



**IMPACT OF AUDIT COMMITTEE
CHARACTERISTICS ON AUDIT QUALITY IN
THE JORDANIAN INDUSTRIAL COMPANIES
LISTED ON AMMAN STOCK EXCHANGE**

**2022
MASTER THESIS
BUSINESS ADMINISTRATION**

Ahmad Adnan KRESHAN

**Thesis Advisor
Assist. Prof. Dr. Essia RIES AHMED ABU RIES**

**IMPACT OF AUDIT COMMITTEE CHARACTERISTICS ON AUDIT
QUALITY IN THE JORDANIAN INDUSTRIAL COMPANIES LISTED ON
AMMAN STOCK EXCHANGE**

Ahmad Adnan KRESHAN

Thesis Advisor

Assist. Prof. Dr. Essia RIES AHMED ABU RIES

T.C.

Karabuk University

Institute of Graduate Programs

Department of Business Administration

Prepared as

Master thesis

KARABUK

December 2022

TABLE OF CONTENTS

TABLE OF CONTENTS	1
THESIS APPROVAL PAGE	6
DECLARATION	7
ACKNOWLEDGMENTS	8
ABSTRACT	9
ÖZ	10
ARCHIVE RECORD INFORMATION	11
ARŞİV KAYIT BİLGİLERİ	12
SUBJECT OF THE RESEARCH	13
PURPOSE AND IMPORTANCE OF THE RESEARCH	13
METHOD OF THE RESEARCH	13
HYPOTHESIS OF THE RESEARCH / RESEARCH PROBLEM	13
POPULATION AND SAMPLE (IF AVAILABLE)	14
SCOPE AND LIMITATIONS / DIFFICULTIES	14
1. INTRODUCTION	15
1.1. Background of the Study	15
1.2. Statement OF THE Problem	16
1.3. Research Questions	17
1.4. Research Objectives	17
1.5. Research Significance	18
1.6. Research Scope	18
1.7. Outline of the Study	19
2. LITERATURE REVIEW	20
2.1. The Theoretical Background	20
2.1.1. Agency Theory	21
2.2. Audit Quality	24

2.2.1. Audit Quality Concept	24
2.2.2. The Significance OF Audit Quality.....	26
2.3. Factors Affecting Audit Quality	26
2.3.1. Audit Committee	26
2.3.1.1. Definition of Audit Committees.....	27
2.3.1.2. Independence of Participants in Audit Committees.....	28
2.3.1.3. Audit Committee Guide	29
2.3.1.4. Responsibilities of Audit Committees	29
2.3.1.5. The Importance of Audit Committees	30
2.3.1.6. Objectives of the Audit Committees.....	31
2.3.1.7. Characteristics of the Audit Committee	32
2.3.2. Audit Committee Independence.....	33
2.3.3. Audit Committee Meetings.....	33
2.3.4. Audit Committee Size.....	35
2.3.5. Experience of the Audit Committee Members	35
2.3.6. Awareness of Audit Committee Members	36
2.4. Research Framework.....	37
2.5. Hypotheses of the Study.....	37
2.5.1. Audit Committees’ Independence and Audit Quality.....	37
2.5.2. Audit Committee’s Experience and Audit Quality	40
2.5.3. Size Of The Audit Committees And Audit Quality.....	42
2.5.4. Number of Meetings of The Audit Committees and Audit Quality.....	44
2.5.5. Awareness of The Audit Committees and Audit Quality	46
2.6. Gap in Literature	47
2.7. Chapter Summary.....	48
3. METHODOLOGY.....	49
3.1. Introduction	49
3.2. Research Design	49
3.3. Population and Sample Size	49
3.3.1. Study Population	49
3.3.2. Sample Size.....	50
3.4. Data Collection Procedures.....	51
3.5. The Study Tool (Survey).....	51

3.5.1. Independence of the Audit Committee	52
3.5.2. Experience of Audit Committee	53
3.5.3. Number of the Audit Committee Members	54
3.5.4. Meetings of the Audit Committee	54
3.5.5. Awareness of Audit Committee.....	55
3.5.6. Audit Quality	55
3.6. Validity Assessment	56
3.7. Reliability Testing	57
3.8. Chapter Summary.....	58
4. RESULTS OF HYPOTHESES TESTING	59
4.1. Introduction	59
4.2. Demographic Characteristics of the Study Sample	59
4.3. Normality and Outliers' Assumptions	60
4.3.1. Normal Distribution for Independence of the Audit Committee.....	61
4.3.2. Normal Distribution For Experience of Audit Committee.....	62
4.3.3. Normal Distribution For Number of the Audit Committee Members .	63
4.3.4. Normal Distribution For Number of Meetings of the Audit Committee	64
4.3.5. Normal Distribution for Awareness of Audit Committee.....	65
4.3.6. Normal Distribution For Audit Quality	66
4.4. Factor Analysis	67
4.5. Descriptive Analysis of Study Variables	67
4.5.1. The First Dimension: Independence of Audit Committee.....	68
4.5.2. The Second Dimension: Experience of the Audit Committee	70
4.5.3. The Third Dimension: Size of the Audit Committee.....	71
4.5.4. The Fourth Dimension: Audit Committees Meeting.....	72
4.5.5. The Fifth Dimension: Audit Committees Awareness.....	73
4.5.6. Dependent Variable: Audit Quality.....	74
4.6. Pearson Correlation Analysis.....	75
4.7. Statistical Hypotheses Testing.....	76
4.7.1. Hypothesis	77
4.7.2. H1: There is an Effect of Audit Committees' Independence on the Audit Quality in the Jordanian Industrial Companies.....	78

4.7.3. H2: There is an Effect of the Experience of Audit Committees on Audit Quality in the Jordanian Industrial Companies.....	80
4.7.4. H3: There is an Effect of Size of the Audit Committees on Audit Quality in the Jordanian Industrial Companies.....	81
4.7.5. H4: There is an Effect of Number of Meetings of the Audit Committees on Audit Quality in the Jordanian Industrial Companies.....	83
4.7.6. H5: There is an Effect of Awareness of the Audit Committees on Audit Quality in the Jordanian Industrial Companies.....	84
4.8. Summary of Findings.....	85
4.9. Chapter Summary.....	86
5. CONCLUSIONS AND RECOMMENDATIONS.....	87
5.1. Introduction.....	87
5.2. Overview of the Study.....	87
5.3. Discussion of the Findings	88
5.3.1. Demographic Information	88
5.3.2. Discussion of the Main Hypotheses.....	88
5.3.3. The Effect of Audit Committees' Independence on the Audit Quality in the Jordanian Industrial Companies.....	89
5.3.4. There is an Effect of Experience of Audit Committees on the Audit Quality in the Jordanian Industrial Companies.....	90
5.3.5. There is an Effect of the Size of the Audit committees on the Audit Quality in the Jordanian Industrial Companies.....	91
5.3.6. There is an Effect of the Number of Meetings of the Audit Committees on Audit Quality in the Jordanian Industrial Companies.....	92
5.3.7. There is an Effect of Awareness of the Audit Committees on Audit Quality in the Jordanian Industrial Companies.....	93
5.4. Implications and Recommendations of the Study.....	94
5.4.1. Theoretical Contribution	94
5.4.2. Managerial Contribution.....	94
5.5. Limitations of the Study	95
5.6. Conclusion.....	95
REFERENCES.....	97
LIST OF TABLES	102
LIST OF FIGURES	104
LIST OF ATTACHMENTS	105

APPENDIX.....	106
CURRICULUM VITAE.....	129

THESIS APPROVAL PAGE

I certify in my opinion that the thesis presented by Ahmad Adnan KRESHAN entitled “IMPACT OF AUDIT COMMITTEE CHARACTERISTICS ON AUDIT QUALITY IN THE JORDANIAN INDUSTRIAL COMPANIES LISTED ON AMMAN STOCK EXCHANGE)” is well suited in terms of scope and quality as a thesis for a Master of Science degree.

Assist. Prof. Dr. Essia Ries Ahmed ABU RIES

Thesis Advisor, Department of Business Administration

This thesis is accepted by the examining committee with a unanimous vote in the Department of Business Administration as a Master of Science thesis. December 16, 2022

Examining Committee Members (Institutions)

Signature

Chairman : Assist. Prof. Dr. Essia Ries Ahmed ABU RIES (KBU)

Member : Assist. Prof. Dr. Akram Al HAMAD (KBU)

Member : Assoc. Prof. Dr. Cemil İNAN (MU) ONLINE

The degree of Master of Science by the thesis submitted is approved by the Administrative Board of the Institute of Graduate Programs, Karabuk University.

Assoc. Prof. Dr. Müslüm KUZU

Director of the Institute of Graduate Program

DECLARATION

“I declare that all the information within this thesis has been gathered and presented by academic regulations and ethical principles and I have according to the requirements of these regulations and principles cited all those which do not originate in this work as well.”

Without being bound by a particular time, I accept all moral and legal consequences of any detection contrary to the aforementioned statement.

Name Surname: Ahmad Adnan KRESHAN

Signature :

ACKNOWLEDGMENTS

Alhamdulillah, all thanks be unto the Almighty Allah for all the blessing You had given me. The courage, endurance, and patience You put inside me, strengthening me in completing my Master Degree and thesis

I would first like to express my sincere gratitude to my supervisor Dr. Essia Ries Ahmed Abu Ries for the continuous guidance and support of my Master study, for his patience, motivation, and immense knowledge. His guidance helped me in all the time of research and writing of this thesis. His dedicated supervision and constant encouragement towards the completion of this thesis encouraged me to do my best.

Besides my supervisors, I would like to thank the other lecturers at the department of Business Administration, for their guidance. Special thanks go to Prof. Dr. Elif ÇEPNİ, Dr. Akram ALHAMAD and Ozan BÜYÜKYILMAZ.

I am wholeheartedly indebted to all my family members for their efforts and contributions in making me what I am today. To my father soul, a strong and gentle soul, may his soul rest in peace, who taught us to trust Allah, believe in hard work and success I owe my loving thanks to my supportive, encouraging, and beloved my mother, brothers and sisters.

Finally, to all my beloved Family and Friends, who accompanied me in all the ways in my journey preparing this thesis and had made so much sacrifices, support and encouragement to me throughout my life, no words could precisely express and describe how grateful I am to be associated with such a support family.

ABSTRACT

The audit committees in the administrative boards of industrial companies are among the most important committees that administrative boards rely on for their importance and active role in the audit efficiency of those companies. Therefore, the goal of this study is to identify the influence of the features of the audit committee (independence, experience, number of audit committee members, meetings, and awareness of audit committee) on audit quality in the Jordanian industrial companies. The study used the survey as a study tool to assess the relationship among the study's constructs. The study sample included (55) listed companies on the Amman Stock Exchange from the industrial field in Jordan. The number of employees in those companies reached (160) members who fulfilled the conditions of our research in terms of employment level and the sample size according to Sekaran (2006). The results showed a positive impact of the characteristics of the audit committee on audit quality. Besides, the study recommended that the senior management of Jordanian industrial companies pay more attention and focus on the availability of these characteristics in selecting members of the audit committee, and work on developing their capabilities to increase their qualifications and experience with updates in the audit profession to contribute towards high-quality reports featured by transparency, trust, reliability.

Keywords: Audit Committee, Industrial Companies, Independence, Experience, Size, Number of Meetings, Awareness of Audit Members

ÖZ

Sanayi şirketlerinin yönetim kurullarında yer alan denetim komiteleri, bu şirketlerin denetim verimliliğindeki önemli ve aktif rolleri nedeniyle yönetim kurullarının güvendiği en önemli komiteler arasında yer almakta olup, bu çalışmanın amacı, özelliklerin etkisini belirlemektir. Ürdün sanayi şirketlerinde denetim kalitesine ilişkin denetim komitesinin (bağımsızlığı, deneyimi, denetim komitesi üye sayısı, toplantıları ve denetim komitesinin farkındalığı) çalışmanın hedeflerine ulaşmak için araştırma anketi bir çalışma aracı olarak kullanılmıştır. Verilere göre denetim komitelerinin özelliklerini ölçen ve denetimin kalitesi olan bağımlı değişkenle korelasyonu ölçülen bağımsız değişkenlerin boyutlarının incelenmesi, çalışmanın örnekleme sanayi sektöründeki (55) firma dahil edilmiştir. Ürdün'de Amman Menkul Kıymetler Borsası'nda işlem gören, bu şirketlerdeki çalışan sayısının (160) üyeye ulaştığı ve koşulları yerine getiren alan Araştırmamızın istihdam düzeyi ve örneklem hacmi açısından Sekaran'da (2006), toplanan verileri analiz etmek için çalışma örnekleme (113) anket dağıtılmış, kullanılan istatistiksel analiz yoluyla sonuçlar olumlu çıkmıştır. Denetim komitesinin özelliklerinin denetim kalitesi üzerindeki etkisi ve denetim kalitesi üzerinde olumlu bir etkisi olduğu için, çalışma Ürdünlü sanayi şirketlerinin üst yönetiminin denetim üyelerinin seçiminde bu özelliklerin mevcudiyetine daha fazla dikkat etmesini ve bu özelliklerin mevcudiyetine odaklanmasını tavsiye etti. Şeffaflık, güven, güvenilirlik ile karakterize edilen yüksek kaliteli raporlar yayınlamak için kendilerine olan güveni artırmak için denetim mesleğindeki güncellemelerle niteliklerini ve deneyimlerini artırmak için yeteneklerini geliştirmeye çalışırlar.

Anahtar Kelimeler: Denetim Komitesi, Sanayi Şirketleri, Bağımsızlık, Tecrübe, Büyüklük, Toplantı Sayısı, Denetim Üyelerinin Farkındalığı

ARCHIVE RECORD INFORMATION

Title of the Thesis	impact of Audit Committee Characteristics on Audit Quality in the Jordanian Industrial Companies Listed on Amman Stock Exchange
Author of the Thesis	Ahmad Adnan KRESHAN
Supervisor of the Thesis	Assist. Prof. Dr. Essia Ries Ahmed ABU RIES
Status of the Thesis	M. Sc. Thesis
Date of the Thesis	16.12.2022
Field of the Thesis	Business
Place of the Thesis	KBU/LEE
Total Page Number	129
Keywords	Audit Committee, Industrial Companies, Independence, Experience, Size, Number of Meetings, Awareness of Audit Members

ARŞİV KAYIT BİLGİLERİ

Tezin Adı	Amman Borsası'na Katılan Ürdünlü Sanayi Şirketlerinde Denetim Komitesi Özelliklerinin Denetim Kalitesi Üzerindeki Etkisi
Tezin Yazarı	Ahmad Adnan KRESHAN
Tezin Danışmanı	Dr. Öğr. Üyesi Essia R1es Ahmed ABU RIES
Tezin Derecesi	Yüksek Lisans Tezi
Tezin Tarihi	16.12.2022
Tezin Alanı	İşletme
Tezin Yeri	KBU/LEE
Tezin Sayfa Sayısı	129
Anahtar Kelimeler	Denetim Komitesi, Sanayi Şirketleri, Bağımsızlık, Tecrübe, Büyüklük, Toplantı Sayısı, Denetim Üyelerinin Farkındalığı

SUBJECT OF THE RESEARCH

Impact Of Audit Committee Characteristics On Audit Quality In The Jordanian Industrial Companies Listed On Amman Stock Exchange

PURPOSE AND IMPORTANCE OF THE RESEARCH

This study is viewed from two distinct, but complementary, perspectives: relevance to theory and relevance to practice.

Practical importance includes providing a comprehensive understanding of the impact of characteristics of the audit committee on audit quality for senior management of industrial companies and for those interested in improving audit quality to produce transparent and credible financial reports.

METHOD OF THE RESEARCH

The third chapter explains the methodology of the study, the hypotheses developed from the literature review to clarify the effect of the independent variables on the dependent variable, the research design, the population census, the sample size, the study census, the data collection procedures, the study tool, the credibility assessment, and methodological techniques that were used in this study as sequential processes for evaluating a research problem to gain further understanding of the impact of the characteristics of the audit committee on the audit quality of the Jordanian industrial companies listed on Amman Stock Exchange.

HYPOTHESIS OF THE RESEARCH / RESEARCH PROBLEM

The audit committee must carry out a set of activities to be able to reduce fraud and illegal practices in the process of writing and issuing financial reports .To clarify the connection among the audit committees' characteristics (independence, experience, number of audit committee members, meetings, and awareness of audit committee) on the quality of auditing and the extent to which these characteristics affect the quality of auditing in the companies working in the field of industry and listed in the Amman Stock

Exchange, the researcher aims to identify the problem of the study by revealing the impact of the characteristics of the audit committees (independence, experience, number of the audit committee members, meetings, and awareness of audit committee) on the quality of auditing in businesses that have shares traded on the Amman Securities Exchange.

POPULATION AND SAMPLE (IF AVAILABLE)

The study population consists of (55) Jordanian industrial companies listed in the Amman Stock Exchange (Appendix F), whereby the number of employees in those companies reached (160) members who meet the conditions of our research in terms of job level.

SCOPE AND LIMITATIONS / DIFFICULTIES

The scope of the study includes identifying the audit committees in the administrative boards of listed industrial organizations on the Stock Exchange of Amman. The study followed a random sampling of members of the audit committees in the administrative boards of listed industrial organizations in Jordan. Besides, this study will deal with the connection between the features of contributors to auditing commissions of the administrative boards of joint stock organizations and their relationship to the quality of auditing.

1. INTRODUCTION

1.1. Background of the Study

The quality of the audit reflects the extent of validity and reliability of the data presented in the financial statements prepared by the companies to satisfy the needs of different parties. It is a basic factor for introducing valuable information free from any form of biases and contributing to reducing information symmetry between the management and the shareholders and commitment to social responsibility effectively in light of a group of legal and professional standards. The financial scandals and firm collapses have negatively influenced the profession, thus leading to higher skepticism regarding the reliance on the reports issued by the audit committee in making the decisions due to a lack of their validity and the absence of disclosure and transparency reflecting the real financial position of the company (Al-Mamun et al., 2014).

For over 30 years, the industry has witnessed continuous consciousness of the benefits of corporate governance (CG) due to the wide variety of corporate failures. As an international response to the problems of accounting scandals, the willingness to introduce a more effective governance tool as a means of reforming public self-confidence, credibility, and self-confidence arose in economic data (Al-Maraya, Abdullatif & Guzman, 2020). Developing nations such as Jordan made a huge attempt to enhance corporate governance practices through reforms to embellish corporate transparency and accountability as a result of attracting foreign investments (Sarhan, Ntim, & Al-Najjar, 2019).

Audit committees are significant tools of CG and their importance has been shown by developing their inclusion and functions in many international corporate governance codes, so they can reduce the potential for financial scandals and corporate failure to deliver poor results (Abdullatif, Ghanayem, Amin, Al-Shelleh, & Sharaiha, 2015). Within the economies of developing nations, audit quality of financial reports reflects the extent of the validity and accuracy of the information contained to satisfy the needs of different parties. The basic factor of introducing information free from any form of bias or discrimination is companies' commitment toward their social responsibilities in light of a set of legal, monitoring, and professional standards (Akhtar,

2016). Therefore, the purpose of this research is to examine the connection between audit committee composition and audit quality for industrial businesses listed on the Amman Stock Exchange in Jordan.

1.2. Statement OF THE Problem

The audit committee is one of the committees that works side by side with the administrative boards and facilitates the administrative boards to perform their oversight obligations over management, reduce the inconsistency of records between administrators and shareholders, reduce the costs of the organization, and provide clear cash reports. Audit committee members are generally non-board individuals, dealing with both impartial auditors and internal auditors (Al-Saribi, 2019).

Studies have been interested in analyzing the characteristics of audit committees as a part of the materials of CG, with many outcomes that include controlling earnings management, enhancing economic reporting, and large profits. For instance, Al-Zayban and Swar (2015) conducted an in-depth study on the relationship between the potential audit report of a company and the characteristics of audit committees for Jordanian businesses registered with the Amman Securities Market. Their study confirmed the effects of audit committee characteristics on the external auditor's report. It also emphasized the weak influence of the percentage of shareholders of audit committees on the external auditor's report, the equality of reports, and the independence of shareholders of audit committees (governmental and non-governmental).

The audit committee which serves as the committee on the company's administrative boards is obliged for overseeing economic reports and disclosure (Bansal & Sharma, 2016). The Audit Committee helps the administrative boards in fulfilling the CG and supervisory duties related to the structure's economic reporting, the system of internal management, the system of risk control, the inner and outer audit tasks as well presenting recommendations and guidelines to the administrative boards (Boshnak, 2021).

By reviewing several studies, it becomes evident the shortage of some characteristics related to compliance with Audit Committee characteristics. Studies have also denounced the impact on the quality of auditing of financial reports, which is

negatively reflected in the investor's view of these reports. Other studies have also highlighted many complaints resulting from the low quality of audit reports issued by audit committees of companies and financial institutions due to the absence of required authority, as the quality of the auditor's report depends largely on objectivity when evaluating and writing financial statements. Other studies have focused on the issuance of nonactual financial statements that led to the bankruptcy of many banks, companies, and international financial institutions, and the loss of shareholder deposits, thereby resulting in the lack of confidence in the information stipulated in the auditor's report (Al-Sraih, 2019).

The audit committee must carry out a set of activities to be able to reduce fraud and illegal practices in the process of writing and issuing financial reports (Dorothy, 1996). To clarify the connection among the audit committees' characteristics (independence, experience, number of audit committee members, meetings, and awareness of audit committee) on the quality of auditing and the extent to which these characteristics affect the quality of auditing in the companies working in the field of industry and listed in the Amman Stock Exchange, the researcher aims to identify the problem of the study by revealing the impact of the characteristics of the audit committees (independence, experience, number of the audit committee members, meetings, and awareness of audit committee) on the quality of auditing in businesses that have shares traded on the Amman Securities Exchange.

1.3. Research Questions

What is the impact of audit committee independence on audit quality?

What is the impact of audit committee experience on audit quality?

What is the impact of the number of audit committee members on audit quality?

What is the impact of the number of audit committee meetings on audit quality?

What is the impact of audit committee awareness on audit quality?

1.4. Research Objectives

To identify the impact of audit committee independence on audit quality.

To identify the impact of audit committee experience on audit quality.

To identify the impact of audit committee size on audit quality.

To identify the impact of the audit committee's number of meetings on audit quality.

To identify the impact of audit committee awareness on audit quality.

1.5. Research Significance

By addressing an important topic, which is the effect of the characteristics of the audit committee (independence, experience, size of the audit committee, number of audit committees, number of audit committee meetings, and awareness) on the audit quality of businesses in Jordan's industry sector that are traded on the Amman Securities Market, this study fills the gap in previous studies. The theoretical importance of this study is that it deals with topics that have an impact on the progress and development of the industrial sector, which prompts us to research and deepen its study, which hopefully will be a qualitative addition to the library and researchers. Besides, the significance of this study is that it deals with contemporary topics, thus it is modern in use in many fields, as it is considered one of the most important products of technological progress in our time, and this study with its results can be useful for scholars and researchers in the future by presenting new and creative ideas and suggestions.

Practical importance includes providing a comprehensive understanding of the impact of characteristics of the audit committee on audit quality for senior management of industrial companies and for those interested in improving audit quality to produce transparent and credible financial reports.

1.6. Research Scope

The scope of the study includes identifying the audit committees in the administrative boards of listed industrial organizations on the Stock Exchange of Amman. The study followed a random sampling of members of the audit committees in the administrative boards of listed industrial organizations in Jordan. Besides, this study will deal with the connection between the features of contributors to auditing

commissions of the administrative boards of joint stock organizations and their relationship to the quality of auditing.

1.7. Outline of the Study

Chapter One presents the introduction to the study, the background of the study, a statement of the problems, research questions, research objectives of the study, and its importance, Chapter Two includes the theoretical frame of the study to gain more insights and understanding about the topic of the study, to help in building the study's instrument for data collection from the respondents. It also introduces the Literature Review of several studies to know which dimensions of audit committee characteristics and audit quality have been used and in what sectors. In addition, Chapter Two presents the Model of the study that describes the dependent and independent variable, as well as the hypotheses of the studies, Chapter Three deals with the methodology of the present study, the data collection method, the instrument used for data collection, namely the electronic questionnaire, study population and sample, validity and reliability of the instrument before distributing it to the respondents. Chapter Four introduces the data analysis using the statistical package for social sciences (SPSS) software to answer the study questions and test its hypotheses. Chapter Five presents the discussion of data analysis, conclusions, and recommendations. Finally, References Appendices were added.

2. LITERATURE REVIEW

2.1. The Theoretical Background

Governance has grown to become a means of improving self-confidence within the country's financial system, proof of honest and clear rules and policies to defend buyers and customers, and a hallmark of the extent to which the company's control has been reached in expert dedication to policies, accuracy of governance, transparency and accountability. Therefore, measures existed to reduce corruption and, as a consequence, the growth of elegance of the financial system in the face of near and foreign investments and its competitiveness increased (Mutual, 2013)

The Audit and Committee check that the Company's accounts are accurate and that there are no conflicts of interest between the auditors and any outside consulting companies used by the Company. It's preferable to have a CPA serve as audit committee chair. (Sulaiman, 2018).

The audit committee keeps in touch with the CFO and the controller of the company's finances. In circumstances when accounting methods are deemed troublesome or suspicious, or where major difficulties occur with people, the committee has the authority to launch special investigations. The committee will have the aid of the internal auditor in their endeavors(Mutual, 2013).

The audit committee is responsible for reviewing all financial statements, keeping an eye on the actions of the accountants, making sure outside auditors are doing their jobs properly, staying in line with all applicable laws and regulations, and consulting with upper management on risk management practices.

Therefore, the following deals with the theoretical framework through which several topics related to the characteristics of the review committee are presented by reviewing relevant previous studies to obtain better and more information on the topic of the current study. In addition, this will help prepare the study tool represented in building and developing the questionnaire to be distributed to the participants in the study.

2.1.1. Agency Theory

As a result of a conflict of interest between management, owners, and the rest of the stakeholders within the company and in line with the principle of rational choice that each party tries to maximize its own benefits, the method of choice is expected of the accounting policy of the company to be full of own management objectives, regardless whether these objectives are compatible or not. According to the objectives of the different stakeholders, this comes at the expense of honest clarification of events and processes in terms of knowledge communication (Lopes, 2018).

The Agency Theory emerged as a solution to the problem of conflict of interest by viewing the business as a set of contractual agreements between unrelated parties. These agreements have the potential to constrain management's actions by preventing it from putting its interests ahead of those of other stakeholders (Durand, 2019).

The Agency theory was formulated in economic thought at the beginning of the seventies of the last century, and the ideas on which this theory is based are his discussion of the issue of the separation of tenure and management in his book *the Wealth of Nations* (Gaffor, 2012).

The Agency theory is Principle and agent have contractual obligations to represent and act on behalf of the principal during the term of the agency contract, which forms the basis of the Agency theory. Management's connection with shareholders, management's relationship with staff, and shareholders' relationship with external auditors can all be thought of as agency relationships, and so can the business as a whole. To that end, an agency relationship is a form of employment contract between an agent and their principal. Having a third party (the agent) carry out a client's requests is a common business practice. This includes giving him some say in what he orders (Buallay, 2019).

Since the agent does not always act to achieve the principal's interests and this defect occurs below the terms of data inconsistency and lack of integration between the agent and the principal, the Agency Theory is disturbed, and the agent will be self-dealt through the corporate governance mechanisms (Buallay, 2019).

Agency is evidence of a method of higher organization of relations between the parties of the agency, in which one party (the principal) determines the work to be

performed by the other party as an agent. Abdulhamid, (2019) defined the agency theory as

“a set of written agreement relationships, in which the existence of companies is achieved through one or more agreement contracts, and that labor contracts are nothing but tools for the allocation of resources and represent the goal of the activity of public companies for their work contracts”.

In another study, Tamimi (2011) reveals that the point of the Agency Theory is to clarify, but the striking style of contracts is to lower the prices related to them and reduce the conflict of interest between the parties of the agency relationship and check that their interests are linked, so the agent acts in the best interest of the principal (Boshnak, 2021).

As the directive and follow-up expenses are the costs incurred by the initial party to monitor the customer's behavior, such as the prices of measurement and perception of the customer's behavior, as well as the costs and the bar of compensation policies, what is meant by the costs that the agent prevents that there are motives within the agent that pay him to make sure that he does not do some work. Finally, even in the decrease of the expenses of supervision and follow-up by the agent, the actions performed by the agent can stem from the actions that the first party will take personally, as this distinction within the actions on wealth is that the residual losses (Al-Sariqi, 2019).

It is clear based on the above that the Agency theory seeks to understand the causes and consequences of conflict of interest, whereby the agency theory describes the company as a series of contracts between the principal and the agent, who guards their interests while neglecting the interests of others (Akhtar, 2016).

The importance of the Agency theory in the theoretical analysis of managerial accounting has emerged because of the possibilities of conflict between agents and managers, which has resulted in owners' (supervisors) tendency to use the means to change them to monitor and track the extent To which management fulfills the mandate stipulated in the agency contract (Akhtar, 2016).

This has led to a decision to externally review periodic accounting reports and the pattern of the executive incentive system because the interests of management and the interests of the owners are associated with calculating management bonuses based on accounting profit and setting standards and indicators to live performance in an approach that ensures to homeowners that the management has taken actions on their

behalf that align with their interests which they will take as contacts, and among the criteria used are speed of return on capital investment, residual income, return on sales, additive measurement, and a balanced scorecard. More specifically, they need confidence by taking some actions that enhance their confidence within management by setting recent budgets, setting upper limits for spending, and property insurance, and establishing proper procedures for control systems (Ashfaq & Rui, 2019).

The term corporate governance includes characteristics. For instance, discipline follows acceptable and sound ethical behavior. Next, transparency presents a true picture of what is happening. Besides, independence is that there are no undue influences and pressures to act. Further, accountability is an opportunity to evaluate the work of the board of directors and director management. In addition, responsibility is the responsibility of all stakeholders within the company. As for fairness, the rights of diverse impartial teams within the company must be respected, and the social responsibility that stares at the company as a decent (Rezaei, 2009).

Many countries, as well as companies, have established terms to avoid conflict of interest as one of the most important basic principles for governance to protect the parties' interests involved with the organization. In this regard, the Organization for Economic Cooperation and Development has set the terms for avoiding conflicts of interest within its principles. (Asiriuwa et al., 2018)

The government framework must be carried out through a practical approach that covers and encourages the provision of analyses or recommendations by analysts, brokers, rating agencies, ratings, etc. regarding choices made by investors, that are free from any significant conflict of interest that could be jeopardizing the integrity of their assessment or recommendations (Al-Sariqi, 2019).

Along with requiring an impartial position and reviewers and facilitating the timely transfer of information, many states have progressed to ensure the integrity of the professions and past times served as market leaders for evaluation and recommendation. If they openly address inconsistencies with integrity, these media can play a critical function in providing incentives for agencies and forums for their managers to monitor careful governance practices (Rezaei, 2009).

However, concerns were raised about the proof that conflicts of interest often arise and can impact opinions and the method matters that are judged. This situation may

happen when the person providing advice is seeking to present additional duties to the organization in question, or when he has a direct material interest in the organization, and this interest determines a strongly connected dimension between disclosure and transparency that targets the professional standards of stock market analysts, international rating agencies, and banks investments, and others (Akhtar, 2016).

Experiences in other respects indicate that the most appropriate solution is to request full disclosure of the conflict of interest that happened and what is the best way for the organization to choose to deal with it. The most important thing is the disclosure of how the organization sets the incentive structure for its employees to eliminate the possibilities of conflict of interest and form. The following explains the role of governance in reducing the problem of conflict of interest (Oroud, 2019).

2.2. Audit Quality

2.2.1. Audit Quality Concept

One of the most often used definitions of audit quality comes from DeAngelo (1981): "audit quality is the predicted chance that the external auditor detects any violation in the client's accounting system and reports the breach." (DeAngelo, 1981, p.186). Another thing to keep in mind is that the emphasis of this definition is on the readiness and ability of professional advisers to identify fraud in the accounting system. Even while the definition placed more emphasis on the technological qualities of EAs, it helped to stabilize the relationships between ACMs and EAS.

According to Sharma et al. (2011), Instead of working in isolation, ACMs collaborate with professional advisers to resolve concerns raised by external audits. Many activity connections, such as those relating to communications (ISA 260 and ISA 265), audit planning, risk and materiality (ISA 300; ISA 315 and 320), and dependence on Internal audit (ISA 610) and audit report formulation (ISA 705 and ISA 706), include the interactions between ACMs and EAs.

Interactions between consulting firms and ACMs improve the quality of audits, as acknowledged by the International Accounting Standards Board in 2011. By "evaluation of the quality of the external auditor, the quality of the audit process, and the communications and interactions between external auditors and members of the audit

committee," the International Accounting Standards Board defined audit quality. This concept accords with the position taken by IAASB (2011) that the interplay between ACMs and EAs is a critical factor in determining quality.

Interactions and exchanges between ACMs and EAs on topics including the scope of external auditing, risks, key judgements in generating an audit opinion, and qualitative elements of corporate accounting and reporting form the basis of audit reports (Dongen, 2014). ACMs and EAs may require additional proof of this if they have not actively discussed these concerns in order to generate credible views in the audit report. Because of this, the audit report's conclusion is relied upon by users of the financial statements.

The quality of the audit needs to provide a guide to the traders with the help of using details of how the organization plays and manages its resources. However, as advised, the use of several research-motivated First-party audits aided corporate governance in mitigating income control for higher and more robust economic and economic decisions. The best audit committee member generally tends to underestimate the exercise of managerial discretion (López et al., 2007). The audit of the first degree is taken into account as the primary objective of the audit committee; it represents the direct reviews regarding the presence of any errors in the capabilities within the audit method to prepare a neutral technical criticism of the economic lists (Sakka & Jarboui, 2016)

The review is described as First-party because the Economic Facts have the validity and accuracy to gain the expected benefits for clients of economic reviews by equipping them moderately from the prison tracking pool and the requirements of regulated experts with the assistance of using (IAASB, 2011). Also, the First-party audit method is the auditor's dedication to the concepts and expert's behavior to maintain impartiality and transparency to meet the customers' desires from economic data on the way quality decisions are made (Asiriwa et al., 2018).

When leveraging top-tier audit concepts and requirements, it is highly expected to help regulators control information entry higher, rethink accounting requirements across all unique areas, and expand strategies for First-party economic reporting on companies (Hasani, Jatiningrum, & Abdulhamid, 2019).

2.2.2. The Significance OF Audit Quality

The users of the financial statements expect that the financial statements that have been examined and audited are free from errors and fundamental distortions, as they depend on the auditor's report in making their decisions and formulating their future policies. For example, the banking sector is one of the most important sectors, which depends heavily on audited financial statements. Therefore, the financial failure of one or more banks as a result of not detecting fraud or fundamental errors is likely to lead to a global financial crisis and the management of the economic unit. The quality of the audit helps the management of the economic unit improve the quality of the internal audit of the economic unit by identifying weaknesses in it and creating conditions that lead to a high level of audit quality. As the auditor's report results in the investor making his decision whether to invest in the economic unit or not, the same is for the case of the Creditors who make their decision to grant loans based on audited-financial statements (Sarhan et al., 2019).

Audit quality helps protect the interests of shareholders, as the high quality of professional performance of auditors is associated with the high quality of financial statements information. As a result, those financial statements that have been audited are of high quality. In this regard, the attention of audit offices to the quality of services they provide reflects positively on the profits of the audit office in the long run and avoids the legal and professional responsibility that may result from any failure in audit work by emphasizing compliance with international professional standards and relevant laws. Besides, the quality of the audit leads to the development and improvement of the reputation of the audit office and leads to the enhancement of competitive advantage. Further, government agencies and agencies seek to obtain a high level of audit quality to protect the economic activity and all parties affected by the audited financial statements (Nugroho, 2018).

2.3. Factors Affecting Audit Quality

2.3.1. Audit Committee

The audit committee's role includes overseeing financial reporting, monitoring accounting policies, overseeing any external auditors, regulatory compliance, and discussing risk management policies with the management.

It is a group with some board participants, including usually three participants in general business. For its participants to be impartial (non-governmental) and for at least each participant to have an economic or accounting background, this committee is formed through the Board of Directors, and its boards are judged by written proof that indicates the responsibilities and methods necessary to carry them out. The committee has sufficient authority to perform its tasks, and it performs many tasks, whereby the most important of which is reviewing economic data before submitting it to the board of directors. (Gounder, 2012).

Therefore, the audit committee has a significant impact on the financial performance of the firm because it acts as a guardian to prevent fraudulent financial reporting by ensuring that the financial statements reflect the actual state (Samaei & Rono, 2016).

2.3.1.1. Definition of Audit Committees

The Audit Committee is one of the central operating committees of the Company's board of directors and is responsible for financial reporting and disclosure oversight.

All publicly traded companies must maintain a qualified audit committee to be listed on the stock exchange. Committee members shall consist of independent external directors, including at least one person qualified as a financial expert (Nugroho, 2018).

The auditors and the Audit Committee check that the Company's accounts are accurate and that there are no conflicts of interest between the auditors and any outside consulting companies used by the Company. The best possible candidate for the position of Audit Committee Chair is a CPA. (Pap, Atanasiu, & Avram, 2022). A CPA, let alone a member of the board, is not always available to an audit committee. One of the audit committee's members must be a qualified financial expert, following regulations from the New York Stock Exchange (NYSE). A retired banker normally meets this requirement, although their ability to spot fraud may be lower than that of an expert. The audit committee should get together at least four times a year, either in person or through teleconference, to discuss the results of the most recent audit. If there are any other

concerns that require attention, we should call for a special meeting (Lin & Hwang, 2010).

The Company's CFO and controller of finances are the recipients of communications from the audit committee. In circumstances where accounting methods are regarded troublesome or suspicious, or when major difficulties occur with employees, the committee might begin special investigations. The committee will have the aid of the internal auditor in their endeavors (Muqattash, 2013).

The audit committee is responsible for reviewing and debating risk management policies with management, as well as monitoring financial reporting and accounting policies, as well as managing any external auditors (Nugroho, 2018).

2.3.1.2. Independence of Participants in Audit Committees

Independence is one of the critical situations that must be met by participants in audit committees because a member of the audit committee is now considered to be no longer impartial in complying with listing orders if he has one of the followings (Aminul et al., 2018):

- If he is a worker in an organization in which he is a member of an audit committee or a member of each of its subsidiaries within the current year or the previous three years.
- If he has repeatedly reimbursed the organization in which he is a member of an audit committee or one member in each of its subsidiaries more than (60) thousand US dollars during the previous cash year, excluding compensation obtained for being a member of the Board administration or from the retirement or involuntary reimbursement apparatus)
- If he is a partner, a controlling shareholder, or a government director of a for-profit business in which the organization, of which he is a member of an audit committee, obtained or paid additional amounts (5%) of the entire consolidated sales for that year or \$200,000 whichever is greater, all within the previous three years.
- If he is appointed in a government job of any other organizations and at the same time the government works within the organization, where he is a

member of an audit committee within the reimbursement committee of that organization.

2.3.1.3. Audit Committee Guide

It is an appropriate written technique that outlines the responsibilities of the audit committee and the scope of cases in which the committee meets each year. It makes it easier for shareholders to assess the position and obligations of the audit committee (Ross et al., 2000). In other words, it is a written and guiding reference for audit committees in the performance of their obligations. More specifically, it describes how committees are constituted and identified a reassessment of information that committee members can refer to (Al-Hadrami & Sarea, 2020).

2.3.1.4. Responsibilities of Audit Committees

The difficulty of manipulating earnings management is one of the important topics that have impacted the emergence of audit committees (Gounder, 2012). Beyond that and in recent cases, many company departments have investigated fraud and manipulation in an attempt to influence the results of the organization, and such cases are now accelerating among the dominant US agencies to direct reports. Financial aspects, with the help of the use of profit-enhancing or refining technology, have caused a series of scandals that shook the economic market within the United States of America. Similarly, the impact was observed on various economic markets around the world and the resulting damage to the sector that affected. Shareholders and buyers who are most affected financially and socially by losing their jobs. (Weber, 2020).

Hence, the questions posed are many, and the most critical one revolves around the position of audit committees while helping to use some credibility and impact of economic data. Therefore, they resolved to check the beginnings of the emergence of audit committees, their responsibilities, and obligations to give the proposals approximately the maximum critical roles and responsibilities that they play to beautify their position in including a kind of credibility to the economy—data and promoting disclosure (Alfarooque, Buachoom, & Sun, 2019).

The main reason for the formation of audit committees for public shareholding companies is attributed to the collapse of major international companies as a result of

shortcomings, weakness, and negligence in internal control, and cases of fraud, fraud, and manipulation that the departments in those companies carried out. The main reasons that led to the emergence of audit committees and giving them the responsibility of supervising and controlling the process of preparing the financial statements for several things are listed below (Rezae, 2009):

- The audit committee consists of independent and non-executive members who possess financial and accounting skills and have the right time, which gives them preference in playing the role of supervising the reporting process.
- The conflict of interests between the executive board members and the quality of the financial statements requires the presence of independent and non-executive members.
- Lack of time between financial periods to prepare financial reports and present them promptly. Some companies prepare them every month, which requires great effort and financial and accounting expertise.

2.3.1.5. The Importance of Audit Committees

The significance of having audit committees in public shareholding companies stems from the expected benefits that are linked to all relevant parties, such as the company's board of directors, the external auditor, the internal auditor, shareholders, and stakeholders; their importance can be detailed as follows (Alfarooque, Buachoom, & Sun, 2019):

- The importance of audit committees for the board of directors is to assist the executive members in carrying out accounting and financial matters through the role of the audit committees with their duties and responsibilities, especially in improving communication between the board and the internal and external auditor, and the process of supervision and control over the preparation of financial statements.
- Its importance for the external auditor, as the profession of external audit has been subjected to many criticisms as a result of the collapse of major international companies, and the reasons have led to the negligence of errors

on the part of the external auditor as the role of audit committees strengthens the independence of the external auditor and raise its impact.

- Its importance for the internal auditor lies in addressing the issues between him and the organization's control and increasing the independence and impact of the internal auditor through a direct statement and sending his reviews to the audit committee because the audit committee is the link between the internal auditor and the facility's control, in addition to the external auditor and the board of directors.
- It is important for traders and external parties because the function that is performed through the means of the Audit Committee and within the supervision and control technique of the method of preparing economic reports and the technique of preparing economic reports ends with accuracy, expanded transparency, and objectivity, in addition to its improvement. As a result, independence in the internal and external auditor reassures the stakeholders of traders, creditors, and shareholders and raises their confidence.

2.3.1.6. Objectives of the Audit Committees

It is not easy to define precise objectives for the audit committees, as these objectives differ according to the tasks and functions of these committees in the different companies, environments, the entities that select their members, the purposes they seek to achieve, and the criteria used for selecting members. The objectives of the audit committee are represented in four main elements (Martinov et al., 2015):

- Assisting the external auditor in completing his work efficiently, effectively, and objectively.
- Full supervision of the company's financial and control systems.
- Reviewing the accounting policies and practices followed to choose the most appropriate accounting policies and submit a recommendation to the Board of Directors to approve the annual financial statements.
- Recommending to the General Assembly, the appointment of the external auditor, and determining his fees.

Therefore, the objectives of the audit committee, according to the researcher's opinion, can be summarized as follows (Oroud, 2019):

- Achieving the purpose of forming audit committees by coordinating the responsibilities and tasks of board directors, internal and external auditors, and executive management without overlapping the powers and authorities in addition to the tasks and responsibilities, thereby reducing the occurrence of disputes and disagreements between these authorities.
- Ensuring independence and the impact of both external auditor and internal auditor and verifying the efficiency of the company's systems to prevent any kind of manipulation, fraud, or negligence
- Access to fair and transparent financial data to gain the trust of the beneficiaries of such data.
- Protection of the company's employees and shareholders through the role played by the committee in the supervision and control of the company's policies and the extent of their conformity with the regulations, laws, and legislation stipulated by the competent authorities.

2.3.1.7. Characteristics of the Audit Committee

In a study by Line and Hwang (2010), they emphasized that some functions of an audit committee can increase its impact; these functions include economic understanding, independence, and understanding, which improve the high level of satisfaction with economic reports, and the economic understanding of audit committee contributors, thus increasing the risk of detecting massive distortions (Martinov et al., 2015).

To examine the reporting process with interest, the shareholders of the audit committee must be financially knowledgeable and skilled to be able to interpret economic data. Financial understanding of audit committee shareholders presents thoughtful questions and confronts managers with demanding situations, thereby resulting in clear reporting and fewer company hassles from the flow of statistics (Asiriwa et al., 2018).

According to Lausanne (2015), cognitive, economic and accounting training for the shareholders of the audit committee can enhance the preparation of highly

satisfactory economic reports, in addition to enabling the audit committee to raise its efficiency and the skill of its members within the disciplined accounting and auditing standards. Therefore, it has a wonderful effect on the detective published within the market.

2.3.2. Audit Committee Independence

Independence is almost universally accepted as one of the determining factors for the impact of the audit committee structure (Cadbury Committee, 1992). This calls for the committee to consist of the majority of non-governmental officials who can pass judgment and rule independently of the administration. The independence principle is a vital detail for committee personnel to perform their supervisory boards, as autonomy will increase the power owned by the individuals and provide them with a higher abandonment of management, thus allowing them to carry out their boards without influence. Their independence is measured by a range of non-governmental officials in the commission (Oroud, 2019).

The member of Audit Committee is indicated as impartial and has no special or economic relationships with agencies or line managers. Since the risk of disclosure decreases while the audit is impartial, the more independent are the members of audit committee, the more information about successful implementation of the audit advice will be because an appointment of the audit committee examines the reaction of management Extent of compliance with audit committee recommendations and internal audit findings (Pap & Avram, 2022).

Each member of the audit committee is referred to as impartial if he or she does not have a special or economic relationship with the organization or the executives. Having impartial auditors on the audit committee reduces the risk of fraud. That is, having more impartial audit committee members implies having much importance to recognize the successful implementation of internal audit advice (Phuong & Li, 2021).

2.3.3. Audit Committee Meetings

One of the things that affect its impact is the wide variety of instances in which the audit committee meets at some point in the year. This is a critical degree to the

committee's ability to perform its duties and exercise its function well. To what extent is this relationship between the size of the committee's obligations and the nature of the occasions that the institution is going through? These figures are determined by the committee itself in line with what it believes is appropriate (Asiriwuwa et al., 2018). The Smith Report in Britain issued in 2003 recommended that the appropriate number should not be less than three times a year, whereas the Way Tread Committee in the United States recommended that the meeting should be quarterly.

According to Boshnak (2021), the number of audit committee meetings should be at least three meetings a year to deal with various financial issues, reports, and financial statements to check if there are any fraud risks. Meetings of the audit committee to measure the impact of audit committee members are considered an essential element of reviewing any company's financial reporting process.

Holding several Audit Committee meetings at some point in a given year provides possibilities for sessions and dialogue about the accounting and auditing methods in the company. The audit committee must meet a minimum of 4 times at some point in the company's financial year; it can also maintain the compilation semi-annually, quarterly, or 4 different instances at some point in the year. In logistical terms, as the dimensions of the audit committee increase, scoping the meeting is likely to decrease due to the issue of verbal exchange between committee members (Asiriwuwa et al., 2018).

2.3.4. Audit Committee Size

In the company, the diversity of the participants must be sufficient to have a mix of reports and competencies that will allow the committee to perform the responsibilities assigned to fulfill its desires, considering now that diversity no longer thrives in a way that can limit speed and the impact of " Make a choice and don't underestimate it". Judging is based on the overall performance of the committee of its boards successfully and effectively, bearing in mind that the best diversity of participants in the review committee received scores between three, five, and seven so that the independence of the committee can be assured like the USA Britain, and Australia (Beisland et al., 2015).

The huge audit committee provided a strong oversight and raised good governance, and outperformance, which raises the degree of disclosure and transparency. the large size of the audit committee, the additional facts that should be effective governance for economic data clients, which certainly and affect earnings (Kwan et al., 2018). In contrast, another study (Beisland et al., 2015) indicated that a firm with a smaller audit committee tends to promote earnings smoothing practices due to much less oversight within the economic reporting process, whereby the larger the audit committee, These practices will be reduced. Thus, the size of the audit committee's tenure is a key issue for the committee's success. the number of shareholders in an audit committee facilitates victory over corporate reporting issues (Li et al., 2012).

2.3.5. Experience of the Audit Committee Members

It is sometimes agreed that members of the audit committees have the experience, knowledge, and skill that enable them to monitor and evaluate internal control systems and the extent of compliance with the system's procedures. In addition to the ability to understand, accounting, auditing, and financial management matters, and having sufficient knowledge of financial reporting and the nature of the company's activity or the field in which you operate are important (Asiriwua et al., 2018).

The complexity of monetary instruments, the complexity of corporate capital structures, the emergence of modern industries, and the innovative utility of accounting requirements illustrate the importance of having the simplest board members certified to serve on audit committees and that committee information considers individuals an

essential unit because many accounting problems need to be possessed with the help of using commissions. The answer to the audit depends primarily on private judgment, and this is certainly inspired by helping use the extent of information to be provided to the member within the field of accounting and auditing (Osman et al., 2014).

Audit committee personnel should have critical information to verify monetary facts and manage control behavior to reduce factual inconsistencies between internal and external personnel on the board of directors to promote greater accuracy of monetary facts (Takhtayi et al., 2011).

Having professionals in accounting and/or cash audit committees can help closely scrutinize accounting and cash reporting guidelines and be aware of capacity problems and answers because of their knowledge of accounting requirements to identify any violations in cash reporting (Turrell, 2010).

2.3.6. Awareness of Audit Committee Members

Awareness of audit committee members means the ability to perform risk management, and financial reporting, having financial knowledge, oversight of the reliability of the financial reporting, the impact and efficacy of operations, and knowledge about laws and regulations to be followed during performing the due roles and responsibilities (Abdullatif et al., 2015).

Besides, awareness of the audit committee means the availability of sufficient understanding of the audit committee to perform its supervisory and control role as the responsible body for protecting and preserving the financial safety of the establishment and protecting the shareholders' rights and the interest of other parties (Al-Sraihi, 2019).

2.4. Research Framework

To gain the purpose of the research, the model was divided into independent and dependent variables.

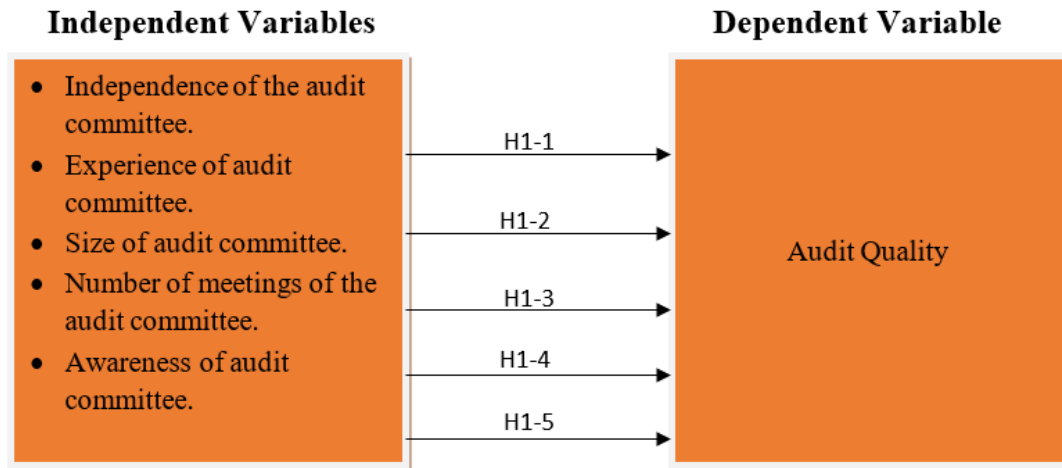


Figure 1. Model of the Study

The model for the relationship between the characteristics of the audit committee and audit quality developed and prepared by the researcher is shown by referring to previous studies.

This model has been prepared by the researcher after referring to several previous related studies to audit committee features and their impact on audit quality.

2.5. Hypotheses of the Study

2.5.1. Audit Committees' Independence and Audit Quality

Aljalahma's (2022) study sought to evaluate the link between various audit committee features and corporate performance in Bahrain, as well as the influence of company performance (as measured by ROE, ROA, and Tobin's Q) in relation to audit committee independence, size, and frequency of meetings. Used information was gathered from 2005 to 2019 from 14 non-financial publicly listed companies. The research showed that audit committees with more members and those whose organizations were independently audited benefited the most.

In their study, Hossain and Meach (2021) aimed the purpose of this exercise is to determine the causes of independence of the audit committees in the non-financial

sector in Bangladesh, employing the quantitative research technique the Dhaka Stock Exchange listed 109 non-financial enterprises from 2013-2017, and obtaining 502 firm-year observations. The audit committees have higher independence in organizations with increased company ownership by institutions and decreased autonomy with more insider control. It is suggested that A greater number of institutional shareholders means more. Furthermore, supply and demand considerations are shown to explain disparities in audit committee independence between organizations.

In another study, Hezabr, Ali, and Oudat (2021) aimed to examine the impact of the audit committee's characteristics on the performance of five companies listed on Bahrain Stock Exchange over the period from 2012 to 2019. They examined four board characteristic indicators: audit committee size, audit committee independence, audit committee meeting frequency, and audit committee experience while controlling two variables: business size and firm age. Three models were utilized, each with its dependent variable. The findings revealed a statistically significant negative relationship between audit committee meetings and the performance of companies listed on Bahrain Stock Exchange. It is suggested that future studies examine the financial experience of Ac features, such as the financial experience of their chairs, the tenure of the committees, and firm ownership.

Besides, Alhadrami, Rafiki, and Sarea (2020) employed a quantitative and cross-sectional approach to investigate the impact of the audit committee's independence and its relation to competence, with data obtained by self-administrative questionnaire using random sample size with a total of 400 from (39) listed firms. A descriptive analysis was utilized to determine the features of the respondents. It was revealed that the audit committee independence and competency had a positive effect, thus resulting in more positive investment choices to minimize subjectivity and potential bias in investors' perceptions of audit committees.

Further, Hasan, Jatiningrum, and Abdul-Hamid (2019) goals included demonstrating the different systems of corporate governance in Malaysia and the earning management, as well as examining the presence of audit quality to a relationship between the audit committee and the financial report quality in Malaysian enterprises. Using a multiple regression method, the study studied data from 93 trading companies registered on the Malaysia Stock Exchange. While the audit committee's independence,

financial skill, and size were all found to be unsupported, the results showed that audit committee meetings significantly impacted financial reporting quality, with audit quality having a positive correlation with this metric. The outcome will presumably improve regulators' grasp of profits management in Malaysian corporations.

Moreover, Mahdi, Mahdi, and Sadegh (2019) aimed to recognize and turn out to be greater acquainted with the effect and capabilities of audit committees, as well as their characteristics, including members' understanding and independence, related experiences, and auditor changes, at the high-satisfactory of economic reporting in businesses indexed at Tehran Stock Exchange. Data were obtained from 105 TSE-indexed corporations between 2012 and 2016, and a logistic regression version was hired to evaluate the assumptions. Except for auditor changes, the findings discovered a good size have an impact on of audit committee capabilities at the economic restatement. It is recommended that shares and securities practitioners comply with the audit committee's chart, require the implementation of company governance standards, and voluntarily provide a company governance report.

In another study, Al-Sraih (2019) aimed to show the influence of audit committee features on the quality of external auditor reports in the Republic of Yemen. The questionnaire was utilized as the major data collection technique in the study to meet its aims; (300) questionnaires were disseminated, and the collected questionnaires that were valid for the statistical procedure reached (250), representing (89.67%). To examine the data, the (SPSS) application was utilized, with multiple regression tests. The result revealed that the audit committee characteristics (expertise, size, meeting, independence, and audit committee awareness of responsibility) have a positive impact on the quality of the auditor's report, and the more these characteristics are present in auditing committee members, the more they may have a positive impact on the quality of the auditor's report.

Further, Idris, Siam, and Ahmad's (2018) study aimed to uncover fresh information about the nature of the link between audit committee effectiveness and earnings management in Jordan, which is one of the world's growing countries. In addition, their study showed how the size of the external auditor could attenuate this link. (64) industrial businesses listed on ASE were chosen for this study to acquire data during the period from 2009 to 2014. An index with four characteristics was created to

quantify the efficacy of the audit committee, including audit committee independence, size, and meetings. The results revealed that audit committee effectiveness has a large and negative impact on earnings management. Consequently, it is suggested that high audit quality is more beneficial in increasing financial information quality.

In another context, Nugroho's (2018) study aimed to investigate the variables influencing the audit quality of accounting companies in Yogyakarta, as well as the effect of competence, independence, and accountability on the audit quality of accountants' work. The population of the study was the auditor staff who work at accounting firms, including 63 participants. The questionnaire was the primary tool for collecting the data, and the data analysis methods included a descriptive statistical analysis and a multiple linear regression. The findings revealed that competency and independence had a substantial impact on the audit quality of accounting firms.

Furthermore, Al-Mamun, Yasser, Rahman, and Nathan (2014) aimed to investigate the relationship between audit committee characteristics and company performance in Malaysian public-listed organizations. The study utilized (EVA) economic value added as a performance measuring method, and the sample was (75) firm observations, covering the period from 2008 to 2010. The findings revealed that audit committee independence is favorably related to performance, and audit quality, meeting frequency, and audit committee number had a favorable influence on business performance. Based on these discussions, the following hypothesis was proposed:

H1: There is an Effect of Audit Committees' Independence on Audit Quality.

2.5.2. Audit Committee's Experience and Audit Quality

Li, Pan, and Chen (2021) observed that the complexity of audit committee along with the distant places has an essential effect on company governance. They observed the impact of audit committee members' overseas reviews on audit costs. Furthermore, it was proved that the audit committee's overseas understanding had an extra useful impact on the audit costs in state-owned firms. Finally, it was revealed that each variety of audit committee level in significantly improvement of audit costs, and the audit

committee oversees may also considerably enhance accounting records and play an appropriate position in the company governance.

In another study, Hezabr, Ali and Oudat (2021) examined four board characteristic indicators: audit committee size, audit committee independence, audit committee meeting frequency, and audit committee experience, while controlling two variables: business size and firm age. Three models were utilized, each with its dependent variable. The findings revealed a statistically significant negative relationship between audit committee meetings and the performance of companies listed on Bahrain Stock Exchange. Consequently, future studies are recommended to examine the financial experience of Ac features, such as the financial experience of their chairs, the tenure of the committees, and firm ownership.

In the Iranian context, Mahdi, Mahdi, and Sadegh's (2019), aimed to grasp and become more aware of the impact and functions of audit committees, as their characteristics, similar to members' experience and independence, connected experiences, and auditor changes, on the standard of monetary news in firms listed on the national capital Stock Exchange. Knowledge was collected from one hundred and five Tehran Stock Exchange-listed corporations between 2012 and 2016, and a supply regression model was used to assess the assumptions. Aside from auditor changes, the findings disclosed a good and substantial influence of audit committee options on the financial restatement. It is advised that stocks and securities practitioners follow the audit committee's chart, need the implementation of company governance standards, and voluntarily provide a corporate governance report.

Further, Haddad, El Ammari, and Bourri's (2021) study was to examine the impacts of the consequences of audit committee quality on the monetary performance of Moslem and standard banks during the period from 2010 to 2019. monetary performance metrics associate degreed audit committee determinants of two types banks commerical and islamic , every sort the info gathered spanned America, Asia, Africa, and Europe. the generalized statistical method technique was accustomed compare the effects. The audit committee lowers the profit of two bank types, which affected the potency of conventional banks and consequently affecting ambiguously the Islamic banks. The audit committee was shown to own a good impact on typical banks' liquidity; however, the identical impact was unsure for Moslem banks' liquidity, and associate

degree for solvency, whereby the audit committee favorably benefited conventional banks whereas negatively moving Islamic banks' solvency. As a result, the audit committee may be a management mechanism, that is capable of creating an interface between management; therefore, the statutory audit breakdown any disagreements that will develop between auditors and managers, thereby reducing the conflict of interest or agency prices between them. Based on these discussions, the following hypothesis was proposed:

H2: There is an Effect of the Experience of Audit Committees on Audit Quality

2.5.3. Size Of The Audit Committees And Audit Quality

In the Jordanian context, Idris, Siam, and Ahmed (2018) aimed to find clear facts about the nature of the hyperlink between the effectiveness of the Audit and Income Control Committee in Jordan, which is one of the developing countries in the world. Additionally, it showed how much an external validator should mitigate this hyperlink. (64) commercial institutions indexed at the Amman Stock Exchange were selected for this view to collect facts about the amount during the period from 2009 to 2014. The indicator associated with four attributes was changed to determine the effectiveness of the audit committee, which adopts the independence, duration, and meetings of the audit committee. The effects discovered that the indifference of the audit committee had a significant and weak impact on income control.

In the Indonesian context, Sioufian, Sabtiari, Dwight, and Rahmi (2021) aimed to analyze the positive affiliation between the audit committee and the reportage fine as measured with the aid. From the timelines of reporting abuse within Indonesia, it has become to judge the effectiveness of the audit committee with the help of using the length of the committee, the diversity of professionals or competence, and the frequency of meetings. The sample included (240) observations used from (48) indexed production organizations in the Indonesian stock change from 2014 to 2019. Hypotheses were examined through the use of regression analysis. According to the findings, the length of the audit committee and financial capacity are not significantly associated with audit log delays. However, the frequency of compilation includes a significant effect on audit log periods. Also, the results found that the effectiveness of the audit committee depends

on the frequency of that shareholder's speech that the more often the audit committee meets, the more successful their communication will be. Therefore, it is recommended that the diversity of committee contributors who enjoy cash should be essential to the effectiveness of the audit committee. Hence, an increase in the audit committee may additionally play a large role in the effectiveness of the audit committee, particularly in the timing of the audit trials.

In the context of Bahrain, the study of Hazbar, Ali, and Al-Awdat (2021) aimed to investigate the effect of the characteristics of the audit committee on the general performance of five indexed groups in the Bahrain Stock Exchange during the period from 2012 to 2019. This takes a quick show at four indicators of the features of the board of directors that were tested: the length of the audit committee, the independence of the audit committee, the frequency of the audit committee meetings, and the audit committee review, while they are dominant for two variables: the length of the business enterprise and the age of the enterprise. It is suggested that future research studies the economic recovery of adaptive capacities that embody economic recovery in their chairs, the duration of committee work, and the ownership of the organization.

In the Malaysian context, Hasan, Jatiningrum, and Abdul-Hamid (2019) examined the existence of audit quality in the relationship between audit committees and financial reporting quality (FRQ) in Malaysian companies. The study focused on many mechanisms used in the field of governance in the Malaysian companies that aimed at managing profits as an FRQ agent. The sample consisted of 93 companies listed in the Malaysian financial market, whose objectives fall under commercial companies. The data were analyzed using the multiple regression method, and the results showed that the corporate governance mechanism (size, independence, financial expertise) of the audit committee is not supported and has negligible results with FRQ. On the other hand, the Audit Committee meeting had significant results for the FRQ. The study also revealed that the low FRQ is only a result of poor audit quality but also discretionary benefits in companies. These findings help regulators better understand the financial markets and their characteristics relative to the Malaysian companies.

In the Nigerian context, Asiriwuwa, Aronmwan, and Uwuigbe`s (2018) study aimed to examine the characteristics of each of the audit quality and the audit committee. Their study used the deductive method to achieve its objectives in analyzing the

hypotheses put forward in the study through the work of a retrospective research design and a binary probabilistic regression model. The sample consisted of 150 fixed observations collected over a year based on the annual reports listed for companies in the Nigerian financial markets. The results of the study revealed that the size of the audit committee and the precisely coordinated meetings, in addition to the number of experts, had a significant relationship that was positively reflected in the quality of the audit. The study concluded with a set of recommendations, the most important of which is that the positive nature of the effectiveness of the audit committee shows the presence of four basic features jointly responsible for effectiveness, and companies should be encouraged to consider these features in the establishment of audit committees. Based on these discussions, the following hypothesis was proposed:

H3: There is an Effect of the Size of The Audit Committees on Audit Quality.

2.5.4. Number of Meetings of The Audit Committees and Audit Quality

Another study in the Bahraini context was conducted by Aljalahma (2022) employing Return on Equity (ROE), Return on Assets (ROA), and Tobin's Q, examine the impact of audit committee independence, size, and frequency on business performance in Bahrain. Used information was gathered from 2005 to 2019 from 14 non-financial publicly listed companies. The research showed that audit committees with more members and those whose organizations were independently audited benefited the most.

In the Vietnamese context, the study of Phuong and Le (2021) aimed to analyze how different audit committee traits affect the way Vietnamese public firms handle their financial gains. During the study's four-year time frame, from 2015 to 2018, 745 Vietnamese stock market-listed businesses were analyzed. Results from an analysis of the data using the statistical software Stata 15 indicated a negative correlation between the size of the audit committee and the expertise level of its members and the amount of estimated receivables standing in for earnings management. In addition, the findings established a positive link between firm size and profit management, as well as an inverse link between financial leverage, net cash flow from operations, and profit management. There is no conclusive proof that the number of audit committee meetings increases with the degree of audit committee independence, according to the research.

Another study in the Indonesian context was conducted by Syofyan, Septiari, Dwite and Rahmi (2021) to investigate the positive correlation between the audit committee and coverage quality in terms of reporting timeframes in the Indonesian context. The audit committee's efficiency was evaluated based on the number of committee members, the diversity of their expertise, and the regularity of their meetings. This study examined data from the Indonesian stock market for a sample of 48 manufacturing companies, covering the years 2014-2019. Regression analysis was used to examine the hypotheses. Findings suggest that audit committee size and financial competence are not major factors in audit report delays, but that the frequency of audit committee meetings does have a significant impact on audit report. The data also revealed that the effectiveness of the audit committee is reliant on the frequency with which the members communicate, such that the more frequently the audit committee meets, the more fruitful their communication may be. It has been argued that the success of the audit committee depends on the number of members who are familiar with financial matters. Therefore, increasing the size of the audit committee might have a substantial impact on the efficiency of the audit committee and the timeliness of audit reports.

Another study in the Malaysian context by Hasan, Jatiningrum, and Abdul-Hamid (2019) aimed to examine the presence of audit quality on the link between the audit committee and financial coverage quality in the Malaysian firms, particularly to show the varied mechanisms of corporate governance in Asian nations and the earning management. The study used data from (93) listed mercantilism businesses on the Malaysia Stock Exchange, and the data were analyzed employing a multiple regression analytical approach. The findings disclosed that company governance mechanisms (audit committee independence, audit committee monetary expertise, audit committee size) were not supported, whereas audit committee conferences had a major impact on financial coverage quality, with audit quality increasing the relationship.

In the Yemeni context, Al-Sraih (2019) aimed to show the influence of audit committee options on the quality of external auditor reports in the Republic of Yemen. The form was used because of the major knowledge assortment technique in the study to fulfill its aims. (300) questionnaires were disseminated, and therefore the collected questionnaires that were valid for the method were (250), representing (89.67%). To analyze the data, the (SPSS) application was utilized, with multiple correlation tests. The

findings disclosed that audit committee characteristics (independence, expertise, size, meeting, and audit committee awareness of responsibility) have a positive impact on the standard of the auditor's report. Therefore, many of these characteristics are among the characteristics of the members of the audit committee.

Besides, Al-Mamun, Yasser, Rahman, and Nathan's (2014) study aimed to research the link between audit committee characteristics and company performance in the Malaysian public-listed organizations. The study used (EVA) economic value added as a performance measurement method. The sample amounted to (75) emphatic observations, and therefore, the study includes all of the fiscal years (2008-2010). The findings disclosed that audit committee independence is favorably involving performance, audit quality, meeting frequency, and associate degree of audit committee range which all had a good influence on business performance. Based on these discussions, the following hypothesis was proposed:

H4: There is an Effect of the Number of Meetings of the Audit Committees on Audit Quality.

2.5.5. Awareness of The Audit Committees and Audit Quality

Further, Al-Sraih's (2019) study aimed to show the influence of audit committee options on the quality of external auditor reports in the Republic of Yemen. The form was used because of the major knowledge assortment technique in the study to fulfill its aims. (300) questionnaires were disseminated; therefore, the collected questionnaires that were valid for the method were (250), representing (89.67%). To analyze the data, the (SPSS) application was utilized, with multiple correlation tests. Specifically, the findings showed that the quality of the auditor's report is bolstered by audit committee features such as independence, experience, size, meetings, and audit committee understanding of responsibilities. It follows that many of these traits also characterize audit committee members.

In their study, Alawaqleh, Almasria, and Alsawalhah (2021) the purpose of this study was to examine the impact of board size, board independence, and CEO tenure on audit quality, as well as the effect of dominating factors. There were 325 financial statements from manufacturing firms trading on the capital of Jordan's securities market

to use as a check on these associations. To validate the analytical links, we turned to the supply regression. The results showed a detrimental effect of having a CEO who is also the chairman, a negative effect of CEO duality on audit quality, and a statistically critical influence of the board of administrators on audit quality. According to the consistent estimates of dominating factors, customer size and leverage debt have a sizable effect on audit quality, whereas company quality has a little positive correlation. Therefore, it is recommended that the board of directors increase the number of independent, non-executive members to provide board directors more leeway in deciding on audit quality, and that the board of directors expand its size.

In the Saudi context, Boshnak (2021) investigated the 2017 Saudi code revision and the effect of audit committee choices on audit quality in Saudi-listed companies. The sample consisted of 220 companies, all of which were listed on the KSA Stock Exchange between 2017 and 2019. The relationship between Ac characteristics and audit quality was examined using a multiple correlation analysis. In line with the models of regression, organizations from an Ac academic accounting background associated with finance, and the organizations with additional Ac specialists are more inclined to settle on non-big-four auditing companies with reduced audit prices. The total frequency of Ac conferences and the degree of independence of the Ac do not have any substantive result on audit quality. Therefore, it is suggested that boards and shareholders still monitor and judge Ac's choices to enhance the audit quality. Based on what has been discussed, the following hypothesis was proposed:

H5: There is an Effect of Awareness of the Audit Committees on Audit Quality in The Jordanian Industrial Companies.

2.6. Gap in Literature

Hoasain and Meach (2021) and Haddad, Elammari, and Bouri (2021) and Boshnak (2021) have studied dimensions of audit committee characteristics, which are independent of the audit committee study and audit committee experience. Besides, Sofyan, Septiari, Dwite, and Rahmi (2021), Alhadrami, Rafiki, and Sarea (2020) have studied the characteristics of the audit committee affecting timelines of the audit report. These studied used some of the characteristics of the audit committee, which were the size of the audit committee and financial experience, and used the variable independence

of audit committee members, and the impact of the audit committee's members' independence and competence.

Further, Hasan, Jatiningrum, and Abdul-Hamid (2019) investigated the impact of audit committee's characteristics on the audit quality using financial reporting and corporate governance using the variables, namely audit-committee experience, audit committees size, and audit committee number of meetings. The review of a number of studies regarding the topic of the present study showed that many aspects are distinguishing the present study from a number of previous studies in terms of field of application, such as the commercial and Islamic banks, and non-financial organizations. So, the present study deals with the impact of audit committee's characteristics on audit quality, whereas other studies have focused on the financial performance. Some of the previous studies have used one or three dimensions of the impact of audit committee characteristics, such as (independence, experience, and number of the audit committee members), and different methodologies. Thus, this study aimed to employ more dimensions affecting the audit quality in the Jordanian industrial companies, including (independence, experience, number of audit committee members, number of meetings, and awareness of audit committee members) which made the present study distinguished from other studies.

2.7. Chapter Summary

This Chapter covered the variables of this study in the theoretical framework in this sections: theoretical background, Agency theory, Agency theory concept, the importance of governance in reducing the problem of conflict of interest, Stakeholder theory, Stakeholder theory definition, the relationship between stakeholders and the organization, audit quality, factors affecting audit quality, audit committee, the definition of audit, committees, audit committee guide, responsibilities of audit committees, the importance of audit committees, objectives of the audit committees, characteristics of the audit committee, audit committee independence, audit committee meetings, audit committee size, the experience of the audit committee members, awareness of audit committee members, research framework, and hypotheses of the study.

3. METHODOLOGY

3.1. Introduction

The third chapter explains the methodology of the study, the hypotheses developed from the literature review to clarify the effect of the independent variables on the dependent variable, the research design, the population census, the sample size, the study census, the data collection procedures, the study tool, the credibility assessment, and methodological techniques that were used in this study as sequential processes for evaluating a research problem to gain further understanding of the impact of the characteristics of the audit committee on the audit quality of the Jordanian industrial companies listed on Amman Stock Exchange.

3.2. Research Design

To achieve the study objectives, the descriptive analytical approach was used using secondary data after reviewing previously conducted studies related to the topic of this present study, and the electronic questionnaire for collecting the primary data from the respondents regarding audit committee characteristics and their impact on audit quality.

3.3. Population and Sample Size

The estimated population size for this study, as well as the sample size determination for this study, are explained in this section. In addition, the sample frame and sample approaches are emphasized in more detail to facilitate a better comprehension of the subject matter.

3.3.1. Study Population

The population is the whole set of values or individuals, the researcher is interested in studying. As such, it denotes the collection of all units to which the study's findings will be applied. (Shukla, 2020).

After the researcher has identified the hypotheses and before deciding on the aggregation of information, he must define a population study, since components in the type such as variables denoting human qualities or matters that constitute the population, and this is mentioned It is all individuals, people or things. (Shukla, 2020).

The study population consists of (55) Jordanian industrial companies listed in the Amman Stock Exchange (Appendix F), whereby the number of employees in those companies reached (160) members who meet the conditions of our research in terms of job level.

3.3.2. Sample Size

Sampling is associated with selecting a subgroup of people within the population that estimates traits for the entire population. The first advantage of sampling is that it speeds up the collection of facts and reduces costs (Robert, 2004). Each ad measures one additional task or topic determined by independent auditors. In cohort studies, medical studies, and agricultural studies, sampling is mainly used to obtain data about the population; the people-selection approach to data-idea selection has been modified so that it is primarily based on the literature (Kish 1965; Gupta & Kapoor, 1970). The following items should be considered when selecting individuals:

- Investigations can be conducted on the entire employers or a representative from outside the employers.
- When selecting a sample, it must be a random sample.

A stratified sample is a random useful method for a series of statistics if the population is heterogeneous. In this method, the entire heterogeneous population are divided into some homogeneous firms, which can be usually called strata; each of these firms is homogeneous within itself, after which a random pattern of alternatives is taken from each type of stratum. This stratified sampling method is called stratified sampling. In other words, stratification is the way a population is divided into subgroups/castes. Samples will then be taken one by one in each layer. The class or subgroup is chosen because there is evidence of the fact that it will be associated with the outcome.

Sekaran (2006) stated that a very large sample (e.g. more than 500) can also lead to problems due to the fact that we are able to run the chance of generating type 2 errors.

In other words, with a very large sample period, weak relationships can (e.g. a correlation of 10 between variables) also gain significance, and we would be simply inclined to accept the fact that the basic relationships in the object sample are undoubtedly applicable to the public and consisted of (160) members working in the companies , reaching (55), and in line with the workplace of Sekaran (2006) shown in (Appendix G), the study will be with the sample of (113).

3.4. Data Collection Procedures

This study used the quantitative approach employing the electronic questionnaire as the main tool of the data targeting workers in industrial companies listed on the Amman Stock Exchange. The required collection process focused on two sources:

- **Secondary Data Sources:** from books, academic journals, previous research, Ph.D. theses, and articles.
- **Sources of Primary Data:** from workers in industrial companies listed on the Amman Stock Exchange and targeted using an electronic questionnaire.

3.5. The Study Tool (Survey)

Previous studies were referred to, whereby the electronic survey was designed and consisted of three parts:

- **Part One:** Demographic information of the study sample.
- **Part Two:** Dimensions of the independent variables consisting of the First Dimension: Independence of the Audit Committee from paragraphs 1 to 11, the Second Dimension: Experience of the Audit Committee from paragraphs 12 to 22, the Third Dimension: Size of the Audit Committee from paragraph 23 to 28, the Fourth Dimension: Audit Committees Meeting from paragraph 29 to 34, and the fifth dimension: Audit Committees Awareness from paragraph 35 to 39.
- **Part Three:** the dependent variable: Audit Quality from paragraphs 40 to to50.

The dimensions of the variables will be displayed, and the paragraphs of each dimension will be displayed according to what was adopted in the questionnaire below:

3.5.1. Independence of the Audit Committee

Table 1. Independence of the Audit Committee Scale Item

No.	The Clause
1.	“The audit committee presents its judgment and reports without Partiality”.
2.	“The audit committee conducts the audit process independently of any external or internal influences”.
3.	“Because of its review of management performance, the audit committee holds a unique position”.
4.	“The audit committee objectively evaluates the management practices”.
5.	“The audit committee receives written and explicit authorization from the management”.
6.	“Independence can be enhanced when the chief executive of the audit committee is connected with the company’s board of directors”.
7.	“More independence of the audit committee members means more effective monitoring, reduces the fraud opportunities and earning management, and increases trust of the accounts auditor”.
8.	“The Audit committee member has no relation with the management boards inside the company”.
9.	“The audit committee members are selected by the general assembly and consultation with the board of Directors”.
10.	“Audit committee members have sufficient knowledge to perform their tasks objectively”.
11.	“Audit committee members consist of non-executive members”.

Sources: (Al-Hadram, Rafik, & Sare, 2020; Reza Nugroh, 2018)

3.5.2. Experience of Audit Committee

Table 2. Experience of Audit Committee Scale Item

1.	“The audit committee's experience is regarded as one of the most important indicators of the application of reasonable governance principles”.
2.	“The audit committee works to establish commitment and accountability within the company”.
3.	“The audit committee provides reasonable assurance about the efficiency and effectiveness of the control systems applied in the company”.
4.	“The audit committee ensures the independence and integrity of the external auditor”.
5.	“The audit committee performs a major role in control and risk management”.
6.	“The audit committee performs its task better in the presence of members with financial and accounting experience”.
7.	“The audit committee members seek to understand the nature of the institution’s activities”.
8.	“The audit committee has the ability to personal judgments about the operational processes of the institution”.
9.	“The audit committee members have knowledge and financial experience”.
10.	“The audit committee members have knowledge of preparing financial statements and reports”.
11.	“Audit committee members have full knowledge of the nature, tasks, and responsibilities”.

Source: (Al-Hadram, Rafik, & Sare, 2020; Abdul Rahim, 2016)

3.5.3. Number of the Audit Committee Members

Table 3. Number of the Audit Committee Members Scale Item

1.	“Size of the audit committee is determined by disclosure instructions and international accounting standards”.
2.	“Size of the audit committee is determined according to the work conditions and requirement”.
3.	“Size of the audit committee differs according to the specific objectives of the audit process”.
4.	“Size of the auditor committee is considered one of the basic requirements in the audit process”.
5.	“Audit committee size is considered one of the important concepts in the business environment”.
6.	“The higher number of the audit committee members helps in the specializations diversity and experiences of its members, leading to higher monitoring, and improving the quality of the financial reports”.

Source: (Tamsh 2017; Al-Matari, 2013)

3.5.4. Meetings of the Audit Committee

Table 4. Meetings of the Audit Committee Scale Item

1.	“The audit committee holds periodic meetings with the auditors to observe and monitor the company’s financial issues”.
2.	“The audit committee has the right to dismiss the external auditor during periodic meetings”.
3.	“Audit committee meetings review issues concerning financial and accounting reports”.
4.	“The audit committee holds meetings with the internal auditor to discuss important financial issues”.
5.	“The audit committee evaluates external auditors' work at the end of the meetings”.
6.	“Audit committee meetings contribute to providing clear information about the work of internal and external auditors”.

Source: (Abdullatif, Ghanayem, Ahmad-Amin, Al-shelleh, and Sharaiha, 2015)

3.5.5. Awareness of Audit Committee

Table 5. Awareness of Audit Committee Scale Item

1.	“Audit profession is considered one of the economic and social functions”.
2.	“Audit committee is aware of how to accomplish its tasks according to international audit standards”.
3.	“Audit committee performs its task according to the imposed laws and regulations”.
4.	“Audit committees consider the beneficiaries’ interests in the audit process”.
5.	“Audit committee is aware of the plan for the auditor’s activities”.

Source: (Al-Sereh 2019; Klika, Muta 2013; and Abdul Rahim 2016)

3.5.6. Audit Quality

Table 6. Audit Quality Scale Item

1.	“Board of directors understands the importance of audit quality functions”.
2.	“Board of directors has the complete freedom to choose the tools and means related to audit quality”.
3.	“Audit committee focuses on audit standards and procedures to achieve audit quality”.
4.	“Audit committee works to determine audit quality and goals agreed upon”.
5.	“Audit quality ensures the application of accepted international accounting principles”.
6.	“Audit committee prepares an audit quality report at the end of the audit process”.
7.	“Audit quality involves monitoring systems, and data of ledges are checked regularly and randomly”.
8.	“Audit committee is professionally responsible for submitting audit quality”.
9.	“Audit quality enables the concerned parties to make the appropriate decisions”.
10.	“General concerns about audit quality in recent years are based on a proper understanding of the conduct of audits in practice”.
11.	“There is a considerable variation between audits in the quality of auditing achieved in practice”.

Source: (Sulaiman, 2018; Hsani, Jatningrum, & Abdl-Hmid, 2019)

Thus, survey questions were presented as statements to be answered by the participating individuals who indicated their agreement/disagreement within 5-point Likert scale as shown below in Table (7).

Table 7. Likert 5-point Scale

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5	4	3	2	1

The scale for measuring the level of the sample individual’s agreement with the study variables and fields is Likert five-point scale in the form of the equation:

$$\text{Length of the clause} = \frac{\text{Upper limit of the alternative-lower limit} - \text{Lower limit} + 1}{\text{Number of the limits}}$$

$$\frac{5 - 1 + 1}{3} = 1.33$$

This scale is used to clarify the arithmetic mean of the study sample individuals’ responses to the questionnaire clauses.

3.6. Validity Assessment

Research validity reflects the extent to which a concept is accurately measured. According to Sekran and Bougie (2013), research validity refers to the extent to which the used instrument measures the right elements that need to be measured, whereas research reliability is concerned with the stability and consistency of the measurement.

Internal validity and external validity are two concepts that present the trustworthiness and meaning of findings. While internal validity describes the process of proving the cause and the effect relationships, external validity reflects the extent to which research results could be generalized (Sekran & Bougie, 2013).

Other validation dimensions were assured in the questionnaire:

Convergent validity: This type of validity is used to check whether the creation of tests is closely related.

Validity institution: determines the accuracy of the device's measurement of its claims, and indicates whether the operational definition of the variable honestly displays the truth or not.

Discrimination validity: to show whether the basic variables are unusual or not, and the degree of one variable without measuring another variable within the equal paragraph.

It should be noted that the researcher followed specific strategies to ensure the validity of the study tool (the questionnaire) before disbursing it, as proved below.

The questionnaire has been changed after consulting some professors in public and private universities in Jordan with MBA and Accounting areas (as shown in Appendix 3). This method undoubtedly contributed to the revision of the last draft of the questionnaire.

3.7. Reliability Testing

Reliability evaluation is the first step in the validation test process to show the measurement clauses regarding their internal consistency, whereby the reliability analysis is used specifically through calculating Cronbach's Alpha coefficients value which ranges from (zero-to one) having an alpha coefficient close to (1.00) that indicates good consistency (Bougie & Sekaran, 2019).

Table 8. Summary of Reliability Coefficient

Reliability Coefficient	Remarks
Less than 0.60	Poor Reliability
0.70	Acceptable & Reliability
0.80	Good Reliability
0.90 and higher	Excellent Reliability

Source: (Bouge & Skaran, 2019)

In this study, Cronbach's alpha (α) Coefficient from the SPSS program and making reliability test were used to ensure the stability and consistency of the applied data collection tool. Cronbach's alpha (α) represents a common reliability coefficient that is widely used in social research to measure the internal consistency of the components of the used instrument.

Table 9. Reliability Analysis - Cronbach's alpha (α) Coefficient

Level	Cronbach's Alpha	NO of Items	Remarks
-------	------------------	-------------	---------

Independence of Audit Committee	.852	10	Good
Experience of the Audit Committee	.852	10	Good
Size of the Audit Committee	.846	6	Good
Audit Committees Meeting	.896	6	Good
Audit Committees Awareness	.876	5	Good
Audit Committee Characteristics	0.864	10	Good

The Cronbach's alpha values are related to statements of the instrument ranging from 0.846 to 0.896 as shown in Table (9). Such values indicate strong stability among the respondents' answers, thereby suggesting a good degree of the overall reliability of the used instrument.

3.8. Chapter Summary

This chapter covered the practical framework and the methodology of the study in these sections: introduction, research design, population and sample size, study population, sample technique, data collection procedures, instruments, validity assessment, and reliability testing.

4. RESULTS OF HYPOTHESES TESTING

4.1. Introduction

This chapter presents the results of the statistical analysis related to the data collected in the previous stages of the research to achieve satisfactory answers to the research questions.

4.2. Demographic Characteristics Of The Study Sample

Table (10) below shows the demographic characteristics of the study sample.

Table 10. Descriptive Analysis: Demographic Variable

Variable	Categorization	Frequency	Percent
Gender	Male	66	58.4
	Female	47	41.6
Total		113	100.00
Age	Less than 35 years	12	10.6
	36-40 years	14	12.4
	41-45 years	33	29.2
	46-50 years	54	47.8
Total		113	%100
Experience	Less than 5 years	7	6.2
	5-10 years	11	9.7
	11-15 years	50	44.2
	More than 15 years	45	39.8
Total		113	100%
Professional certificates	JCPA	42	37.2
	CPA	35	31.0
	Other	28	24.8
	None	8	7.1
Total		113	100%
Professional certificates	Bachelor	12	10.6
	Master	68	60.2
	Doctorate	9	8.0
	Other	24	21.2
Total		113	100%

As shown in Table (10) above, (58.4%) of the respondents are males, and (41.6%) are females.

The Results of the data analysis as indicated in Table (10) show that (47.8%) of the respondents are 46-50 years, (29.2 %) are 41-45 years, (12.4%) are 36-40 years, and (10.6%) are less than 35 years.

According to the used methods of experience, Table (11) indicates that 11-15 years are (44.2%) of the sample, (39.8 %) are more than 15 years, and 5-10 years are (9.7%), whereas less than 5 years are (6.2%) of the sample.

According to the used methods of professional certificates, Table (12) indicates that JCPA certificates represent (37.8%) of the sample, (31.00 %) are CPA, and others are (24.8%), where none is (7.1%) of the sample.

According to the used methods of professional certificates, Table (13) indicates that a Master's degree represents (60.2%) of the sample, (10.6 %) represents Bachelor's degree, and Other is (21.2%), whereas Doctorate represents (8.0%) of the sample.

Besides, based on the used methods of Major Field, Table (14) indicates that Management is (42.5%) of the sample, (28.3 %) is Finance, and Accounting is (23.0%), whereas Other is (6.2%) of the sample.

4.3. Normality and Outliers' Assumptions

Before further analyses of data, it is necessary to test if the criterion of normality assumption has been met (Byrne, 2016). This study utilized IBM SPSS version 22 to examine the normality distribution through the indices of skewness and kurtosis. These two components of normality are associated with symmetry and peaked Ness (or flatness) of a distribution respectively (Hair et al., 2010). When a distribution is normal, it is said to be not violated (Mills & Gay, 2016). As reported by Tabachnick and Fidell (2013), when the sample is more than 200, the deviation from the normality of the two components many times do not make a substantive difference in the analysis.

Kline (2011) stated that If kurtosis value is between -7 and +7, it is considered normal. In addition, if the values of skewness and kurtosis are above ± 2 , then they are assumed to have abnormal univariate distribution (George & Mallery, 2010). All the scores of skewness and kurtosis in this study are less than ± 1 , whereas only three kurtosis values fall between 1 and 1.5. Thus, all values were accepted to prove a normal distribution

The following figures show the typical distribution of the variables of this study:

4.3.1. Normal Distribution for Independence of the Audit Committee

If the value of kurtosis is between -7 and +7, it is considered normal. In addition, if the deviation values are greater than ± 2 , it is assumed to have an abnormal univariate distribution (George & Mallery, 2010). Since the below values are within the ratios, the Skewness values ranged between (-0.08 - 0.980-) and the kurtosis values (1.925 - 0.585).

Table 11. Normal Distribution for Independence of the Audit Committee

	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
A1	-.727	.227	-.107	.451
A2	-.080	.227	-.569	.451
A3	-.816	.227	1.925	.451
A4	-.388	.227	-.332	.451
A5	-.760	.227	.190	.451
A6	-.743	.227	.306	.451
A7	-.460	.227	-.111	.451
A8	-.922	.227	.192	.451
A9	-.980	.227	.173	.451
A10	-.234	.227	-.585	.451
Valid N (listwise)				

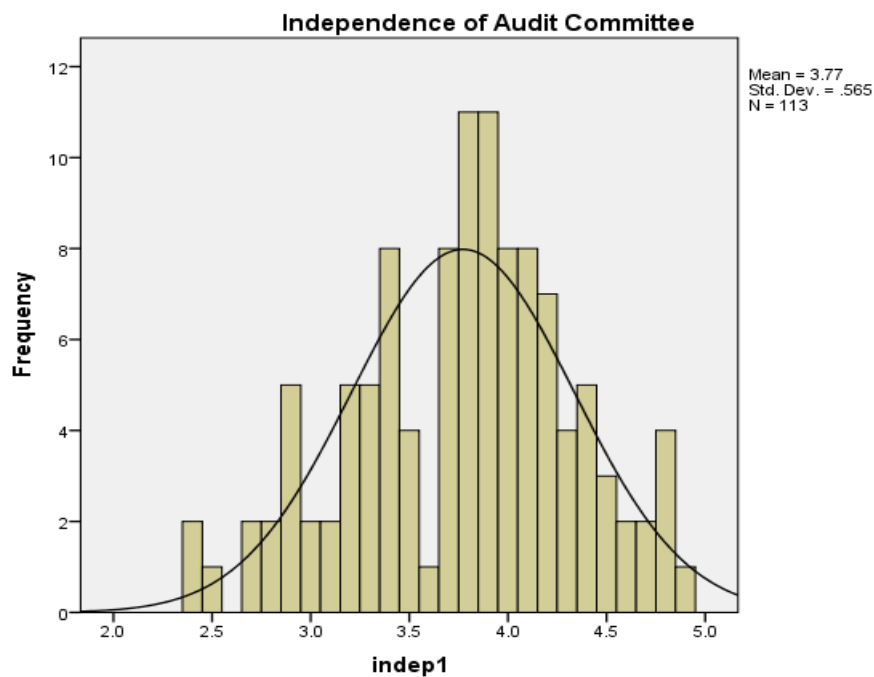


Figure 2. Normal Distribution for Independence of the Audit Committee

4.3.2. Normal Distribution For Experience of Audit Committee

If the value of kurtosis is between -7 and +7, it is considered normal. In addition, if the deviation values are greater than ± 2 , it is assumed to have an abnormal univariate distribution (George & Mallery, 2010). Since the above values are within the ratios, the Skewness values ranged between (-1.363 -.176-) and the kurtosis values (-.359- 1.929).

Table 12. Normal Distribution for Experience of the Audit Committee

	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
A11	-.176	.227	-.962	.451
A12	-.913	.227	.407	.451
A13	-1.094	.227	1.113	.451
A14	-1.271	.227	1.808	.451
A15	-.942	.227	1.414	.451
A16	-1.161	.227	1.369	.451
A17	-1.363	.227	1.929	.451
A18	-.955	.227	.638	.451
A19	-.824	.227	-.472	.451
A20	-.857	.227	-.537	.451
A21	-.964	.227	-.359	.451
Valid N (listwise)				

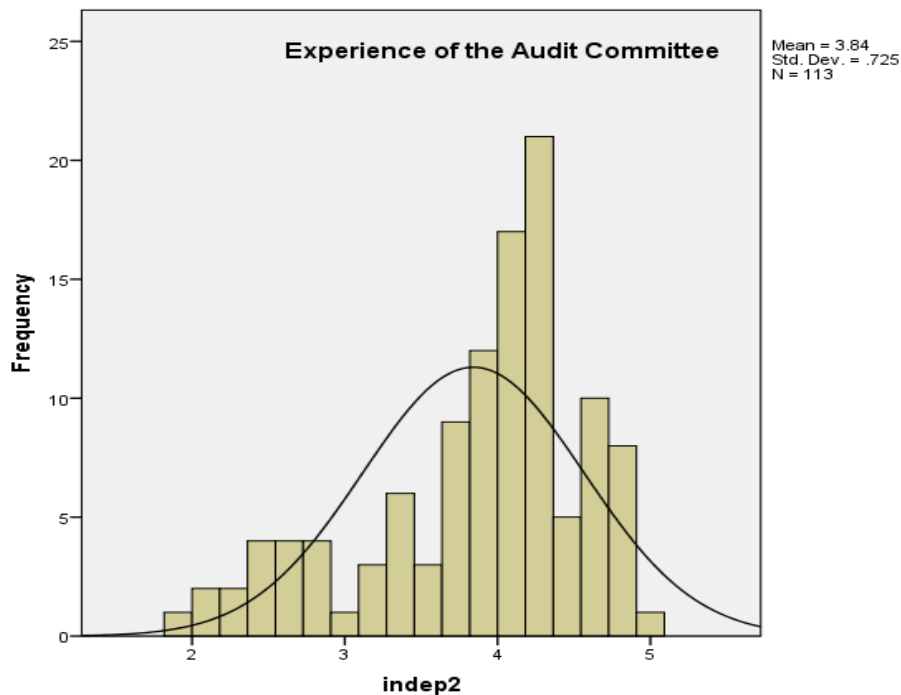


Figure 3. Normal Distribution for Experience of the Audit Committee

4.3.3. Normal Distribution For Number of the Audit Committee Members

It is considered normal if the value of kurtosis is between -7 and +7. In addition, if the deviation values are greater than ± 2 , it is assumed to have an abnormal univariate distribution (George & Mallery, 2010). Since the above values are within the ratios, the Skewness values ranged between (-1.2770 - .588-) and the kurtosis values (2.026 - 0.338).

Table 13. Normal Distribution for Size of the Audit Committee

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
A22	113	-.941	.227	-.338	.451
A23	113	-.588	.227	.133	.451
A24	113	-.687	.227	-.195	.451
A25	113	-.717	.227	.287	.451
A26	113	-1.035	.227	.896	.451
A27	113	-1.277	.227	2.026	.451
Valid N (listwise)	113				

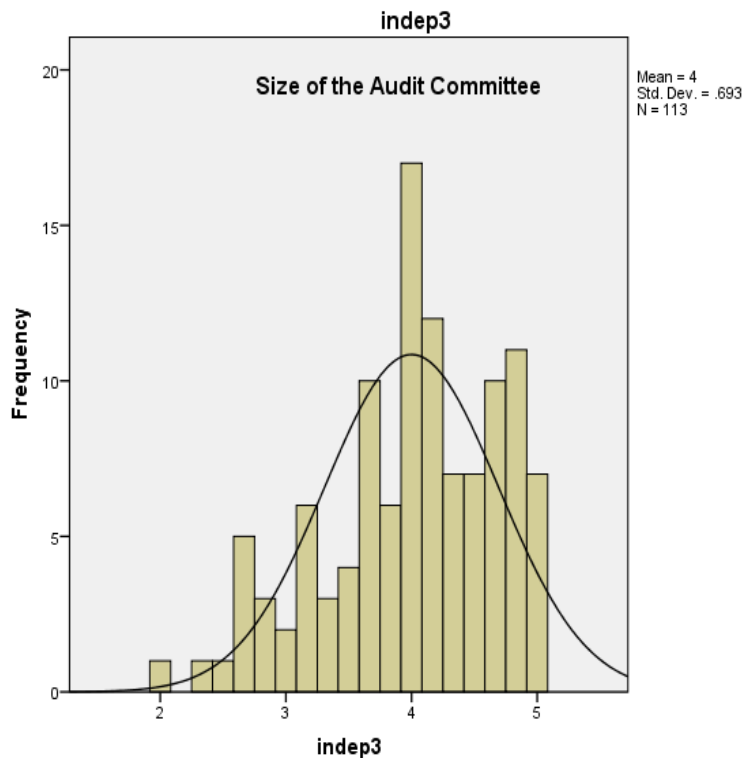


Figure 4. Normal Distribution for Number of the Audit Committee Members

4.3.4. Normal Distribution For Number of Meetings of the Audit Committee

It is considered normal if the value of kurtosis is between -7 and +7. In addition, if the deviation values are greater than ± 2 , it is assumed to have an abnormal univariate distribution (George & Mallery, 2010). Since the above values are within the ratios, the Skewness values ranged between (-0.870 - 0.396-) and the kurtosis values (1.389 - 0.224-).

Table 14. Normal Distribution for Number of Meetings of the Audit Committee

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
A28	113	-.456	.227	-.224	.451
A29	113	-.667	.227	.447	.451
A30	113	-.396	.227	-.528	.451
A31	113	-.700	.227	.359	.451
A32	113	-.841	.227	1.389	.451
A33	113	-.870	.227	.979	.451
Valid N (listwise)	113				

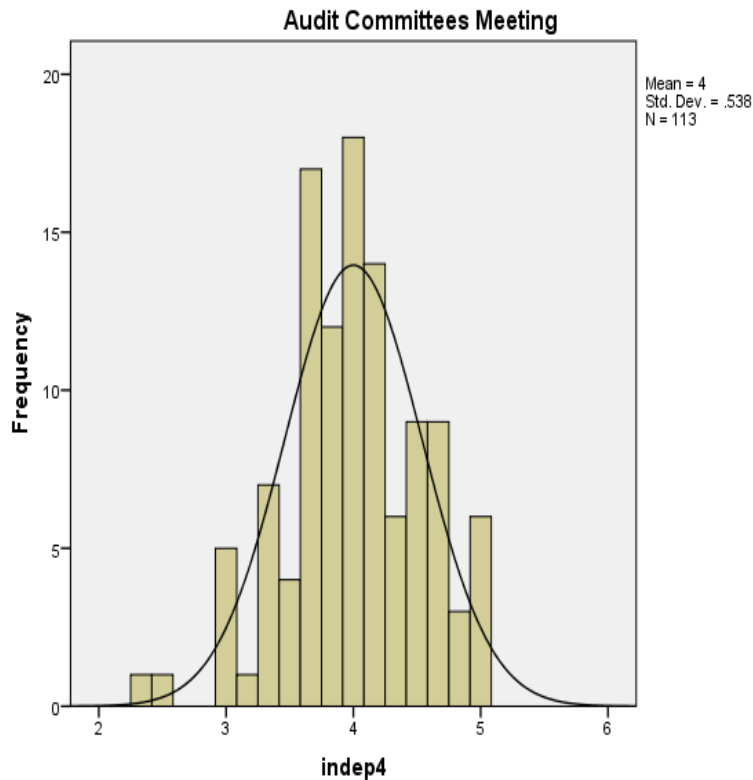


Figure 5. Normal Distribution for the Number of Meetings of the Audit Committee

4.3.5. Normal Distribution for Awareness of Audit Committee

It is considered normal if the value of kurtosis is between -7 and +7. In addition, if the deviation values are greater than ± 2 , it is assumed to have an abnormal univariate distribution (George & Mallery, 2010). Since the above values are within the ratios, Skewness values ranged between (-.873-.405-) and the kurtosis values (0.553 -0.221-)

Table 15. Normal Distribution for Awareness of the Audit Committee

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
A34	113	-.873	.227	.527	.451
A35	113	-.767	.227	.117	.451
A36	113	-.603	.227	-.221	.451
A37	113	-.741	.227	.553	.451
A38	113	-.405	.227	-.236	.451
A39	113	-.724	.227	.318	.451
Valid N (listwise)	113				

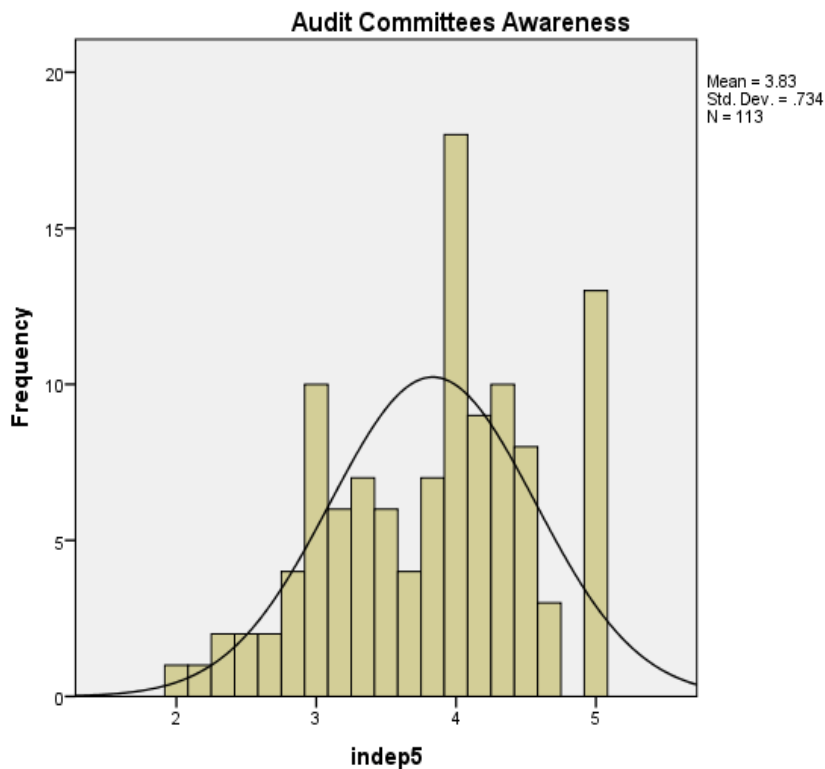


Figure 6. Normal Distribution for Awareness of Audit Committee

4.3.6. Normal Distribution For Audit Quality

It is considered normal if the value of kurtosis is between -7 and +7. In addition, if the deviation values are greater than ± 2 , it is assumed to have an abnormal univariate distribution (George & Mallery, 2010). Since the above values are within the ratios, the Skewness values ranged between (-1.050 – 0 .141) and the kurtosis values (2.906 - 0.606-).

Table 16. Normal Distribution for Audit Quality

	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
B1	-.727	.227	-.107	.451
B2	-.141	.227	-.497	.451
B3	-1.134	.227	2.906	.451
B4	-.588	.227	.238	.451
B5	-.760	.227	.190	.451
B6	-.835	.227	.542	.451
B7	-.548	.227	.072	.451
B8	-1.050	.227	1.154	.451
B9	-.173	.227	-.606	.451
B10	-.955	.227	.348	.451
B11	-.889	.227	.504	.451
B12	-.889	.227	.504	.451
Valid N (listwise)				

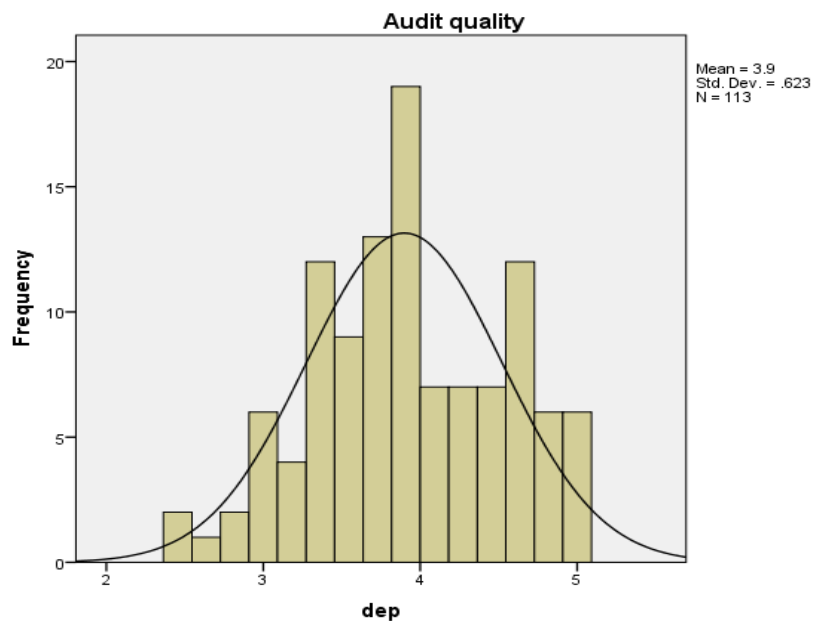


Figure 7. Normal Distribution for Audit Quality

4.4. Factor Analysis

Based on Table 4.8 related to (KMO) "Bartlett", it is found out that the value of the "Alken" scale is identical to (0.630), that is greater than (0.5), and this shows the accelerating reliability of the items we get from evaluating the thing plus judging the adequacy of the model size, where we find that the probability price (P-value) of "Bartlett" shows (0.00) and much less than (0.05). This approach implies that the correlation matrix does not always match the matrix unit and there is a correlation between some variables within the matrix to make a full assessment of the facts.

Table (17) "Kaizarr Mir UConn" measures to judge the adequacy of the sample and test "Bartlett" of the data.

Table 17. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.630
Bartlett's Test of Sphericity	Approx. Chi-Square	378.427
	df	10
	Sig.	.000

4.5. Descriptive Analysis of Study Variables

The evaluation of respondents' responses has been classified into five classes: Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree as stated in Table (18) below:

Table 18. 5-point Likert Scale

Class	Length
Strongly Disagree	1–1.8
Disagree	1.81– 2.6
Neutral	2.61– 3.4
Agree	3.41– 4.2
Strongly Agree	4.21– 5

Moreover, each of the mean and std deviation using (SPSS) was used to determine the variation between the respondents' answers.

Table 19. Means and Standard Deviation of Study Dimensions

Rank	Variable	Mean	S D
4	Independence of Audit Committee	3.77	0.56
2	Experience of the Audit Committee	3.84	0.73
1	Size of the Audit Committee	4.00	0.69
1	Audit Committees Meeting	4.00	0.54
3	Audit Committees Awareness	3.83	0.73
	AVG	3.89	0.65

Table (19) indicates the results of means and std deviation of the study dimensions arranged in a descending order. Compared to other variables, the size of the Audit Committee and Audit Committees Meeting was ranked first with a mean of (4.00) followed by Experience of the Audit Committee with a mean of (3.84), then the Audit Committees Awareness with a mean (3.83) and Independence of Audit Committee was ranked last with a mean of (3.77).

4.5.1. The First Dimension: Independence of Audit Committee

Table 20. Means and Standard Deviation of Independence of Audit Committee

No.	Question	Rank	Mean	S D
1	“The audit committee presents its judgment and reports without Partiality”.	7	3.68	1.029
2	“The audit committee conducts the audit process independently of any external or internal influences”.	3	3.88	0.741
3	“Because of its review of management performance, the audit committee holds a unique position”.	1	4.08	0.734
4	“The audit committee objectively evaluates the management practices”.	4	3.86	0.833
5	“The audit committee receives written and explicit authorization from the management”.	5	3.83	0.925

6	“Independence can be enhanced when the chief executive of the audit committee is connected with the company’s board of directors”.	2	3.93	0.952
7	“The more independence of the audit committee members, the more effective is monitoring, reduces the fraud opportunities and earning management, and increases trust of the accounts auditor”.	6	3.79	0.901
8	“Audit committee members have no relation with the management boards inside the company”.	6	3.79	1.122
9	“Audit committee members are selected by the general assembly and consultation with the board of Directors”.	8	3.61	1.206
10	“Audit committee members have sufficient knowledge to perform their tasks objectively”.	9	3.27	1.180
11	“Audit committee members consist of non-executive members”.	10	3.11	0.122
			3.77	0.56

Based on Table (20) the dimension, Independence of Audit Committee variable, reached a high degree with a mean (3.77) and a standard deviation (0.56). Also, the item (3) “Because of its review of management performance, the audit committee holds a unique position.” The first rank with an arithmetic mean (4.08) and a standard deviation (0.734), and the last rank is the item (11) “audit committee members consist of non-executive members.” with an arithmetic mean (3.11) and a standard deviation (1.222).

4.5.2. The Second Dimension: Experience of the Audit Committee

Table 21. Means and Standard Deviation of Experience of the Audit Committee

	Question	Rank	Mean	S D
12	“The audit committee's experience is regarded as one of the most important indicators of the application of reasonable governance principles”.	6	3.97	.093
13	“The audit committee works to establish commitment and accountability within the company”.	4	4.01	.094
14	“The audit committee provides reasonable assurance about the efficiency and effectiveness of the control systems applied in the company”.	3	4.03	.094
15	“The audit committee ensures the independence and integrity of the external auditor”.	2	4.16	.075
16	“The audit committee performs a major role in control and risk management”.	1	4.20	.082
17	“The audit committee performs its task better in the presence of members with financial and accounting experience”.	5	4.00	.094
18	“Audit committee members seek to understand the nature of the institution’s activities”.	7	3.87	.096
19	“The audit committee has the ability to personally judge the operational processes of the institution”.	8	3.81	.114
20	“Most of the audit committee members have knowledge and financial experience”.	9	3.55	.129
21	“The audit committee members have knowledge in preparing financial statements and reports”.	9	3.55	.129
22	“Audit committee members have full knowledge of the nature, tasks, and responsibilities”.	10	3.56	.129
	Avg		3.84	0.73

Table (21) shows the dimension, Experience of the Audit Committee variable, at a high degree with a mean (4.20) and a standard deviation (0.868). Also, for the item (16) “Audit committee performs a major role in the control and risk management”, the first rank is with an arithmetic mean (4.20) and a standard deviation (0.082), and the last rank is the item (22) “Audit committee members have full knowledge about the nature, tasks and responsibilities” with an arithmetic mean (3.56) and a standard deviation (0.129).

4.5.3. The Third Dimension: Size of the Audit Committee

Table 22. Means and Standard Deviation of Size of the Audit Committee

No	Question	Rank	Mean	S D
23	“Size of the audit committee is determined by disclosure instructions and international accounting standards”.	6	4.00	.081
24	“Size of the audit committee is determined according to the work conditions and requirement”.	1	4.19	.075
25	“Size of the audit committee differs according to the specific objectives of the audit process”.	2	4.14	.073
26	“Size of the auditor committee is considered one of the basic requirements in the audit process”.	4	4.11	.085
27	“Audit committee size is considered one of the important concepts in the business environment”.	5	4.00	.086
28	“The higher number of the audit committee members helps in the specializations diversity and experiences of its members, thus leading to increase the monitoring, and improve the quality of the financial reports”.	3	4.12	.070
			4.00	0.69

In Table (22), the dimension Size of the Audit Committee variable was at a high degree with the mean (4.19) to (3.56). Also, for the item (24) “Number of the audit committee members is determined according to the work conditions and requirement”, the first rank is with an arithmetic mean (4.19) and a standard deviation (0.075), and the last rank is the item (23) “Size of the audit committee is determined by disclosure instructions and international accounting standards” with an arithmetic mean (4.00) and a standard deviation (0.081).

4.5.4. The Fourth Dimension: Audit Committees Meeting

Table 23. Means and Standard Deviation of Audit Committees Meeting

No.	Question	Rank	Mean	S D
29	“Audit committee holds periodic meetings with the auditors to observe and monitor the company’s financial issues”.	2	4.02	.079
30	“Audit committee has the right to dismiss the external auditor during the periodic meetings”.	1	4.16	.068
31	“Audit committee meetings review issues concerning financial and accounting reports”.	6	3.81	.088
32	“Audit committee holds meetings with the internal auditor to discuss important financial issues”.	4	3.91	.079
33	“Audit committee evaluates external auditors’ work at the end of the meetings”.	3	3.98	.079
34	“Audit committee’s meetings contribute to provide clear information about the working of internal and external auditors”.	5	3.81	.095
			3.94	0.081

In Table (23), the dimension, Size of the Audit Committee variable, reached a high degree with a mean (4.16) to (3.81). Also, in the item (30) “Audit committee has the right to dismiss the external auditor during the periodic meetings”, the first rank is with an arithmetic mean (4.16) and a standard deviation (0.068), and the last rank is the item (31) “Audit committee meetings review issues concerning financial and accounting reports” with an arithmetic mean (3.81) and a standard deviation (0.088).

4.5.5. The Fifth Dimension: Audit Committees Awareness

Table 24. Means and Standard Deviation of Audit Committees Awareness

No.	Question	Rank	Mean	S D
35	“Audit profession is considered one of the economic and social functions”.	5	3.83	.096
36	“Audit committee is aware of how to accomplish its tasks according to international audit standards”.	3	3.72	.101
37	“Audit committee performs its task according to the imposed laws and regulations”.	2	3.95	.081
38	“Audit committee considers the beneficiaries’ interests in the audit process”.	1	3.97	.074
39	“Audit committee is aware of the plan for the auditor’s activities”.	4	3.72	.091
			3.83	0.73

Table (24) shows the dimension, Independence of Audit Committees Awareness, in a high degree with a mean (3.97) to (3.72). Also, in the item (38) “Audit committee consider the beneficiaries’ interests in the audit process”, the first rank is with an arithmetic mean (3.97) and a standard deviation (0.074), and the last rank is the item (35) “Audit profession is considered as one of the economic and social functions” with an arithmetic mean (3.72) and a standard deviation (0.091).

4.5.6. Dependent Variable: Audit Quality

Table 25. Means and Standard Deviation of Audit Quality

No.	Question	Rank	Mean	SD
1	“Board of directors understands the importance of audit quality functions”.	11	3.68	.097
2	“Board of directors has the complete freedom to choose the tools and means related to the audit quality”.	8	3.87	.072
3	“Audit committee focuses on audit standards and procedures to achieve audit quality”.	1	4.06	.074
4	“Audit committee works to determine audit quality and goals agreed upon”.	9	3.84	.082
5	“Audit quality ensures the application of accepted international accounting principles”.	10	3.83	.087
6	“Audit committee prepares audit quality report at the end of the audit process”.	5	3.93	.089
7	“Audit quality involves monitoring systems and data of ledges are checked regularly and randomly”.	4	3.95	.082
8	“Audit committee is professionally responsible for submitting audit quality”.	3	3.96	.093
9	“Audit quality enables the concerned parties to make the appropriate decisions”.	2	4.02	.068
10	“General concerns about audit quality in recent years are based on a proper understanding of the conduct of audits in practice”.	6	3.88	.103
11	“There is a considerable variation between audits in the quality of auditing achieved in practice”.	7	3.87	.094
			3.91	0.870

Table (25) shows that the Audit Quality variable reached the highest degree with a mean (4.06) to (368). Also, in the item (3) “Audit committee focuses on audit standards and procedures to achieve audit quality”, the first rank is with an arithmetic mean (4.06) and a standard deviation (0.074), and the last rank is the item (1) “Board of directors understands the importance of audit quality functions” with an arithmetic mean (3.68) and a standard deviation (0.097).

4.6. Pearson Correlation Analysis

In the present study, the significance of the linear bivariate relationship from the independent variables (experience of the audit committees, independence of the audit committees, size of the audit committees, meetings of the audit committees, perception of the audit committees) and dependent variable audit quality was measured with the help of Pearson correlation analysis. Tables 26 displays the results of the analysis . The correlation analysis was primarily conducted to determine the relationship strength between each independent variable and the dependent variable.

Table 26. Pearson’s Correlation Analysis of Variables

	Independence of Audit Committee	Experience of the Audit Committee	Size of the Audit Committee	Audit Committees Meeting	Audit Committees Awareness	Audit Quality
Independence of Audit Committee	1	.681**	.577**	.447**	.586**	.798*
Experience of the Audit Committee		1	.801**	.459**	.458**	.609*
Size of the Audit Committee			1	.433**	.562**	.715*
Audit Committees Meeting				1	.281**	.296*
Audit Committees Awareness					1	.676*
Audit Quality						1
** . Correlation is significant at the 0.01 level (2-tailed).						

*Correlation is significant at the 0.01 level, **Correlation is significant at the 0.05 level

Table (26) reveals that statistical significance exists between audit committee independence and audit quality in the Jordanian industrial companies, whereby Person correlation coefficient was (0.798), which is a high positive correlation coefficient. The

positive correlation coefficient means higher audit committee independence leads to higher audit quality.

Besides, it is revealed that there is statistical significance between Experience of the Audit Committee and audit quality in the Jordanian industrial companies, whereby Person correlation coefficient was (0.609), which is a moderate positive correlation coefficient. The positive correlation coefficient means higher Experience of the Audit Committee leads to higher audit quality.

Further, it is revealed that there is statistical significance between size of the Audit Committee and audit quality in the Jordanian industrial companies, whereby Person correlation coefficient was (0.715), which is a moderate positive correlation coefficient. The positive correlation coefficient means that higher Size of the Audit Committee leads to higher audit quality.

Moreover, it is revealed that statistical significance exists between Audit Committees Meeting and audit quality in the Jordanian industrial companies, whereby Person correlation coefficient was (0.296), which is a moderate positive correlation coefficient. The positive correlation coefficient means higher that Audit Committees Meeting leads to higher audit quality.

Furthermore, it is revealed that there is statistical significance between Audit Committees Awareness and audit quality in the Jordanian industrial companies, whereby Person correlation coefficient was (0.676), which is moderate positive correlation coefficient. The positive correlation coefficient means that higher Audit Committees Awareness leads to higher audit quality.

4.7. Statistical Hypotheses Testing

In this part of the study, the researcher used Multiple Regression Analysis to test the study hypotheses. This stage of analysis was preceded by some statistical *techniques* by which the researcher examined the validity and reliability of the research instrument, Collinearity detection, and testing whether the data follow a normal distribution or not.

4.7.1. Hypothesis

There is an Effect of Audit Committees (Independence of the Audit Committees, Experience of the Audit committees, Size of the Audit committees, Meetings of the Audit Committees, Awareness of the Audit committees) on Audit Quality in the Jordanian Industrial Companies.

The study used the Multiple Regression Analysis in testing the hypotheses to examine the statistical impact of the characteristics of the audit committees (independence of the audit committees, experience of the audit committees, size of the audit committees, meetings of the audit committees, awareness of the audit committees) on the audit quality. Consequently, the result of the data analysis was as follows:

Table 27. Summary of Regression Model Characteristics of the Audit Committees

Sample	R	R ²	Adjusted R Square	std. Error of the Estimate
characteristics of the audit committees	.791 ^a	.625	.622	.383

In Table (27), the correlation coefficient for the independent variables valued at (0.791) reflects a high impact. Also, the coefficient of determination R² valued at (0.625) means that the explanation of the model will be 62.5 % of the total variance, whereas others are explained via other factors.

In addition, the researcher performed the Variance ANOVA Analysis to accept or reject the main hypotheses as shown in Table (28) below:

Table 28. Analysis of Variance- ANOVA Characteristics of the Audit Committees

Sample	data source	sum of squares	degree of freedom	mean squares	F	Sig
characteristics of the audit committees	Regression	27.193	1	27.193	185.033	.000 ^b
	downhill					
	Residual	16.313	111	.147		
	The error Total	43.506	112			

In Table (28), the level of significance (Sig) which reached (.000^b) is smaller than (0.05). Therefore, the hypothesis was accepted, which assumes that the impact is

shown positively at the significance level ($\alpha < 0.05$) on characteristics of the audit committees (independence of the audit committees, experience of the audit committees, size of the audit committees, meetings of the audit committees, awareness of the audit committees) on audit quality in the Jordanian industrial companies.

Table 29. Analysis of Coefficients Characteristics of the Audit Committees

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.192	.275		.698	.487		
characteristics of the audit committees	.953	.070	.791	13.603	.000	1.000	1.000

a. Dependent Variable: dep

Table (29) shows that the value of the significance level is (0.00) which is less than (0.05). Therefore, the hypothesis was accepted, which assumes that the impact is shown positively at the significance level ($\alpha \leq 0.05$) of characteristics of the audit committees (independence of the audit committees, experience of the audit committees, size of the audit committees, meetings of the audit committees, awareness of the audit committees) on audit quality in the Jordanian industrial companies.

4.7.2. H1: There is an Effect of Audit Committees' Independence on the Audit Quality in the Jordanian Industrial Companies

The study used the Multiple Regression Analysis in testing the above hypothesis to examine the impact of audit committees' independence on the audit quality.

Table 30. Summary of the Model - Audit Committee's Independence

Sample	R	R ²	Adjusted R Square	std. Error of the Estimate
audit committees' independence	.798a	.637	.634	.377

In the table (30) above, the correlation coefficient for the independent variable (audit committee's independence) (R) is at (0.798) where the value of determination coefficient R² is at (0.637) which indicates that the audit committees' independence explained 63.7% of the total variance (audit quality), whereas the others are explained via other factors. Such a result indicates a very high correlation.

The variance ANOVA analysis is shown in the table below, as follows::

Table 31. Analysis of Variance ANOVA (Audit Committee's Independence)

Sample	data source	sum of squares	degree of freedom	mean squares	F	Sig
audit committees' independence	Regression	27.723	1	27.723	194.974	.000 ^b
	Residual	15.783	111	.142		
	Total	43.506	112			

Table (31) shows that the value of the significance level is (0.00) which is less than (0.05). Therefore, the hypothesis was accepted, which assumes that there is a positive and significant connection between audit committees' independence and audit quality in the Jordanian industrial companies.

Table 32. Analysis of Coefficients Audit Committees' Independence

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.575	.241		2.388	.019		
audit committees' independence	.881	.063	.798	13.963	.000	1.000	1.000

a. Dependent Variable: dep

The above table shows that the level of significance has reached (0.00) which is less than (0.05). Thus, the hypothesis was accepted which assumed that there is a positive and significant relationship between audit committees' independence and audit quality in the Jordanian industrial companies.

4.7.3. H2: There is an Effect of the Experience of Audit Committees on Audit Quality in the Jordanian Industrial Companies.

In order to examine this hypothesis, a multiple regression analysis was conducted by the researcher to show the effect of Experience of Audit Committees.

Table 33. Summary of the Model - Experience of Audit Committees

Sample	R	R ²	Adjusted R Square	std. Error of the Estimate
experience of audit committees	.609a	.371	.366	.496

The results of data analysis in Table (30) show that the value of the correlation coefficient (R) for the independent variable (**experience of audit committees**) is (0.609), whereby the coefficient of determination R² value was (0.371). The results mean that this dimension of the model (**experience of audit committees**) explained 37.1% of the total variance), whereas others are explained via other factors. Such a result indicates a very high correlation.

The variance ANOVA analysis is shown in the table below, as follows:

Table 34. Variance ANOVA Analysis (experience of audit committees)

Sample	data source	sum of squares	degree of freedom	mean squares	F	Sig
experience of audit committees	Regression	16.159	1	16.159	65.588	.000 ^b
	Residual	27.347	111	.246		
	Total	43.506	112			

Table (34) shows that the value of the significance level is (0.00) which is less than (0.05). Therefore, the hypothesis was accepted, which assumes that the impact is shown positively at the significance level ($\alpha < 0.05$) of the experience of audit committees on audit quality in the Jordanian industrial companies.

Table 35. Analysis of Coefficients Experience of Audit Committees

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.886	.253		7.458	.000		
experience of audit committees	.524	.065	.609	8.099	.000	1.000	1.000

a. Dependent Variable: dep

Table (35) shows that the value of the significance level is (0.00) which is less than (0.05). Therefore, the hypothesis was accepted, which assumes that there is a positive and significant connection between the experience of audit committees and audit quality in the Jordanian industrial companies.

4.7.4. H3: There is an Effect of Size of the Audit Committees on Audit Quality in the Jordanian Industrial Companies.

To examine this hypothesis, a multiple regression analysis was conducted by the researcher to show the effect of the Size of the Audit Committees on Audit Quality in the Jordanian Industrial Companies and the result is as follows:

Table 36. Summary of the Model- Size of the Audit Committees

Sample	R	R ²	Adjusted R Square	std. Error of the Estimate
size of the audit committees	.715a	.512	.508	.437

The results in Table (36) show that the value of correlation coefficient R for the independent variable (Size of the Audit Committees) is (0.715) and the value of coefficient determination R² is (0.512). This result explains that the model (Size of the

Audit Committees) explained 51.2% of the total variance (Audit Quality), whereas the rest is explained by other factors, whereby the values indicate a very high correlation.

The variance ANOVA analysis is shown in the table below, as follows::

Table 37. Dimension of Variance ANOVA Analysis (Size of the Audit Committees)

<i>Sample</i>	data source	sum of squares	degree of freedom	mean squares	F	Sig
size of the audit committees	Regression	22.273	1	22.273	116.430	.000 ^b
	Residual	21.234	111	.191		
	Total	43.506	112			

Table (37) shows that the value of the significance level is (0.00) which is less than (0.05). Therefore, the hypothesis was accepted, which assumes that there is a positive and significant connection between the size of the audit committees and the audit quality in the Jordanian industrial companies

Table 38. Analysis of Coefficients Size of the Audit Committees

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.322	.242		5.459	.000		
size of the audit committees	.644	.060	.715	10.790	.000	1.000	1.000

a. Dependent Variable: dep

Table (38) shows that the value of the significance level is (0.00) which is less than (0.05). Therefore, the hypothesis was accepted, which assumes that there is a positive and significant connection between the size of the audit committees and the audit quality in the Jordanian industrial companies.

4.7.5. H4: There is an Effect of Number of Meetings of the Audit Committees on Audit Quality in the Jordanian Industrial Companies.

To examine this hypothesis, a multiple regression analysis was conducted by the researcher to show the effect of Number of Meetings of the Audit Committees on Audit Quality in the Jordanian Industrial Companies and the result is as follows:

Table 39. Summary of the Model- Number of Meetings

Sample	R	R Square	Adjusted R Square	std. Error of the Estimate
number of meetings	.296 ^a	.088	.080	.598

The results of the analysis shown in Table (39) indicate that the value of the correlation coefficient (R) for the independent variable (Number of Meetings) is (0.296), where the value of coefficient determination R² is (0.88), thus implying that the model (Number of Meetings) explained 88% of the total variance in Audit Quality, whereas others are explained via other factors. Such a result indicates a very high correlation.

The variance ANOVA analysis is shown in the table below, as follows::

Table 40. Analysis of Variance ANOVA -Dimension (Number of Meetings)

Sample	data source	sum of squares	degree of freedom	mean squares	F	Sig
number of meetings	Regression	3.822	1	3.822	10.692	.001 ^b
	Residual	39.684	111	.358		
	Total	43.506	112			

The results in Table (40) show that the level of significance has reached (0.001) with a value that is less than (0.05), and thus the hypothesis was accepted, which assumes that there is a positive impact at a significance level ($\alpha < 0.05$) for the number of meetings of the audit committees on audit quality in the Jordanian industrial companies.

Table 41. Analysis of Coefficients Number of Meetings

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	2.525	.424		5.960	.000		
number of meetings	.343	.105	.296	3.270	.001	1.000	1.000

a. Dependent Variable: dep

The results in Table (41) show that the level of significance reached (0.001) and the value is less than (0.05). Thus, the hypothesis was accepted, which assumes that there is a positive and significant relationship between the number of meetings of the audit committees on audit quality in the Jordanian industrial companies.

4.7.6. H5: There is an Effect of Awareness of the Audit Committees on Audit Quality in the Jordanian Industrial Companies.

To examine this hypothesis, a multiple regression analysis was conducted by the researcher to show the effect of **Awareness of the Audit Committees on Audit Quality in the Jordanian Industrial Companies**.

Table 42. Summary of the Model -Dimension Awareness of the Audit Committees

Sample	R	R Square	Adjusted R Square	std. Error of the Estimate
awareness of the audit committees	.676a	.457	.452	.461

The statistical data analysis shown in Table (42) indicates that the value of the correlation coefficient R for the independent variable (**Awareness of the Audit Committees**) is (0.676), where the value of the coefficient of determination R^2 is (0.457), thus implying that the model explained 45.7% of the total variance, whereas others are explained via other factors. Such a result indicates a very high correlation.

The variance ANOVA analysis is shown in the Table below, as follows::

Table 43. Analysis of Variance ANOVA Dimensions (Awareness of the Audit Committee)

<i>Sample</i>	<i>data source</i>	<i>sum of squares</i>	<i>degree of freedom</i>	<i>mean squares</i>	<i>F</i>	<i>Sig</i>
awareness of the audit committees	Regression	19.883	1	19.883	93.427	.000 ^b
	Residual	23.623	111	.213		
	Total	43.506	112			

(Committees)

The results in Table (43) show that the level of significance reached (0.00) which is less than (0.05), and thus the hypothesis was accepted which assumes that there is a positive and significant relationship between awareness of the audit committees on audit quality in the Jordanian industrial companies.

Table 44. Analysis of Coefficients Awareness of the Audit Committees

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.698	.232		7.331	.000		
awareness of the audit committees	.574	.059	.676	9.666	.000	1.000	1.000

a. Dependent Variable: dep

The analysis in Table (44) shows that the level of significance reached (0.000) and the value is less than (0.05). Thus, the hypothesis was accepted, which assumes that there is a positive and significant relationship between awareness of the audit committees on audit quality in the Jordanian industrial companies.

4.8. Summary of Findings

According to the multiple regression analysis results, the findings are summarized in Table 4.36 as follows:

Table 45. Summary of Hypotheses

The Hypotheses	Result	
H1	There is Effect of audit committees (independence of the audit committees, experience of the audit committees, size of the audit committees, meetings of the audit committees, awareness of the audit committees) on audit quality in the Jordanian industrial companies.	Supported
H1-1	There is The Effect of audit committees' independence and audit quality in the Jordanian industrial companies	Supported
H1-2	There is the effect of experience of audit committees and audit quality in the Jordanian industrial companies	Supported
H1-3	There is the effect of size of the audit committees on audit quality in the Jordanian industrial companies	Supported
H1-4	There is the effect of number of meetings of the audit committees on audit quality in the Jordanian industrial companies	Supported
H1-5	There is the effect of awareness of the audit committees on audit quality in the Jordanian industrial companies.	Supported

Table (45) indicates that H1, H1-1, H1-2, H1-3, H1-4 and H1-5 showed a statistically significant and positive association with the audit quality variable. In conclusion, all hypotheses of the study were validated, thus supporting the acceptance of the proposed research model.

4.9. Chapter Summary

In this chapter, the hypotheses of chapter four were examined. The study used SPSS V.22 to perform relevant analyses, including frequency table, descriptive analysis, reliability, and validity. The presumed model was also explained in this chapter to examine the quality of the indicators of suitability and confirm the relationship between the characteristics of the audit committees (independence of the audit committees, experience of the audit committees, size of the audit committees, meetings of the audit committees, awareness of the audit committees) and audit quality and supported all proposed hypotheses.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

In chapter four, the results for all the hypotheses testing were discussed, and the obtained results were reviewed in this Chapter to achieve the objectives of "impact of audit committee characteristics on audit quality" represented according to the model of the study with the five questions in Chapter one, based on the obtained results and previous studies.

5.2. Overview of the Study

The main objective of this study is to determine the impact of the characteristics of the audit committee (independence, experience, size, awareness, and number of meetings) on the audit quality of Jordanian industrial companies listed on the Amman Stock Exchange. Then, the study model and study hypotheses were mentioned in the second chapter, which included the theoretical framework of the study, where the researcher divided it into an independent variable and a dependent variable. The independent variable was divided into dimensions of independence, experience, size of the review committee, number of review committees, number of audit committee meetings, and awareness. In the third chapter, the methodology of the study was mentioned, where the researcher presented the definition of the study population, the study sample, the study tool, how to develop the study tool, the axes identified by the study, the measurement, and the validity of the instrument. Besides, the fourth chapter focused on testing the hypotheses of the study and reaching the results after analysis and commenting on them. Finally, the fifth chapter focused on discussing the hypotheses of the study, as well as conclusions and recommendations.

To achieve the main objectives, the sub-objectives can be categorized into five:

Recognize the impact of the independence of the audit committee on the quality of the audit.

Recognize the impact of the audit committee's experience on the audit quality.

Recognize the impact of the size of the audit committee on the quality of the audit.

Identify the impact of the number of audit committee meetings on the audit quality.

Recognize the impact of the awareness of the members of the audit committee on the quality of the audit.

5.3. Discussion of the Findings

5.3.1. Demographic Information

The researcher distributed a total of (113) questionnaires, whereby (58.4%) of the respondents were males and (41.6%) were females. The results of the data analysis showed that (47.8%) of the respondents were 46-50 years, (29.2 %) were 41-45 years, (12.4%) were 36-40 years, and (10.6%) were less than 35 years. As for the age group, 11-15 years was (44.2%) of the sample, (39.8 %) was more than 15 years, and 5-10 years was (9.7%), whereas less than five years was (6.2%) of the sample. Regarding the methods of Professional certificates, JCPA certificates represented (37.8%) of the sample, (31.00 %) was for CPA, and other represented (24.8%), whereas none represented (7.1%) of the sample. As for the methods of Professional certificates, a Master's degree represented (60.2%) of the sample, (10.6 %) was Bachelor's degree, and Other was (21.2%), whereas the Doctorate was (8.0%) of the sample. As for the Major Field, Management represented (42.5%) of the sample, (28.3 %) was for Finance, and Accounting represented (23.0%), whereas Other represented (6.2%) of the sample.

5.3.2. Discussion of the Main Hypotheses

The Regression coefficients of (independence, experience, number of audit committee members, meetings, and awareness of the audit committee) explain (79.1%) of the variance in audit quality in the Jordanian industrial companies. This interpretation is statistically significant at the level (of 0.05). the values of the standardized regression coefficients were positive and statistically significant for Independence of Audit Committee and Size of the Audit Committee and Audit Committees Awareness R^2 reach

(0.457), which means that (45.7%) of the variance in the audit quality attributed to the audit committee characteristics, so accepting the Hypothesis: there is a positive impact at the significance level ($\alpha \leq 0.05$) of characteristics of the audit (independence, experience, number of the audit committee members, meetings, and awareness of audit committee) on audit quality in the Jordanian industrial companies. This result agrees with the result of a study by Hasan, Jatiningrum, and Abdul-Hamid (2019) which showed a significant impact on financial reporting quality and audit quality, thus increasing the relationship. These results are expected to help regulators better understand earning management in Malaysian companies and also agree with the result of a study by Mahdi, Mahdi, and Sadegh (2019). The results of the study showed a positive and significant impact of audit committee characteristics, except changes of the Audit Committee members, on the financial restatement.

5.3.3. The Effect of Audit Committees' Independence on the Audit Quality in the Jordanian Industrial Companies

There is a relation with statistical significance at the significance level ($\alpha < 0.05$) between audit committees' independence and audit quality in the Jordanian industrial companies because the presence of independence of committee members enables them to perform the audit tasks without any effect, thereby leading to improving the audit quality in the industrial companies.

This result agrees with audit committees' independence and audit quality of Aljalahma's (2022) study. The findings revealed that organizations with independent audit committees and audit committees of large size had an impact on corporate performance. Besides, Hossain and Meach (2021) identified the independence of audit committees. Further, Hezabr, Ali, and Oudat's (2021) study aimed to examine the impact of the audit committee's characteristics on the performance of five companies listed on the Bahrain Stock Exchange over the period from 2012 to 2019. Their study examined four board characteristic indicators, namely audit committee size, audit committee independence, audit committee meeting frequency, and audit committee experience and the findings revealed a statistically significant negative relationship between audit committee meetings and the performance of companies listed on the Bahrain Stock Exchange. Also, Hasan, Jatiningrum, and Abdul-Hamid's (2019) study linked the audit

committee and the financial report quality in Malaysian firms, especially to show to the various mechanisms of corporate governance in Malaysia and the earning management. The findings revealed that corporate governance mechanisms (audit committee independence, audit committee financial expertise, audit committee size) were not supported, whereas audit committee meetings had a significant impact on financial reporting quality, with audit quality higher relationship. Moreover, Mahdi, Mahdi, and Sadegh's (2019) study included members' understanding and independence, related experiences, and auditor changes, at the high-satisfactory of economic reporting in businesses indexed at the Tehran Stock Exchange. The findings discovered that good sized have an impact on the audit committee capabilities at the economic restatement. Furthermore, Al-Sraih's (2019) study revealed that the audit committee characteristics (expertise, size, meeting, independence, and audit committee awareness of responsibility) have a positive impact on the quality of the auditor's report. More, Idris, Siam, and Ahmad's (2018) study included an index with four characteristics to quantify the efficacy of the audit committee, including audit committee independence, size, and meetings. The results revealed that audit committee effectiveness has a large and negative impact on earning management. In another context, Nugroho's (2018) study included the auditor staff who work at accounting firms. The findings revealed that competency and independence had a substantial impact on the audit quality of accounting firms. In the Malaysian context, Al-Mamun, Yasser, Rahman, and Nathan's (2014) study revealed that audit committee independence is favorably related to performance, and audit quality, meeting frequency, and audit committee number had a favorable influence on business performance.

5.3.4. There is an Effect of Experience of Audit Committees on the Audit Quality in the Jordanian Industrial Companies

There is a positive effect at a significant level ($\alpha < 0.05$) between the audit committees' experience and the audit quality in the Jordanian industrial companies, where the audit committee must distinguish the expertise required in the audit process for the performance of the company's financial performance and provide a financial report in an appropriate form. According to the international accountant samples, the law (Sox) for expert member - as a member with a range of characteristics includes the

ability to understand and apply recognized accounting principles, experience in preparing and auditing financial statements and procedures for controlling financial statements, and understanding their role and responsibilities (Martinez & Fuents, 2007).

This result is consistent with the study of Li, Pan, and Chen (2021) related to the impact of audit committee members' overseas reviews on audit costs. Furthermore, it becomes proven that the audit committee's overseas understanding had an extra useful impact on audit costs in state-owned firms. In the Bahraini context, Hezabr, Ali, and Oudat's (2021) study revealed a statistically significant negative relationship between audit committee meetings and the performance of companies listed on the Bahrain Stock Exchange. In the Iranian context, Mahdi, Mahdi, and Sadegh's (2019) study disclosed a good and substantial influence of the audit committee's options on the financial restatement. Further, in their study, Haddad, El Ammari, and Bouri (2021) revealed that the audit committee's experience was shown to own a good impact on typical banks' liquidity. However, the identical impact was unsure for Moslem banks' liquidity, and associate degree for solvency, whereby the audit committee favorably benefited conventional banks whereas negatively moving Islamic banks' solvency.

5.3.5. There is an Effect of the Size of the Audit committees on the Audit Quality in the Jordanian Industrial Companies

There is a positive effect at a significant level ($\alpha < 0.05$) of the size of the audit committees on the audit quality in the Jordanian industrial companies since there are a sufficient number of members of the audit committee in the audit committee, which shows that they have the experience and ability to perform the members of the audit committee, which need a higher number of members of the audit committee auditing the performance of their oversight duties with a variety of experiences and capabilities to determine the suitability of the members of the committee to be able to work and achieve diversity in expertise and capabilities.

This result agrees with the result of a study by Idris, Siam, and Ahmed Exam (2018) which aimed to find clear facts about the nature of the hyperlink between the size of the Audit committees and Income Control Committee in Jordan. Besides, Sioufian, Sabtiari, Dwight, and Rahmi's (2021) study showed that the audit committee size and

financial capacity are not significantly associated with audit log delays. In addition, the study of Hazbar, Ali, and Al-Awdat (2021) revealed statistically good bad dating between the audit committee conferences and the overall performance of the indexed groups in the BSE. In addition, Hasan, Jatiningrum, and Abdul-Hamid (2019) aimed to note the existence of a First-party audit on the hyperlink between the audit committee and First-party financial information in Malaysian companies, especially to show various mechanisms of employer management in Malaysia as well as control in income. The results revealed that corporate governance mechanisms (audit committee independence, audit committee economic expertise, and audit committee size) are now no longer supported, whereas audit committee meetings had a critical impact on first-tier financial information, with first-tier auditing higher relevance. Further, Asiriwua, Aronmwan, Umuigbe, and Uwuigbe`s (2018) study showed that the size of the audit committee, the frequency of meetings, as well as the type of professionals have a great hyperlink with the first-party auditing.

5.3.6. There is an Effect of the Number of Meetings of the Audit Committees on Audit Quality in the Jordanian Industrial Companies

There is a positive effect at the significance level ($\alpha < 0.05$) on the number of audit committee meetings on the audit quality in the Jordanian industrial companies, as the higher number of audit committee meetings increases the opportunity to exchange knowledge and experience to solve any potential problems in the performance of the audit process and improve the quality of financial reports. The importance of the audit committee meetings was clarified as a way to help the audit committee achieve high efficiency in obtaining various information by addressing accounting issues with a significant impact on the financial statements to reduce any conflict between management and the audit committee.

This result is in line with Aljalahma's (2022) study which disclosed that organizations with a high number of meetings for audit committees and audit committees of giant size affected corporate performance. In addition, Phuong and Le's (2021) study aimed to examine the impact of audit committee characteristics on the financial gain management of corporations listed on the stock market of Vietnam. The findings disclosed that the dimensions and talent of the audit committee are negatively

connected to discretionary accruals, which represent earning management. Also, Hasan, Jatiningrum and Abdul-Hamid's (2019) study focused on the link between the audit committee and financial coverage quality in Malaysian firms, particularly to show the varied mechanisms of corporate governance in Asian nations and the earning management. The findings disclosed that company governance mechanisms (audit committee independence, number of meetings for audit committee, audit committee size) were not supported. Further, Al-Sraih's (2019) study showed that audit committee characteristics (independence, expertise, size, number of meetings, and audit committee awareness of responsibility) have a positive impact on the standard of the auditor's report. In the Malaysian context, Al-Mamun, Yasser, Rahman, and Nathan's (2014) study revealed that audit committee independence involves performance, audit quality, number of meetings, and associate degree audit committee range which had a good influence on business performance.

5.3.7. There is an Effect of Awareness of the Audit Committees on Audit Quality in the Jordanian Industrial Companies

There is a positive effect at a significant level ($\alpha < 0.05$) on the audit committees' awareness of the audit quality in the Jordanian industrial companies, as the awareness of the audit committee members has an important role in improving the issued financial statements and reports, as awareness provides the audit committee with sufficient understanding to perform its supervisory and oversight role. Being responsible for protecting the financial security of the company in relation to protecting the rights of shareholders and other parties, this result agrees with Al-Sraih's (2019) study which showed that audit committee characteristics (independence, expertise, size, meeting, and audit committee awareness of responsibility) have a positive impact on the standard of the auditor's report. Furthermore, Alawaqleh, Almasria, and Alsawalhah's (2021) study illustrated a negative negligible association between CEO tenure and freelance administrators and audit quality. Furthermore, a negative effect of Awareness of the Audit Committees on audit quality and a statistically vital influence of the board of administrators on audit quality were found. Moreover, Boshnak's (2021) study showed that the degree of independence of the Ac does not have any substantive result on the audit quality. It is suggested that boards and shareholders still monitor

and judge Ac's choices to enhance audit quality and that criteria for triple-crown audit committees should be established.

5.4. Implications and Recommendations of the Study

Based on the results of the study, the following recommendations were made to the directors of industrial companies listed on the Amman Stock Exchange, (1) The need for preserving and developing Audit committee members to perform their work effectively, (2) Work to increase the number of audit committee meetings to be at least one meeting per month, (3) Focusing better on the independence of the audit committee members and strengthening the committee with experienced members from the local community, (4) Increasing the member's ability to perform risk management, financial reporting, and providing financial knowledge, and (5) Conducting future studies regarding the impact of audit committee characteristics on audit quality in different industrial sectors (manufacturing sector, pharmaceutical industrial sector, banking sector).

5.4.1. Theoretical Contribution

The results of this study have theoretical implications for the managers of different companies from different sectors.

Also, the results of this study can be a motive for the researchers to conduct similar studies with different variables, such as the impact of audit committee characteristics on the economic and financial performance of the listed companies on the Amman Stock Exchange because of the important role and influence of audit committee in raising trust of the investors and shareholders regarding the financial position of the operating companies in the Jordanian context.

5.4.2. Managerial Contribution

The results of the study provide several managerial contributions to developing and improving the performance of audit committees in the Jordanian Industrial Companies:

- Focusing on conducting periodic meetings because of their importance in discussing and following up on the events the company is witnessing and the restrictions imposed by the management on the audit process.
- Paying more interest and focusing on preserving and protecting audit committee independence.
- Management the Jordanian industrial companies should continuously work to develop the audit committee's members to increase their qualifications in performing the audit tasks and responsibilities.

5.5. Limitations of the Study

Limitations of the study are represented in the following:

- **Objectivity limitations:** This study addresses the impact of audit committee characteristics (independence, expertise, size, number of meetings and awareness of audit committee members, and audit quality as the dependent variable).
- **Methodological limitation:** the use of the descriptive-analytical method through the use of the questionnaire to collect the primary data from the study's sample.
- **Spatial limitation:** This study is limited to the Jordanian industrial companies on Amman Stock Exchange.
- **Temporal limitation:** It is expected to accomplish this study during the year 2022.

This study was limited to Members of the audit committee on the boards of directors of Jordanian industrial companies listed on the Amman Stock Exchange.

5.6. Conclusion

Through the study, which examined the characteristics of the audit committees and their impact on the quality of auditing in the industrial companies listed on the Amman Stock Exchange, it was found that many factors greatly affect the quality of auditing, and one of these factors is the independence of the audit committees members. The independence of the audit committees members enables them to perform the audit

process far away from any pressures and any other influences that may affect the credibility of the financial reports issued by the Audit committee members on the financial performance of industrial companies.

It was also found that the number of audit committee members has a clear impact on the quality of the audit process in industrial companies, as the sufficient number of Audit committee members contributes to performing audit tasks at a high speed and within the best specifications, and in a manner that reveals the true reality of the companies' financial performance. In this regard, it was found that holding meetings by audit committees contributes greatly to obtaining and discussing information to complete the audit process appropriately.

The report on industrial companies is issued objectively in a manner that enhances the confidence of investors, as it was found that the Audit committee members' awareness of the audit committees contributes to understanding the information about the audit process, and the experience also helps in conducting the audit process appropriately and following international accounting standards. It was also found that the number of meetings held by audit committees is important in improving the quality of the audit process.

It is possible through these meetings to discuss all issues related to the audit of the financial reports, which helps audit the financial performance of companies in line with accounting international norms and accounting standards to enhance the credibility and fairness of the financial statements of industrial companies.

The audit committee should characterize by the required experience in the audit process to perform the financial performance of the company and introduce financial reports appropriately including the ability to understand and apply the recognized accounting principles, and the experience in preparing and reviewing the financial statements and the procedures for controlling the financial statements, understanding his role and responsibilities.

REFERENCES

- Abdullatif, M., Chanayem, H., Amin, R., Al-Saleh, S and Shariaha, L. (2015). The performance of audit committees in Jordanian public listed companies. *Corporate Ownership and Control*, 13(1): 762-773.
- Akhtar, I. (2016). *Research Design in Book: Research in Social Science: Interdisciplinary Perspective*, (PP. 17). 1st Edition: Social Research Foundation, Kanpur: India.
- Al-Farooque, O., Buachoom, W., and Sun, L. (2019). Board, audit committee, ownership and financial performance- emerging trends from Thailand. *Pacific Accounting Review*.
- Al-Hadrami, R., and Sarea, A. (2020) The impact of an audit committee's independence and competence on investment decision: A study in Bahrain. *Asian of Journal of Accounting Research*, 5(2), 2020-299-313.
- Al-Hajaya, K. (2019). The Impact of Audit Committee Effectiveness on Audit Quality: Evidence from the Middle East. *International Review of Management and Marketing*, 8(5): 1-8.
- Aljalahma, A. (2022) Impact of Audit Committee Characteristics on Firm Performance: Evidence from Bahrain. *Problem and Perspectives in Management*, 20(1): 247-261.
- Al-Mamun, A., Yasser, Q., Rahman, A., and Nathan, Th. (2014). Relationship between audit committee characteristics, external auditor and economic value added of public listed firms in Malaysia: *Corporate ownership and control*, 12(1): 89-91.
- Al-Marayeh, T., Abdullatif, M., Guzman, B. (2021). the Role of Audit Committees in Mitigating Earnings Management. Evidence from Jordan. *Journal of Accounting in Emerging Economics*.
- Al-Sayani, Y., Mohammad, N., Amran, N and Ntim, C. (2020). the influence of audit committee characteristics on impression management in chairman statement. Evidence from Malaysia. *Cogent Business and Management in Chairman Statement. Evidence from Malaysia*. *Cogent Business and Management* 7(1): 1-40.
- Al-Sraih, S. (2019). Impact of audit committee characteristics on quality of the external auditor report in Republic of Yemen. *Journal of Economic and Management Sciences*, 20(2): 130-149.

- Al-Zeban, A., and Sawar, N. (2015). Taxation the impact of audit committees' characteristics on the implementation of internal audit recommendations. *Journal of International Accounting, Auditing and Taxation*, 1(24): 61-71.
- Aminul A., Niki, L., Djoko, S., and Erna S. (2018) Audit Committee Characteristics and Audit Earnings Quality: Empirical Evidence of the Company with Concentrated Ownership, *Review of Integrative Business and Economics Research*, Vol. 7, Supplementary Issue 1 18
- Ashfaq, K., and Rui, Z. (2019). the effect of board and audit committee effectiveness on internal control disclosure under regulatory environments in *South Asia Journal of Financial Reporting and Accounting*.
- Asiriwuwa, O., Aronmwan, E., Umuigbe, U. and Uwuigba, A. (2018). *Audit Committee Attribute theory and Practice*, 1(19): 37-48.
- Bansal, N., and Sharma, A. (2016). Audit Committee, Corporate Governance and Firm Performance: Empirical Evidence from India. *International Journal of Economic and Finance*, 8(3): 103-116.
- Beisland, A., Mersland, R., and Strom, R. (2015). Audit Quality and Corporate Governance: Evidence from the Microfinance Industry. *International Journal of Auditing*, 19(1): 218-237.
- Bernawati, Y. (2020). the Impact of Audit Committee Characteristics on Audit Quality. *Jurnal Akuntansi*. 23. 363. 10.24912/ja. v23i3.602.
- Buallay, A. (2019). Is sustainability reporting (ESG) associated with performance? Evidence from the European banking sector. *Management of Environmental Quality: An International Journal*, 30(1): 98-115.
- Cohen, D., Day, A., and Lys, T. (2007). Red and Accrual Based Earning Management in the Pre and Post – Sarbanes Oxley Periods. *Accounting Review*, 1(1):1-50.
- Dorothy, A. (1996). *Audit Committee Performance: An Investigation of the Consequences Associated with Audit*: 1(1): 88-89.
- Durand, G. (2019). the determinants of audit report lag; A meta-analysis, *managerial auditing Journal*, 34(1): 44-75.
- Gafoor, K. (2012). *Considerations in the Measurement of Awareness*. University of Calicut, Kerala, India.
- Ghaemi, F., Moradi, Z., and Alavi, G. (2020). *the Effect of Audit Committee characteristics and Earning Management*.

- Haddad, A., El Ammari, A., and Bakri, A. (2021). Impact of Audit Committee Quality on Financial Performance of Conventional and Islamic Banks. *Journal of Risk Financial Management*, 1(14): 150-176.
- Hasani, A., Jatiningrum, C. and Abdul-Hamid, M. (2019). “The Moderating Effect of Audit Quality in Audit Committee and Financial Reporting Quality in Malaysia”. *Especial* 15(19): 2899-3921.
- Hezabr, A., Ali, B., and Oudat, M. (2021). *Audit Committee Characteristics and Firms Performance: 1(1): 237-722, 11(2): 1666-1680.*
- Hossain, A., and Meach, M. (2021). Factors of audit committee independence: An Empirical study from an emerging economy. *Cogent Business and Management*, 8(1): 22-40.
- Kwan, S., and Yi, H. (2018). Do social ties between CEOs and engagement audit partners affect audit quality and audit fees? *Auditing: Journal of Practice and theory*, 37(3): 139-161.
- Li, Ch., Pan, L., and Chen, M. (2021). *the Overseas Experience of Audit Committee and Audit Fees: Empirical Evidence from China*. Hindawi Complexity, Zhejiang Wandu University- China.
- Li, J., Mangena, M. and Pika, R. (2012). the Effect of Audit Committee Characteristics on Intellectual Capital Disclosure. *the British Accounting Review*, 44(1): 98-110.
- Lin, W., and Hwang, M. (2010). Audit quality, corporate governance, and earning management: A Meta- Analysis. *International Journal of Auditing*, 1(14): 57-77.
- Lopes, A. (2018). Audit quality and earning management: Evidence from Portugal. *Athens Journal of Business and Economics*, 4(2): 179-192.
- Lopez, E., Ruiz, E., Beidmo- and Gomez- Aguilar, N. (2007). Managerial Dominance and audit committee independence in Spanish corporate governance, *Journal of Management and Governance*, 11(4): 311-352.
- Mabdi, S., Mahdi, M., and Sadegh, A. (2019). *the Effect of Audit Committee Characteristics and Changes on Financial Restatement in Iran University Pablo Olavide*, 1(31): 397-416.
- Maria C., and Cristina, D. (2017) the Impact of Audit Committee Characteristics on the Enhancement of the Quality of Financial Reporting: an empirical study in the Spanish context, *International Journal of Auditing*, Volume15, Issue6

- Martinov- Bennie, N., Soh, D., and Tweedie, D. (2015). An Investigation into the Roles, Characteristics, Expectations and Evaluation Practices of Audit Committees. *Managerial Auditing Journal*, 30(9): 727-755.
- Moses, T., Efurum, O., and Egbe, S. (2016). Audit committee characteristics and quality of financial reporting in quoted Nigerian Banks, *International Journal of Advanced Academic Research*, 2(1): 1-10.
- Muqattash, R. (2013). Audit Committee Effectiveness and its Impact on the Objectivity of the Internal Auditors. *Evidence from U.A.E. Research Journal in Finance and Accounting*, 4 (16): 23-31.
- Mutual, N. (2013). *A Survey of the Role of Audit Committee in Promoting Corporate Governance and Accountability in Constituency Development Fund Management: A Case Study of Nairobi, Kenya*: 34-56.
- Namakavarani, O., Daryaei, A., Askarany, D., and Askary, S (2021). “Audit committee Characteristics and Quality of Financial Information: the Role of the Internal Information Environment and Political Connections”. *Journal of Risk and Financial Management*, 14(273): 1-18.
- Nugroho, R. (2018). *An Analysis of Factors Affecting Audit Quality: A Study on the Accounting Firms in Yogyakarta. Development of Accounting International Program. Faculty of Economics, Indonesia Islamic University. Yogyakarta*: -93.
- Oroud, (2019). the Effect of Audit Committee Characteristics on Profitability: Panel Data Evidence. *International Journal of Economic and Finance*, 11 (4): 104-113.
- Othman, R., Ishak, F., Arif, S. and Abdul Aris, N. (2014). Influence of audit committee characteristics on voluntary ethics disclosure. *Social and Behavioral Sciences* 145(1): 330-342.
- Pap, A., and Avram, C. (2022). *the Relationship Between Internal and External Audit. University, P. 1-9, of Cluj-Napoc*: 2-33.
- Phuong, D. and Li, Anh. (2021). “The Relationship Between the Audit Committee and Earning Management in Listed Companies in Vietnam”. *J. Risk Financial Mang.* (14) 273: 0135-0142.
- Rezaee, Z. (2009). *Corporate Governance and Ethics, John Wiley and Sons, Inc., Hoboken, USA*.
- Samaei, R. and Rono, L. (2016). *Audit committee size, experience, and firm financial performance. Evidence Nairobi Securities Exchange, Kenya*.

- Sultana, N. and Vander, J. (2015). Audit Committee Characteristics and Audit Report Lag. *International Journal of Auditing*, 19(2): 72-87.
- Syofyan, E., Septiari, D., Dwito, S and Rahmi, M. (2021). the characteristics of the audit committee affecting timelines of the audit report in Indonesia. *Cogent Business and Management*. Taylor and Francisco: 1-17.
- Takhtayi, N., Tamimi, M. and Maasavi, Z. (2011). *the role of audit committees in the quality of financial reporting*, CPA 45: 45-56.
- Turel, A. (2010). *Timelines of Financial Reporting in Emerging Capital Markets: Evidence from Turkey*. Unpublished Manuscript, Munisch Personal Repec Archive.Paper.29799.
- Veron, N. (2020). *the wire card debate calls for rethinking of Eu financial reporting supervision*. Bruegel-Blogs, <https://www.bruegel.org/>
- Weber, L. (2020). *Is Audit Committee Experience Related to Earning Quality? Evidence from Germany*. Editorial Policy, 32(3): 1-30.
- Zalata, A. Touringa, V. and Tinghani, I. (2018). Audit Committee Financial Expertise, gender, and earning management: Does gender of the financial expert matter? *International Review of Financial Analysis* 55(1): 170-183.

LIST OF TABLES

Table 1. Independence of the Audit Committee Scale Item	52
Table 2. Experience of Audit Committee Scale Item	53
Table 3. Number of the Audit Committee Members Scale Item	54
Table 4. Meetings of the Audit Committee Scale Item.....	54
Table 5. Awareness of Audit Committee Scale Item.....	55
Table 6. Audit Quality Scale Item.....	55
Table 7. Likert 5-point Scale.....	56
Table 8. Summary of Reliability Coefficient.....	57
Table 9. Reliability Analysis - Cronbach's alpha (α) Coefficient	57
Table 10. Descriptive Analysis: Demographic Variable.....	59
Table 11. Normal Distribution for Independence of the Audit Committee	61
Table 12. Normal Distribution for Experience of the Audit Committee	62
Table 13. Normal Distribution for Size of the Audit Committee	63
Table 14. Normal Distribution for Number of Meetings of the Audit Committee	64
Table 15. Normal Distribution for Awareness of the Audit Committee.....	65
Table 16. Normal Distribution for Audit Quality	66
Table 17. KMO and Bartlett's Test	67
Table 18. 5-point Likert Scale.....	67
Table 19. Means and Standard Deviation of Study Dimensions	68
Table 20. Means and Standard Deviation of Independence of Audit Committee	68
Table 21. Means and Standard Deviation of Experience of the Audit Committee.....	70
Table 22. Means and Standard Deviation of Size of the Audit Committee.....	71
Table 23. Means and Standard Deviation of Audit Committees Meeting	72
Table 24. Means and Standard Deviation of Audit Committees Awareness.....	73
Table 25. Means and Standard Deviation of Audit Quality.....	74
Table 26. Pearson's Correlation Analysis of Variables	75
Table 27. Summary of Regression Model Characteristics of the Audit Committees ..	77
Table 28. Analysis of Variance- ANOVA Characteristics of the Audit Committees..	77
Table 29. Analysis of Coefficients Characteristics of the Audit Committees	78

Table 30. Summary of the Model - Audit Committee's Independence	79
Table 31. Analysis of Variance ANOVA (Audit Committee's Independence).....	79
Table 32. Analysis of Coefficients Audit Committees' Independence	79
Table 33. Summary of the Model - Experience of Audit Committees	80
Table 34. Variance ANOVA Analysis (experience of audit committees).....	80
Table 35. Analysis of Coefficients Experience of Audit Committees	81
Table 36. Summary of the Model- Size of the Audit Committees.....	81
Table 37. Dimension of Variance ANOVA Analysis (Size of the Audit Committees)	82
Table 38. Analysis of Coefficients Size of the Audit Committees	82
Table 39. Summary of the Model- Number of Meetings.....	83
Table 40. Analysis of Variance ANOVA -Dimension (Number of Meetings).....	83
Table 41. Analysis of Coefficients Number of Meetings	84
Table 42. Summary of the Model -Dimension Awareness of the Audit Committees .	84
Table 43. Analysis of Variance ANOVA Dimensions (Awareness of the Audit Committee).....	85
Table 44. Analysis of Coefficients Awareness of the Audit Committees.....	85
Table 45. Summary of Hypotheses	86

LIST OF FIGURES

Figure 1. Model of the Study	37
Figure 2. Normal Distribution for Independence of the Audit Committee.....	61
Figure 3. Normal Distribution for Experience of the Audit Committee.....	62
Figure 4. Normal Distribution for Number of the Audit Committee Members.....	63
Figure 5. Normal Distribution for the Number of Meetings of the Audit Committee.	64
Figure 6. Normal Distribution for Awareness of Audit Committee	65
Figure 7. Normal Distribution for Audit Quality	66

LIST OF ATTACHMENTS

Appendix A: General Information.....	107
Appendix B: Audit Committee Characteristics	108
Appendix C: Audit Quality	1121
Appendix D: Definition of Terms.....	113
Appendix E: Jordanian Industrial Companies Listed in The Amman Stock Exchange	114
Appendix F: Sample Size for a Given Population Size.....	116
Appendix G: Spss Output.....	117

APPENDIX



Questionnaire for arbitration

Study Questionnaire in its Initial Form

Prof. Dr./ Dr. Esq.

Greetings,

The Researcher is Conducting a Study Entitled:

Impact of Audit Committee Characteristics on Audit Quality on the Jordanian Industrial Companies Listed on Amman Stock Exchange

In view of the knowledge and know-how about you in this field, I am introducing to you the attached questionnaire, kindly expressing your opinion regarding its clauses, and the appropriateness of these clauses for the purposes of the study, and whether the clauses are valid, invalid, or need to be modified, and the proposed amendment, noting that the response to the clauses will be in a degree (strongly agree, agree, neutral, disagree, strongly disagree, need modification, suggested modification).

Note:

Arbitrator's name:

Degree: Master

Specialization:

Workplace:

Mobile number:

Researcher

Ahmad Adnan Kreshan

Appendix A: General Information

Kindly, fill in the special space or tick (✓) clearly, in the space that represents the most appropriate answer for your case:

1. Please insert your job title/ position in the organization.

2. How many years have you been working at the company?

Less than 5 years 5-10 years

11-15 years More than 15 years

3. Professional certificates:

JCPA CPA

Other None

4. Age:

Less than 35 years 36-40 years

41-45 years 46-50 years

Older than 50 years

5. Gender:

Male Female

6. Academic Qualification:

Bachelor Master

Doctorate other

7. Major Field:

Accounting Management Finance other

The Clauses of the Questionnaire

Please put a tick (√) in front of each statement to indicate the extent to which it applies to you according to the scale scores on the left of the page.

Appendix B: Audit Committee Characteristics

No.	Clause	Domain affiliation		Clause Validity		Need Modification	Suggested Modification
		Affiliated	Not Affiliated	Valid	Invalid		
The First Dimension: Independence of Audit Committee							
1.	Audit committee present its judgment and reports without Partially.						
2.	The audit committee conducts the audit process independently of any external or internal influences.						
3.	Because of its review of management performance, the audit committee holds a unique position.						
4.	Audit committee objectively evaluate the management practices.						
5.	Audit committee receives a written and explicit authorization from the management.						
6.	Independence can be enhanced when the chief executive of the audit committee is connected with the company's board of directors.						
7.	The more independence of the audit committee members, the more the effective monitoring, and reduced the fraud opportunities and earning management, increasing trust if the accounts auditor.						
8.	Audit committee member have no relation with the management boards inside the company.						
9.	Audit committee members are selected by the general assembly and consultation						

No.	Clause	Domain affiliation		Clause Validity		Need Modification	Suggested Modification
		Affiliated	Not Affiliated	Valid	Invalid		
	with the board of Directors						
10.	Audit committee members have the sufficient knowledge to perform their tasks objectively audit committee members consists of non-executive members.						
The Second Dimension: Experience of the Audit Committee							
11.	The audit committee's experience is regarded as one of the most important indicators of the application of reasonable governance principles.						
12.	Audit committee works to establish commitment and accountability within the company.						
13.	Audit committee provides reasonable assurance about the efficiency and effectiveness of the control systems applied in the company.						
14.	Audit committee ensures the independence and integrity of the external auditor.						
15.	Audit committee performs major role in the control and risk management.						
16.	Audit committee performs its task better in the presence of members with financial and accounting experience.						
17.	Audit committee members seek to understand the nature of the institution's activities.						
18.	Audit committee has the ability to personally judgment of the operational processes of the institution.						
19.	Most of the audit committee members have the knowledge and financial experience.						

No.	Clause	Domain affiliation		Clause Validity		Need Modification	Suggested Modification
		Affiliated	Not Affiliated	Valid	Invalid		
20.	The audit committee members have the knowledge in preparing the financial statements and reports.						
21.	Audit committee members have the full knowledge about the nature, tasks and responsibilities						
The Third Dimension: Size of the Audit Committee							
22.	Size of the audit committee is determined by disclosure instructions and international accounting standards.						
23.	Size of audit committee is determined according to the work conditions and requirement.						
24.	Size of the audit committee differs according to the specific objectives of the audit process.						
25.	Size of the auditor committee is considered one of the basic requirement in the audit process.						
26.	Audit committee size is considered one of the important concept in the business environment.						
27.	The increased number of the audit committee members helps in specializations diversity and experiences of its members, leading to increase the monitoring, and improving quality of the financial reports						
The Fourth Dimension: Audit Committees Meeting							
28.	Audit committee holds periodic meetings with the auditors to observe and monitor the company's financial issues.						
29.	Audit committee has the right to dismiss the external auditor during the periodic meetings.						

No.	Clause	Domain affiliation		Clause Validity		Need Modification	Suggested Modification
		Affiliated	Not Affiliated	Valid	Invalid		
30.	Audit committee meetings review issues concerning financial and accounting reports.						
31.	Audit committee holds meetings with the internal auditor to discuss important financial issues.						
32.	Audit committee evaluates external auditors work at the end of the meetings.						
33.	Audit committee meetings contribute to provide clear information about the working of internal and external auditors.						
The fifth dimension: Audit Committees Awareness							
34.	Audit profession is considered as one of the economic and social functions						
35.	Audit committee aware of how to accomplish its tasks according to international audit standards						
36.	Audit committee performs its task according to the imposed laws and regulations.						
37.	Audit committee consider the beneficiaries' interests in the audit process.						
38.	Audit committee aware of the plan for the auditor's activities.						

Appendix C: Audit Quality

No.	Clause	Domain Affiliation		Clause Validity		Need Modification	Suggested Modification
		Affiliated	Not Affiliated	Valid	Invalid		
1.	Board of directors understands the importance of audit quality functions.						
2.	Board of directors has the complete freedom to choose the tools and means relating to audit quality.						
3.	Audit committee focuses on audit standards and procedures to achieve audit quality.						
4.	Audit committee works to determine audit quality and goals agreed upon.						
5.	Audit quality ensures the application of accepted international accounting principles.						
6.	Audit committee prepares audit quality report at the end of the audit process.						
7.	Audit quality involves monitoring systems, data of ledges are checked regularly and randomly.						
8.	Audit committee is professionally responsible for submitting audit quality.						
9.	Audit quality enables the concerned parties to make the appropriate decisions.						
10.	General concerns about audit quality in recent years are based on a proper understanding of the conduct of audits in practice.						
11.	There is considerable variation between audits in the quality of auditing achieved in practice						

Appendix D: Definition of Terms

1. Independence of audit committee members: It means that the members are free from any pressure or interventions that might influence their natural Judgment and opinion during practicing their tasks. (Durand, 2019), Is the ability of the audit committee members to present their opinions and judgment, regarding the financial statements without being influenced by any form of external and internal pressures.

2. Experience of the audit committee members: It is the availability of specific skills and traits in the auditor to enable him to understand and apply the recognized accounting principles in preparing and reviewing the financial statements. (Veron, 2020), the skills and capabilities available in the audit to perform the tasks and objectives of the audit process

3. Size of the audit committee: It is the extent of suitability of the committee members to be able to work and achieve diversity in the experiences and capabilities (Lopes, 2018), Is the number of audit committee members to perform their audit tasks having diverse experiences and capabilities.

4. Audit committee members awareness: It is the available and sufficient perceptions, awareness, and understanding of the audit committees' members that the audit process should be performed according to the recognized audit standards and principles (Muqattash, 2013), Is the availability of sufficient knowledge about their obligations and responsibilities to perform according to international audit standards.

5. Audit quality: It presents the direct reports about the discovered errors in the audit process to reach a neutral technical opinion about the financial statements (Mutual, 2013).

6. Audit committee meetings: the objective of audit committee meetings is to provide suggestions and recommendations regarding the selection of the audit committee members and board of the audit committee members (Nugroho, 2018), Audit committee holds meetings to discuss, provide suggestions and recommendations about performance of the audit committee members.

Appendix E: Jordanian Industrial Companies Listed in The Amman Stock Exchange

Serial	Company Name
1	Jordan Poultry Processing & Marketing
2	Jordan Dairy
3	General Mining
4	Arab Aluminium Industry
5	The Industrial Commercial & Agricultural
6	National Steel Industry
7	Dar Al Dawa Development & Investment
8	The Jordan Worsteds Mills
9	Jordan Ceramic Industries
10	Jordan Paper & Cardboard Factories
11	Jordan Phosphate Mines

Serial	Company Name
12	The Jordan Pipes Manufacturing
13	Arab Center For Pharmaceuticals & Chemicals Industries
14	Jordan Chemical Industries
15	General Investment
16	Jordan Wood Industries (jwico)
17	National Cable & Wire Manufacturing
18	Jordan Cement Factories
19	Arab Potash
20	Universal Modern Industries For Edible Oil
21	Jordan Industrial Resources
22	Middle East Specialized Cables Company (mesc jordan)
23	Elzay Ready Wear Manufacturing
24	Ready Mix Concrete & Construction Supplies
25	Jordan Steel
26	Arab Electrical Industries
27	Middle East Pharmaceutical & Chemical Industries & Medical Appliances

28	Union Tobacco&cigarette Industries
29	National Poultry
30	Comprehensive Multiple Projects
31	National Aluminium Industrial
32	Nutridar
33	Middle East Complex For Engineering, Electronics & Heavy Industries
34	Arabian Steel Pipes Manufacturing
35	National Petroleum
36	Jordan Magnesia
37	Jordan Vegetable Oil Industries
38	International Silica Industries
39	Al-salhiah Investment And Real Estate Development
40	Travertine
41	The Jordanian Pharmaceutical Manufacturing
42	Al-quds Ready Mix
43	The Arab Pesticides & Veterinary Drugs Manufacturing
44	Hayat Pharmaceutical Industries
45	Jordan Clothing
46	Assas For Concrete Products

Appendix F: Sample Size for a Given Population Size

Sample Size for a Given Population Size.

N	S	N	S	N	S
30	28	280	162	1500	306
40	36	290	165	1600	310
50	44	300	169	1700	313
60	52	320	175	1800	317
70	59	340	181	1900	320
80	66	360	186	2000	322
90	73	400	196	2200	327
95	76	420	201	2400	331
100	80	440	205	2600	335
110	86	460	210	2800	338
120	92	480	214	3000	341
130	97	500	217	3500	346
140	103	550	226	4500	354
150	108	600	234	5000	357
160	113	650	242	6000	361
170	118	700	248	7000	364
180	123	750	254	8000	367
190	127	800	260	9000	368
200	132	850	265	10000	370
210	136	900	269	15000	375
220	140	950	274	20000	377
230	144	1000	278	30000	379
240	148	1100	285	40000	380
250	152	1200	291	50000	381
260	155	1300	297	75000	382
270	159	1400	302	1000000	384

Sekaran. 2006) Research Methods for Business: a skill building approach.4thed. New York: Wiley

Appendix G: Spss Output

Frequency Table

experiance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	7	6.2	6.2	100.0
	5-10 years	11	9.7	9.7	93.8
	11-15 years	50	44.2	44.2	84.1
	More than 15 years	45	39.8	39.8	39.8
	Total	113	100.0	100.0	

Professional

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	JCPA	42	37.2	37.2	37.2
	CPA	35	31.0	31.0	68.1
	Other	28	24.8	24.8	92.9
	None	8	7.1	7.1	100.0
	Total	113	100.0	100.0	

age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 35 years	12	10.6	10.6	100.0
	36-40 years	14	12.4	12.4	89.4
	41-45 years	33	29.2	29.2	77.0
	46-50 years	54	47.8	47.8	47.8
	Total	113	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	66	58.4	58.4	58.4
	female	47	41.6	41.6	100.0
	Total	113	100.0	100.0	

Qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Bachelor	12	10.6	10.6	70.8
Master	68	60.2	60.2	60.2
Doctorate	9	8.0	8.0	78.8
Other	24	21.2	21.2	100.0
Total	113	100.0	100.0	

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
indep1	19.573	6.974	.781	.852
indep2	19.503	6.338	.755	.852
indep3	19.344	6.374	.791	.846
indep4	19.344	7.959	.452	.896
indep5	19.511	6.697	.628	.876
dep	19.447	6.685	.791	.847

Descriptive Statistics

	N	Range	Sum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
A1	113	4	416	3.68	.097	1.029	1.058
A2	113	3	439	3.88	.070	.741	.549
A3	113	4	461	4.08	.069	.734	.538
A4	113	3	436	3.86	.078	.833	.694
A5	113	4	433	3.83	.087	.925	.855
A6	113	4	444	3.93	.090	.952	.906
A7	113	4	428	3.79	.085	.901	.812
A8	113	4	428	3.79	.106	1.122	1.258
A9	113	4	408	3.61	.113	1.206	1.454
A10	113	4	369	3.27	.111	1.180	1.393
A11	113	4	351	3.11	.122	1.298	1.685
A12	113	4	449	3.97	.093	.986	.973
A13	113	4	453	4.01	.094	1.004	1.009
A14	113	4	455	4.03	.094	.995	.990
A15	113	4	470	4.16	.075	.797	.635

A16	113	4	475	4.20	.082	.868	.753
A17	113	4	452	4.00	.094	1.000	1.000
A18	113	4	437	3.87	.096	1.022	1.045
A19	113	4	431	3.81	.114	1.214	1.474
A20	113	4	401	3.55	.129	1.376	1.893
A21	113	4	401	3.55	.129	1.369	1.875
A22	113	4	402	3.56	.129	1.369	1.874
A23	113	4	452	4.00	.081	.866	.750
A24	113	3	474	4.19	.075	.800	.640
A25	113	3	468	4.14	.073	.778	.605
A26	113	4	464	4.11	.085	.900	.810
A27	113	4	452	4.00	.086	.916	.839
A28	113	3	465	4.12	.070	.741	.549
A29	113	4	454	4.02	.079	.845	.714
A30	113	3	470	4.16	.068	.727	.528
A31	113	4	431	3.81	.088	.931	.867
A32	113	4	442	3.91	.079	.840	.706
A33	113	4	450	3.98	.079	.845	.714
A34	113	4	431	3.81	.095	1.014	1.028
A35	113	4	433	3.83	.096	1.026	1.052
A36	113	4	420	3.72	.101	1.073	1.151
A37	113	4	446	3.95	.081	.864	.747
A38	113	3	449	3.97	.074	.784	.615
A39	113	4	420	3.72	.091	.968	.937
B1	113	4	416	3.68	.097	1.029	1.058
B2	113	3	437	3.87	.072	.762	.580
B3	113	4	459	4.06	.074	.782	.612
B4	113	4	434	3.84	.082	.872	.760
B5	113	4	433	3.83	.087	.925	.855
B6	113	4	444	3.93	.089	.942	.888
B7	113	4	446	3.95	.082	.875	.765
B8	113	4	447	3.96	.093	.986	.971
B9	113	3	454	4.02	.068	.719	.518
B10	113	4	438	3.88	.103	1.095	1.199
B11	113	4	437	3.87	.094	.996	.991
Valid N (listwise)	113						

Correlations

		indep1	indep2	indep3	indep4	indep5	dep
indep1	Pearson Correlation	1	.681**	.577**	.447**	.586**	.798**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	113	113	113	113	113	113
indep2	Pearson Correlation	.681**	1	.801**	.459**	.458**	.609**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	113	113	113	113	113	113
indep3	Pearson Correlation	.577**	.801**	1	.433**	.562**	.715**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	113	113	113	113	113	113
indep4	Pearson Correlation	.447**	.459**	.433**	1	.281**	.296**
	Sig. (2-tailed)	.000	.000	.000		.003	.001
	N	113	113	113	113	113	113
indep5	Pearson Correlation	.586**	.458**	.562**	.281**	1	.676**
	Sig. (2-tailed)	.000	.000	.000	.003		.000
	N	113	113	113	113	113	113
dep	Pearson Correlation	.798**	.609**	.715**	.296**	.676**	1
	Sig. (2-tailed)	.000	.000	.000	.001	.000	
	N	113	113	113	113	113	113

** . Correlation is significant at the 0.01 level (2-tailed).

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.791 ^a	.625	.622	.383

a. Predictors: (Constant), indep

b. Dependent Variable: dep

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.193	1	27.193	185.033	.000 ^b
	Residual	16.313	111	.147		
	Total	43.506	112			

a. Dependent Variable: dep

b. Predictors: (Constant), indep

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.192	.275		.698	.487		
	indep	.953	.070	.791	13.603	.000	1.000	1.000

a. Dependent Variable: dep

Coefficient Correlations^a

Model		indep	
1	Correlations	indep	1.000
	Covariances	indep	.005

a. Dependent Variable: dep

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	indep
1	1	1.991	1.000	.00	.00
	2	.009	15.175	1.00	1.00

a. Dependent Variable: dep

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.70	4.89	3.90	.493	113
Residual	-1.059	1.543	.000	.382	113
Std. Predicted Value	-2.432	2.010	.000	1.000	113
Std. Residual	-2.762	4.026	.000	.996	113

a. Dependent Variable: dep

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.798 ^a	.637	.634	.377

a. Predictors: (Constant), indep1

b. Dependent Variable: dep

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.723	1	27.723	194.974	.000 ^b
	Residual	15.783	111	.142		
	Total	43.506	112			

a. Dependent Variable: dep

b. Predictors: (Constant), indep1

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.575	.241		2.388	.019		
	indep1	.881	.063	.798	13.963	.000	1.000	1.000

a. Dependent Variable: dep

Coefficient Correlations^a

Model		indep1	
1	Correlations	indep1	1.000
	Covariances	indep1	.004

a. Dependent Variable: dep

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	indep1
1	1	1.989	1.000	.01	.01
	2	.011	13.493	.99	.99

a. Dependent Variable: dep

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.69	4.89	3.90	.498	113
Residual	-1.113	.901	.000	.375	113
Std. Predicted Value	-2.429	1.998	.000	1.000	113
Std. Residual	-2.952	2.389	.000	.996	113

a. Dependent Variable: dep

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.609 ^a	.371	.366	.496

a. Predictors: (Constant), indep2

b. Dependent Variable: dep

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.159	1	16.159	65.588	.000 ^b
	Residual	27.347	111	.246		
	Total	43.506	112			

a. Dependent Variable: dep

b. Predictors: (Constant), indep2

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.886	.253		7.458	.000		
	indep2	.524	.065	.609	8.099	.000	1.000	1.000

a. Dependent Variable: dep

Coefficient Correlations^a

Model			indep2
1	Correlations	indep2	1.000
	Covariances	indep2	.004

a. Dependent Variable: dep

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	indep2
1	1	1.983	1.000	.01	.01
	2	.017	10.736	.99	.99

a. Dependent Variable: dep

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.89	4.46	3.90	.380	113
Residual	-1.496	1.738	.000	.494	113
Std. Predicted Value	-2.665	1.472	.000	1.000	113
Std. Residual	-3.014	3.501	.000	.996	113

a. Dependent Variable: dep

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 ^a	.512	.508	.437

a. Predictors: (Constant), indep3

b. Dependent Variable: dep

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.273	1	22.273	116.430	.000 ^b
	Residual	21.234	111	.191		
	Total	43.506	112			

a. Dependent Variable: dep

b. Predictors: (Constant), indep3

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.322	.242		5.459	.000		
	indep3	.644	.060	.715	10.790	.000	1.000	1.000

a. Dependent Variable: dep

Coefficient Correlations^a

Model		indep3	
1	Correlations	indep3	1.000
	Covariances	indep3	.004

a. Dependent Variable: dep

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	indep3
1	1	1.985	1.000	.01	.01
	2	.015	11.688	.99	.99

a. Dependent Variable: dep

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.61	4.54	3.90	.446	113
Residual	-1.724	1.762	.000	.435	113
Std. Predicted Value	-2.888	1.444	.000	1.000	113
Std. Residual	-3.941	4.030	.000	.996	113

a. Dependent Variable: dep

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.296 ^a	.088	.080	.598

a. Predictors: (Constant), indep4

b. Dependent Variable: dep

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.822	1	3.822	10.692	.001 ^b
	Residual	39.684	111	.358		
	Total	43.506	112			

a. Dependent Variable: dep

b. Predictors: (Constant), indep4

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.525	.424		5.960	.000		
	indep4	.343	.105	.296	3.270	.001	1.000	1.000

a. Dependent Variable: dep

Coefficient Correlations^a

Model		indep4	
1	Correlations	indep4	1.000
	Covariances	indep4	.011

a. Dependent Variable: dep

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	indep4
1	1	1.991	1.000	.00	.00
	2	.009	14.997	1.00	1.00

a. Dependent Variable: dep

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.33	4.24	3.90	.185	113
Residual	-1.581	1.331	.000	.595	113
Std. Predicted Value	-3.097	1.858	.000	1.000	113
Std. Residual	-2.644	2.226	.000	.996	113

a. Dependent Variable: dep

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.676 ^a	.457	.452	.461

a. Predictors: (Constant), indep5

b. Dependent Variable: dep

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.883	1	19.883	93.427	.000 ^b
	Residual	23.623	111	.213		
	Total	43.506	112			

a. Dependent Variable: dep

b. Predictors: (Constant), indep5

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.698	.232		7.331	.000		
	indep5	.574	.059	.676	9.666	.000	1.000	1.000

a. Dependent Variable: dep

Coefficient Correlations^a

Model		indep5	
1	Correlations	indep5	1.000
	Covariances	indep5	.004

a. Dependent Variable: dep

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	indep5
1	1	1.982	1.000	.01	.01
	2	.018	10.582	.99	.99

a. Dependent Variable: dep

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.85	4.57	3.90	.421	113
Residual	-1.257	1.585	.000	.459	113
Std. Predicted Value	-2.497	1.589	.000	1.000	113
Std. Residual	-2.724	3.436	.000	.996	113

a. Dependent Variable: dep

CURRICULUM VITAE

Ahmad Adnan Qasem Kreshan, graduated from the Department of Accounting , College of Business Administration and Economics, University of AL HUSSIN BIN TALAL 2011, and is currently a master's student at Karabuk University