

# IMPACT OF CORPORATE GOVERNANCE ON THE QUALITY AND CREDIBILITY OF ACCOUNTING INFORMATION IN THE FINANCIAL STATEMENTS IN THE COMMERCIAL BANKS OF JORDAN

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## ABSTRACT

*The spread of administrative and financial corruption, which is known to many companies and banks, as well as the financial crises that affected almost every aspect of the economy in various countries around the world and whose consequences continue to this day, have sparked a surge in interest in corporate governance. As well as significant skepticism regarding the purpose of many major worldwide corporations pursuing mergers and acquisitions. Accounting took into account all of the aforesaid factors. Corporate governance has been used in several studies and research. Some accounting and financial innovations and procedures to cover its shortfall or to reassure stakeholders of its stability and continuation are required. This group of corporations, in collusion with audit firms, withheld and falsified information about their operational financial and investment performance, resulting in harm to elderly investors, financial markets, and state economies as a result, this study attempts to elucidate the influence of corporate governance on the accuracy of accounting information in financial reports. In order for it to become a reality discuss corporate governance's goals and principles. Lastly, we will discuss how it improves the quality of accounting information. These findings suggest that corporate governance's fundamental goal should be to reestablish confidence in accounting information and control over it through accountability and control. Improve the quality of this information by establishing and enforcing accounting and auditing standards, as well as by enhancing the roles of the external and internal auditor and audit committees.*

**Keywords:** Corporate Governance, Quality of Accounting Information, Credibility of Accounting Information Financial Reporting, Commercial Banks, Jordan.

## INTRODUCTION

Due to the economic catastrophes and financial crises that happened in several Middle Eastern and North African nations in the 1990s, corporate governance has become more popular in many established and emerging economies (Reinhart & Rogoff, 2008). The recent financial and accounting failures of several US firms in 2009 are another example. One of the primary causes was the absence of complete disclosure of information needed by many consumers of financial reports in many firms' financial reports. Globalization and the internationalization of the money market have a particular impact on stock market investors (beljoudi & Samiha, 2017).

They've prompted a lot of nations to think about ways to safeguard investors from boardroom blunders, as well as pay greater attention to the role corporate governance plays in ensuring compliance with regulations and recruiting investments to boost economies (Roe,

2005). Set up the board of directors, executive directors, investors and stakeholders in a transparent manner by creating specific foundations. As a result, future financial collapses will be prevented (Saleh & Bista, 2017).

This is why Al-panel Aidi's of economists, analysts, and experts discussed the impact of corporate governance on establishing disclosure and transparency standards in financial statements so that these lists can be used as a primary source for obtaining the information necessary to make various decisions, whether they are operational or strategic in nature (Hammoud and Al-karaawi, 2019). This tool helps ensure efficient management, better use of resources, and achievement of goals through the use of governance for banks Hamza Hussein al-Abbas, & Mustafa Najm al-Bashir. (2012).

Investors, boards of directors, bank executives, shareholders and others are encouraged to work together to improve the quality and reliability of accounting information in the financial statements (Gebba, 2015). For commercial banks, the long-term goal is to maximize investment volume. Improving commercial bank performance and rationalizing their decision-making are two ways to achieve this goal For example; banks must devise incentives and processes that satisfy their needs and those of other commercial institutions. To achieve openness, integrity and credibility in accounting information, as well as improve the information content of financial statements and provide important information for decision-making, corporate governance has become a vital component. Accordingly, the following questions are posed in order to define the search problem.

What is the application of corporate governance to the quality and credibility of accounting information in the financial statements of commercial banks except Jordan?

However, there was a significant gap in this analysis about the extent to which corporate governance had a role in the accounting disclosures of commercial banks on the stock markets in this study (Al-Chahadah et al., 2018). Improvements in accounting information quality, as well as a better understanding of corporate governance rules that impact a Jordanian commercial bank's financial statements. Furthermore, the audit committee's comment on enhancing corporate governance and enhancing confidence in commercial banks' financial reports in terms of accounting information quality is noteworthy (Al-Attar, 2021). The goal of Hamdaoui's (2020) study was to provide light on the influence of corporate governance on the accuracy of accounting information in Biskra banks, and the research was carried out in Jordanian commercial banks Abdul Wahab Musa al-Jali. (2010).

The Jordanian commercial banks are devoted to the implementation of good corporate governance principles. The financial statements issued by Jordanian commercial banks include accurate accounting information. Jordanian commercial banks use governance to improve their overall performance and rationalize their actions. In addition, the use of governance in commercial banks contributes to the improvement of the matter's fundamental principles.

## IMPORTANCE OF RESEARCH

The significance of this research in the rising tendency of many organizations and institutions of all sorts, whether at the world, regional, or local level, stems from the introduction of governance concepts, principles, and processes. As an attempt to prevent difficulties that may lead to the collapse of many large corporations in other nations (Al-Alamein. 2016). Corporate governance has evolved into the foundation for establishing transparency in order to protect the interests of the parties engaged in the firm and, as a result, the economy and society as a whole.

It also follows the general trend of many nations in establishing independent governance organizations to supervise the implementation of governance principles in response to OECD guidelines. Let us highlight the trend and rising growth in the Applied Studies of the idea of governance among people interested in Accounting, Economics, Finance, and Management (Olssen & Peters, 2005).

## OBJECTIVES OF RESEARCH

The following goals are being pursued by this research:

- 1 The influence of corporate governance on Jordanian commercial banks' financial statements in terms of improving accounting information quality (Al-Beshtawi et al, 2014).
- 2 Attempt to determine the consequences of financial statement governance in Jordanian commercial banks on improving the quality features of accounting information. This was accomplished through corporate governance (Orazalin, 2019).

## HYPOTHESES

*H<sub>1</sub>: Jordanian commercial banks have a significant impact on corporate governance.*

*H<sub>2</sub>: Accounting information has a significant impact on financial statements in Jordanian commercial banks.*

*H<sub>3</sub>: Corporate governance has a significant impact on the performance of Jordanian commercial banks.*

## LITERATURE REVIEW

Various investigations and research in the contemporary period linked with labeling and accounting do not discover the frequently used word governance. However, due to the occurrence of recurrent financial crises, the bankruptcy of many firms, and the development of financial scandals in the financial and commercial communities, this newest issue has lately become an attractive topic (Mahmood et al., 2018). On the other hand, when it is utilized to intervene in the economic problems of governments under various labels, it is extremely worrisome. Reform initiatives, reorganization plans, money laundering, bribery, and corruption, to name a few (al-Hussein & al-Bashir, 2012). What sets government apart is. First and foremost, she is more concerned with the individual than with activities (Friend & Jessop, 2013). The more the department's capacity to surround the different sources of risk and hazards connected with the decision-making process, the more institutions, whatever their type, have the correct number of employees with a high level of qualifications, skills, competences, and good conduct. Second, its rules extending guidelines are primarily concerned with addressing questions in the form of how, when, and why in relation to numerous circumstances influencing various areas of governance (Al-Naami, & Ali, 2013).

Many international organizations have been eager to approach corporate governance with research and study as a result of the rising interest in the topic. These institutions are overseen by the International Monetary Fund and the World Bank (Van Greuning & Bratanovic, 2020). The Organization for Economic Cooperation and Development (OECD), which promulgated the principles of governance in 1999 to assist both member states and non-OECD members in developing the legal and institutional framework for the application of governance in both public and private companies, whether traded or not, to strengthen corporate governance, to ensure the efficacy of capital market (Beljodi & Samiha, 2017). The accounting system's end result is

accounting information. It assists a wide range of users, both within and outside the institution, in making various financial decisions. Accounting information must have numerous traits and attributes that make it valuable information in order for these judgments to be reasonable and sound (aqari, 2013). Economic activity creates a demand for accounting information, which is intended to ease the worry of its users, notably decision makers while compiling financial statements in commercial institutions (Janvrin et al., 2014). It's also a way to educate them. Or, it enhances previous awareness of future events. Or, you may lower the contrast in the selections by decreasing the size of the contrast. Unsuccessful management choices and planning, control, and performance evaluation are often caused by a lack of accurate information Navigator and Raziqa (2018). The department requires information in all parts of its operations. Accounting information has become increasingly important in recent years (beljoudi & Samiha, 2017).

Corporate governance and financial listings are related when its principles are properly applied. Consequently, profit rates might be increased (Ross & Williams, 2012). Accountant credibility and fairness in financial accounts reflecting bank activities and administration are necessary, though. It is a management accounting used by accountants to indicate the institution's result or financial position for the past financial period or projected results and financial position for the future financial period (Crowe et al, 2013).

Zuheba (2017) began its investigation by looking at the causes of large company financial collapses, which were caused by poor decision-making based on gaps in accounting information derived from financial statements, as well as low investor confidence, which resulted in an increased need for financial reports characterized by quality disclosure, transparency, and reliability to assess the financial health of the company. Governance and financial reporting are two aspects of a single process that influence and are affected by each other. The financial statements of a company are one of the most important components needed to make economic decisions, and they are provided to the board of directors so they can make such decisions. However, despite the study's effectiveness, the study's main concern was the harmful impact of low-quality external audit reports on accounting transparency and corporate governance. There was a focus on how to build confidence and quality support for external audit reports in the research. A major goal of the study was to determine if the quality of external audit reports had an influence on accounting disclosure as well as corporate governance. It also intended to offer techniques, procedures, and means that might improve accounting disclosure and corporate governance.

In Al-Jali (2010), the problem was how to effectively apply corporate governance through accounting disclosure, as well as the benefits of doing so in terms of improving the quality of accounting information, as well as the expected benefits of applying corporate governance in Khartoum's stock market and its impact on determining the fair price of shares, according to Al-Jali. the problem of the study was to determine the extent to which Khartoum Stock Exchange Public Joint Stock Companies apply the rules and mechanisms of governance of internationally recognized companies, as well as whether there is a kind of these The practical practice of governance and its impact on market efficiency. The Hayek Analyze, published in 2016, sought to present corporate governance, including its principles and objectives, as well as its role in enhancing government institutions' ability to optimize economic resources, reduce risks, and study them (Maram Farid, 2019).

## METHODOLOGY

The methodology varies depending on the type of study and its objectives, fields, and tools, with the current study relying on the analytical descriptive method, which describes the reality or phenomenon in a quantitative or qualitative way, with the qualitative expression describing and explaining the characteristics of the phenomenon, and the quantitative expression describing and explaining the characteristics of the phenomenon (Salkind, 2019).

### Population and sampling

The study community consisted of accountants and auditors within the financial Department of the General Administration of Jordanian commercial banks and the number of (13) banks according to (banking sector guide–Central Bank of Jordan, 2021) and after the determination of the study community the study tool was distributed in the method of Stratified Random Sample (Stratified Random Sample) on (10) of Jordanian commercial banks share of each bank (20) the number of valid questionnaires for statistical analysis was 147.

### Research Design

A research design is a strategy for gathering, analyzing, and interpreting quantitative data in order to answer study questions (Sekaran & Bougie, 2016). Provides training research design for crisis response to the study site and evaluates suggested and current theories (Silver & Stevens, 2012). This study relied on a survey of a select sample of Jordanian commercial banks. The questionnaires in the sample group were used to distribute the data for the research variable. In general, questionnaires are used to collect large amounts of quantitative information. They can be directly managed, disseminated via electronic methods, or participants can be polled. In general, surveys are inexpensive and time-consuming (Sekaran & Bougie, 2016).

### Data Collection, Measures and instrumentation

For the analysis phase and after choosing the study type, the researcher agrees on the data collection techniques to use. The data collection process differs depending on the research design type. Closed questions, such as those seen on a multi-choice test, were the most common type of question used in the questionnaire. Because closed-ended questions have fewer variations in the responses than open-ended questions, participants find it simpler and faster to complete them, and coding of answers for research is more successful. All of the items are closed-ended inquiries. In past investigations, some researchers utilized a seven-point Likert scale. Using a five-point Likert scale, responses to these issues varied from "1" (completely disagree) to "5" (absolutely agree) in this sample. The five-point scale, according to Sekaran and Bougie (2016), is as effective as any other, and increasing from 5 to 7 or 9 points does not improve the consistency of ratings. Additionally, adopting the same scale for all questions makes it easier for participants to complete the survey and researchers to evaluate the results (Hair, Black, Babin, & Anderson, 2010).

## TESTS AND DISCUSSIONS

### Stability of the study tool

Cronbach's Alpha coefficient was used to measure the consistency of the internal consistency of the study paragraphs, the results of which are shown in Table 1.

Hypothesis	First	Second	Third	Fourth	Total dexIn
Alpha Cronbach	10	7	13	9	39
.Paragraphs no	83.1	80.3	84	80.4	91.6

Table 1 shows that the value of the internal consistency coefficient (Cronbach Alpha) for the paragraphs of the study instrument ranged from (80.3% -84%) and a degree of stability reached (91.6%) for all paragraphs, where (Sekaran & Bougie, 2020) indicated that the minimum stability coefficient (Cronbach Alpha) is (0.70) and the closer the value to (1) one, i.e. 100%, this indicates higher stability degrees for the study instrument. All internal consistency coefficients given in the table above are an excellent indicator of the stability and reliability of the study tool in statistical analysis (Subedi, 2016).

### Test Natural Distribution

This test is used to measure the uniformity of the distribution, the value outside the range ( $\pm 1$ ) indicates that the distribution is highly skewed, the kurtosis value is extracted, and the distribution is normal if the kurtosis value does not exceed  $\pm 2.58$  (at 0.01) and  $\pm 1.96$  (at 0.05) (Cooper & Schindler, 2014).

Hypothesis	First	Second	Third	Fourth
Skewness	0.141	0.217	0.065	-0.040
Kurtosis	-0.111	-0.702	-0.592	-0.220

Based on the test data shown in Table (2) illustrated that the distribution of data was normal, it didn't fall values (Skewness) out of range ( $\pm 1$ ) and did not exceed the value of (Kurtosis) ( $\pm 1.96$ ) at the level (0.05) Maryam Hammoud and Hassan al-karaawi. (2019).

### Descriptive statistics of study tool paragraphs

The degree of relative approval was determined according to the following equation: the length of the category = upper limit of the alternative - lower limit of the alternative / number of levels =  $5 - 1 / 3 = 1.33$  if the arithmetic mean between (1-2.33) is considered within the low level, and if it ranged between (2.34-3.66) falls within the average level, and if 2016). The results of the descriptive analysis of the study variables were as follows:

Description of the responses of the sample members towards (the extent to which Jordanian commercial banks are committed to applying the rules of governance in their financial business):

Table 3 shows the arithmetic mean, the standard deviation, the relative weight, the degree of approval and the grade of the respondents' answers towards (the extent to which Jordanian commercial banks adhere to the rules of governance in their financial business), which was measured based on (10) paragraphs.

S.no	Paragraph	Arithmetic mean	Standard deviation	Relative weight	Agreement degree	Rank
1	The legal and regulatory requirements of governance are in line with the provisions of the law and are transparent	3.93	0.755	78.6	High	9
2	The application of governance principles determines the duties and powers of each bank official accurately for the purposes of accountability	4.02	0.763	80.4	High	4
3	The bank's audit tool does its duty, in an objective manner, which contributes to achieving governance requirements	4.01	0.798	80.2	High	6
4	The Board of Directors selects officials on the basis of expertise and technical skills taking into account the public interest	4.03	0.78	80.6	High	2
5	The external auditor provides objective confirmation to the Board of Directors and shareholders that the financial statements represent the fairness of the financial position and the performance of the company	3.94	0.761	78.8	High	8
6	The Bank's management provides transparency and efficiency in financial statements	4.01	0.749	80.2	High	5
7	In its meetings, the Board of Directors is committed to the completion of the quorum when making its decisions, allowing transparency in the management of the company to be extinguished.	4.04	0.793	80.8	High	1
8	The Bank's management is working to apply governance rules to maintain a high level of	3.92	0.798	78.4	High	10

	quality and disclosure of accounting information					
9	The Bank's management constantly seeks to develop regulations and laws according to the requirements of the times.	3.96	0.784	79.2	High	7
10	Governance demonstrates the bank's role and responsibilities towards community service.	4.02	0.806	80.4	High	3
Total index		3.99	0.49	%79.80	High	

We note from Table (3) that the overall index achieved an average of (3.99), and a standard deviation of (0.490), which indicates that the trends of the sample members towards (the commitment of Jordanian commercial banks to apply the rules of governance in their financial business) came within the high level. Paragraph (7), which states "the board of Directors shall comply at its meetings with the completion of a quorum when taking its decisions, which allows to extinguish transparency in the conduct of the company" achieved the first place with an average calculation (4.04) and a standard deviation (0.793) and a high degree, while paragraph (8) achieved the last place, which states "the management of the bank elevated.

Description of the answers of the sample members towards (accounting information in the financial statements prepared by Jordanian commercial banks is characterized by credibility and transparency in their financial statements):

Table 4 shows the arithmetic mean, the standard deviation, the relative weight, the degree of approval and the grade of the respondents' answers towards (the accounting information in the financial statements prepared by Jordanian commercial banks is characterized by credibility, transparency and clarity in their financial statements), which was measured based on (7) paragraphs.

S. no	Paragraph	Arithmetic mean	Standard deviation	Relative weight	Agreement degree	Rank
11	The Bank's management is keen to implement governance because it provides highly effective financial information capable of achieving the bank's and investor's objectives.	3.98	0.754	79.6	High	2
12	The Bank's management seeks to implement financial and accounting mechanisms and systems that contribute to providing financial information reflecting the bank's economic realities.	3.84	0.768	76.8	High	7
13	Provides an effective control system that allows for the provision of financial information appropriate to the credibility of financial statements	3.93	0.768	78.6	High	5
14	The Bank is keen to provide financial information that reduces uncertainties in the credibility of financial statements	3.97	0.806	79.4	High	4
15	The Bank's management provides elements of confidence in financial information, taking into	3.99	0.844	79.8	High	1

	account impartiality, honesty of expression and vulnerability.					
16	Effective governance has led to the satisfaction of users of financial information in the search for specific characteristics in financial statements	3.88	0.815	77.6	High	6
17	The Bank's management effectively uses its website to enhance disclosure and transparency and provide appropriate decision-making information	3.97	0.847	79.4	High	3
Total index		3.93	0.543	%78.60	High	

Note from Table (4) that the index has achieved a centre of calculation (3.93), one discover the standard capacity (0.543), which suggests that the direction of the study sample towards the (marked by the accounting information in the financial statements credibility, transparency and clarity by commercial banks of Jordan) came within the expected level. Paragraph (15), which states "the bank's management works to provide the elements of confidence in financial information, including the observance of impartiality, truthfulness and verifiability" achieved the first place with an average calculation (3.99) and a standard deviation (0.844) and a high degree, while paragraph (12) achieved the last place, which states "the bank's management seeks to apply financial and accounting mechanisms and systems and to a high degree Hasson and Al-Zubaidi (2014).

Description of the answers of the sample members towards (application of governance in Jordanian commercial banks improves their overall performance):

Table (5) shows the arithmetic mean, the standard deviation, the relative weight, the degree of approval and the rank of the respondents' answers towards (the application of governance in Jordanian commercial banks improve their overall performance), which was measured based on (13) paragraphs.

<b>P. no</b>	<b>Paragraph</b>	<b>Arithmetic mean</b>	<b>Standard deviation</b>	<b>Relative weight</b>	<b>Agreement degree</b>	<b>Rank</b>
18	There's a performance appraisal system.	3.8	0.833	76	High	12
19	Performance evaluation results are studied and analysed	3.82	0.768	76.4	High	9
20	Complaints are treated seriously and realistically	3.9	0.779	78	High	7
21	There are channels for the dissemination of adequate, timely and fair information to all relevant parties	3.9	0.756	78	High	8
22	The Board's keenness to disclose increases the reliability of the financial information presented in the financial statements	4.07	0.741	81.4	High	4
23	The company discloses fundamental changes in property rights	4.14	0.619	82.8	High	2
24	The system explains the duties and responsibilities of each job and the decision-maker	4.15	0.706	83	High	1
25	The Bank's management provides the financial reports and accounting information needed to make comparisons and better assess performance.	4.12	0.707	82.4	High	3
26	Performance evaluation standards increase	3.81	0.779	76.2	High	11

	employee confidence					
27	The components of financial statements are clearly disclosed	3.81	0.77	76.2	High	10
28	The Bank's management is committed to disclosing financial information in accordance with international financial accounting and reporting standards.	3.77	0.642	75.4	High	13
29	Information provided by bank employees helps to make the right decision	3.91	0.74	78.2	High	6
30	Management is verified to set sufficient standards to verify the achievement of the objectives	4	0.749	80	High	5
Total index		3.94	0.433	%78.80	High	

We note from Table 5 that the overall index achieved an arithmetic average (3.94), with a standard deviation of (0.433), which indicates that the trends of the sample members towards (the application of governance in Jordanian commercial banks improve their overall performance) came within the high level. Paragraph (24), which states "the system clarifies the duties and responsibilities of each post and the decision-maker", achieved the first place with an average calculation (4.15) and a standard deviation (0.706) and a high degree, while paragraph (28) achieved the last place, which states "the bank management is obliged to disclose financial information in accordance with international financial accounting and reporting standards" with an average calculation (3.77) and a standard deviation (0.642) and a high degree.

Description of the answers of the sample members towards (the application of governance in Jordanian commercial banks helps to improve the principle of the issue):

Table 6 shows the arithmetic mean, the standard deviation, the relative weight, the degree of approval and the rank of the respondents' answers towards (the application of governance in Jordanian commercial banks helps to improve the principle of the issue), which was measured based on (9) paragraph.

<b>Table 6</b>						
<b>ARITHMETIC MEAN, STANDARD DEVIATION, RANK, RELATIVE WEIGHT AND DEGREE OF APPROVAL FOR PARAGRAPHS OF THE FOURTH HYPOTHESIS</b>						
<b>P.no</b>	<b>Paragraph</b>	<b>Arithmetic mean</b>	<b>Standard deviation</b>	<b>Relative weight</b>	<b>Agreement degree</b>	<b>Rank</b>
31	Effective management performance and organizational accountability are verified	3.99	0.712	79.8	High	7
32	Targets are set for commercial bank policies	4.07	0.737	81.4	High	4
33	Various accounting changes and their effects on financial statements are disclosed.	4	0.712	80	High	6
34	Administrative councils act as a single unit without any member or group controlling the Council	4.01	0.745	80.2	High	5
35	Weak financial resources negatively affect the application of regulations and laws	3.9	0.783	78	High	8
36	Supporting senior management helps raise the level of disclosure and transparency in financial reports.	4.07	0.75	81.4	High	3
37	Human and financial resources are used efficiently	4.37	0.695	87.4	High	1
38	Complaints are treated seriously and realistically	3.85	0.725	77	High	9
39	Banks have their own financial resources and invest positively in the application of regulations and laws	4.13	0.665	82.6	High	2
Total index		4.04	0.453	%80.80	High	

We note from Table (6) that the overall index achieved an arithmetic average (4.04), with a standard deviation of (0.453), which indicates that the trends of the sample members towards (the application of governance in Jordanian commercial banks helps to improve the principle of the issue) came within the high level. The achieved paragraph (37), which provides that "the use of human and financial resources efficiently" ranked first with an average of my account (4.37) one discover standard (0.695) and high, while paragraph (38) ranked last which reads "is to deal with complaints seriously and realistic" average My Account (3.85) per discover standard (0.725) and elevated.

## FINDINGS

This part of the study aims to test the hypotheses of the study where it was subjected to a test (One sample T-Test), the results of which were as shown in Table (7).

<b>Table 7</b>				
<b>T-TEST RESULTS FOR STUDY HYPOTHESES</b>				
<b>T Calculated</b>	<b>Tabulated T</b>	<b>T. SIG</b>	<b>(Degree of freedom (DF)</b>	<b>(Result(Ha</b>
24.438	1.96	*0.00	146	Accepted
20.889	1.96	*0.00	146	Accepted
26.304	1.96	*0.00	146	Accepted
27.94	1.96	*0.00	146	Accepted
Significant at $(0.05 \geq \alpha)$				

Table (7) shows the results of the test of hypotheses, which came as follows:

First hypothesis test result: The first hypothesis states that "Jordanian commercial banks are committed to the application of corporate governance", it is clear from the table above that Jordanian commercial banks are committed to the application of corporate governance, through the level of significance (Sig=0.00), which is less than (0.05) and also through the calculated and equal value (T) (24.438), which is greater than its tabular and equal value (1.96), which represents the

Second hypothesis test result: The second hypothesis states that "the accounting information in the financial statements prepared by Jordanian commercial banks is characterized by credibility, transparency and clarity in their financial statements", it is clear from the table above that the accounting information in the financial statements prepared by Jordanian commercial banks is characterized by credibility, transparency and clarity, through the level of significance of (Sig=0.00), which is less than (0.05).

Third hypothesis test result: The third hypothesis states that "the application of governance in Jordanian commercial banks improves overall performance and rationalizes decisions for them". the table above shows that the application of governance principles improves overall performance and rationalizes decisions in Jordanian commercial banks, through the level of significance (Sig=0.00), which is less than (0.05) and also through the calculated and equal value (T) (26.304), which is greater than its tabular and equal value (1.96), which represents the moral of this model at one degree of freedom.

Various studies have shown that the introduction of audit committees within firms and banks will improve the accuracy of accounting information in financial reports published by organizations. Investors and other external parties who base their decisions on financial reports will be more confident if there is an independent committee overseeing the preparation of

financial reports, strengthening the independence and role of the external and internal auditor, and ensuring compliance with the principles of governance. A number of stock exchanges have mandated that commercial banks listed on the ASE include a report in their financial reports in order to improve the quality and reliability of the information contained. On the basis of the foregoing, it can be concluded that the banks' commitment to adopting governance enhances the quality of accounting information published by these firms in their financial reports whose conclusions in these papers were based on growing money's faith in markets, especially financial markets. A long-term finance source is thus made possible for the firm as a result of this. Achieve the interests of the company's shareholders and other stakeholders.

### **PRACTICAL IMPLICATION**

Because of increased competition in banking operations and the benefits of privatization for clients, more attention is being focused on commercial banks. As a result, we feel that this research corporate governance on the quality and trustworthiness of accounting information suppliers may be included in Jordanian commercial banks' financial statements (Alicino et al., 2015). The findings of the study can be utilized to improve corporate governance's moral effect. This research can make a little contribution or provide a comprehensive insight into how banks in developed and developing nations might improve and attain corporate governance. It could be beneficial for the banks if this study has some impact on the quality and trustworthiness of accounting information provided by commercial banks. Jordanian commercial banks should focus on a substantial quality and credibility of accounting information that results in genuine financial statements, as this would have a beneficial influence on the banks' financial statements (Tamimi & Obeidat, 2012).

### **THEORETICAL CONTRIBUTION**

This study makes a theoretical contribution by proposing a corporate governance model for Jordanian commercial banks in order to improve the quality and reliability of accounting information in financial statements. It was also put to the test and measured over time (Al-Tamimi et al., 2013). Furthermore, the study emphasizes the relevance of every element that might lead to genuine financial statements in terms of quality and trustworthiness of accounting information. Finally, theoretically, the study adds to a lot of future research by allowing someone to come up with fresh accounting information that is of higher quality and trustworthiness, resulting in genuine financial statement sustainability (Zubaidi et al., 2014).

### **CONCLUION**

This paper highlighted the importance of corporate governance in recent times, especially after the financial collapses witnessed by many companies, the main causes of which were manipulation and fraud in financial reports. The focus was on discussing issues and topics related to corporate governance and the role it plays in improving the quality of accounting information. Finally, a series of conclusions were reached, summarized in the following: The commitment to apply the principles of corporate governance leads to greater disclosure and transparency in the preparation of corporate financial reports. Corporate governance mechanisms play a role in improving the quality of accounting information by supporting the functions of

both internal auditor, audit committee and external auditor. The application of corporate governance will enhance the confidence of investors and traders in the financial markets.

In light of the above, we recommend the following:

The importance of professional organizations and stakeholders working together to highlight the significance of corporate governance in increasing the credibility of financial reporting.

This enhances the accuracy of the accounting data included inside. The necessity for securities market authorities to activate the corporate governance regulation and set adequate measures to assure its compliance, particularly in Arab nations.

Conducting further research and studies in the subject of corporate governance, whether it's to improve the quality of financial reports, increase disclosure and openness, or restore trust in accounting data in other ways.

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