide and indicating why it has not complied with any of these terms during the year (https://sdc.com).

Financial reporting is not primarily a primary goal, but extends beyond that. It seeks to provide information that helps in the decision-making process of various economic and other businesses. In addition, the objectives of the financial reports are considered to be variable, through their impact on the economic, legal, political and social conditions it is also influenced by the advantages and determinants of the quality of information that financial reports provide, although this information is often discretionary and not entirely accurate. It reflects the financial implications of the operations and events that have actually occurred. The objectives of the financial reports arise mainly from the needs of external users who lack the power to access the information they need, are directed the goals of financial reporting towards the public interest serve many users, enabling them to determine the extent of their ability established to generate good cash flows. The financial report should provide useful information to existing investors prospective creditors and other users; to make appropriate decisions, and the information must be understandable to those who have a reasonable background for business and economic events and in estimating the amount and timing expected cash receipts from dividends, interest or proceeds from sales and redemption of securities finance or loans (Al Thaher &Takrouri, 2015).

The timing of financial reporting is ideal for expressing the ideal and efficiency of corporate governance in companies. It is known that shareholders and all users need up-to-date and up-to-date information, and the longer the period between the end of the year and the longer the disclosure, the more information is lost because it is outdated (McGee, 2007). (Azat & El-Masry, A., 2008) showed an important correlation between the timing of the internal reports of companies, the size of the company, the type of industry, the liquidity, the structure of ownership, the composition of the board and the size of the paintings. The impact of corporate governance characteristics such as Board independence, the size of the Audit Committee, Audit Committee meetings and the qualifications of Audit Committee members was examined on the timing of the audit report of 703 Malaysian companies listed by Nielson and Shukairy (2011). The results indicated that the timing of the report is affected by the size of the audit committee, the type of auditor, audit opinion and profitability of the company. However, no relationship was found between the independence of the Board of Directors, the meetings of the Audit Committee, the qualifications of the members of the Audit Committee and the timing of the audit report. Also, Abu Al Hiajaa, and Al Hayek (2012), examined whether there is a relation between the characteristics of the audit committees such as the size and independence of the Audit Committee, the number of times it meets, the financial expertise of its members, and a period of time to issue the audit report, the study community shall be a Jordanian public shareholding company listed in the ASE, which published its financial reports in 2010, (285) the sample of the study included (144) companies. to achieve this objective, the various studies related to each of the audit committees and the period of issuance were extrapolated audit report, linear regression equation was used to analyze the relationship between the characteristics of committees audit of Jordanian public shareholding companies and the period of issuance of audit reports in these companies. The study found a statistically significant effect for both the number of members and the financial experience the period of issuance of the audit report, which is the period of issuance of the audit report. As well, (Abernathy, et al., 2014) concluded that the financial and accounting experience of the Audit Committee is linked to the timing of the accounting information. Furthermore, it showed that the accounting experience gained from the general accounting experience is related to the timing of the financial reporting; however, the accounting experience gained from CFO experience is not. In addition, the chairpersons of audit committees with accounting experience in general accounting experience were substantially correlated with the timing of financial reporting, while the chairpersons of audit committees with accounting experience from sources were not provided by the CFO.

The situated study will explore the influence of corporate governance characteristics on audit report lag ARL in Jordanian Listed banks, and try to identify the extent of agreement or disagreement with the previous investigations and studies.

2. Corporate Governance Guidance in Jordanian Banks

2.1 Introduction

Institutional governance is located by the Organization for Economic Cooperation and Development (OECD) as a set of relations between the management of the institution, its board of directors, its shareholders and other entities with an interest in the institution, executive management with appropriate incentives to achieve the objectives of the institution that leads to its interest, Facilitate the process of monitoring effectively, and thus enable the institution to exploit its resources efficiently.

When each bank prepares its own corporate governance guide, it must reflect from its own point of view and in its own way its view on the meaning and importance of corporate governance. The following is an example of what the guide's introduction might include:

"Corporate Governance provides a foundation for future development and institutional performance. The aim is to increase the confidence of the recipients of funds and services in the Bank's activities, such as depositors and shareholders, as well as to donate to the evolution of the Jordanian banking system. The Department adopts the Corporate Governance Guide (hereinafter referred to as "the Guide") The Central Bank of Jordan and international best practice. The guide is based on the following four guidelines:

- Equity in the treatment of all beneficiaries of the Bank's services (eg shareholders, depositors, creditors, bank employees and regulatory authorities).

- Transparency and disclosure, with the aim of being able to assess the Bank's position and financial performance.

- Accountability in the relations between the executive management of the Bank and the Board of Directors, and between the Board of Directors, shareholders, the Board of Directors and other interested parties.

- Responsibility, in terms of obvious separation of responsibilities and delegation of authority. "

"The Bank reviews, develops and adjusts the manual as necessary, from time to time, in order to keep abreast of the changes in the Bank's needs and expectations and the banking market (https://sdc.com).

2.2 Commitment to Institutional Governance

1. The Bank shall prepare the Manual to be approved by the Board of Directors and be published so that an updated version of it is available on its website and to the public upon request.

2. The Bank shall form a committee emanating from the Board of Directors called the Corporate Governance Committee, consisting of the Chairman of the Board and two non-executive members to guide the preparation, updating and implementation of the Guide.

3. In its annual report, the Bank shall prepare a report to the public on the extent to which the Bank's management complies with the terms of the Guide. The report shall include a statement of the Bank's commitment to apply each item, including reasons for non-compliance with any item that has not been implemented (https://sdc.com).

3. Literature Review

On the subject of the study, many researchers discussed the impact of corporate governance through its characteristics on the timing of issuing the auditor's report. The results and outcomes of these studies and debates varied between agreed and opposed to the existence or lack of correlation, and what is the nature of this association. The following are some of these debates such as (McGee, 2007) when he discussed the timing of financial reporting in the Russian energy sector, which represents the number of days between the end of the year and the date of the auditor's report. He then compared Russian and non-Russian energy companies to see if there was a important difference in the timing of financial reporting. Finally, the results revealed that Russian companies needed more time to report financial information than non-Russian companies. (Abdelsalam and El-Masry, 2008) showed that timing of corporate internal reporting for Irish companies is positively correlated with board of director's independence and chief executive officer (CEO) ownership is provided.. Also, (Afify, 2009) investigated the effect of corporate governance characteristics and audit-related characteristics on audit report lag especially in emerging capital markets, 85 Egyptian listed companies was investigated. Moreover, the study consisted of explanatory variables regarding to corporate governance characteristics, such as board independence, duality of chief particularly officer (CEO), and existence of an audit committee. The study results showed that all explanatory variables have a significant impact on audit report lag, but the results showed insignificant impact of ownership concentration on audit report lag. Moreover, the control variables: company size, industry and profitability have a significant impact on audit report lag. As well, (Naimi, et al., 2010) discussed the timeliness of financial reporting for 628 annual reports for Malaysian public listed companies, the results after applied Multivariate analysis for year ended 2002 showed that vital and larger audit committee reduce audit delay. However, audit committee independence and expertise have no correlation with the timing of audit report.

Norwahida and Puat (2011) Survey the factors affecting the annual audit report of the 300 largest listed Malaysian companies for the year ended 2009. The results showed that the type of auditor, review opinion and performance of the company all significantly affect the audit report's delay. However, no effect was found on other factors such as Board independence, the size of the audit committee, the Audit Committee's meetings and the qualifications of the audit committee in the audit report. On the other hand, (Ibadin, et al., 2012) checked the association between corporate governance variables, corporate characteristics and timing of the audit report of 118 listed Nigerian companies. Furthermore, the study examined the relationship between board independence, board size, company size, leverage, profitability, size of audit firm, and review and timing of financial statements. The results showed that there is no significant effect on all variables except for the delay in checking the timing of the financial statements. (Ika and Ghazali, 2012) investigated the relation between audit committee effectiveness and timing of financial reporting for 211 non-financial Indonesian listed companies. The results revealed that timing of reporting is correlated with audit committee effectiveness. This result proposed that audit committee effectiveness probable to decrease the financial reporting lead time. Also, (AKLE, 2012) examined the correlation between the corporate governance and timing of financial reporting. Also the study investigated the correlation between industry type, company size, gearing, leverage, earnings quality, earnings management, electronic disclosure, audit opinion and the timing of financial reporting for companies listed on Egyptian stock exchange during the period from 1998 to 2007. The results revealed that Egyptian firms have taken less time to publish their annual financial reporting since implementation of corporate governance principals.

Azubike and AGGREH (2014) explored the impact of company size, profitability, complexity and audit firm type on the audit report timing in listed manufacturing companies in Nigeria for the period from 2010 to 2012. The results showed that there is a significant association between board size, board independence, with Audit report lag, but there is a non-significant association between audit firm type and Audit report lag. Moreover, (Al Daoud, et al., 2015) examined the effect of board independence, board size, CEO duality, board diligence, board financial expertise and presence of audit committee also the type of sector on the timing of financial reports for 12 companies listed on the Amman Stock Exchange for the period from 2011 to 2012. The results of the analysis showed that the independence of the board members from the management of the company needs to prepare and the issuance of financial reports less time. The results showed that companies with the largest number of Board members are associated with the late audit report. The output of the analysis also indicated that the separation between the CEO and the Chairman leads to faster financial reporting. Moreover, the more board meetings, the shorter the audit time; the presence of the audit committee leads to a reduction in the delay of the audit report. This study revealed that good corporate governance structures play a key role in enhancing the quality of financial reporting timing. On the other hand, (Kamalluarifin, 2015) Investigated the relationship between corporate governance techniques and their robust characteristics with the timing of internal corporate reporting for the top 95 listed Malaysian companies. The results of the analysis showed an important negative correlation between the Board's independence and the timing of the internal reports of companies, but found a positive relationship with the age of managers, profitability and leverage.

4. Methodology

4.1 Study Population, Study Sample and Period

The study population will be composed of all banks listed on the Amman Stock Exchange (ASE). Eleven of the 13 banks were subject to analysis; the Arab Islamic International Bank was excluded due to the lack of annual reports during the study period from 2015 to 2017, The Capital Bank was also excluded from the study sample due to lack of information on governance in the annual report. Descriptive analysis and correlation coefficient as well as simple and multiple regressions will be used to infer the association between corporate governance characteristics and audit report lag in the listed Jordanian banks.

4.2 Study Variables

4.2.1.1 Independent Variables

ARLAG: Audit report lag, expressed as the number of days between the end of the financial year and the date of signing the audit report (Dow and others, 2015).

4.2.1.2 Dependent Variable

BORSIZE: Is a key technique of institutional governance and more effective when the number of members of the Council is ideal. Researchers differ significantly whether the smaller or larger plate is more efficient. Zainel Abdeen et al., 2009, discussed the fact that the larger number of board members is more useful to companies in terms of knowledge and experience, and the process of sharing ideas makes them more efficient in the decision making process. In addition, the study showed that the size of the painting affects the performance of the company positively. Mohamed Noor et al., 2010; Hassan, 2016, pointed out that many researchers have revealed that larger boards lead to delays in financial reports and auditors (Alsmady, 2018). The size of the Board will be measured in this study by the total number of Directors (Al Daoud, et al., 2015).

BORDEL: Board diligence, expressed by the number of meetings held by directors during the financial year (Al Daoud, et al., 2015).

ACSIZE: The audit committee occupy critical role in supporting the Board in accomplishing its responsibilities by controlling the accounting and financial reporting processes. Karnain, 2007 argued that one technique that has been widely applied in global corporate organizations to control the financial reporting process and corporate governance is the foundation of an audit committee consist a majority of independent directors (Ilaboya & Christian, 2014). Audit committee size in this study, will measured by total number of audit committee members.

ACDEL: Audit committee diligence, will measured by the number of committee meetings held during the financial year.

4.2.1.3 Control Variables

COMSIZE: The size of the company is used as a variable to confirm the delay in publishing financial reports. According to Ghazali, 2007, major companies are more interested in disclosing information. In 1994, Ezzat and Al-Masry and Wallace et al., 1994, examined the impact of the size of the company in order to identify and disclose financial reports and concluded a positive relationship. Moreover, larger companies with larger capital are larger (Samadi, 2018). The size of the company in this study will be measured by the natural logarithm of the total assets.

ROE: Return on equity, measured by dividing net income on total equity.

4.3 Study Hypotheses

Main Hypothesis

H1: Corporate governance characteristics are not correlated significantly with audit report lag

Sub Hypotheses

H11: Board size is not correlated significantly with audit report lag.

H12: Board diligence is not correlated significantly with audit report lag.

H13: Audit committee size is not correlated significantly with audit report lag.

H14: Audit committee diligence is not correlated significantly with audit report lag.

4.4 Study Model

$$ARLAG= 0+\beta 1\ BORSIZE\ it +\beta 2\ BORDEL\ it +\beta 3\ ACSIZE\ it +\beta 4\ ACDEL\ it +\beta 5\ COMSIZE\ it + \beta 6\ ROE\ it\ \beta$$

5. Analysis

5.1 Descriptive Analysis

Table 1. Descriptive analysis

Variable	Observations	Mean	Standard Deviation	Minimum	Maximum
BORSIZE	33	11.69697	.918043	9	13
BORDEL	33	8.030303	3.137324	6	19
ACSIZE	33	4.090909	1.208399	3	7
ACDEL	33	7	3.122499	4	16
ARLAG	33	48.63636	19.03913	26	89
ROE	33	8.981818	3.472696	2.07	15.76
COMSIZE	33	9.464545	.3811808	9.012	10.413

The analysis were parted into seven parts which are board size, board diligence, audit committee size, audit committee diligence, audit report lag, return on equity. And company size. Table 1 exhibit that there is a substance zone of divergence between the chosen samples of this study. The extent of board size BORSIZE is from 9 to 13 with a mean of 11.69697 and a standard deviation of .918043. The extent of the board diligence BORDEL is from 6 to 19 with a mean of 8.030303 and std. of 3.137324. Also, for audit committee size ACSIZE is from 3 to 7, with a mean of 4.090909, and std. of 1.208399 and the extent of audit committee diligence ACDEL are from 4 to 16, with a mean of 7 and a std. of 3.122499. Finally for the audit report lag ARLAG is from 26 to 89 with a mean of 48.63636 and a std. of 19.03913.

Given the control variables, return on equity ROE extend from 2.07 to 15.76, with a mean of 8.981818 and a std. of 3.472696, the extent of company size COMSIZE is from 9.012 to 10.413, with mean of 9.464545 and a std. of .3811808.

5.2 Correlations

Table 2. Pearson's correlation coefficient

Variables	BORSIZEBORDEL ACSIZEACDEL ARLAGROECOMSIZE
BORSIZE	1.0000
BORDEL	0.01411.0000
ACSIZE	-0.05890.14761.0000
ACDEL	0.16350.8741-0.07451.0000
ARLAG	-0.33010.2602 0.02590.31641.0000
ROE	-0.1963-0.2461-0.0688-0.3514 -0.10891.0000
COMSIZE	0.3327-0.3043-0.1980-0.1377-0.4908-0.01671.0000

Correlation analysis was applied for the sake of derive the degree of correlation among the variables of the study which ranges from +1 to -1. Seeing of table 2, we can recognize that there is a strong correlation between some variables with a positive sign, which indicates that the positive relation among these variables is rise, on the other hand, there is a weak relation among some other variables, and either this direction is positive or negative.

Table 3. Pearson's covariance coefficient

	BORSIZE BORDEL ACSIZEACDELARLAG ROECOMSIZE
BORSIZE	.842803
BORDEL	.04072 9.8428
ACSIZE	-.065341.5596591.46023
ACDEL	.46875 8.5625-.281259.75
ARLAG	-5.76989 15.5426.596591 18.8125362.489
ROE	-.625682 -2.68162-.288608-3.81094-7.19838 12.0596
COMSIZE	.11642-.363923 -.091207 -.163937 -3.5618-.022112 .145299

Covariance indicates how the mean values of two variables move together. If one variable moves higher whenever the other variable moves higher and the same relationship is found when one variable decreases, then these variables are said to have a positive covariance. As table 3 shows some variables have a positive covariance, while the others have a negative covariance, means move in a reverse direction.

5.3 Hypotheses

H1: Corporate governance characteristics are not correlated significantly with audit report lag.

Table 4. Testing for Hypothesis 1

Source	**SS.**	**df.**	**MS.**	No. of observations =33		
				F(6,26)=3.35		
Model	5059.05474	6	843.17579	Prob > F =0.0140		
Residual	6540.58162	26	251.560832	R-squared =0.4361		
				Adj R-squared =0.3060		
Total	**11599.6364**	**32**	**362.488636**	Root MSE = 15.861		
ARLAG	**Coeff.**	**Std. Error**	**t**	**P>|t|**	**[95% Conf. Interval]**	
BORSIZE	-6.531654	3.396839	-1.92	0.066	-13.51396	.4506485
BORDEL	-3.979799	2.233097	-1.78	0.086	-8.569994	.6103972
ACSIZE	1.238112	2.646137	0.47	0.644	-4.201101	6.677324
ACDEL	5.339905	2.26865	2.35	0.026	.6766282	10.00318
ROE	-.1448524	.889918	-0.16	0.872	-1.974105	1.6844
COMSIZE	-22.46808	8.432144	-2.66	0.013	-39.8006	-5.135564
_cons	328.5028	82.63382	3.98	0.000	158.6466	498.3591

Through reading the above findings, discern that R-squared 0.4361 is not much under 0.60, which leads to that the data of this pattern is to some extent related, as well as that 0.4361 percent divergences in audit report lag ARLAG via two control variables: return on equity ROE and company size COMSIZE, can be demonstrated by corporate governance characteristics. Thus, the surviving percent divergences in report lag ARLAG can be interpreted by other variables other than corporate governance characteristics.

H1: Corporate governance characteristics are not correlated significantly with audit report lag.

Through reading the probability value of corporate governance characteristics which is 0.0140 under 0.05, it observe that through control variables return on equity ROEand company size COMSIZE, corporate governance characteristics jointly is an substantial variable to explicate audit report lag ARLAG, , thus the null hypothesis should be reject, and accept the alternative hypothesis that corporate governance characteristics is connected substantially with audit report lag through REO and COMSIZE. This finding is compatible with the findings of (Abdo Salam and Mu'ari, 2008), (Afify, 2009), (Norwaida & Puat, 2011), (AKLE, 2012), (Azubike & AGGREH, 2014) and (Al Dawood et al., 2015). It is therefore possible to conclude that the characteristics of corporate governance are an independent variable that is important for the interpretation of the Jordanian bank audit report lag ARLAG.

H11: Board size is not correlated significantly with audit report lag.

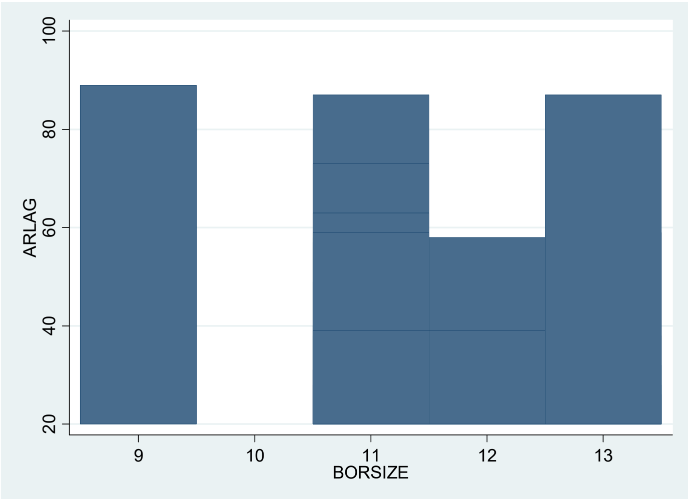

Table 5. Testing for hypothesis 11

Source	SS.	df.	MS.		No. of observations=33
					F(3,29) =4.07
Model	3439.64962	3	1146.54987		Prob > F =0.0157
Residual	8159.98674	29	281.378853		R-squared =0.2965
					Adj R-squared =0.2238
Total	**11599.6364**	**32**	**362.488636**		Root M =16.774
ARLAG	**Coeff.**	**Std. Error**	**t**	**P>|t|**	**[95% Conf. Interval]**
BORSIZE	-4.59939	3.497418	-1.32	0.199	-11.752412.553634
ROE	-.8739608	.8720341	-1.00	0.325	-2.657471.9095491
COMSIZE	-20.96134	8.260591	-2.54	0.017	-37.85614 -4.066532
_cons	308.6746	75.97359	4.06	0.000	153.2911 464.058

Through reading the above findings, discern that R-squared 0.2965 is under 0.60, which leads to that the data of this pattern is not extremely related, as well as that 0.2965 percent divergences in audit report lag ARLAG can be demonstrated via two control variables: return on equity ROE and company size COMSIZE, by board size BORSIZE. Thus, the surviving percent divergences in report lag ARLAG can be interpreted by other variables other than board size BORSIZE.

H11: Board size is not correlated significantly with audit report lag.

Through reading the probability value of board size BORSIZE which is 0.0157 under 0.05, it observe that through control variables return on equity ROEand company size COMSIZE, the board size BORSIZE is an substantial variable to explicate audit report lag ARLAG, thus the null hypothesis should bereject, and accept the alternative hypothesis that board size BORSIZE is connected substantially with audit report lag through REO and COMSIZE, This finding is compatible with the findings of (Ibadin, et al., 2012) and (Al Daoud, et al., 2015). It is therefore possible to conclude that the board size BORSIZE is an important independent variable to interpret the listed Jordanian banks' audit report lag ARLAG.

H12: Board diligence is not correlated significantly with audit report lag.

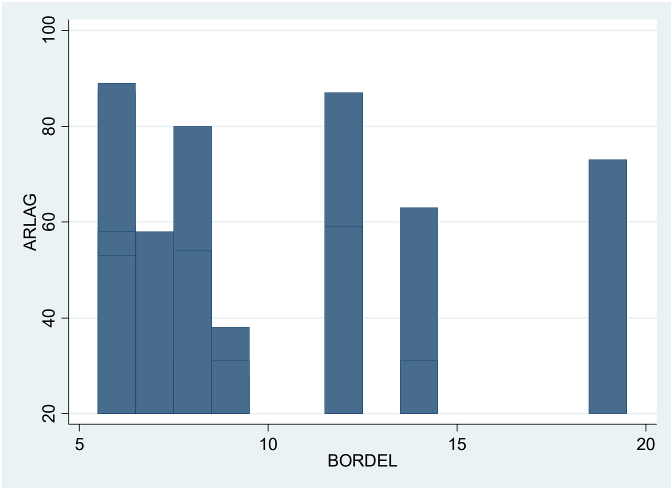

Table 6. Testing for hypothesis 12

Source	SS .		df.	MS.		No. of observations = 33	
						F(3,29) = 3.44	
Model	3044.13843		3	1014.71281		Prob > F =0.0296	
Residual	8555.49793		29	295.01717		R-squared =0.2624	
						Adj R-squared=0.1861	
Total	**11599.6364**		**32**	**362.488636**		Root MSE =17.176	
ARLAG	**Coeff.**	**Std. Error**		**t**	**P>|t|**	**[95% Conf. Interval]**	
BORDEL	.5853612	1.053294		0.56	0.583	-1.568866	2.739589
ROE	-.5091375	.9065687		-0.56	0.579	-2.363279	1.345004
COMSIZE	-23.12494	8.40365		-2.75	0.010	-40.31234	-5.93755
_cons	267.3758	84.05911		3.18	0.003	95.4556	439.296

Through reading the above findings, discern that R-squared 0.2624 is under 0.60, which leads to that the data of this pattern is not extremely related, as well as that 0.2624 percent divergences in audit report lag ARLAG can be demonstrated via two control variables: return on equity ROE and company size COMSIZE, by board diligence BORDEL. Thus, the surviving percent divergences in report lag ARLAG can be interpreted by other variables other than board diligence BORDEL.

H12: Board diligence is not correlated significantly with audit report lag.

Through reading the probability value of board diligence BORDEL which is 0.0296 under 0.05, it observe that through control variables return on equity ROEand company size COMSIZE, the board diligence BORDEL is an substantial variable to explicate audit report lag ARLAG, thus the null hypothesis should bereject, and accept the alternative hypothesis that board diligence BORDEL is connected substantially with audit report lag through REO and COMSIZE, sense board diligence BORDEL is an important independent variable to interpret the listed Jordanian banks' audit report lag ARLAG.

H13: Audit committee size is not correlated significantly with audit report lag.

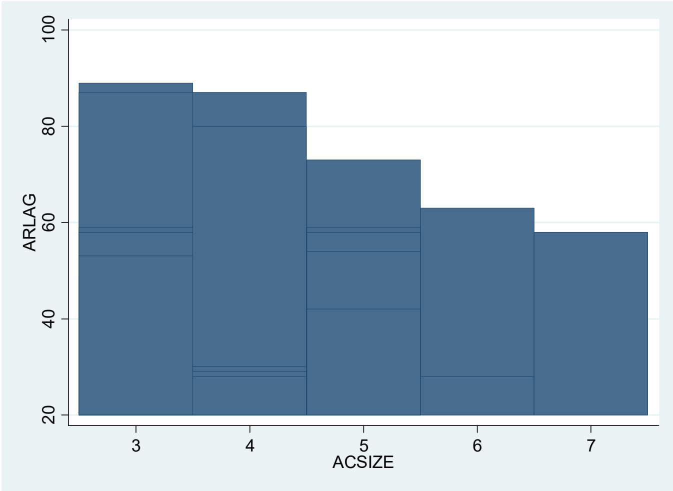

Table 7. Testing for hypothesis 13

Source	**SS.**		**df.**	**MS.**		**No. of observations** = 33	
						F(3,29) = 3.42	
Model	3030.11011		3	1010.0367		Prob > F =0.0303	
Residual	8569.52625		29	295.500905		R-squared =0.2612	
						Adj R-squared =0.1848	
Total	**11599.6364**		**32**	**`362.488636**		Root MSE = 17.19	
ARLAG	**Coef.**	**Std. Error**		**t**	**P>|t|**	**[95% Conf. Interval]**	
ACSIZE	-1.313927	2.572512		-0.51	0.613	-6.575305	3.94745
ROE	-.6749919	.8775586		-0.77	0.448	-2.469801	1.119817
COMSIZE	-25.44109	8.137062		-3.13	0.004	-42.08325	-8.798932
_cons	300.8626	80.53831		3.74	0.001	136.1432	465.5819

Through reading the above findings, discern that R-squared 0.2612 is under 0.60, which leads to that the data of this pattern is not extremely related, as well as that 0.2624 percent divergences in audit report lag ARLAG can be demonstrated via two control variables: return on equity ROE and company size COMSIZE, by audit committee size ACSIZE. Thus, the surviving percent divergences in report lag ARLAG can be interpreted by other variables other than audit committee size ACSIZE.

H13: Audit committee size is not correlated significantly with audit report lag.

Through reading the probability value of audit committee size ACSIZE which is 0.0303 under 0.05, it observe that through control variables return on equity ROEand company size COMSIZE, the audit committee size ACSIZE is an substantial variable to explicate audit report lag ARLAG, thus the null hypothesis should bereject, and accept the alternative hypothesis that audit committee size ACSIZE is connected substantially with audit report lag through REO and COMSIZE, This finding is compatible with the findings of (Naimi, et al., 2010). It is therefore possible to conclude that the audit committee size ACSIZE is an important independent variable to interpret the listed Jordanian banks' audit report lag ARLAG.

H14: Audit committee diligence is not correlated significantly with audit report lag.

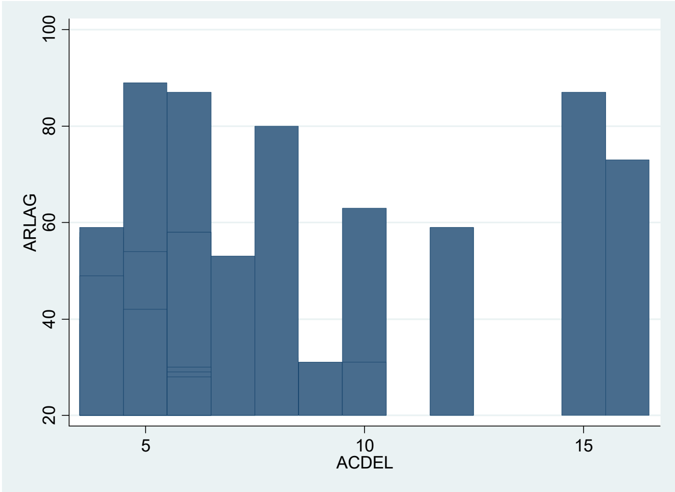

Table 8. Testing analysis for hypothesis 14

Source	SS.	df.	MS.	No. of observations=33	
				F(3,29) =4.24	
Model	3536.12667	3	1178.70889	Prob > F =0.0133	
Residual	8063.5097	29	278.052058	R-squared =0.3048	
				Adj R-squared =0.2329	
Total	**11599.6364**	**32**	**362.488636**	Root MSE =16.675	
ARLAG	**Coeff.**	**Std. Error**	**t**	**P>|t|**	**[95% Conf. Interval]**
ACDEL	1.477733	1.020436	1.45	0.158	-.609293 3.564758
ROE	-.1718619	.908914	-0.19	0.851	-2.0308 1.687076
COMSIZE	-22.87245	7.826893	-2.92	0.007	-38.88024 -6.864656
_cons	256.3132	76.82828	3.34	0.002	99.18173 413.4447

Through reading the above findings, discern that R-squared 0.3048 is not highly under than 0.60, which leads to that the data of this pattern is somehow related, as well as that 0.3048 percent divergences in audit report lag ARLAG can be demonstrated via two control variables: return on equity ROE and company size COMSIZE, by audit committee diligence ACDEL. Thus, the surviving percent divergences in report lag ARLAG can be interpreted by other variables other than audit committee diligence ACDEL.

H14: Audit committee diligence is not correlated significantly with audit report lag.

Through reading the probability value of audit committee diligence ACDEL which is 0.0133 under 0.05, it observe that through control variables return on equity ROEand company size COMSIZE, the audit committee diligence ACDEL is an substantial variable to explicate audit report lag ARLAG, thus the null hypothesis should bereject, and accept the alternative hypothesis that audit committee diligence ACDEL is connected substantially with audit report lag through REO and COMSIZE, sense audit committee diligence ACDEL is an important independent variable to interpret the listed Jordanian banks' audit report lag ARLAG.

6. Results Discussions

After completing the review of the theoretical framework, reading the previous literature and conducting statistical analysis in order to subject the hypothesis of the study to the test, and reach the results in order to link and compare with previous studies. The study found the following results: There is a material impact of the characteristics of corporate governance on the delay of the audit reports for all the characteristics combined, there is also an important impact of each measure individually on the audit report lag; board size, board diligence, audit committee size and audit committee diligence, note that the previous relationships were determined through the following control variables: return on equity and company size.

Of the previous results of this study in comparison with previous studies, there is a respectable agreement to the effect of the characteristics of the corporate governance on the timing and date of the auditor's report. The researcher believes that it is good to conduct such studies on sectors other than the banking sector, in these sectors as defined by the guidance and instructions and its impact on the timing of the auditor's report as a very important subject.

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