

Corporate Governance Mechanisms and Audit Feature: Evidence from an Emerging Stock Market

Nashat Ali Almasria

College of Business, Accounting Department, Philadelphia University, Jordan
nalmasria@philadelphia.edu.jo

Abstract

This research examines the relationship between Ownership structure (involving Ownership concentration, foreign concentration, and intuitional concentration) and Board diversity through the board of directors' composition (involving CEO tenure, the size of the board, the composition of independent members, and diligence of the board) and audit features namely, audit fees. This has been addressed through secondary data which is proposed to be collected from the Jordanian companies' annual reports as financial and auditing data. The control variables are client size, leverage, business complexity, sales internationally, quality of audit (Big 4), audit risks, loss testing, and asset return. The study relationships are tested by using logistic regression. The findings illustrate that some aspects of governance mechanisms are vital in influencing audit fees. The outcomes showed a discouraging connection between CEO tenure and independent directors with audit fees. Moreover, the results showed there is a negative effect of CEO duality on audit fees. The results also revealed that there is a statistically significant impact on the board of directors (Diligence of the board) on the audit fees. The findings of this research show more than the role of corporate governance for audit fees and audit quality.

Keywords: Board diversity, Corporate Governance, Audit Fees, Ownership structure, Board Independence.