The Influence of Audit Committee Characteristics on Voluntary Disclosure of Annual Financial Reports in Jordan

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Abstract This study examines the influence of audit committee characteristics on voluntary disclosure of non-financial firms considering the context of Amman stock exchange (ASE). As a result, a total number of 140 firms were annually considered as study samples between 2015 and 2019 making up to 4 years reports. To measure the impacts of audit committee on information of voluntary disclosure, a number of hypotheses were tested from selected firms listed in Jordan. On the test for hypotheses, a descriptive analysis was carried out followed by the model of multiple regressions. The outcome from the findings in this study however indicated a positive relationship between the factors of independent audit committee, the sizes, the multiple directorships of members of audit committee and the corporate voluntary disclosure. The rate at which meetings were held by financial expertise and members of audit committee was observed to be associated significantly with the corporate voluntary disclosure. The results further revealed a strong significance difference between investors in accounting sector and policy makers and the accuracy of monitoring the process of corporate reporting. The current research however projected foresight ideas to improve corporate governance of Jordan and other developing countries with the tendency of imposing reliable regulation bodies.

Keywords Corporate Governance, Amman Stock Exchange, Voluntary Disclosure

1. Introduction

The annual process of an accurate financial statement is subjected to a certain number of accounting principles with the aim of achieving an ideal report capable to bring about good economic and financial structure to the stakeholders and this is expected to as well project better image of the firms [52]. On a general note, the financial report on yearly basis had the ability to contain information that is crucial in improving a particular firm. It must be made known that, poor data structures can discourage potential clients (creditors and investors) as these quoted people are expected to be given occasionally full update of information about the reputation of the companies as mentioned by [6].

The voluntary disclosure (VD) was termed to be as an external factor with the capacity to passively influence the stakeholder's right and lower information that are asymmetry. The cumulative effect was further observed to eradicate unnecessary cost by the agency which can be as a result of asymmetry information in line with the stakeholders and managers. For this reason, quiet a number of researches were evaluated [2] to address how crucial the voluntary disclosure is in financial sectors around the world. The work of Albawwat et al. [4] also signified how

important the nature of corporate governance could be in safeguarding the financial environment based on transparency, absolute trust and proper accountability with the potential of attracting more investment and stable financial activities as revealed by [2,3,9].

Further works by [14,32] endeavoured to state that, the audit committee (AC) remained a vital components of corporate governance (CG) with the ability to render viable assistance to the board of directorates which could improve better the whole structure of corporate management. In other argumentative findings from [18,47] the AC stands to be highly relevant in monitoring the activities of management disclosure. Hence, when AC is effectively established, the process of financial reporting could also be improved thereby resulting to lower the risk of asymmetric information among stakeholders and the management as observed by [18,32]. Additionally, AC has the tendency to improve and sustain a credible public self-confidence with clear objectivity in the process of financial reporting where published information is accurately disclosed [14,30]. Habbash, [24] clearly made mentioned of an AC to be a committee that is permanently established by the board of directorates with the aim of overseeing and monitor good accounting process and internally control the activities of auditing in a given firm. The concern committee must however possess larger board members that are independent as a matter of good regulation.

From the code of corporate governance in Jordan (2017), a provision was made to qualify the state of AC with its impeccable duty of assigning the companies to adhere to basic protocols. The committee on audit played a good role in successfully monitoring information that is asymmetric in nature which at long run could reduce the unnecessary cost of agency. It was further observed that, a committee on audit is a good tool capable to control the behavioural act of individual and the process of making decision. Consequently, this is projected to enhance the rules of reporting whenever the levels of VD are efficiently conformed to the needs of investor. According to Martnez & Fuentes, [39] an audit committee had the potential to effectively monitor on how to prepare ahead of any financial statement taking into consideration of the international standards. This also could lower any conflict of interest among the external auditor and the management so as to get rid wrongfully processed information. In another point of view, an audit committee was described as a component of corporate governance with the power of improving trustworthy financial institution, and also served as a medium to manage well the process of accountability for both the stakeholders and shareholders [43]. Considering the agency theory, an audit committee can carry out a crucial duty in effectively monitoring the activities of management in a transparent manner by also establishing a reliable degree of VD. With all these conditions meeting up the international standards, the long-term effects are expected to yield favourable public trust within the content of financial statement as stated by

[14].

Considering the scientific evaluation of Akhtaruddin & Haron [2] in Malaysia, a total of 124 public companies were selected for an investigative study to see if audit committee could enhance CVD, board ownership on CVD. However, the authors revealed a negative correlation between the ownership of the board and VD to weaken the firms with an independent audit committee. On a lighter note, an independency nature of audit committee moderately had negative effects of board's ownership on VD. The authors further suggested for the firms to conceptualise on a huge number of board ownership alongside with a huge number of independency of the members of audit committee. From empirical research by some authors, the characteristics effect of AC was seen to influence the qualities of financial reporting together with the practices by the companies in disclosing information [1,2]. On the aforementioned explanation, it could be deducted that, empirical studies still remain limited capable to fully address the influence of AC on CVD. Based on the recommendations made by the works of [2,14]), there is need for an effective AC capable to successfully disclose information in a more transparent way. This therefore makes the present study relevant to be investigated to see possible interaction between characteristics features of AC and CVD of selected firms in Jordan.

Basically, findings on AC and VD from previous works were not consistent which could have probably been due diverse environments where the studies were investigated. This implies that, the government policies on capital market, economic system, accounting structure, social and legal standards could differ from region to region. A number of literatures (e.g., Chau & Gray, 2002) addressed possible consequences of the relationship between the VD and its determinants which could vary from countries to countries. Therefore, considering Jordan as a case sample of study region is expected to shed more light to the existing literatures vis-à-vis of the differences in market characteristics to other countries especially developed nations.

The present study seeks to add more values to existing researches by making use of selected emerging markets in Jordan. To be more specific, an empirical study is adopted to critically analyse the effect of audit committee on voluntary disclosure based on yearly financial reports of selected firms in Jordan.

After this introduction, the paper will follow up with a well concise literature review on audit committee and voluntary disclosure, hypotheses development, research methodology, data analysis and output data, result discussion and then a final note to conclude the paper.

2. Literature Review

The AC was seen to be a well control committee for the major board of directorates. The board of directorates is

expected to handed over the duty of corporate reporting to the AC as mentioned by [14,32]. More so, the AC has been targeted to serve as a tool to monitor information that are asymmetry in nature [2,13], with the tendency to minimise the high costs arising from agency [14].

Many scientific studies propelled the good monitoring ability of AC by adding more values to the process of corporate and voluntary disclosures. Again, some authors agreed to the fact that, AC had power to functions effectively on a particular financial institution as stated by Persons [2,10,14,18,32,47]. It is therefore the best option to combine both the skills and experience to support the potentiality of AC so as to carry out effectively their duties as required. The hypothesis is therefore set to examine the characteristics impact of AC considering individuality, size, and financial expertise, multiple directorships (MD) of members of AC on CVD.

2.1. Independency of Audit Committee

It has been opined that, an effective monitoring by the behavioural act of management tends to be influenced through the manifestation of independent directorates as acted from agency theory [20]. This is due to the inability of the management to poorly relate economically with the independent directorates as more independent works are likely to manifest objectively by the management [14]. On this note, the power of independent directorates to influence AC could possess higher chance to have control over management which is also accompanied by timely release of information as mentioned by [7]. An AC working alongside with independent directorates could most probably incur transparency and also improve the process of financial reports, and this will in turning foster poor material of asymmetry nature [7,32]. This makes it necessary to mention how important independent directors are in having influence on AC. It was further revealed that good management style can bring about more reliable information via their process in achieving various amass observed by [26]. Further research findings also testified to the ability of indecency nature of AC to influence voluntary disclosure.

According to Madi et al. [35] an independent status of audit committee could be expressed as the proportion of members of non-executive AC, and this independency was observed to enhance the power acts of AC by monitoring properly the attitude of management in a good financial reporting and equally improve the qualitative practices of VD. It was also stated that, when the members of an independent audit committee are larger in number, better chance was seen to enhance more on the reliability, transparency and the objectivity of any firm in term of reporting their financial statements together with the voluntary disclosures [51]. A significant positive relationship has been observed between the frequencies of corporate voluntary disclosure and the manifestation of

members of independent audit committee. A different story was found to negate significant relevance linking corporate disclosure and the independency nature of audit committee. Thus, hypothesis below is formed.

H1 A positive relationship could take place between Audit committee independence and voluntary disclosure.

2.2. Experience of Financial Audit Committee (AC)

To monitor properly the process of corporate reporting, members of a particular AC must possess good literacy of financial acts for better understanding and interpretation of statements of financial as reported by [18]. Expatriate in finance can make members of AC to identify strictly with good ability of asking reasonable questions capable to challenge both the external audit and the management [14]. The long-time effect will definitely result in better transparency of corporate reporting with the potential of mitigating obstacles from the agency for the inflow rate of information. Research carried out in the past by [2,30,31,32] proclaimed a positive significant difference associated with the quality of financial reporting and the frequency of voluntary disclosure. From similar line of study, more scientific evidence testified to powerfully link expatriate of audit committee in accounting to the expatriate on financial audit committee and prevention of fraudulent acts in a firm. Appuhami & Tashakor, [10] from their works reversely observed negative scientific relationship between the frequency of corporate social responsibility disclosure and the expatriate of audit committees on accounting. This finding tallied to other previous works who similarly observed no found no significant difference on the considered parameters [35,45]. However, this hypothesis was set up.

H2: A positive relationship between experience of financial audit committee and voluntary disclosure.

2.3. Frequency of Meetings by Audit Committee

The level at which meetings are held by the audit committee in a given period of reporting has been seen to take place four times per annum and this has the ability to exert positive significant difference on voluntary disclosure level [32]. If proper frequencies of meetings are maintained, the committee is therefore liable to express good monitoring skills with better performance. More findings revealed possible linkage between the characteristics features of audit committee and the voluntary responsibility of corporate social act, where collected data were analysed from 300 reports under some listed firms on yearly basis. At the end, the authors revealed a positive significant difference on the frequency of corporate social responsibility disclosure based on the factors like: size of auditing committee, rate at which meetings are held, the independency nature of committee and diversified feature of genders [10]. Impacts of

differently considered corporate governance attributed to behavioural act of financial reporting alongside with internet disclosure exposed a positive significant difference from a study analysis between the disclosure nature of financial internet and the level of meetings conducted by audit committee [30].

More so, the AC that meets up with required frequency tends to establish better monitoring function of activities role [29]. The frequencies of meeting on AC could further allow members of the committee to express sound judgment concerning the best principles to adopt in choosing the accounting process of the firms. As a matter of fact, there is need to hold meetings of AC on regular basis so as to create ahead knowledgeable information capable to address the relevancy of any issue related to auditing and accounting profiles [7,23]. It was advisable to establish much active AC characterized with better frequency of meeting per annum so as enrich members with the best opportunity to interact and evaluate serious matter tender to them to solve most especially issue regarding the practices of financial reporting as revealed by [32]. An empirical study also agreed to the fact that frequently holding meetings like four times in a year by members of AC possess the ability to have effects on intellectual capital disclosure and the frequency of voluntary disclosure [7].

H3: A positive relationship exists between the frequency of Audit committee meeting and the voluntary disclosure.

2.4. The Size of Audit Committee

Making reference to the theory of dependent resource, it could be said that, audit committee of bigger size were liable to provide resourceful information and better members of authority in successfully performing their duties as mentioned by [8]. According to Bedard & Gendron [14], the larger the audit committee, the better the diversity of knowledge, opinions and sound skills it brings about, and with this, successful monitoring acts are achieved. The further investigation in Malaysia to determine characteristics effects committee of audit on voluntary disclosure [35]. Analysis of multiple regression was adopted and the findings indicated that, factors of indecency nature of audit committee, the size of audit committee together with multiple directorships of members of audit committee had positive influence on the frequency of disclosing corporate voluntarily, on the other hand members of financial experts and frequency of meetings held did not have any significant difference with the corporate voluntary disclosure.

In another study on voluntary disclosure and corporate governance, the results revealed positive impact by considering the board and the level of AC meeting on voluntary disclosure statue. It was then concluded that, the activities on diligent monitoring were generated to project more transparency to the external parties [8]. The work of

Pearson [47] exposed possible attributes of audit committee and that of voluntary disclosure on firms characterized by larger size of voluntary disclosure which tends to possess independent audit committee of larger size. The authors added that, the level of an audit committee in connection with the rate at which meetings are held clarified the institution's predisposition to adopt voluntary disclosure. Basically, members of AC with larger size could render assistance to the committee in quote with the aim of uncovering and find solution matter arising from the process corporate reporting [32]. The potential of AC in term of their sizes is seen to be a vital component of AC to be considered as this oversees the actions of corporate disclosure effectively. No significant difference was observed to be linked with the voluntary disclosure and size of audit committee as mentioned by [36]. On this note, the bellowed hypothesis was formed.

H4: A positive relationship could take place between the Audit committee size and voluntary disclosure.

2.5. Multiple Directorships (MD) of Members of Audit Committee

A member of directorate is a useful tool to the boards and was described based on key factors. Enough times and efforts are required by several directorships to monitor effectively the management system as connoted by [42,48]. More so, directors characterised by MD have been viewed to perfectly monitor the ideal management process [50]. It was further discovered from other studies that, directors with larger number of directorships could not possess sufficient period to properly take good control of the management system which in turn lead to poor monitoring activities [16,22,32]. This negativity was ascribed to directors with MDs and was also tagged with poor check and balance on the part of management style [16]. This study therefore clarifies as when directorships in charge of AC members, the poorer their performances become and there lower chance of ethics disclosure by the firms.

As opined by Fama and Jensen [21], the directorships that are external in nature attracted more values as they were focused not to damage their standing, lawsuit risks and likely loss of coming opportunities from the board and consequently could motivate the role of good monitoring process as required. The MDs have the tendency to put in place reliable information on new policies to be adopted by the directors. Not only that, but also integrate recent practices of trading in accordance with international standard which will bring about outstanding performance as revealed by [26]. It was also mentioned that, directors of changed management and oversight styles can let directors to search for better advices among themselves [25]. Further to this, it equally argued that, directors of AC attached to various companies as members of board, managers, or any member of committee could gain better more background knowledge capable to deliver properly various responsible

duties and later impact on the status of financial reporting. This claim agreed to the work of Haniffa and Cooke [25], who also revealed the ability of MDs in improving the practices of corporate disclosure. The hypothesis below was therefore formed.

H5: A positive relationship between multiple directorships (MD) of members of audit committee and voluntary disclosure.

3. Methodology

3.1. Data

The Amman Stock Exchange (ASE) is believed to be comprised of 240 registered firms that are allotted to Financial, Services and Industry making up to three sectors. It must be noted from this research that, the sector of finance was not included because of the mechanisms system of corporate governance and that, firms related to finance need different application as also coined from the work of Albawwat et al. [5]. Multiple rule and regulations are attached to guide firm's activities in the sector of finance so as to deliver on other different sectors [4,38]. According to Albawwat, et al. [5], different approaches with various styles could be used as a policy in structuring both financial and non-financial established sector.

Two different sectors (industry and services) were chosen from ASE for this study accountable to 60% (150 of companies). The sector of industry considered 80 companies accountable for 32% of ASE companies and the sector of services stood for 70 services which represent 28% of listed companies under ASE. However, a total of 10 companies have not been included in the sampling process as 7 from services firms and 3 from industrial firms where 140 firms were considered as sample size for the research evaluation under a period from 2015 to 2019 making 4 years. A publicly available data on financial reports were gathered per annum from ASE's website.

3.2. Variables Measurement

The preliminary task to be taken in this study was to formulate the index of voluntary disclosure. The index of disclosure was used as checklist tool of disclosure characterized by several tool of disclosure, and these indexes are capable to evaluate information that are

voluntary disclosed frequently, mandatory disclosure or either both of them as adopted from the work of [11]. The current research therefore laid emphasis on the frequency voluntary disclosure from Jordanian listed firm's yearly financial report.

It should be noted that, this study made use of corporate voluntary disclosure (CVD) to be dependent variable (DV). Research carried out earlier on has addressed the index of voluntary disclosure with a checklist of 21 items strategic information, 17 items of non-financial information and a total of 18 items of financial information as observed from the works of the following authors: [2,3,8,13,15,35,36].

Compared to existing studies, this research employed a checklist of modified voluntary disclosure as adopted from [2] in a way to review the related legislations in Jordan as instructed by the Jordanian Companies Law (JCL) and regulations guiding the corporate governance without items that are mandatory. The end version of checklist of the MVD included a total of 56 items from non-financial and financial information as relate to risks of disclosure, corporate strategy, social responsibility, corporate governance. It should be noted that, all experimental tools were given one (1) when integrated to the checklist of disclosure and otherwise zero (0). The scores at the end were divided by the highest score of disclosure which was 56 items so as to attain an index ratio of relative disclosure.

From the mathematical expression, a voluntary disclosure index is a ratio or percentage of the actual scores received from a given company over the highest items in which the yearly financial reports of the firm are disclosed (i.e. $VD \leq 56$ items). From another way round, every item scored 1 only if the yearly financial reports are revealed accordingly and otherwise 0 for every score item added to obtain the company's final score data and the voluntary disclosure (VD) index has been determined as the ratio of every item disclosed over divided the highest possible score (s).

The independent variables (IVs) for this study comprised of characteristics of audit committee, independency of audit committee, multiple directorships of audit committee, financial experts of audit committee, frequency of holding meetings by audit committee, the size of audit committee. The taking control over leverage, size of the firm and return on assets (ROA) as from the study. Table 1 below summarizes the studied variables, measurement and the labels.

3.3. Definitions of Variables

Table 1. Definitions of the variables

VARIABLE	ACRONYM	MEASUREMENT
Dependent Variables		
Corporate voluntary disclosure index	CVDI	The disclosure index checklist is used to measure the degree of voluntary disclosure in annual financial reports among the listed companies in Jordan.
Independent Variables		
Audit committee independence	ACIND	The proportion of independent directors on the audit committee to the total audit committee members
Audit committee financial expertise	ACFEXP	The proportion of financial expertise on the audit committee to the total audit members
Frequency meeting of audit committee	ACMET	The number of audit committee meetings for the year
Audit committee size	ACSIZ	Total number of Audit committee members
Multiple directorships of audit committee members	MDAC	Proportion of the audit committee directors who have multiple directorships to the total number of directors serving in the audit committee.
Firm size	FSIZ	The total assets
Return on assets	ROA	Net income divided by total assets
Leverage	LEV	Total debt divided by total equity

3.4. Model Development

Analysis on multiple regressions (MR) was adopted to evaluate possible relationship from corporate voluntary disclosure (CVD) and the characteristics feature of audit committee and control variable. The assumptions were met from MR including the normality test, heteroskedasticity and multicollinearity. The model of regression estimated in this research is as stated below:

$$CVDI_{it} = B_0 + \beta_1 ACIND_{it} + \beta_2 ACFEXP_{it} + \beta_3 ACMET_{it} + \beta_4 ACSIZ_{it}$$

$$+ \beta_5 MDAC_{it} + \beta_6 FSIZ_{it} + \beta_7 ROA_{it} + \beta_8 LEV_{it}$$

Where, CVDI = Corporate voluntary disclosure index received by each sample company; B_0 = the constant, ϵ_{it} = the error term, β_1 to β_8 = the coefficients of the variables defined in Table 1, and 'i' and 't' = the number of company and period respectively.

4. Results

4.1. Descriptive Analysis

The components of voluntary disclosure include information that is strategic in nature, non-financial and financial information. Table 2 represents a descriptive analysis where the mean value for the voluntary disclosure frequency for 4 years (2015-2019) was 75% for strategic information, 52% for financial information (FI) and 47% for non-financial information. From the observed data values, firms were able to disclose 15 out of 21 voluntary items of strategic information on average, meanwhile for non-financial information (NFI) it was 7 out of 17

voluntary items and lastly for financial information, 9 out of 18 voluntary items were considered within the chosen period for the research.

Table 2. Descriptive Statistics of the Category of Voluntary Disclosure

CATEGORY	Strategic	Non-Financial	Financial	Overall
Mean%	0.75	0.47	0.52	0.58
Min %	0.53	0.16	0.32	0.45
Max %	0.01	0.01	0.80	0.79
St. Deviation%	0.08	0.16	0.08	0.08

From critical analysis, this study made use of several hypotheses to test the existence of many possibilities and when compared to already existing studies, strategic information is revealed on the part of voluntary disclosure. The NFI was on the other hand under least category that has been disclosed for the time frame of the experiment. This study however deduced that, averagely the ASE listed Jordanian firms disclosed much informative data voluntarily and that information was much related to strategic information (SI) than that of NFI and FI. The reason for this could have been due to firstly, when the firms feel so reluctant to disclose their NFI and FI meaning that, those companies failed in their social responsibilities [17], which in turn project bad image of the company in the competitive system due poor performance of disclosure nature.

Secondly, some of the factors guiding the success of any firm and to compete with international standard can be traced to the quality and frequency of strategic information disclosed accurately and timely basis. However, if this information is disclosed accordingly, the firm is set to gain more values especially by attracting more investors and

shareholders which will provide confidences in sustaining the good reputation of the firm.

And lastly, when strategic information is revealed in an appropriate manner, this stands to strengthen and improve better possible relationship between the critical factors of the company and also among the stakeholder. The long term effect of the disclosure could also bridge the gap between the companies and external factors like potential clients and consequently attract good reputation to the company in question.

As presented in Table 2, the outcomes indicated mean values proportion of members of audit committee that are independent (84%). This showed most of the establishments were characterised by audit committees of independent directorates. The values of 56% were recorded as means values of audit committee directors with an average value of experts in finance, rate at which meetings were held by members of audit committee was observed to be 5. The indications from findings revealed a range value of 5 to 6 members of AC with an approximate of 3 members. Furthermore, a value of 38% was observed with members of AC with one (1) directorship. Considering the controlled variable, the size of mean from the company was "14.62" and return on assets was 7%, whilst the leverage was 22% on average.

Table 3. Descriptive statistics for variables

Variables	Obs	Mean	Min	Max	Std. Deviation
CVDI	140	0.58	0.45	0.79	0.08
ACIND	140	0.84	0.42	1.00	0.16
ACFEXP	140	0.56	0.16	1.00	0.23
ACMET	140	5.10	3.00	15.00	1.57
ACSIZ	140	3.38	2.00	6.00	0.65
MDAC	140	0.38	0.00	1.00	0.28
FSIZ	140	14.62	11.96	18.80	1.16
ROA	140	0.07	-0.20	0.52	0.08
LEV	140	0.22	0.00	0.71	0.17

5. Discussions

The presentation on Table 5 is the outcome of analysed data by adopting multiple regression models. The analysis projected an R-square value of 0.384 with adjusted R-square value of 0.348 and the value of F was 10.686 where high significant difference was considered at the level of 0.000. The percentage of the variation for CVD indicated strong significant difference which could be explained better from variations of IV. From the point of view of characteristics on audit committee, five variables were seen to have impacted in similar ways on CVDI alongside with ROA, ACSIZ, MDAC ACIND, and FSIZ.

Table 4. Regression results

Variables	Coefficients	P-value
Constant		0.737
ACIND	0.147	0.036**
ACFEXP	0.081	0.277
ACMET	-0.021	0.773
ACSIZ	0.188	0.008***
MDAC	0.194	0.010**
FSIZ	0.448	0.000***
ROA	0.262	0.001***
LEV	-0.038	0.590
R squared	0.384	
R squared adjustment	0.348	
F-statistics	10.686	
Probability. (F-statistics)	0.000**	

Not (1): **, *** denote, 5% and 1% significant levels, respectively.

It is obvious from the findings of this study that, the independency nature of AC positively influenced the level of CVD with 0.147 coefficient and significance value was considered at 0.036. The first hypothesis therefore agreed to the fact that, the independency nature of AC can positively influence the activities of CVD. It was then suggested that, members of audit committee that are not dependent would yield more transparency to the firms in term of their ability to report financial statements in a proper monitoring system and thereby render abundant improvement to voluntary disclose information. This claim equally agreed to the work some authors like [2,19,35,51].

On the second hypothesis, the findings revealed no significant difference of AC expertise on the frequency of CVD, and the negative impact could be as a result of poor accounting and finance knowledge capable to address real issues on reported information [35]. Similar trend of no effects was also observed from the works of [10,35,45].

The indications from this study revealed that, the frequency of holding meetings by the AC did bring about any significant difference to the level of CVD as the coefficient for frequency of meetings was -0.021 with p-value greater than 0.05. The consistency also was found to be similar with the work of Menon and Williams [40], where the authors found out that, the rate at which meetings were held did not influence their target in anyway. Thus, the third hypothesis (H3) was nullified, by concluding that, the frequency of meeting by audit committee cannot influence the degree of CVD.

The fourth hypothesis was not rejected as the size of AC was seen to positively have significant correlation on the degree of CVD based on a coefficient value of 0.188 and p-value of 0.008. This confirmation is in similar line of study done by Dhaliwal et al. [11] who observed positive influence between the quality of financial reporting and the size of audit committee, meanwhile the work of Persons,

[47] revealed a highly improved level disclosing information voluntary. This study therefore suggested taking proper consideration on the size of AC as a critical factor to add more values CVD in any given firm.

Further findings from this study also opined the ability of members of AC characterised by multiple directorships to positively impact the performance of CVD as the coefficient value revealed to be 0.194 with a p-value of 0.010. For this reason, the fifth hypothesis (H5) was therefore supported. It is not doubtful that, multiple directorships possessing the power exert positive influence on the efficiency of audit committee via proper and ideal monitoring system by the management in disclosing information. The fact still remains the same as the research conducted by [25,53] equally supported the notion that CVD of larger size generally influences the performance of firms. On a final note, by considering control variables, the analysed data showed the good potential of larger firms to attract more values to the voluntary disclosure. The findings equally projected a better of chance of the companies to gain more profit through enhanced CVD. However, firm's size did not have any significant difference on CVD.

As it is clearly demonstrated in the present study, the VD is practically adopted by the ASE listed Jordanian firm in their yearly reports. However, the rate at which information is disclosed still remains unsatisfactory for the experimental period of 4 years (from 2015 to 2019).

Table 5. Summary of hypotheses and outcomes

H. NO	Description	Outcome
H.1	A positive relationship could take place between Audit committee independence and voluntary disclosure.	Supported
H.2	A positive relationship between experience of financial audit committee and voluntary disclosure.	Not supported
H.3	A positive relationship exists between the frequency of Audit committee meeting and the voluntary disclosure.	Not supported
H.4	A positive relationship could take place between the Audit committee size and voluntary disclosure.	Supported
H.5	A positive relationship between multiple directorships (MD) of members of audit committee and voluntary disclosure.	Supported

The fact still remain that this study contributed meaningfully in identifying the weakness of Jordanian firms by revealing the crucial impact of voluntary disclosure. On this note, companies could better improve their international standards by implementing proper practices of voluntary disclosure alongside with better transparency network. More so, the outcomes of this research are expected to serve as an eye opener to other companies in identifying the usefulness of voluntary disclosure in institutional settings. Additionally, the bodies regulating the affairs of companies like that of ASE and the JSC could also establish better approach measures capable

to enhance the practices of VD of the ASE listed Jordanian firms based on available research findings of this nature.

6. Conclusions

This study successfully investigated the possible impacts of characteristics features of audit committee on corporate voluntary disclosure in a sample size of sample of 140 non-financial firms in Jordan. The factors of Audit committee characteristics which include; audit committee independence (ACIND), audit committee financial expertise (ACFEXP), frequency meeting of audit committee (ACMET), and audit committee size (ACSIZ) and multiple directorships of audit committee members (MDAC) clearly demonstrated high impact on company's voluntary disclosure in this study. As connoted from existing literatures, the current research equally revealed similar findings where the profitability (ROA), firm's size (FSIZ) and leverage (LEV) where under good control scheme with the practices of voluntary disclosure level.

The empirical analysis indicates that the (ACIND), (ACSIZ) and (MDAC) have a significant effect on the level of corporate voluntary disclosure by revealing a true hypothesis. On the other hand, factors like (ACFEXP) and (ACMET) did not attract any significant influence on the corporate voluntary disclosure therefore nullifying the tested hypothesis. The fact still remains consistent in the sense that, audit committee could play a vital role to oversee the activities of corporate reporting together with good practices of voluntarily disclosing information. The ability of AC was observed to be liable to the factors like the size, independent and multiple directorships of members of committees. Such good initiatives are tempted to add more values to the effectiveness of AC in the best practices by adopting more transparency of corporate reporting. Obviously, the current successfully determined the good roles of AC in a given financial establishment.

The results of this study in no doubt are beneficial to the investors, accounting professionals and rule makers are clearly useful in improving better the activities of audit committee. There is no doubt that, this study contributed meaningfully and will serve as a good reference to other researchers in the same line of study. The present study only considered selected firms in Jordan as sample size with limited data factors. It is however recommended to carry out further research capable to include other financial sectors that were not address in this study and also consider other regions as reference countries.

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