

The Impact of the work Pillars of the Audit Committees on Light of the Governance in Controlling the Quality of the Financial Performance in the Jordanian Commercial Banks

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Abstract

This study aims to figure out the impact of the work pillars of the audit committees in light of the governance in controlling the quality of the financial performance in the Jordanian commercial banks. The study population consisted of all the 23 listed banks on the Amman Stock Exchange (ASE). As for the study sample, it consisted of 93 members of the audit committees as well as the internal auditors and the financial managers working in the banks examined in the study. The study recommended a significant impact for the work pillars of the audit committees in light of the governance represented in the (commitment to functions and responsibilities, powers of the audit committees, financial expertise of audit committees, and number of the members of audit committees) in controlling the quality of the financial performance in the Jordanian commercial banks. The study recommended the need the banks be committed to reporting on the effectiveness of the audit committees in their annual reports due to their clear impact on the quality of the financial performance in the Jordanian commercial banks.

Keywords: audit committees, governance, quality of financial performance quality, Jordanian commercial banks.

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I. Introduction

The financial crises of some companies, most notably the collapse and bankruptcy of Enron has resulted in the efforts of the developed countries to find mechanisms for activating the control systems in the joint stock companies as well as increasing the trust in preparing and publishing the financial reports. The companies were also keen to establish audit committees given their

important impact on supporting the credibility of the financial statements and increasing the public confidence in the financial reports.

The function of the audit committees is confirming the validity of the accounting data and information in the financial reports and statements through internal and external audits. Most studies examining the corporate governance confirmed the importance of having audit committees inside the company. Such committees apply governance,

ensure the quality of the financial reports and achieve confidence in the accounting information for ensuring their quality, and thus relying on them in making the appropriate decisions.

The financial component represents a key reason for the success of any company. Maintaining and using money is a necessary and important requirement to maintain its strength. This is attributed to the fact that the financial performance of companies contributes positively to the provision of useful information, in the field of planning, control and decision-making by individuals and destinations within the company and also outside. To achieve its benefits, the financial data must be accurate and it must be presented in the right time.

Accounting fraud and manipulation in the figures of the financial reports is one of the main reasons for the establishment of the audit committees in the companies. Furthermore, the financial meltdowns and failures of the past three decades in the major international companies have been the greatest motivation for the professional bodies, organizations and legislators to demand and recommend the formation of the audit committees in the companies from the members of the board of the management. Their tasks, responsibilities and duties must be determined and their methods of formation must be figured out to help the board in carrying out its supervisory responsibilities (Al-Momani, 2010, p. 245).

The need for the importance of forming the audit committees arose as a result of a number of developments over a period of time on the relationships among the external auditors, the board members and the members of the executive departments, which led to neglecting many important notes by the auditors which did not reach to the management boards. This resulted in many problems as well as a loss of trust among such parties. It is known that the public bodies have the power of appointing auditors; however, this practice confirmed that the boards started to

show their impact and the appointment of auditors is a proof for the improvement of the relationships between them and the auditors during audit (Al-Saqqa, Abu Al-Khair, 2012, p. 56).

The researcher believes that the most important tasks of the audit committees are confirming the application of the rules of governance on reality, which is done through a set of mechanisms. The existence of an internal control system is one of the most important responsibilities of the Board of Directors. The main effect of the audit committees regarding this system is investigating its adequacy, and effectiveness and making recommendations to the Board of Directors, which will activate and develop the internal system in a way that achieves the purposes of the company and protect the interests of the owners and the other stakeholders with a high efficiency and a reasonable cost.

II. Study Problem and Elements

The last ten years witnessed the collapse of many major global companies as a result of the mismanagement and manipulation of the financial statements for the purpose of obtaining individual benefits. A KPMG report indicated that the rates of the internal (administrative and functional) corruption have increased in the recent years to 65% of the cases of the institutional corruption in general in all the countries of the world. As a result, there has been an increased interest from the legislators and researchers on the issue of corporate governance and the need to improve and activate them, through the development of procedures and standards that will make a state of reassurance among the shareholders and stakeholders to prevent such collapses and abuses in the future.

Over the past years, auditing and its committees have been criticized for the poor impact of the audit committees in reporting on some of the practices of the management that aim to manipulate profits. They were also criticized for managing profits for the purpose of making certain profits to the department or achieving a level of profit in line with the expectations of the financial analysts. The purpose of this study can be achieved by answering the following question:

is there any impact for the work pillars of the audit committees in light of the governance represented in (commitment to functions and responsibilities, powers of the audit committees, financial expertise of the audit committees, and the number of the members of the audit committees) on controlling the quality of the financial performance in the Jordanian commercial banks?

III. Study Objectives

The main objective of this study is the attempt of figuring out the impact of the pillars of the work of the audit committees in light of the governance on controlling the quality of the financial performance in the Jordanian commercial banks.

IV. Study Importance

Governance is one of the topics that have a great importance in the business organizations. The importance of this study stems from the impact of this topic on the development of the financial performance, and since it is based on knowing the impact of the audit committees in light of governance to control the quality of the financial performance in the Jordanian commercial banks. The importance of this study is also attributed to the importance of extending the application of this concept in the Jordanian economic environment, and using it in the development of the accounting practice and the development of the auditing

profession. Furthermore, the study is considered important for the following agencies that can benefit from the results and recommendations:

- 1- Members of the boards of directors and directors of senior, middle, executive and operational departments of the Commercial Banks of Jordan.
- 2- Internal auditors and members of the internal audit committees in the Jordanian commercial banks.
- 3- Academic researchers in Arab and Jordanian institutes and universities.

V. Study Hypotheses

The study is based on the following main hypothesis: there is no statistically positive impact at sig. ($\alpha \leq 1.05$) for the pillars of the work of the audit committees in light of governance that is represented in (commitment to tasks and responsibilities, powers of audit committees, financial expertise of audit committees, and number of the members of audit committees) on controlling the quality of the financial performance in the Jordanian commercial banks.

Study model

Independent variables dependent variables

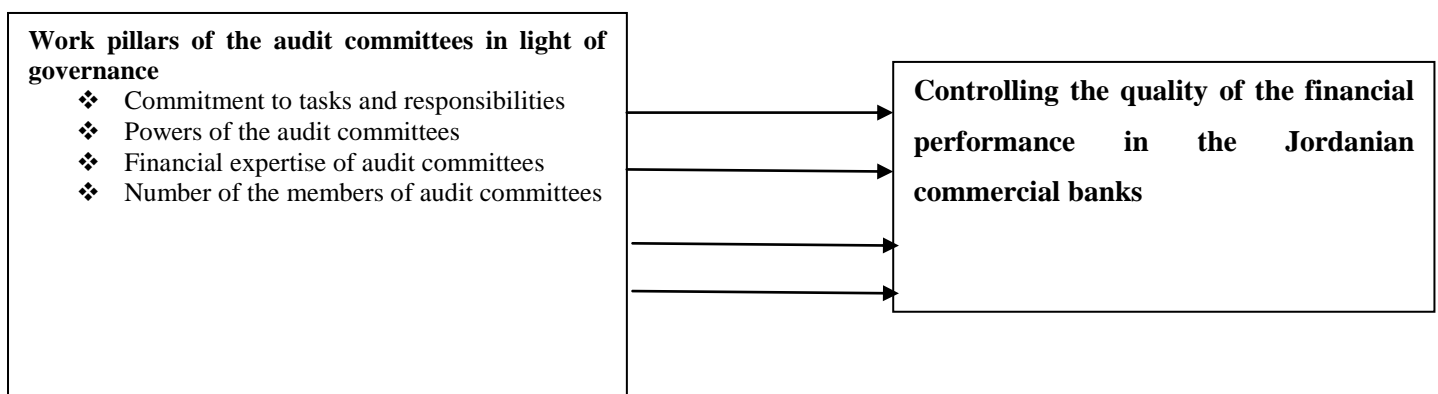


Fig: 1 Study model

VI. Study Type

This study is a field study that adopts the descriptive analytical approach for figuring out the impact of the audit committees in light of the governance on controlling the quality of the financial performance in the Jordanian commercial banks.

VII. Study Sample and Population

The study population consists of all the 21 banks listed on the Amman Stock Exchange, according to the monthly report of the ASE for February 2018, namely the (Arab, Housing, Jordan Money, Ahli, Jordan, Arab Investment, Alettehad, Cairo Amman, Jordanian-Kuwaiti, Commercial, Arab Banking, Jordanian Investment, Kuwait National, Odeh, Lebanon and Diaspora, Societe Generale, Citibank, Egyptian Real Estate, HSBC, Standard Chartered, and Al-Rafidain).

The members of the study sample were selected from the members of the audit committees, internal auditors and financial managers working in the banks listed on the Amman Stock Exchange (ASE) and their branches in all the Jordanian provinces. As for the approach and the method through which the sample size was limited, the researcher selected an intentional sample representing this community in all the banks of the study. 5 questionnaires were distributed in each branch of the banks in all the provinces in Jordan; 115 questionnaires were distributed and 93 questionnaires were retrieved by (80.9%) of the total number of the questionnaires distributed that were statistically analyzed.

VIII. Data Sources

Two types of information sources were adopted: the secondary sources, such as accounting books, scientific materials, publications, specialized and accounting research, especially those specialized in governance, internal audit and financial performance. The other is the primary sources through preparing and developing a written questionnaire for the subject of the current research. To confirm the tool's validity and ability to measure the research variables, the cronbach Alpha's coefficient for the internal consistency was extracted and it was 85.9 percent, which is very good; it was thus relied on for adopting the current results of the research.

Methods of the Statistical Analysis

The researcher used the statistical methods of the SPSS for analyzing the data, where he used the

means, standard deviations and the multiple regression analysis.

IX. Previous Studies

Rezaee (2008) proposed several corporate governance guidelines, including that the Board of Directors select the CEO of the company and monitor its activities as well as the executive activities of the senior executive management. The Board of Directors should be linked by the Audit Committee to an independent audit institution to perform the audit of the company's financial statements.

Al-Zahili (2009) confirmed that the adoption of the concept of corporate governance promotes disclosure and transparency. It concluded that there is a serious move by the Saudi banks to apply the corporate governance in Saudi Arabia.

The findings of Al-Momani (2010) indicated that the boards of directors are moderately concerned with the controls of the formation of the audit committees, and with the mechanisms of the work of the audit committees in the Jordanian companies listed on the ASE.

The results of Al-Abdali (2012) showed that governance represents the convergence of proper practices and procedures, which operate under binding standards and rules governing them; they aim to ensure that there is no conflict between the company's strategic objectives and the management's modus operandi in achieving those goals.

Haddad (2014) found that the Audit Committee of the Board of Directors for the Institutional Governance conducts a structural review of the risk management in the commercial banks listed on the ASE.

(Glasgow, 2015) aimed to demonstrate the importance of applying the corporate governance on the U.S. public joint stock companies by discussing the new American Law of (Sarbanes-Oxley) on the corporate governance.

Al-Tarawneh (2016) found that there is an impact for the success factors of the corporate governance strategy on achieving the accounting disclosure and the quality of the financial reports of the companies listed on the Amman Financial Market.

X. Theoretical Framework

Audit committees

Fraud and accounting manipulation in the figures in the financial reports is one of the main reasons why

corporate audit committees have been established and formed, and the financial meltdowns and failures of the past three decades in major international companies have been the biggest motivation for professional bodies. Organizations and legislators demand and recommend the formation of corporate audit committees of board members, to determine the tasks, responsibilities and means and to indicate how they are formed, in order to assist the Board in carrying out its control and control responsibilities (Moumni, 2010, p. 245).

The need for setting up the audit committees arose as a result of a number of developments over a period of time on the relationship between external auditors, board members and members of executive departments, which led to the auditors overcoming many important observations that did not have access to the governing bodies, which led to a number of problems and a loss of confidence between these parties, and as it is understandable, public bodies have the authority to appoint auditors, but the practice has shown that the boards of directors are influencing and directing this appointment as a result of the relationships between them and the auditors during audit (Al-Saqqa, Abu al-Khair, 2012, p. 56).

The researcher believes that the most important tasks of the audit committees is to ensure the application of the rules of governance on the ground, which is done through a set of mechanisms, and the existence of an internal control system is one of the most important responsibilities of the Board of Directors, and the main effect of the audit committees in relation to this system is to investigate its adequacy, and the effectiveness of implementing and making recommendations to the Board of Directors, which will activate and develop the rules of procedure, and to achieve the purposes of the company and protect the interests of the owners and other stakeholders with high efficiency and reasonable cost.

XI. Concept of Governance

Governance is a system of laws, rules and factors that control the corporate' operations. Its relations include the stakeholders, society, set of laws, instructions, and listing rules and the voluntary private sector practices aimed at achieving the

corporate objectives and the aspirations of the community (Abu Jalil and Al-Azmi, 2014, p. 12).

Governance is also defined as a situation, process or system that protects the integrity of all behavior and the integrity of conduct within the company. It is the means to ensure that the company's management is concerned with the interests of the interested parties (Freeland, 2009, P: 7).

The researcher defines governance as processes carried out through procedures used by the stakeholder representatives to supervise the risks and manage them through the management and to ensure the adequacy of controls to avoid these risks. This will result in a direct contribution in achieving the corporate objectives and to preserve its value taking into consideration that the performance of the corporate governance activities is the responsibility of the company's stakeholders in the corporate to achieve the effectiveness of the agency.

XII. Controls of the work of the audit committees from a governance perspective

The Audit Committee is one of the most important committees formed by the corporate Board of Directors. Choosing the members of the audit committee is considered one of the most important issues facing the Board of Directors and this process must be subject to a set of criteria and controls so that the committee can perform its work efficiently and effectively (Klein, 2012, P : 435).

Below are the most important controls that must be available in the members of the committee, whose availability is considered important by the researcher especially for forming the audit committee in any company so that it can perform its work efficiently and effectively and to contribute positively to the activation of the mechanisms of governance. The controls include:

First: Commitment to the tasks and responsibilities of the Committee

The audit committee is mainly responsible for supervising the accounting, controlling and auditing of the company, as well as assisting the Board of Directors to perform its tasks and duties efficiently and effectively. It is also responsible for following up on the company's commitment and compliance with the provisions of the applicable legislation and the requirements of the agencies as well as fulfilling its responsibilities and core functions, especially in

the field of accounting systems, financial reporting, supporting for the internal control, and supporting the independence of internal and external auditors (Ali and Shahata, 2017, p. 41).

Accordingly, it is necessary to clearly determine the powers, responsibilities and functions of these committees, so that their functions and responsibilities are clear, written and determined in a system or guide that clarifies those responsibilities and shows the nature of the relationship between the management and the internal and external auditor. This is done to ensure that there is no conflict between the work assigned to the committee and those carried out by some executive sections of the company. The Audit Committee must also have the power to discuss any important topics and it has the right to use an experienced third party to the problems it faces in all the financial and accounting aspects that could affect the preparation of the financial statements (Al-Momani, 2010, p. 247).

Second: The Powers of the Audit Committee

The powers of the audit committee vary greatly among companies since they depend on the size, nature of the company and their management requirements which are not limited to the financial auditing, but extended to all financial and non-financial activities. The audit committee examined, analyzed and assessed these activities as a service to the company (Al-Khatib and Al-Rifai, 2008, p. 202).

In light of the institutional control, the impact of the audit committee is under institutional control by assisting the Board of Directors to complete their control responsibilities for the purpose of ensuring the integrity of the financial reports and subjecting the organization to the legal and regulatory requirements as well as ensuring the independence of the external and internal auditors while performing their tasks and duties. (Suleiman, 2016, p. 182).

Third: Availability and integration of the financial expertise and the skill among the members of the committee

The complex financial issues have imposed an increased interest in auditing by companies such as the capital structures, accounting manipulation, creative accounting practices, profit management and other matters. Such processes need members in the audit committee who are experienced and

skilled in the application of the accounting standards by the management. Furthermore, there is an increased attention among corporate in establishing independent audit departments, and working on supporting them with human competencies that enable the achievement of the company's objectives with the required effectiveness. Accordingly, the boards of directors in companies should determine the proper competencies and expertise in the legal, accounting, financial and auditing matters, which must be available among the members of the audit committee. The members of the committee must also have a high degree of knowledge and sufficient understanding of the company's work or activities due to the fact that the availability of experience among them is important (Suleiman, 2016, p. 183).

Fourth: Determining the appropriate number of the members of the committee

The number of the members of the committee depends on the size of the board and the size of the company; at all cases, the number must be sufficient to achieve a combination of expertise and capabilities and a balance between the size of the tasks and duties and the quality of the activities practiced by the committee. Determining the right number of the member must take into account not increasing their number in a way that hinders taking decisions in a proper, quick and effective way. Furthermore, it is important to take into account the lack of a decrease in the number of the members of the committee in a way that makes it unable to perform its work and duties efficiently and effectively. Therefore, the optimal number of the members of the audit committee ranges between three to five members and according to the conditions specified for this (Al-Momani, 2010, p. 248).

Quality of the Financial Performance

The quality of the financial performance is carried out after the execution of the accounting operations, as the detection of errors, fraud and the control of accounting data represents the main and essential duty of the audit committees, i.e. verification of the integrity of the records and data and the preservation of the organization's assets. As an inevitable result of the technological development of the function of Audit, it was considered as an evaluation activity and helping the administration in its judgment on how to implement the various

activities. Therefore, it became an effective means of advice and guidance for those who work in the establishment for developing and improving their performance as well as communicating information to the senior management and guidance by means and tools known through the documentary and technical audit (Al-Wardat, 2016, p. 28).

The quality of the financial performance is represented in the characteristics and the rules of the accounting information that must be adopted in order to assess the level of this quality. Determining the characteristics related to this information results in helping the officials to set the accounting standards and helping them in preparing the financial statements in the evaluation of this information (Al-Qadi, 2008, p. 116).

Focusing on the importance of the financial statements as a primary source of access to the accounting information necessary for the decision-making results in helping the external beneficiaries (shareholders, investors, etc.) make appropriate decisions regarding the recruitment of funds. To achieve this, it is important that the accounting information is characterized by a set of characteristics that represent the criteria through which their quality degree is determined. (Lotfi, 2015, p. 86).

XIII. Audit Committee and Controlling the Financial Performance

Auditing is mainly dependent on the public's confidence in presenting their services to all the parties that have an interest in the outcome of this profession. Despite the fact that there are many conflicts among the interests of different parties, the practitioners of this profession had to take into account the various interests of the parties using the accounting information to make appropriate economic decisions. The role of the audit committees was evident in achieving the quality of the financial and accounting performance as a necessary and a required purpose in terms of the inclusion of sufficient and appropriate information by the financial reports with the avoidance of misleading the users from different categories of the society (Al-Jaafari, 2016, p. 45).

The Audit Committee is one of the most important means and methods used by the department to verify the quality of the financial reports and it is one of the control rings since it continuously provides the department with information. The audit function has an important impact on improving the quality of the financial reports, as it enhances this process; through activities, the auditors increase credibility and justice and decrease the risks of the administrative and financial corruption. Furthermore, the audit committee is an important control mechanism within the company's structure, particularly in terms of ensuring the accuracy and integrity of the financial reports and preventing and detecting the cases of fraud (Archambeault, 2012, P: 8).

The researcher believes that the main function of the auditor is granting confidence to the financial reports and the information he prepares that is contributing to providing appropriate and reliable financial information to the users and protecting the users of this information from the possibility of manipulation by the management. This requires that the auditor has the confidence of others who rely on his opinion as a judge experienced in the equality of properly representing the financial statements. In order to achieve this goal, it is important that the external beneficiaries who rely on the reviewer's opinion trust his opinion and its importance. Therefore, the audit profession needs a set of audit criteria to give confidence in the work of the auditor so that its work can grant confidence to the financial statements prepared by the company's management. In other words, if the external beneficiaries are to rely on the work of the review profession, such profession must adhere to a set of objective criteria accepted and applied by all the members of the profession.

Data Analysis and Hypotheses Testing

1. Means and standard deviations of the items on the commitment to tasks and responsibilities

Table 1: Means and standard deviations of items relating to the commitment to tasks and responsibilities

No.	items	mean	Stand. Dev	degree	rank
1	Clarity of the functions and	3.76	.697	high	3

	responsibilities of the audit committees.				
2	Limiting the main task of the audit committees in supervision and controlling the tasks of accounting and auditing only	3.46	.676	medium	6
3	following up on the bank's compliance and commitment with the provisions of the applicable legislation and the requirements of the control agencies	3.86	.622	high	2
4	The Audit Committee is entitled to discuss any topics it deems important	3.71	.729	high	4
5	the Audit Committee has the right to use third parties experienced and knowledgeable in the problems facing the committee	3.96	.505	high	1
6	There is a certain and a written guide for the functions and responsibilities of the Audit Committee	3.60	.708	medium	5
Commitment to tasks and responsibilities		3.76	.689.	high	

Table 1 shows the answers of the members of the sample on the items concerning the variable of the commitment to tasks and responsibilities where their means and standard deviations ranged from (3.96) to (3.46). The item "the Audit Committee has the right to use third parties experienced and knowledgeable in the problems facing the committee" was ranked first by a mean of (3.96), which is higher than the general mean and the standard deviation was (.505). As for the item: "Limiting the main task of the audit committees in supervision and controlling the tasks of accounting and auditing only", it was placed in the final rank with a mean of (3.46), which is less than the general mean and the standard deviation was (.676).

The overall result indicates that the means and standard deviations of the items relating to the

variable of the commitment to tasks and responsibilities had a high degree, i.e. there is a clear definition of the powers, responsibilities and functions of the audit committee and a limitation to their core functions. Its functions and responsibilities are clear and written in a system or manual, under which it has the right to use third parties for the problems it faces, as well as to follow up on the bank's compliance with the provisions of the applicable legislation and the regulatory requirements.

2- Means and standard deviations of the items relating to the powers of the audit committees

Table 2: Means and standard deviations of the items relating to the powers of the audit committees

No.	items	mean	Stand. deviation	Sig. degree	rank
7	The Bank has detailed and clear instructions, rules and procedures for the Audit Committees for carrying out the tasks properly	3.77	.679	high	3
8	the members of the audit committees are given powers for all the financial and non-financial activities in the bank	3.47	.676	medium	5
9	the members of the Audit Committees are entitled to exercise their control impact on the tasks of the internal audit	3.87	.619	high	2
10	the members of the Audit Committees have the powers for carrying out the responsibilities and tasks required of them	3.75	.731	high	4
11	the members of the Audit Committees have the right to make decisions that ensure achieving the right performance of all the activities of the committee	3.98	.473	high	1
Audit Committee Powers		3.76	.731	high	

Table 2 shows the answers of the members of the study sample on the items relating to the variable of the powers of the audit committee. The means and standard deviations ranged from (3.98) to (3.472). The item "the members of the Audit Committees have the right to make decisions that ensure achieving the right performance of all the activities of the committee" was ranked first with a mean of (3.98), which is higher than the general mean and the standard deviation was (.473). However, the item "the members of the audit committees are given powers for all the financial and non-financial activities in the bank" was in the last place with a mean of (3.47) that is below the general mean, and a standard deviation of (.676). The overall result indicates that the means and standard deviations of the items relating to the

powers of the audit committee are at a high level, which means that the powers of the audit committee allow the members of the audit committee to make decisions that ensure the proper functioning of the activities and carry out the tasks efficiently and effectively. This is attributed to the fact that this requires granting the committee the powers qualifying it to carry out its responsibilities, and enabling it to practice its control effect on the internal and external audit work by accessing evidence and selecting samples.

3. Means and standard deviations of the items on the financial experience of the audit committees

Table 3: Means and standard deviations of items related to the financial experience of the audit committees

No.	items	mean	Stand. deviation	Sig. degree	rank
12	The members of the Audit Committee have sufficient scientific and practical experience in applying the international accounting standards.	3.86	.557	high	1
13	The members of the Audit Committee have the skill and qualifications in the financial and economic issues	3.79	.775	high	2
14	The members of the Audit Committee have sufficient knowledge and understanding of the bank's business and activities	3.77	.753	high	4
15	The members of the Audit Committee have a good and complete knowledge in the accounting work	3.78	.682	high	3
16	The members of the Audit Committee have the skill and qualifications in auditing	3.63	.792	medium	5
Financial experience of the Audit Committees		3.75	.733	high	

Table (3)

shows the answers of the members of the study sample regarding the items concerning the variable of the financial experience of the audit committees; the means and standard deviations ranged from (3.86) to (3.63). The item "the members of the audit committee have sufficient scientific and practical experience in applying the international accounting standards" was ranked first by a mean of 3.86, which is higher than the general mean, and a standard deviation of (.557). However, the item "the members of the audit committee have the skill and qualifications in auditing" was ranked final with a mean of (3.63), which is below the overall mean and a standard deviation of (.792).

The overall result indicates that the means and standard deviations of the items relating to the

variable of the financial experience of the audit committees are at a high level. This enhances the importance that the members of the audit committee must require sufficient scientific experience, skill and qualifications in the accounting, financial and auditing matters and in the application of the international accounting standards. Further, it is important that the members of the committee must have good and complete knowledge in the accounting work to raise and increase their practical efficiency.

4. Means and standard deviations of the items on the number of the members of the audit committees

Table 4: Means and standard deviations of items relating to the number of the members of the audit committees

No.	items	mean	Stand. deviation	Sig. degree	rank
17	There is a suitability between the number of the members of the audit committee and the tasks required from them	3.46	.676	medium	6
18	There is a combination of expertise and capabilities that are balanced with the size and quality of the tasks required of the audit committee members	3.86	.622	high	2
19	The number of the members of the audit committee is currently sufficient to help make sound and effective decisions	3.71	.729	high	4

20	The current number of the members of the Audit Committee makes it able to perform its work and tasks in an efficient and effective way	3.96	.505	high	1
21	The current number of the members of the audit committee helps make decisions in the right time	3.61	.715	medium	5
22	Increasing the number of the members of the audit committee would be better for the bank's audit work	3.86	.557	high	2
Number of audit committees' members		3.79	.725	high	

Table 4

shows the answers of the sample members on the items concerning the variable of the number of the members of the audit committees. The means and standard deviations ranged from (3.96) to (3.46). The item "the current number of the members of the audit committee makes it able to perform its work and tasks in an efficient and effective way" came in the first place with a mean of (3.96), which is higher than the general mean, and a standard deviation of (.505). However, the item "there is a suitability between the number of the members of the audit committee and the tasks required from them" came in the last place with a mean of (3.46), which is below the general mean, and a standard deviation of (.676).

The overall result indicates that the means and standard deviations of the items relating to the variable of the number of the members of the audit committees were at a high level. This means that determining the appropriate number of the members of the audit committee makes them able to perform its duties efficiently and effectively. Furthermore, the adequacy (appropriate number) of the number of the members of the audit committee will be better for the audit work at the bank and it works on the availability of a combination of expertise and capabilities and a balance with the size and quality of tasks required of the audit committee members.

5. Means and standard deviations of the items of the dependent variable: quality of the financial performance

Table 5: Means and standard deviations of the items of the quality of the financial performance

No.	items	mean	Stand. deviation	Sig. degree	Rank
23	The Audit Committee contributes to the commitment with the standards of the financial performance in its operating activities which works on generating profits from those activities	3.85	.764	high	2
24	The Audit Committees contribute to improve the bank's ability to depend on the one-time profits that may be outside the bank's main activity	3.78	.680	high	3
25	The Audit Committees contribute to improving the bank's financial policies followed in the bank that affect the quality of profits	3.53	.700	medium	4
26	the Audit Committees contribute to rationalizing decisions made based on the financial data	3.89	.617	high	1
Quality of the financial performance		3.72	.284	high	

Table 5

shows the respondents' responses to the items on the quality of the financial performance. The means and standard deviations ranged from (3.89) to (3.53). The item "the audit committees contribute to rationalizing decisions made based on the financial data" was in the first place with a mean of (3.89), which is higher than the general mean, and a standard deviation of (.617). however, the item "the audit committees contribute to improving the bank's financial policies followed in the bank that affect the quality of profits" was in the last place with a mean of (3.53) that is below the general mean, and a standard deviation of (.700).

The researcher believes that the audit committee is working to improve the bank's ability to generate profits continuously from its repeated operational activities. The audit committees further contribute to rationalizing the decisions made based on the financial information and they also contribute to the

compliance with the performance standards in their operational activities in order to work on generating profits continuously from these activities.

To test the hypothesis of the study, the Multiple Regression analysis was used to determine the impact of the work pillars of the audit committees under the governance represented in the (commitment to functions and responsibilities, the powers of the audit committees, the financial expertise of the audit committees, and the number of the audit committee members) on adjusting the quality of the financial performance in the Jordanian commercial banks. The results in table (6) show the following:

Table 6: Multiple Regression analysis of the impact of the work pillars of the audit committees in light of governance on controlling the quality of the financial performance in the Jordanian commercial banks

Independent Variable	Tablet .t	t. value	Table t. F	F. Value	R ²	Sig.	Statistical decision
The pillars of the work of the audit committees			3.84	53.76	.681	.000	hypothesis rejected
Commitment to tasks and responsibilities	1.671	5.17				.000	rejected
Powers of audit committees	1.671	2.56				.001	rejected
financial expertise of the audit committees	1.671	5.17				.000	rejected
Number of the members of audit committees	1.671	3.27				.000	

Table 6

shows the impact of the work pillars of the audit committees under the governance of the (commitment to functions and responsibilities, the powers of audit committees, the financial expertise of audit committees, and the number of audit committee members) on controlling the quality of the financial performance in the Jordanian commercial banks. The results of the statistical analysis showed a statistically significant impact for the audit committee's controls on the quality of the performance in the commercial banks listed on the Amman Stock Exchange from the point of view of the study sample; the correlation coefficient R was (.825) at sig. ($\alpha = 0.05$) while the R² selection factor was (.681), i.e. the value of (.681) of the quality of the financial performance in the commercial banks

is resulted from the variables of the work pillars of the audit committees. As for the impact of the work pillars of the audit committees individually on the quality of the financial performance, it was found that these pillars were morally influential in the quality of the financial performance.

The Results

It has been shown that there is a statistically significant impact for the work pillars of the audit committees in light of governance represented in (commitment to functions and responsibilities, the powers of the audit committees, the financial expertise of the audit committees, and the number of the audit committee members) on controlling the quality of the financial performance in the Jordanian commercial banks listed on the Amman market. It was found that the pillars of the audit committees contribute to improving the quality of

the financial performance, as it turns out that the pillars of the work of the audit committees contribute to the rationalization of decisions made based on the financial information and to adhere to the standards of the financial performance in their operating activities in order to generate profits continuously from such activities. The results also showed:

1. The means of the variable of the commitment to the tasks and responsibilities was at a high level, due to the fact it was found that the audit committee has the right to use experienced and knowledgeable third parties while solving the problems facing the committee and following up on the bank's compliance with the provisions of legislation and the requirements of the regulators.
2. The means of the variable of the powers of the audit committee was high since it was important that the members of the audit committee have the right to make decisions that ensure the proper functioning of all the activities of the committee, and exercising their control effect on the internal and external audit work.
3. The means of the variable of the audit committees' financial expertise was high where it was important that the members of the audit committee have sufficient scientific and practical experience in applying the international accounting standards and have the skill and qualifications in the financial and economic matters.
4. The means of the variable of determining the appropriate number of the members of the audit committee was high as it was important to have the proper and enough number of the members of the audit committee to enable them to perform their work and duties efficiently and effectively, with the need for a combination of expertise and capabilities and a balance with the size and quality of the tasks required of the members of the audit committee.

Recommendations

- 1- Emphasizing the importance of the banks' commitment to reporting on the effectiveness of the audit committees in their annual reports because of their clear impact on the quality of the financial performance and focusing on the work pillars of these committees in accordance with the rules and standards adopted in the current study so that they are able to perform its tasks efficiently and effectively.

2- Emphasizing the importance of adhering to the functions and responsibilities of the audit committee, highlighting its core task in supervising on the accounting and auditing work, and following up on the bank's compliance with the provisions of the applicable legislation and the requirements of the regulatory authorities.

3- Emphasizing the importance that the banks' boards of directors select the members of the audit committees relying on their competencies and experience, and taking into account the extent of compliance and commitment to carry out the tasks assigned to them, which will ensure that the work is carried out strictly by these committees.

4- Working on determining the appropriate number of the members of the audit committee for the tasks required of them because the number of the members of the audit committee makes them able to perform its work and duties efficiently and effectively and helps to make decisions in a timely manner.

5- The need to make the required efforts by the professional organizations to clarify the correct and accurate form of the pillars of the work of the audit committees through a method that can be used as an effective tool in sending the audit results and the auditor's opinion to the users of the financial reports.

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