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## Characteristics of ACs and their impact on the period of issuing the auditor's report: An Empirical study on Jordanian public shareholding companies

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### ABSTRACT

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This study aimed to examine the characteristics of audit committees (ACs) on the short delay in issuing audit reports. Using data for 97 companies in the industrial and service sectors in the Jordanian context, for the period between 2017 and 2021. The results of this study showed that the independence of ACs has an important and negative impact on reducing the delay in issuing financial reporting (FR). However, the study did not find the importance of the rest of the characteristics related to ACs to reduce the delay in issuing audit reports between Jordanian companies. The study concluded that the mechanisms of corporate governance in Jordanian companies are not effective, compared to the more developed countries. Thus, policy makers are supposed to enforce governance practices in Jordanian companies in substance, rather than simply adhering to practices in form.

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## 1. Introduction

To develop the Jordanian capital market and in light of the development witnessed by the national economy at all levels, the JSC stressed the need for joint stock companies listed on the Amman Stock Exchange to provide the necessary information to shareholders and investors in a clear and non-misleading manner and at the specified times. FASB (2010), Gibson (2012) and Revsine et al. (2012) highlighted that the financial report's primary goal is to give readers information that aids in making informed financial decisions. Whereas, when making decisions and attempting to derive the appropriate advantage from financial performance, it is crucial to offer a true and fair picture of the situation (Rusmanto & Herlina, 2020; Sudradjat & Mai, 2022). As for (IASB, 2010; Sudradjat & Mai, 2022), if financial information is not available when needed, it will quickly lose its value in the world of money and business, and therefore it will have no value in the future. Maranjory and Kouchaki Tajani (2022) indicated that the financial and non-financial information to be of great use for decision-making and have predictive value when they are in a timely manner. In accordance with the requirements of laws and regulations in many developed and developing countries, companies operating in the countries are not allowed to issue FR until they are approved by an external auditor and the audit report is issued (Abernathy et al., 2017; Raweh et al., 2019). Where it was indicated in the previous literature related to FR, their quality and timing, that each of them is important in order to work to enhance the credibility and appropriateness of external audit operations (Singh et al., 2022; Abdillan et al., 2019; DeFond & Zhang, 2014; Knechel et al., 2013). Therefore, the researchers add to the above such as Abdillan et al. (2019) and Singh et al. (2022) indicated that the inability of users to independently check the information provided by businesses undermines its credibility, necessitating work to increase that material's reliability through a verification and review procedure carried out by an impartial and knowledgeable third party, and as a result, there is a greater need for the services of an external auditor to assist in acquiring accurate and timely financial information. As a result, external auditors are under more pressure to do their work faster and publish their reports (Nazieh Ezata et al., 2021; Singh et al., 2022).

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When considering the report issued by the external auditor related to the credibility of the financial statements, investors usually prefer to publish the audit report shortly after the end of the fiscal year because it contains the auditor's assessment of the validity of the financial statements (Bhuiyan & D'Costa, 2020). The audit report issued by the auditor is a product of the auditing process that he carried out, in which he expresses his opinion on the truthfulness and fairness of these lists in expressing the company's results and financial position (Zaid Alkelani et al., 2019). Thus, it is considered as one of the important mechanisms in order to control the performance of those responsible for the company's performance and to get acquainted with the company's conditions (Nazieh Ezata et al., 2021). Thus, the delay in the process of issuing the report related to the audit (the time period between the end of the fiscal year and the date of issuance of the audit report) will lead to FR of low quality, this is because by not submitting them in a timely manner (Maranjory & Kouchaki Tajani, 2022). Late disclosure of the audit report issued on the opinion of the external auditor on the integrity and fairness of the company's financial statements leads to uncertainty in decisions related to investment, as well as to an increase in asymmetric information (Afify, 2009; Mande & Son, 2011). This was confirmed by Atiase et al. (1989) where he indicated that there is an inverse relationship between the delay in the audit report and the quality of the financial statements. Furthermore, FR may be of lower quality over time, and this in turn negatively affects the decisions of users of financial statements, and an obstacle to developing countries' economies and capital markets.

There have been numerous studies that have addressed the issue of the delay in publishing the audit report, and these studies tried to look at a variety of factors that might have an effect on the delay in the audit report (e.g., Rusmanto & Herlina, 2020; Abdillah et al., 2019; Widjaja & Feliana, 2022; Maranjory & Kouchaki Tajani, 2022). Among the companies that achieve previous losses and the period of issuing the audit report. Susak (2020) indicated that companies that have long delays in FR tend to have a higher tendency to manage profits, as companies were more inclined to manipulate the items of financial statements, as well as the uncertainty caused by the Coronavirus. Zare Bahnamiri & Hasankhani, (2021) pointed out that companies that were late in issuing FR increased in companies that changed their auditor at the end of the fiscal year. Jaggi and Tsui (1999) indicated that there is a positive correlation between the delay in the audit report and the index of financial risks for companies in Hong Kong. The study showed that companies in Hong Kong that have financial difficulties or difficult financial situations are associated with longer delays in auditing, before audit firms using a structured audit approach have longer audit delays. Bamber (1993) indicated that the period of issuing the audit report is affected by the risk of audit, the presence of a qualified opinion and unusual items.

Accordingly, strengthening the corporate internal control system, auditing processes, regulatory and legal compliance and oversight of FR processes are among the important main tasks and functions of ACs (Zaid Alkelani et al., 2019; Raweh, Kamardin & Malik, 2019; Bédard & Gendron, 2010). The activities and techniques used by the external auditor are therefore likely to be significantly influenced by ACs in corporations, particularly when it comes to the timeframe of the audit report delivery. Corporate ACs are one of the most significant instruments that, in theory, ensure that the agent works to improve the wealth of all shareholders, according to the agency theory (Fama, 1980). Thus, the AC's job is to minimize knowledge asymmetries, which can also minimize agency issues. In addition to that, it works to enhance the flow of data and information between them in a better way, through its main role represented in monitoring the basic operations and activities of the business (Jensen, & Meckling, 1976, 2019; Raweh, Kamardin & Malik, 2019; Ika & Ghazali, 2012). Therefore, ACs in companies are an important control tool that works to ensure the integrity and reliability of FR, and to submit them in a timely manner (Afify, 2009; Baatwah et al., 2015; Ghafran & Yasmin, 2018; Shukeri et al., 2012). In the same vein, by enhancing the internal control system, ACs in businesses can seek to shorten delays in audit reports (Sultana et al., 2015) so, decreasing the audit work's risks and the audit processes' time (Deloitte, 2018). However, In order to decrease the time it takes to release the audit report and to improve the effectiveness and integrity of the companies' FR, we contend that the AC's features are crucial.

Based on the aforementioned, the researchers believe that ACs can play a significant and decisive role in the FR process by aiding businesses shorten the time it takes to issue the audit report, submit financial statements on schedule, in addition to overseeing management and external auditors, and instilling confidence in financial statement users about the accuracy of FR. In contrast, the aim of this study is to investigate the characteristics of the AC and the audit report lag. Recent research investigating the impact of corporate governance structures on the audit report lag served as the impetus for this investigation (Afify, 2009; Baatwah, Salleh & Ahmad, 2015; Ghafran & Yasmin, 2018; Shukeri & Islam, 2012). Based on the aforementioned, this study attempted to establish a link between the features of ACs in Jordanian public shareholding businesses and the timing of the release of the audit report, especially given the paucity of research on this topic in Jordan.

## 2. Theoretical framework

FR includes accounting information that is supposed to be useful and help the concerned parties who have an interest in the company's affairs in making the necessary decisions, and in order for that information to meet its purpose, it must be characterized by certain qualitative characteristics, such as suitability and reliability (Revsine et al., 2012). Mironiuc et al. (2015) defined relevancy as the extent of the information's ability to influence the decision maker in order to make the financial decision, for the information to be useful, it must include appropriate timing, predictive ability and feedback. While Adediran et al. (2013) reliability is defined as that characteristic that gives confidence that information is free from bias and error to a reasonable and reasonable extent.

In this context, the role of appropriate timing is highlighted as one of the basic elements that must be available in accounting information to be suited. Whereas the value and usefulness of the information in the financial report are diminished as well as its suitability for decision-making if the report's disclosure is delayed. Decision when it is needed and before it loses its importance in influencing the decision-making process. The researchers believe that ACs in companies have an important and essential role in the process of preparing reports, assisting companies in reducing the delay in issuing FR, and thus submitting FR that have been audited by the external auditor in a timely manner and creating confidence among users of FR.

### *2.1 Corporate governance in Jordan*

Given the importance of ACs in supervising the accounting policies and FR of companies, adherence to their instructions, and limiting the problems that these companies are exposed to, such as those that caused the collapse of major international companies due to cases of fraud, manipulation, and negligence by external parties, internal parties, or both, the world has looked at the concept of corporate governance and the adoption of its rules, whether in its legislation or in its systems, because of its countless benefits and advantages. Governance is defined as “the laws and instructions that companies adhere to in order to show them in a more transparent and clear manner in the financial and structural aspects and increases their credibility in the financial markets”. Governance is applied in several ways, either it is imposed by the force of law or recommends its use, so the boards of directors of companies apply it for the purposes of improving the company’s performance, or some of it is imposed by law and the other is done voluntarily according to the importance of the standard, as mentioned in the guide to the rules of governance of Jordanian public shareholding industrial companies And issued by the Securities Commission in Chapter Five: Disclosure and transparency of the ACs, their tasks, and their powers, so it became feasible to have serious controls, standards, and codified laws in terms of form, content, and substance in selecting the ACs that contain standards that define the conditions for the formation of these committees, their functions, and their tasks, so that they can be applied at the global level. And local, especially in light of the global financial crisis at the beginning of the third millennium and its impact on the collapse not at the corporate level, but at the level of countries, including the major ones, as some studies related to ACs were criticized, and some of them showed reservations about how to form ACs and the conditions that must be met in those committees in order to ensure its necessary independence in obtaining positive results through its role in the supervision and control process in a more neutral and objective manner.

At the local level, it was necessary to keep abreast of the developments taking place in the world, and to avoid the problems that major companies in developed countries were exposed to. Thus, standards, texts, and legislation for ACs were set by each of the Securities Commission, disclosure instructions for exporting companies, the Jordanian Companies Law, and the Central Bank of Jordan. For banks operating in Jordan, in light of the opening of the Jordanian business market to international markets and its entry into business market organizations such as “the World Trade Organization” and the Free Trade Organization, and in order to attract foreign and Arab investments.

In Jordan, companies listed on the Amman Stock Exchange were required to form ACs made up of three non-executive members of the board of directors, and the Jordan Securities Commission issued Disclosure and Accounting Standards Instructions No. (1) of 1998 outlining the duties and authority of those committees. It meets at least four times a year. In 2002, the Securities Law No. (76) referred to the necessity of forming ACs and clarified that the Board of Directors must form a committee called the AC consisting of three non-executive members and inform the Authority of this formation and any change that may occur. Accordingly, he defined the committee’s tasks, powers, and term of work (Abu Mayyala, 2007: 23). The disclosure instructions in the accounting standards and auditing standards issued by the Securities Commission Commissioner’s Board No. (53/2004) in Article No. (15) indicated that the AC be formed by the board of directors of the firm, consisting of three non-executive members, with one of them serving as chairman. The AC meets periodically and submits its report to the board of directors at the appropriate time. The number of its meetings should not be less than four times a year (Mushtaha, 20: 2008).

## **3. Hypothesis Development**

### *3.1 AC Size*

The number of AC members in Jordanian public shareholding businesses varies depending on the size of the board of directors, the size of the company, and the type of activity. However, the number of members should be adequate to achieve a combination of knowledge and competencies that allow the committee to carry out the responsibilities assigned to it and achieve its goals, regardless of the size of the firm and its activities (Alkelani et al., 2019; Marei, 2022; Marei et al., 2023), taking into account not to increase this number in a way that may limit quick and effective decision-making, and not to reduce it in a challenging way (Sultana et al., 2015). The AC, which consists of three to seven non-managerial members of the board of directors, is chosen from among the company's board of directors members and is in charge of protecting the independence of the auditor from management (The Blue-Ribbon Committee, 1999). The JCGC (2009, revised 2017) states that the AC shall include not less than three, provided that at least two of them are independent members and that one of them heads the committee. From the standpoint of the agency, it might be claimed that a larger AC has a stronger propensity to address agency issues and lower costs (Bédard et al., 2004), this is due to the fact that a larger AC has a greater ability to identify and address potential issues that may arise during the FR process since it is more likely to provide the necessary strength, various viewpoints, and knowledge to enable successful monitoring (Alkelani et al., 2019; Nelson & Jamil, 2012; Bédard et al., 2004

;Qushtom et al., 2023 ;Marei et al., 2023). Concerning the impact of the number of AC members on the delay in the audit report. Raweh et al. (2019) demonstrates how audit report delay is positively correlated with AC size. However, research by Wan-Hussin et al., (2013); Baatwah et al. (2015) discovered no link between the AC's size and the audit report's release delay. based on the, the following hypothesis is posited:

**H<sub>1</sub>:** *There is a negative relationship between the audit committee size and period of issuing the auditor's report.*

### 3.2 Independence of AC

As one of the factors affecting the AC's structure's efficacy, independence is an almost universally accepted norm. This necessitates having a majority of non-executive board members who can make decisions independently of management on the committee (Hashim & Abdul Rahman, 2011). Given that the bulk of the members are non-executive, the independence of the AC members is seen as one of the crucial components to carrying out their oversight duties (Abdalwali et al., 2022). Thus, the principle of independence for members of ACs increases the authority granted to them and gives them the upper hand over management, which in turn will enable them to perform their work without influence from others, even if it conflicts with the wishes of the companies' senior management. The AC members' independence and experience, which specifically represent the minority and shareholders, are essential for maintaining the accuracy and integrity of FR and improving the standard of monitoring, according to the agency theory (Watts & Zimmerman, 1978; Fama & Jensen, 1983).

The effectiveness of monitoring is increased by an independent AC since it reinforces the independence of the company's internal auditors and external auditors. according to Januarti, (2020) argues that having more independent AC members results in better FR, which eventually lowers the ARL. Zaid Alkilani, Wan Hussin & Salim, (2019) discovered no connection in Jordan between the independent AC and the modified audit opinion. Ghafran, O'Sullivan & Yasmin, (2022) found that the number of board seats held by AC members has a negative impact on the quality of earnings, indicating that they are less effective at monitoring managers' inclination to manipulate earnings. Januarti, (2020) found a positive significant relationship with audit fees. This suggests that the independent AC members will have a strong power to enhance the accuracy of the financial statements. Thus, they will be more efficient when producing FR and will be better at averting conflicts between management and external auditors, both of which will result in high-quality FR and, ultimately, lessen the lag in the audit report. based on the aforementioned, the following hypothesis is posited:

**H<sub>2</sub>:** *There is a negative relationship between the audit committee independence and period of issuing the auditor's report.*

### 3.3 The experience and knowledge of AC members

It is sometimes agreed upon that members of ACs have experience, knowledge and skill to the extent that they can follow up and evaluate internal control systems and the extent of compliance with systems procedures (Zaid Alkelani et al., 2019; Salleh, Baatwah & Ahmad, 2017). In addition, their ability to understand matters related to auditing and accounting to prepare FR, as well as the nature of the company's activity or the industry in which it operates (Wan-Hussin & Bamahros, 2013; Baatwah, Ahmad & Salleh, 2018). This will make it possible for the FR process to be better controlled, which will ultimately improve the corporate governance system, produce FR of a higher caliber, and shorten the time it takes for FR to be issued. The complexity of financial instruments, corporate capital structures, the rise of new industries, and the creative use of accounting standards all highlight the importance of having board members who are specifically qualified to serve on ACs. Given that there are numerous accounting issues that committees should consider, and that one of the key pillars is the members' experience Its solution's auditing depends on individual judgment, which is surely influenced by the member's level of experience in the accounting and auditing fields. Kusnadi et al. (2016) discovered that higher-quality FR is produced by ACs having a mix of accounting, financial, and/or supervisory expertise. Ghafran and Yasmin, (2018) and Baatwah et al.(2018) found that the AC chairmen's expertise and monitoring abilities are strongly negatively correlated with the length of the ARL period. Sultana et al. (2015) claimed that organizations with more AC members with accounting and finance experience tend to have better timely FR. Zaid Alkilani et al. (2019) revealed a substantial inverse relationship between the accounting knowledge of the AC and the modified audit opinion for Jordanian enterprises. The findings show that there is some association between the quality of FR and the financial expertise of the AC. based on the aforementioned, the following hypothesis is posited:

**H<sub>3</sub>:** *There is a negative relationship between the audit committee expertise and period of issuing the auditor's report.*

### 3.4 The number of AC members' meetings

One of the factors influencing the AC's efficacy is the frequency of its meetings throughout the year (Alkelani et al., 2019). The number of times this depends on the size of the committee's responsibilities and the nature of the circumstances the company is going through. This number is decided by the committee itself as it deems appropriate. Cai et al. (2015) indicated that increasing the number of AC meetings can lessen dispute within agencies and lower their costs. This is because the frequent meetings of ACs in companies will enhance the effectiveness of the committees in supervising and monitoring the process of preparing FR, and thus will increase the possibility of discussing and following up the results and problems that may occur in FR and audit reports (Gebayel et al., 2018). Therefore, the prospect of delayed ARL will be decreased. Gebayel et al. (2018) found a positive relation between AC meeting and FR quality. Januarti (2020) found that the frequency of its

meetings has positive effects on audit fees. Zaid Alkelani et al. (2019) found insignificant relation with modified audit opinion. Also, Raweh et al. (2019) and Baatwah et al. (2015) discovered insignificant with ARL. Archambeault and DeZoort (2001) discovered a substantial inverse link between the number of AC meetings and the auditor changeover. This suggests that an AC that meets more regularly each year than one that does not is better able to protect auditors when reporting their judgment. Baatwah et al. (2015) and Hashim and Abdul Rahman (2011) posit that an AC that holds several meetings each year is able to improve the financial information quality. They pointed out that the ACs that hold many meetings each year will have the ability to solve financial problems that the company may face, and thus improve the quality of financial information. This is because they can keep an eye on how financial statements are being prepared. Additionally, they will be better able to avoid disagreements that can arise between management and external auditors, which will ultimately shorten the time it takes to release FR. and then increase the quality of FR. based on the aforementioned, the following hypothesis is posited:

**H4:** *There is a negative relationship between the audit committee meeting and period of issuing the auditor's report.*

### 3.5 Overlapping Memberships in the Audit and Remuneration Committees

In the process of overseeing and preparing FR and audits, ACs are crucial and play a significant role (Zaid Alkelani et al., 2019), and in some cases, members of corporate ACs may constitute half of the board of directors stated that in accordance with what is defined by the company's system, the board of directors of firms shall consist of at least five and not more than thirteen people in accordance with the Jordanian Corporate Governance Law (2017 edition). For instance, if the board as a whole has five members, it would be anticipated that the AC would have three members (Furqaan et al., 2019). The board of directors of Jordanian firms must establish certain, permanent committees, including the AC, the Remuneration and Nomination Committee, the Corporate Governance Committee, and the Risk Management Committee, in accordance with the Jordanian Corporate Governance Law of 2017. Therefore, there must be members who serve on each of these committees. Therefore, the activity and efficacy of these committees, especially the AC, may be favorably or negatively impacted by overlapping board members (Kusnadi et al., 2015). Furqaan et al. (2019) discovered that overlapping memberships on such committees had a significant and favorable impact on the FR quality of the AC and other mandatory committees. Velte (2017) found a positive relation between the proportion of AC members who also sit on the compensation committee and accrual quality (as FR quality). Kusnadi et al. (2016) found no effect on the quality of FR from overlapping membership on the audit and remuneration committees. based on the aforementioned, the following hypothesis is posited:

**H5:** *There is a negative relationship between the audit committee Overlapping Memberships in the Audit and Remuneration Committees and the period of issuing the auditor's report.*

## 4. Study population and sample

All Jordanian public shareholding businesses that are listed on the Amman Stock Exchange and that released their FR between 2017 and 2021 make up the study population. The study sample consists of (97) Jordanian public shareholding companies that are listed on the ASE and that met the criteria given below:

- 1- It has all the necessary financial accounts containing all the information required to compute the research variables, as all businesses were omitted from the investigation that did not disclose the essential information.
- 2- During the study period, the company should be traded on the Amman Stock Exchange.
- 3- That fiscal year ends at the end of December of the period of study.

### 4.1 Statistical analysis and hypothesis testing

The AC efficacy on the ARL of the listed non-financial enterprises in Jordan between 2017 and 2021 is examined in this study using a panel data technique. The regression model is as follows:

$$ARL_{it} = \beta_0 + \beta_1 ACOverlap_{it} + \beta_2 ACSize_{it} + \beta_3 ACInd_{it} + \beta_4 ACacc_{it} + \beta_5 ACNonAcc_{it} + \beta_6 ACMeet_{it} + \beta_7 AO_{it} + \beta_8 BIG4_{it} + \beta_9 LnTA_{it} + \beta_{10} Loss_{it} + \beta_{11} Lev_{it} + \epsilon_{it}$$

Where: ARL: the period of issuing the auditor's report (which is the period from the end of the fiscal year until the date of issuing the external auditor's report).

*ACSize*: It represents the size of the AC in terms of the number of members.

*ACMeet*: the number of committee meetings.

*ACInd*: independence of the committee (which is the ratio of the number of independent members within the AC to the total number of members of the AC).

*ACacc*: The financial experience of the members of the AC (a percentage of those who hold an accounting or financial certificate or related certificates to the total number of committee members).

*AO*: 1 if auditor gives a qualified opinion, no opinion, adverse opinion or unqualified opinion with explanatory language; and 0 otherwise.

*BIG4*: 1 if the external auditor is one of the Big Four auditors and 0 otherwise.

*LEV*: The total liabilities divided by the total assets of firm *i* in year *t*.

*Loss*: Dummy variable that is equal to 1 if the firm reported losses in the previous year, and 0 otherwise.

*TA*: Log of total assets.

## 5. Empirical Results and Discussion

### 5.1 Descriptive Statistics

Table 1 shows that the average membership overlap between ACs in Jordanian companies and the remuneration and nomination committees is (0.76) in the period 2017 to 2021. This shows that most of the AC members in Jordanian firms also serve (overlapping) on the remuneration and nominating committees. Also, Table 1 demonstrates that from 2017 to 2021, Jordanian enterprises had an average of 3.19 AC members. According to the previous table, which shows that the minimum and maximum values were two and five members, respectively, the average number of AC members in Jordanian enterprises has reached about three. Also, Table 1 demonstrates that from 2017 to 2021, Jordanian corporations' AC members have an average independence rating of (0.875). Most AC members in Jordanian corporations appear to be independent, according to this. Also, Table 1 shows that the ACs in Jordanian companies have an average of (4) meetings annually, and the most committees met fourteen once a year, and the least amounted to once a year. It is also clear from the apparent table that, on average, only (0.176) members of ACs in Jordanian companies have experience in accounting and auditing.

**Table 1**  
Descriptive Statistics

	Descriptive Statistics			
	Minimum	Maximum	Mean	Std. Deviation
ARL	5	138	65.93	26.354
ACOverlap	0	1	0.76	0.426
ACSize	1	5	3.19	0.530
ACInd%	0.000	5.000	0.875	0.809
ACAcc%	0.000	1.000	0.176	0.202
ACNonAcc%	0.000	1.000	0.163	0.167
ACMeet	1	14	4.29	1.505
AO	0	1	0.27	0.443
BIG4	0	1	0.42	0.493
LnTA	12.677	21.088	17.129	1.572
Loss	0	1	0.39	0.488

### 5.2 Correlation coefficients for the study variables

As indicated in Table 2, the link between the dependent variables employed in the study was ascertained using the Pearson correlation test.

**Table 2**  
Correlation Matrix

	1	2	3	4	5	6	7	8	9	10	11
1.ARL	1										
2.ACOverlap	-0.084	1									
3.ACSize	0.015	0.030	1								
4.ACInd%	-.127**	0.045	0.068	1							
5.ACAcc%	0.011	-0.128**	-0.122**	-0.051	1						
6.ACNonAcc%	0.021	0.132**	-0.127**	-0.001	-0.853	1					
7.ACMeet	0.031	0.016	0.247**	-0.0049	-0.102*	0.008	1				
8.AO	0.213**	-0.013	-0.098*	0.047	0.121**	-0.095*	-0.029	1			
9.BIG4	0.391**	-0.050	0.236**	-0.033	-0.044	0.024	0.0224**	-0.030	1		
10.LnTA	0.196**	0.018	0.304**	0.035	-	0.115*	0.227**	-0.227**	0.447**	1	
11.Loss	0.012	-0.081	-0.085	-0.055	0.136**	-0.158**	-0.092*	0.328**	-0.195**	-0.348**	.094*

\*\* Correlations are significant at the 0.01 level (2-tailed)

\* Correlations are significant at the 0.05 level (2-tailed)

## 6. Hypothesis test results

In order to test the hypotheses related to this study, multiple regression analysis was used to examine the correlation between the characteristics of the ACs in the Jordanian companies and the timing of issuing the FR of these companies.

**Table 3**  
Logistics Regression Test

	Model	Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.573	0.315		11.356	0.000
	ACOverlap	-0.067	0.050	-0.057	-1.350	0.178
	ACSize	-0.035	0.046	-0.037	-0.746	0.456
	ACInd%	-0.058	0.026	-0.094	-2.252	0.025
	ACAcc%	0.180	0.218	0.073	0.824	0.410
	ACNonAcc%	0.267	0.266	0.090	1.003	0.316
	ACMeet	-0.017	0.015	-0.052	-1.167	0.244
	AO	0.237	0.052	0.211	4.592	0.000
	BIG4	0.357	0.048	0.355	7.416	0.000
	LnTA	0.029	0.016	0.093	1.822	0.069
	Loss	0.006	0.047	0.006	0.127	0.899
	lev	0.007	0.040	0.008	0.172	0.864

a. Dependent Variable: ARLLN R-Square = 0.204 Adjusted R-Square = 0.185 F-value = 10.887 (0.000)

## 7. Conclusion

This study has investigated if the AC's characteristics have an impact on the time it takes to release audit reports (overlapping membership, independence, number of members of ACs, number of meetings, and accounting and auditing experience) for Jordanian companies. Since the annual financial reports that were audited by an external auditor are regarded as the only source for providing financial data and information to investors, the verification of the issue of the delay in issuing audit reports is one of the crucial issues, particularly in the Jordanian environment.

The study came to the conclusion that the independence of ACs has a negative and significant impact on the delay in providing the audit report in Jordanian companies based on 97 companies listed in the Amman Stock Exchange from 2017 to 2021. The study came to the further conclusion that Jordanian companies' other AC characteristics are not significant in reducing the delay in the audit report. Certainly, these results support a study by Baatwah (2016) that found AC characteristics do not improve the quality and effectiveness of FR in Omani enterprises. Thus, the characteristics of ACs are not effective. Ultimately, this study will contribute to the formation of a body of knowledge, by expanding the literature related to the characteristics of ACs and the delay in issuing audit reports.

Despite the delay in publishing the audit report, this study offered a comprehensive picture of the qualities of ACs in Jordanian firms. As a result, it will assist Jordan's regulatory bodies (the Securities Commission) in analyzing the current listing requirements for ACs. Moreover, this study is viewed as a strategy for Jordan's policymakers, regulators, and other decision-makers, particularly in light of the delay in the release of audit reports. Moreover, Only the service and industrial sectors in the Jordanian setting were included in the study's sample, and the size of the enterprises was also quite tiny. Thus, there is a limit on how far the study's findings may be applied. Therefore, this study suggests that additional research is required in the Jordanian setting to get over the restrictions.

Finally, more investigation will be required to shed light on the efficiency of governance mechanisms and the delay in the publication of audit findings in the Jordanian environment. Thus, it would be better to expand the current study to include other countries, particularly those in the Middle East, in order to ascertain whether the ACs' features will affect how quickly FR is released.

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