



## The Board of Directors Characteristics and Timeliness of Annual Financial Reporting for Jordanian Commercial Banks

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### Abstract

This study aims at investigating the relationship between the board of directors' characteristics, such as (the board of directors' size, board of directors' meetings, board of directors' independency, and the academic qualification for its members), and the timeliness of issuance of annual financial reports in Jordanian banks. The study adopted descriptive analytical approach whereas the population of the study in overall Jordanian banks achieved 16 banks during the study period between 2010-2017 i.e. this study lasted eight years while the number of viewers reached 128 viewer. A number of statistical methods for data analysis were used such as descriptive statistics (mean, standard deviation, maximum values and minimum values), and logistic regression analysis was used in testing study hypothesis. The findings revealed the compliance of Jordanian banks within the required timetable Securities Commission was intermediate. Also, there is a positive relationship between the board of directors' size, the board of directors' independency and the timeliness of issuance of annual financial reports. In addition, there is no relationship between the board of directors' independency, the academic qualification for its members, and the timeliness of issuance of annual financial reports.

**Keywords:** Timeliness; Board of directors characteristics; Annual financial reports; Jordanian commercial banks.



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### 1. Introduction

Annual financial reports are considered as a mean for board of directors to achieve the responsibility to supervise on shareholder's equity. These reports play an important role in reaching the information to users, but preparing them might take a long time which may result in the delay in issuing these reports which, in turn, the financial reports will be inappropriate for decision-making process. In fact, timeliness is regarded as one of the qualitative defined characteristics for financial information due to its compatibility with accounting information (Oladipupo and Izedomi, 2013).

The investors are claiming for more related financial information at a proper time due to the increase of business operations and investment community in order to enable them to take a resolution related with continuity, commitment with allocating their capitals in a particular company, or selling their shares. Accordingly, financial information within a short period of time, otherwise financial information loses its ability in influencing financial decisions (Ha and Phuong, 2018; Vuran and Adilogu, 2013). It is also worth mentioning that its importance in corporate governance due to its correlation with transparency i.e. if investors do not obtain financial information in due time, financial information will reduce its advantage, appropriateness, reliability. All of which will lead financial information to lose its transparency which impact on investor's confidence in the safety of their investment and the performance of the BOD (Abdullah, 2007). Also, Hui *et al.* (2008) pointed out that board of directors has the motives which impact on investors' resolutions by choosing the timeliness of issuance of annual financial reports.

Bank sectors in any country is considered one of the primary pillars since the majority of corporations and individuals have to deal with this sector by investing in its stocks, depositing, or any other service provided by bank. Therefore, providing financial and non-financial information related with the activities of this sector is regarded one of the most infrastructure for taking various decisions. The timeliness of issuance annual financial reports concerning the establishment is associated with the legislations, rules, and provisions issued from legislative and regulatory agencies in the country (Younes, 2011). The governing time concerning the issuance of annual financial reports in Jordanian banks by Jordan bank law, security and exchange commission in Amman, Jordan companies law. This study adopted securities act No. (18) for the year (2017) in which provisions of Article No. (1/A/34) stated that "Each issuer should provide annual report for agency which includes financial data that are audited by legal auditor during ninety days at the closing of financial year" (security commission, p.22, [www.jsc.gov.jo](http://www.jsc.gov.jo)).

Based on the foregoing, this study aims at examining the relationship between the characteristics of board of directors that are represented in its size, its independency, the academic qualification for its members, the BMEET (the timeliness of issuance of annual financial reports in Jordanian banks. For this objective, this study was divided into four sections: the first section presents review of related literature, the second section presents the hypotheses, third section presents methods and procedures, and the last section presents discussions of the study findings.

## 2. Literature Review

This section presents related studies with the characteristics of BOD and the timeliness of issuance financial reports. In this regard, [Mouna and Anis \(2013\)](#) conducted a study on Tunisia. The sample consisted of 33 listed companies in Tunisia stock exchange. This study aimed at investigating the relationship between corporate governance that are represented in the following variables: BINDE, the BSIZE, the BEXSCI is a combination between BOD position, the chief executive officer CEO and the timeliness of issuance of annual financial reports. The findings revealed the inverse relationship between the position of BOD, CEO and the timeliness of issuance of annual financial reports. On the other hand, there is no inverse relationship between BINDE, the BSIZE and the timeliness of issuance of annual financial reports.

Similarly, [Appah and Emeh \(2013\)](#) conducted this study in Niagara. The sample consisted of (188) listed companies in Nigerian Stock Exchange. This study aimed at examining the relationship between the corporate governance structure that are represented in (BINDE, BEXSCI, the BMEET, CEO duality) and the timeliness of issuance annual financial reports for listed companies in Nigerian stock exchange. The findings showed the weak relationship between (BMEET, CEO duality) and the timeliness of issuance annual financial reports.

Also, [Al- Daoud et al. \(2014\)](#) carried out a study on Jordan. The sample consisted of (114) industrial and service companies in Amman Stock Exchange. Such study aimed at pinpointing the impact of the characteristics of BOD such as BSIZE and the BINDE on the timeliness of issuance of annual financial reports. The findings showed that companies need more than two months to produce their annual reports. Also, the more external auditors in companies express a qualified opinion on reports, the more companies become able to produce annual reports more promptly than other companies. In addition, the less the BSIZE, the more companies become able to produce their annual reports more promptly.

Furthermore, [Eslami et al. \(2015\)](#) performed a study in Iran. The sample contained (80) listed companies in Tehran Stock Exchange. This study aimed at investigating the impact of internal corporate governance on the following variables, namely the BSIZE, BIND, BMEET, and CEO duality on the timeliness of issuance of annual financial reports in listed companies in Tehran Stock Exchange. The findings revealed statistical significant differences between the BINDE, the BSIZE, the BEXSCI, CEO duality, and the timeliness of issuance of annual financial reports.

Moreover, [Al- Daoud et al. \(2015\)](#) study has taken a place in Amman on (114) industrial and service listed companies in Amman Stock Exchange. This study aimed at detecting the impact of internal corporate governance mechanisms on the following variables: BINDE, the BSIZE, the combination between BOD position and CEO, the financial board of directors' experience on the submission of annual financial reports in Jordanian companies. The findings of the study revealed that companies which do not have BOD are autonomous, take an extremely short period of time in preparing their financial reports, the companies which separate between BOE position and CEO are faster in publishing their financial reports. Also, the more managers hold a lot of meetings, the less auditor's report. There is no impact of BEXSCI on the timeliness of auditor's report or management. In addition, the study deduced that the good structure of corporate governance plays an important role in improving the quality of financial reports.

Also, [Garkaza et al. \(2016\)](#) study has taken a place in Iran. The sample consisted of (107) non-financial listed companies in Tehran Stock Exchange. This study sheds the lights on the impact of the characteristics of BOD that are represented in the following variables: the BINDE and the BSIZE on the submission of annual financial reports for listed company in Tehran Stock Exchange. The findings showed a positive impact of the BSIZE and the independency of the council on the submission of annual financial reports for listed companies in Tehran Stock Exchange.

In the same [Ahmed and Che-Ahmad, 2016](#)) conducted this study in Nigeria on (14) listed banks in Nigerian Stock Exchange. This study concentrated on revealing the impact of corporate governance that are represented in the following variables: the BSIZE, the BMEET, the committees of BOD, the gender of BOD, the lateness of auditors' report. There is no statistically significant differences in the size of auditing committee, the size of risk management committee, the BEXSCI and the lateness of auditors' report.

Likewise, [Basuony et al. \(2016\)](#) conducted a study in the Middle East. The sample consisted of (201) non-financial company listed in Stock Exchange. This study aimed at demonstrating the impact of the characteristics of BOD that are represented in its size, its independency, its ownership, and CEO duality on the lateness of auditors' report. The findings revealed significant impact of the BSIZE, BINDE, CEO duality, BOD ownership on the lateness of auditors' report.

Also, [Shafiy \(2016\)](#) study has taken a place in Malaysia. The sample contained (95) listed companies in Malaysia Stock Exchange. This study aimed at examining the relationship between both the mechanisms and the characteristics of corporate governance that are represented in the following variables: the BINDE, the BEXSCI, CEO duality and the timeliness of publication of companies' financial reports via internet. The findings revealed a strong negative correlation between the BINDE and the timeliness of the publication of companies' financial reports via internet. There is a positive relationship between BEXSCI and the timeliness of the publication of companies' financial reports via internet. However, there is no relationship between the size of company, CEO duality, and the timeliness of the publication of companies' financial reports via internet.

In addition, [Sakka and Jarboui \(2016\)](#) carried out a study on Tunisia. The sample consisted of (28) non-financial listed companies in Tunisia Stock Exchange. This study focused on examining the relationship between corporate governance that represented in the following variables: the BINDE, the BSIZE, CEO duality, and the timeliness of auditor's report. The findings showed that corporate governance plays a major role in improving the quality of

financial reports. Also, there is a relationship between the BSIZE, BINDE, CEO duality, and the timeliness of submission external auditor report.

Moreover, Al-Smady (2018) study has taken a place in Jordan. The sample consisted of (68) industrial, service, and insurance companies listed in Amman Stock Exchange. The study aimed at examining the impact of the characteristics of BOD which are represented in the following variables: the BSIZE, CEO duality, the proportion of executive members, and the proportion of women in BOD on the timeliness of issuance of annual financial reports in companies listed in Amman Stock Exchange. Also, there was no impact of both the size and the equity of BOD on the timeliness of issuance of annual financial reports.

In the same vein, Uthman *et al.* (2018) conducted a study in Nigeria on (15) insurance company listed in Nigerian Stock Exchange. This study concentrated on detecting the impact of the characteristics of BOD which are represented in the following variables: BSIZE, the BINDE, and the BMEET on the timeliness of issuance of annual financial reports for listed companies in Amman Stock Exchange in companies listed in Nigerian Stock Exchange. The findings revealed a positive relationship among the BMEET, BSIZE, and the timeliness of issuance of financial reports. Surprisingly, there is a negative relationship between the BINDE and the issuance of annual financial reports in Nigerian Stock Exchange.

### 3. Hypotheses

The board of directors was acknowledged on a large scale as a crucial mechanism of corporate governance that balances between managers' interest and stakeholders in companies. Also, it would provide a harmonization determined by potential companies related with agencies which made it difficult for stakeholders to monitor the administrative costs. According to the ideologists of agency perspectives, the more the optimal composition of the BOD achieved, the more BOD have an effective mechanism that is able to guide the behavior of senior managers (John and Senbet, 1998).

This section presents the relationship between the timeliness of issuance of annual financial reports and the characteristics of BOD (the BSIZE, BINDE, BEXSCI, and the BMEET) a group of researchers have studied this relationship which concentrated on annual financial reports when compared with progress reports. It has been indicated after reviewing these studies that the following characteristics of BOD are occurred more frequently, namely: BSIZE, BINDE, BEXSCI, and the BMEET.

#### 3.1. Board of Directors' Size

The effectiveness and efficiency of BOD is reflected in the size, independency, and composition of BOD. In fact, the board of directors represents the main internal control mechanism in corporate governance which plays a significant role in resolving the disputes of agency (John and Senbet, 1998). In this respect, several studies (Azzoz and Khamees, 2016; Nath *et al.*, 2015) pointed out that the number of BOD members is considered one of the primary characteristics of BOD, but there was no agreement

Large number of studies (Appah and Emeh, 2013; Azubike and Aggreh, 2014; Basuony *et al.*, 2016; Eslami *et al.*, 2015; Hui *et al.*, 2008; Sakka and Jarbou, 2016; Uthman *et al.*, 2018) found a relationshipship between the BSIZE and the timeliness of issuance of annual financial reports. On the contrary, other studies (Al-Smady, 2018; Kusumah *et al.*, 2017; Mouna and Anis, 2013) have not indicated such relationshipship. Hence, the first hypothesis as follows:

**H1:** there is a relationship between the BSIZE and the timeliness of issuance of annual financial reports in Jordanian banks.

#### 3.2. Board of Directors Independency

According to Younes (2011), BINDE indicates the inclusion of external board of directors. However, some studies (Fuzi *et al.*, 2016; Krause *et al.*, 2017) point out that BINDE forms the primary focus in increasing the effectiveness of the monitoring and supervisory role.

The majority of studies (Abdullah, 2007; Afify, 2009; Al-Daoud *et al.*, 2015; Appah and Emeh, 2013; Basuony *et al.*, 2016; Hui *et al.*, 2008; Singh and Sultana, 2011; Uthman *et al.*, 2018) found there is a relationshipship between the BINDE and the timeliness of issuance of annual financial reports. On the other hand, some studies (Al-Daoud *et al.*, 2014; Ilaboya and Christian, 2014; Moghaddam *et al.*, 2014; Mouna and Anis, 2013) stressed there is no relationshipship between the BINDE and the timeliness of issuance of annual financial reports. Thus, the second hypothesis as follows:

**H2:** there is a relationship between the BINDE and the timeliness of issuance of annual financial reports in Jordanian banks.

#### 3.3. Board of Directors Experience

The board of directors considered as a strategic source for enhancing the competitive ability for company. In this regard, Nomran *et al.* (2017) pointed out that members of the board of directors who have academic qualifications and scientific experiences enhance the quality of BOD, the ability of BOD to deal with challenges facing the company by referring to Article No. (6/D/9) and Article No. (12/B/4) from the amended instructions of corporate governance for banks no. (63/2016) which provided that the entire BOD should have academic qualifications in the field of accounting, financial, banking, economic, or business administration, or any other related fields. (The amended instructions of corporate governance for banks, no. (63/2016)) [www.sdc.com.jo](http://www.sdc.com.jo).

The previous studies (Appah and Emeh, 2013; Eslami *et al.*, 2015; Shafiy, 2016) indicated that is a relationship between the BEXSCI and the timeliness of issuance of annual financial reports while other studies (Ahmed and Che-Ahmad, 2016; Al- Daoud *et al.*, 2015) revealed the contrary.

**H3:** there is a relationship between the BEXSCI and the timeliness of issuance of annual financial reports in Jordanian banks.

### 3.4. Board of Directors Meetings

Vafeas (1999), suggests that the number of BMEET demonstrates the robust and efficient of board of directors since the meetings allow the members of the board of directors to exchange information. Conger *et al.* (1998) indicated that they give adequate time for the members of BOD to discuss the issues related with company, develop company's strategies, increase the effectiveness of oversight and supervision on the performance of executive management, improves the overall performance of the facility the provisions of the Article No. (7/A) of 2016 has identified that the number of BMEET shall not be less than 6 meetings throughout the year (Institutional Guide for Banks in Jordan, 2016).

The previous studies (Ahmed and Che-Ahmad, 2016; Al- Daoud *et al.*, 2015; Uthman *et al.*, 2018) indicated that is a relationship between the BMEET and the timeliness of issuance of annual financial reports. However, Li *et al.* (2014) study has taken place in China on (1244). The findings of their study revealed there is no relationship between the BMEET and the timeliness of issuance of annual financial reports. Hence, the fourth hypothesis as follows:

**H4:** there is a relationship between the BMEET and the timeliness of issuance of annual financial reports in Jordanian banks.

## 4. Methodology of the Study

To achieve the study objectives, descriptive analytical approach was used, which depends on having accurate and adequate information on a phenomenon or a specific subject during a specific period of time in order to achieve practical results, and then interpret it objectively that is in consonance with the actual phenomenon in order to study and analyze the phenomenon related with the dependent variable. The characteristics of the board of directors are represented in the following variables: BSIZE, BINDE, BEXSCI and BMEET of BOD, while the dependent variable is the timeliness of issuance of annual financial report.

### 4.1. The Population of the Study

The population of the study is represented in (16) Jordanian banks that are distributed as follows (13) commercial banks and (3) Islamic banks. The study lasted during the period from (2010-2017). The reviews of the study achieved (128) review. To this end, the study depended on annual financial reports published in electronic website for banks for obtaining data related with BOD. On the other hand, Jordan Securities Commission for knowing the publication date of annual financial reports for the study sample.

### 4.2. Sample of the Study

For achieving the objectives of the study, the following form was constructed

$$TIMEL_i = \alpha + \beta_1 BSIZE_i + \beta_2 BINDE_i + \beta_3 BEXSCI_i + \beta_4 BMEET_i + \epsilon_i$$

The concepts in the above mentioned model stands for the following:

**TIMEL:** the timeliness of issuance annual financial reports that was measured by dummy variable 0-1 if the value 1 was given to the banks issuing their reports during the specific period by securities commission that reach to 90 days from a fiscal year-end while 0 value was given for banks that not issuing their reports during that period.

**BSIZE:** board of directors' size board of directors' members

**BINDE:** board of directors' independency the proportion of external members' i.e. The number of external members in the board of directors divided by the total number of the board of directors.

**BEXSCI:** experience and academic qualification for board of directors' members.

The proportion of members having educational qualifications in financial, accounting, banking and financial sciences or any relevant major. In other words, the number of members having educational qualifications in financial field divided by the total board of directors members.

**BMEET:** board of directors' meetings, the number of meetings held by board of directors throughout the financial year.

$\alpha$  and  $\beta$ : fixed

$\epsilon$ : random error

## 5. Data Analysis

Descriptive statistics, table No. (1) Shows the descriptive statistics for the independent variable, BSIZE, BMEET, BINDE, and BEXSCI.

**Table-1.** Descriptive Statistics for the Independent Variables

	Mean	Standard Deviation	Maximum Value	Minimum Value	Median Value
BFSIZE	10	3.26	13.00	5.00	11.00
BINDE	0.35	0.10	0.63	0.18	0.36
BEXSCI	0.70	0.19	0.92	0.20	0.72
BMEET	8	3.23	19.00	5.00	8.00

As shown in Table (1) the mean board of directors members reached (10.00) with (3.26) the standard deviation, the maximum value constituted (13) members while the minimum value constituted (5) members. Such finding indicates that some Jordanian banks fail to comply with institutional governance guide since the provisions of Article (6/A) identified that board of directors members shall not be less than (11) members in banks. Moreover, it is clearly obvious from the data collection that the sample compliance with this requirement appeared in the last two years during the study period only because the central bank in (2016) issued instructions that requires banks to apply the requirements of governance guide in Jordanian banks.

Also, the findings the mean concerning board of directors' independency accounted for (0.35). The standard deviation amounted to (0.10). the maximum value constituted (0.63). It is also obvious the declination in the board of directors' independency level among certain banks since the minimum value accounted for (0.18) this finding is in line with *Al- Daoud et al. (2014)*. Surprisingly, the researchers deduced the non-compliance of some commercial Jordanian banks to the provisions of Article No. (6/Jeem) from institutional guide for banks in Jordan which stated that independent members in board of directors shall not be less than four members. In addition, the non-compliance to the whole study periods was demonstrated. To illustrate, appendix no. (1) regarding actual data for board of directors' independency in Jordanian commercial banks during the study period.

As shown in Table (1), the mean academic qualification for board of directors' members accounted for (0.70), the standard deviation amounted to (0.19). In respect of the maximum value accounted for (0.92) while the minimum value accounted for (0.20). It is clearly obvious that Jordanian commercial banks are not complying with the instructions of Article No. (6/Daal/9) and Article No. (12/Baa/4) from the institutional guide for banks in Jordan which indicated that holders of academic certificates in one of the following majors: accounting, or financing, financial and financing sciences or any relevant major.

Also, the mean concerning board of directors' meetings accounted for (8), the standard deviation amounted to (3.23). Moreover, the maximum value achieved (19) meetings while the minimum value achieved (5) meetings. The findings revealed that Jordanian banks compliance to the provisions of Article (7/A) from the institutional governance guide related with banks was high which stated that board of directors meetings in banks shall not be less than (6) meetings.

Moreover, the researchers found during the data collection the non-compliance with these requirements during the whole study periods (2008-2017). However, the compliance was better during the last three periods of this study because the central bank in 2016 issued instructions require banks to apply the requirements of institutional guide for banks in Jordan. Surprisingly, neither bank has achieved the guide requirement which state that whole board of directors should have academic qualification in either financial field or relevant majors.

## 5.1. The Frequency of Issuing Annual Financial Reports

**Table-2.** The ratio of issuing annual financial reports comparing with the sample size

The Timeliness of Issuance	Frequency	Percentage
Within an acceptable time frame (1)	70	%54.2
Surpassed the acceptable time (0)	58	%45.8

As shown in [Table No. \(1\)](#), the frequency of issuing annual financial reports for the study sample during the period between (2010-2017). The timeliness of issuance of annual financial reports indicates the number of days from fiscal year-end to the date of publication. According to the securities commission, the maximum level for issuing annual financial reports accounts for (90) days i.e. three months. The employed measure of this study is a dummy variable (0:1). To illustrate, (1) value was given upon issuance within an acceptable time frame. In addition, (0) value was given upon surpassing an acceptable time frame.

Moreover, it is clear that Jordanian banks compliance with issuing their financial reports within an acceptable time frame amounted to (54.2%) during the study period (2010-2017). In addition, such proportion indicates that banks compliance was intermediate. This finding is consistent with *Al-Tahat (2015)*.

## 5.2. Logistic Regression Coefficient

[Table No. \(3\)](#) Shows the findings of multiple regression

Table-3. The Findings of Logistic Regression

Variable	Coefficient	T value	Sig
Fixed	-5.404	4.344	0.037
BSIZE	0.246	4.458	0.035
BINDE	10.466	5.403	0.020
BEXSCI	-0.588	0.112	0.737
BMEET	-0.025	0.054	0.816
Cox & Snell R <sup>2</sup> : (0.222)			
Nagelkerke R <sup>2</sup> : (0.297)			
Sig: (0.037)			

It is obvious from Table (3) that (Cox & Snell R<sup>2</sup>) equals to (0.222). The form (2.22%) is interpreted according to the occurred change concerning the timeliness of issuance of annual financial reports.

First Hypothesis: there is a statistically significant differences between the BSIZE and the timeliness of issuance of annual financial reports in Jordanian banks.

As illustrated in Table (3), there is a significant relationship between the board of directors' size and the timeliness of issuance of annual financial reports since sig value concerning regarding board of directors' size reached ( $\alpha=0.035$ ) less than ( $\alpha=0.05$ ) which indicates the relationship between them. This finding is consistent with the findings of these studies, namely (Al- Daoud *et al.*, 2014; Sakka and Jarboui, 2016). However, it is inconsistent with the findings of such studies (Al-Smady, 2018; Kusumah *et al.*, 2017; Mouna and Anis, 2013). Regression coefficient value of board of directors reached at (0.246) which indicates the direct relationship i.e. the more board of directors size increased, the more financial reports within acceptable time frame issued. Accordingly, the first hypothesis is accepted which states the statistical significant relationship between the board of directors' size and the timeliness of issuance of annual financial reports in Jordanian banks.

Second Hypothesis: there is a statistical relationship between the BINDE and the timeliness of issuance of annual financial reports.

Table (3) points out the significant relationship between board of directors' independency and the timeliness of issuance of annual financial reports since sig value concerning BINDE reached at ( $\alpha=0.020$ ) less than ( $\alpha=0.05$ ) which, in turn, indicates the relationship. Such finding is in line with Naim *et al.* (2010); Afify (2009); Singh and Sultana (2011); Uthman *et al.* (2018) studies. However, it is not in line with Apadore and Noor (2013); Mouna and Anis (2013); Al- Daoud *et al.* (2014); Ilaboya and Christian (2014); Moghaddam *et al.* (2014). Moreover, regression coefficient value indicates the relationship that accounted for (10.466) i.e. the more board of directors independency increased, the more financial reports within acceptable time frame issued. Accordingly, the third hypothesis is accepted which indicates the statistical significant relationship between the board of directors' independency and the timeliness of issuance of annual financial reports in Jordanian banks.

Third Hypothesis: there is a statistically significant relationship between the BEXSCI and the timeliness of issuance of annual financial reports in Jordanian banks.

As shown in Table (3), there is no significant relationship between board of directors' academic qualifications and the timeliness of issuance of annual financial reports since sig value concerning BEXSCI reached at (0.731) greater than the significance level ( $\alpha>0.05$ ). Accordingly, the relationship is no statistically significant. As such, fourth hypothesis is rejected which indicated the relationship between BEXSCI and the timeliness of issuance of annual financial reports. Accordingly, this study agree with (Al-Daoud *et al.*, 2015; Ahmad and Che-Ahmad, 2016) studies while it is not agree with Eslami *et al.* (2015); Shafiy (2016); Uthman *et al.* (2018) studies

Fourth Hypothesis: there is a statistical relationship between the BMEET and the timeliness of issuance of annual financial reports.

As shown in Table (3), there is no significant significant differences between board of directors' meetings and the timeliness of issuance of annual financial reports since sig value concerning board of directors' meetings reached at (0.816) greater than the significance level ( $\alpha>0.05$ ). Thus, the relationship is non-statistically significant. As a result, the second hypothesis is rejected which indicates the relationship between board of directors' meetings and the timeliness of issuance of annual financial reports. Such finding is consistent with Li *et al.* (2014) study while it is inconsistent with the findings of Ahmed and Che-Ahmad (2016); Al- Daoud *et al.* (2014) studies.

## 6. Findings and Conclusions

- After data have been analyzed and hypotheses have been tested. This section presents findings and conclusions. As a consequence, a number of recommendations have been provided.
- There is a positive significant relationship between board of directors' size and the timeliness of issuance of annual financial reports. The more the proportion of board of directors' size increased, the more reports within an acceptable time frame issued.
- There is a significant relationship between board of directors' independency and the timeliness of issuance of annual financial reports i.e. the more the proportion of board of directors' independency increased, the reports within an acceptable time frame issued.
- There is no significant relationship between board of directors' academic qualifications and the timeliness of issuance of annual financial reports.

- There is no significant relationship between board of directors meetings and the timeliness of issuance of annual financial reports.
- Jordanian banks compliance with reporting of annual financial reports requirement which reached at (90) days from the fiscal year-end by an average proportion within an acceptable time frame by securities commission. However, the frequency of observations for the study sample accounted for (70) while the proportion constituted (54%) out of the total observations size within an acceptable time frame during the period between 2010 - 2017.
- The Jordanian commercial banks do not adequately comply with the instructions related to scientific experience (the academic qualification for the member of the board of directors from the guide to corporate governance of banks in Jordan, and this was shown through descriptive statistics, where the maximum value that was recorded (0.92%) during the study period.
- It is indicated during data collection process that commercial Jordanian banks fail to comply adequately with the instructions concerning board of directors' independency from institutional guide for banks in Jordan.

## Recommendations

In the light of the above mentioned, the study recommends the following:

- Jordanian banks should comply with the instructions of institutional guide for Jordanian banks adequately due to their positive impact on improving the timeliness of issuance of annual financial reports.
- The concerned bodies should develop well-defined mechanisms for both monitoring and supervising on the constitution of board of directors in Jordanian banks.
- Banks shall take into account the scientific experience in the field of accounting and financing upon choosing board of directors' members due to their potential positive impact on the timeliness of issuance of annual financial reports.
- Securities commission should increase the penalties on the banks that fail to comply with issuing their annual financial reports within an acceptable time frame.
- Conducting further studies which investigate on the mechanisms for corporate governance and the timeliness of issuance of annual financial reports.

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