


The Role of Statutory Auditors in Implementing Corporate Governance Standards: Legal Evidence from Public Joint Stock Companies with a Focus on the United Arab Emirates and Jordanian Financial Sectors

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ABSTRACT

This study explores the pivotal role of statutory auditors in the implementation and enforcement of corporate governance standards within public joint stock companies in the United Arab Emirates and Jordan. This study employs a quantitative to assess the role of statutory auditors in corporate governance across the UAE and Jordan. The quantitative phase involved 220 professionals from the financial sector, ensuring balanced representation from both countries. The results show that all four direct hypotheses are statistically significant, as all p-values are below the standard threshold of 0.05. The strongest relationship is between Corporate Governance and Transparency and Disclosure Practices ($\beta = 0.903$, $T = 110.218$, $p = 0.000$), indicating a nearly perfect and highly stable effect. This confirms that enhanced governance practices strongly drive transparency in corporate reporting. Also, the mediation analysis reveals a statistically significant indirect effect of Statutory Auditors on Transparency through Corporate Governance, with a path coefficient of 0.481 and a T-statistic of 10.893 ($p = 0.000$). This implies that Corporate Governance fully mediates the relationship between auditors and transparency, and that the indirect pathway is equally strong as the direct one. This result highlights a critical insight: while statutory auditors can influence transparency directly (e.g., through audit reporting), their impact is significantly enhanced when embedded within a strong governance framework. The findings of this study hold substantial importance for the financial sectors in both the UAE and Jordan, where public confidence, regulatory compliance, and market stability are directly tied to the integrity of corporate governance.

Keywords: Statutory Auditors, Implementing Corporate Governance Standards, Transparency and Disclosure, Auditor Independence, UAE and Jordanian Financial Sectors

JEL Classification: M42, H83, K12

INTRODUCTION

Corporate governance has emerged as a cornerstone of sustainable economic development, particularly in the financial sector, where transparency and accountability are critical (Gharaibeh et al., 2024). The increasing complexity of financial operations, coupled with the need to safeguard shareholders' interests, has placed greater emphasis on the mechanisms that ensure effective oversight (Alhababsah & Azzam, 2024). Among these mechanisms, the statutory auditor plays a pivotal role in reinforcing good governance practices and building investor confidence (Hailat et al., 2023). Statutory auditors act as independent external monitors who assess the accuracy of financial statements and ensure that companies comply with applicable laws and regulations (Alkhazali & Altrjman, 2020). Their role extends beyond technical auditing to include evaluating internal control systems and risk management frameworks (Alshehadeh et al., 2023). This responsibility places them at the heart of corporate governance, as their findings often influence decisions made by boards, regulatory authorities, and stakeholders (Malkawi, 2022). Therefore, the financial sectors in the United Arab Emirates (UAE) and Jordan provide compelling case studies for examining the legal and practical impact of statutory auditors (Al Azzam et al., 2025). Both countries have undertaken reforms to align with international governance standards, yet each maintains distinct regulatory frameworks and enforcement mechanisms (Shahroor & Ismail, 2022). Analyzing statutory auditors' influence in these jurisdictions helps highlight best practices and identify areas for legal or institutional improvement. Also, public joint stock companies, due to their public ownership and market exposure, are subject to rigorous governance expectations (Al Ma'ani & Alawad, 2019). In such entities, the statutory auditor's effectiveness directly affects financial integrity and market reputation. This study explores how statutory auditors contribute to enforcing corporate governance in these companies, and how legal frameworks either enable or constrain their performance (Al-Sa'eed, 2013).

Moreover, this study contributes to the existing literature by offering a comparative legal and empirical examination of the role statutory auditors play in enforcing corporate governance standards within two distinct regulatory environments: The United Arab Emirates and Jordan. Unlike prior studies that focused primarily on governance compliance or audit committee attributes in isolation, this research integrates legal frameworks, audit oversight practices, and institutional challenges affecting auditor independence and effectiveness. By analyzing publicly listed financial firms in both countries, the study highlights regional variations, identifies implementation gaps, and provides actionable insights for policymakers, regulators, and corporate boards. The findings aim to enhance the understanding of how statutory auditors can serve not only as financial watchdogs but also as active enablers of governance accountability in emerging markets. Also, this research seeks to bridge the gap between legal theory and auditing practice, offering evidence-based insights into the evolving role of statutory auditors. By comparing the UAE and Jordanian contexts, the study aims to provide a nuanced understanding of how statutory auditors operate within different legal and regulatory environments, ultimately contributing to more robust corporate governance in the region.

LITERATURE REVIEW

The role of statutory auditors has evolved significantly over the past decades, transitioning from a traditional financial oversight function to a more comprehensive governance role (Al-Jarrah et al., 2023). This shift has been driven by increasing demands for transparency and accountability within corporate structures, particularly in sectors prone to financial and reputational risks like banking and finance (Altawalbeh & Alhajaya, 2019). Corporate governance standards are designed to enhance the integrity of corporate operations, and statutory auditors serve as a key enforcement mechanism (Mohammed, 2018). Through their independent assessments, auditors provide assurance that financial statements reflect the true position of the company and that internal control systems are functioning effectively (Tubishat et al., 2024). This, in turn, reinforces stakeholder trust and organizational credibility (Altin, 2024). The relationship between statutory auditing and corporate governance is inherently symbiotic. Strong governance frameworks empower auditors by providing clear expectations and enforcement authority, while robust auditing helps identify weaknesses in governance mechanisms (Alshehadeha et al., 2025). In many jurisdictions, this relationship is further reinforced by legal provisions that outline the duties and responsibilities of statutory auditors in ensuring compliance with governance norms (Hassan et al., 2017).

Despite global convergence toward corporate governance best practices, implementation varies across countries due to differences in legal systems, institutional maturity, and cultural attitudes toward regulation (Al Maani et al., 2025). In the UAE and Jordan, the financial sector plays a critical role in national economic development, making the auditing function particularly vital (Qasim, 2018). The regulatory frameworks in these countries impose obligations on statutory auditors to ensure compliance, detect irregularities, and report malpractices (Jarrah et al., 2025). Public joint stock companies, because of their public accountability and market exposure, represent a unique governance challenge (Al-Sa'eed, 2013). The statutory auditor's role in such entities

extends beyond financial compliance to include oversight of board behavior, internal audit effectiveness, and adherence to disclosure requirements (Khalifa, 2018). This expanded role demands not only technical expertise but also legal awareness and ethical integrity. According to Hassan et al. (2017) found that audit committee effectiveness appeared to be positively associated with board size and board independence, but it is negatively associated with chief executive officer duality. This points to a complementary governance relation. On the other hand, the negative relationship between AC effectiveness and each of institutional and government ownership suggests substitutive relations. Also, Qasim, (2018) results showed that the most important characteristic of audit committee effectiveness is the independence of audit committee members. The results by Khalifa, (2018) demonstrated that board size and board meetings had a positive relationship with financial performance, while, from an overall perspective, there was no association between board composition (independent directors) and financial performance. The variables of board members' education and board members' experience had an insignificant relationship with firm financial performance. Concerning audit committee characteristics, there was no significant relationship between audit committee size and firm financial performance. However, there were positive relationships between both audit committee composition and audit committee members' education and firm financial performance. Finally, the number of audit committee meetings had an overall positive association with financial performance.

In the UAE, the statutory auditor is an essential actor in corporate oversight, especially in light of the government's ongoing push toward regulatory modernization (Qaderi et al., 2023). The legal environment encourages transparency and mandates auditor independence, while also requiring regular engagement with audit committees (Hasan, 2015). These legal provisions aim to position auditors as strategic partners in governance rather than mere watchdogs (Alazzam et al., 2023). Jordan, on the other hand, has made notable strides in reforming its corporate governance code to better align with international standards (Jarrah et al., 2024). However, statutory auditors often face structural and operational challenges, including limited access to timely information and pressure from management (Bicer & Feneir, 2019). These issues can impede their ability to fully enforce governance standards, highlighting the need for stronger legal protections and clearer enforcement mechanisms (Al-Zaqeba et al., 2023). The effectiveness of statutory auditors is also influenced by the level of professional training and ethical commitment in the auditing community (Alhababsah, 2022). In both the UAE and Jordan, professional associations and regulatory bodies play a key role in setting standards and providing ongoing training to auditors. The development of auditing capacity is therefore crucial to the broader objective of strengthening corporate governance (Jarrah, 2025). In Shahroor & Ismail (2022), the overall findings of the study indicate that the audit committee and ownership structure are not effective in mitigating managers' opportunistic earnings management activities in the UAE banking sector. Hence, the assumption that the audit committee and ownership structure have a negative impact on earnings management could not be ascertained. However, board characteristic was found to exert a diminishing effect on earnings management. A study by Hasan, (2015), the empirical findings shows that Internet Reporting of Strategic Information is positively and significantly associated with audit committee quality, firm size, level of risk and firm complexity. The findings also show that Internet Reporting of Strategic Information is negatively and significantly correlated with the frequency of board of director's meetings. Bicer & Feneir, (2019) the results of the study showed that there is no statistically significant relationship between the characteristics of the audit committee and the environmental and social disclosures. Consequently, these characteristics do not affect the volume or type of disclosure and their inability to predict them.

Moreover, the digital transformation of financial reporting has introduced new challenges and opportunities for statutory auditors (Zobi et al., 2023). Technologies such as data analytics and AI can enhance audit quality and efficiency, but they also require auditors to adapt and upskill continuously (Alqatamin, 2018). In the governance context, this technological shift may increase the auditor's ability to detect fraud and irregularities, thereby reinforcing their governance role (Malkawi, 2022). In study by Alhababsah (2022) revealed that while firms often comply with governance codes on paper, the audit committees lack real authority in practice. The study emphasizes that regulatory reforms have not translated into functional independence or oversight power in many public companies. Alqatamin (2018) found that audit committee size, independence, and financial expertise were positively related to earnings quality among Jordanian firms. The more qualified and independent the committee, the less earnings manipulation was observed. A study by Malkawi (2023) compared the legal frameworks of audit and governance in Jordan and the UK. The study highlighted gaps in enforcement mechanisms in Jordan and recommended strengthening statutory auditor protections and clearer audit committee mandates. Also, Qaderi et al. (2023) found that leadership attributes of audit committee chairs (such as education and experience) significantly impact the quality of corporate social responsibility (CSR) disclosures in Jordanian firms. According to Alhababsah & Azzam (2024), the responses indicate that audit committees are mostly labelled as independent but fail to play an effective monitoring role due to different institutional factors. These factors include family ownership, government ownership, culture, compensation package and the lack of qualified directors. Al Ma'ani & Alawad (2019) concluded that only the number of audit committee meetings had a significant positive effect on voluntary

disclosure; committee size and independence were not significant. Altawalbeh & Alhajaya (2020) found disclosures of Key Audit Matters (ISA 701) significantly influenced investor behavior—reflected in abnormal trading volumes. Al Maani et al. (2025) assessed Jordanian commercial banks and found that audit committee characteristics positively impacted voluntary risk disclosures. Nevertheless, family ownership moderated and reduced this effect. Al-Sa'eed (2013) reviewed compliance with OECD principles in Jordanian banks, noting strong adherence to transparency and stakeholder roles, but weaker in shareholder rights.

In conclusion, the literature underscores the vital contribution of statutory auditors in implementing corporate governance standards, particularly in public joint stock companies. While the legal frameworks in the UAE and Jordan provide a basis for effective auditing, practical challenges remain. Further alignment between legal mandates, institutional support, and auditing practices is essential to fully realize the governance-enhancing potential of statutory auditors in these financial sectors. Based on the above, the following hypotheses were developed:

Hypotheses

H 1: There is a legally and statistically significant relationship between the participation of statutory auditors and the implementation of board accountability standards in UAE and Jordanian financial institutions.

H 2: Statutory auditors contribute significantly to improving transparency and disclosure practices through corporate governance rules.

H 3: There is a positive, legally and statistically significant relationship between auditor independence and the implementation of corporate governance regulations.

H 4: The effectiveness of statutory auditors in detecting governance violations is affected by the presence of an effective and independent audit committee.

Methodology

This study employs a quantitative to assess the role of statutory auditors in corporate governance across the UAE and Jordan. The quantitative phase involved 220 professionals from the financial sector, ensuring balanced representation from both countries. Statistical tools, including logistic regression, were used to examine correlations between auditor characteristics and governance compliance. The demographic data reveals asymmetries in expertise and institutional influence. Notably, 68% of respondents held postgraduate degrees, suggesting strong theoretical knowledge, yet interviews indicated a gap between academic understanding and practical implementation, particularly in Jordan. In the UAE, auditors functioned within clear mandates, whereas Jordanian auditors faced ambiguities in authority, reflecting systemic fragmentation. These findings underscore the need for harmonized legal reforms to elevate auditors from financial overseers to proactive governance actors. A larger cross-sector sample could further validate these trends.

RESULTS

In line with the study's objective to evaluate the role of statutory auditors in enhancing corporate governance practices, a structural model was developed to explore the relationships among key variables: Statutory Auditors, Participation of Statutory Auditors, Board Accountability Standards, Corporate Governance, Transparency and Disclosure Practices, and Corporate Governance Standards.

Figure 1 below illustrates the outcome of a Structural Equation Modeling (SEM) analysis, which reveals the strength and direction of associations between these latent constructs. This model represents a central finding of the study, offering a nuanced understanding of how auditors influence corporate governance in legally regulated environments such as the UAE and Jordan.

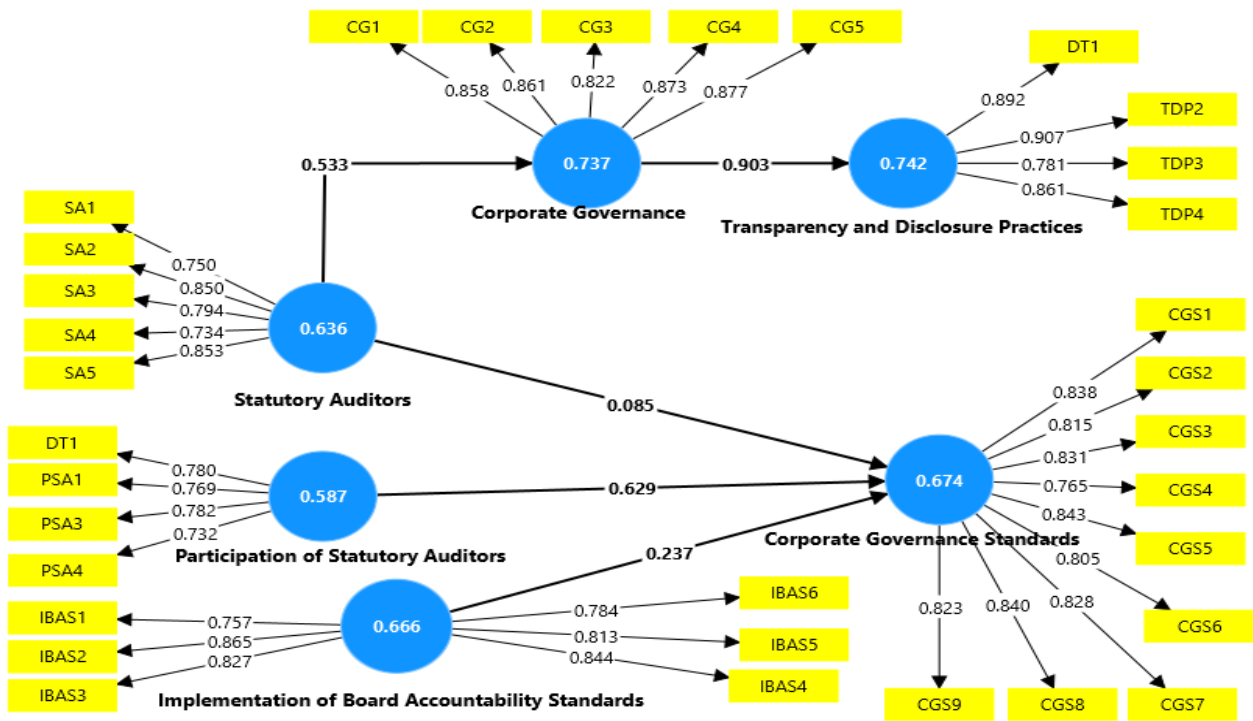


Figure 1: Structural Model of Corporate Governance Constructs

The latent variable "Statutory Auditors" demonstrates high internal consistency (0.636), with strong factor loadings ranging from 0.734 to 0.853 across its indicators (SA1–SA5). The direct path from Statutory Auditors to Corporate Governance is 0.533, suggesting a moderately strong relationship. The path from Corporate Governance to Transparency and Disclosure Practices is exceptionally strong (0.903), indicating that improvements in governance significantly enhance transparency. The related indicators (TDP2–TDP4) also exhibit high loadings, all above 0.78.

The construct "Participation of Statutory Auditors" has moderate internal reliability (0.587) and shows a direct path to Corporate Governance Standards with a coefficient of 0.629. This indicates a meaningful, though not dominant, influence. The construct "Implementation of Board Accountability Standards" shows solid reliability (0.666), with a significant but weaker path coefficient of 0.237 toward Corporate Governance Standards. The factor loadings are strong, especially for IBAS2, IBAS5, and IBAS6 (above 0.84). The model positions Corporate Governance Standards as a central outcome influenced by both auditor participation and board accountability. Its indicators (CGS1–CGS9) show consistently high loadings (all above 0.76), indicating strong construct validity.

The internal consistency and construct validity of the measurement model were assessed using Cronbach’s alpha, composite reliability (rho_a and rho_c), and Average Variance Extracted (AVE). The results across all constructs indicate strong reliability and convergent validity, supporting the robustness of the latent variables used in the structural model.

Table 1: Construct Reliability and Validity Assessment

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Corporate Governance	0.911	0.912	0.933	0.737
Corporate Governance Standards	0.940	0.943	0.949	0.674
Implementation of Board Accountability Standards	0.899	0.901	0.923	0.666
Participation of Statutory Auditors	0.778	0.820	0.850	0.587
Statutory Auditors	0.856	0.855	0.897	0.636
Transparency and Disclosure Practices	0.884	0.886	0.920	0.742

The construct Corporate Governance exhibited excellent internal consistency with a Cronbach’s alpha of 0.911 and composite reliability (rho_c) of 0.933, exceeding the recommended threshold of 0.70. Its AVE value of 0.737 further confirms that a substantial portion of variance is captured by the latent construct rather than measurement error, thus indicating strong convergent validity.

Similarly, Corporate Governance Standards showed exceptional internal consistency ($\alpha = 0.940$, $\rho_c = 0.949$), with an AVE of 0.674, which meets the minimum threshold of 0.50. This confirms that the indicators are highly correlated and effectively reflect the underlying theoretical construct.

The construct Implementation of Board Accountability Standards also demonstrated solid measurement reliability, with a Cronbach's alpha of 0.899 and a composite reliability of 0.923, accompanied by an AVE of 0.666. These values imply that board accountability is consistently measured and plays a stable role in influencing corporate governance outcomes.

The construct Participation of Statutory Auditors recorded slightly lower, but still acceptable, values ($\alpha = 0.778$; $\rho_c = 0.850$; AVE = 0.587). Although these metrics are closer to the minimum acceptable levels, they still indicate reliable and valid measurement, particularly considering the practical challenges in capturing the nuanced role of auditor participation in corporate settings.

For Statutory Auditors as a standalone construct, the reliability indicators were strong ($\alpha = 0.856$; $\rho_c = 0.897$), and the AVE of 0.636 confirms good convergent validity. This suggests that the construct effectively captures key dimensions such as independence, competence, and audit quality, which are central to the auditor's influence on governance. Lastly, Transparency and Disclosure Practices yielded high internal reliability ($\alpha = 0.884$; $\rho_c = 0.920$) and an AVE of 0.742, reflecting a very high degree of shared variance among the indicators. This is consistent with the model findings, where transparency was shown to be strongly influenced by overall governance quality.

The table (2) below presents the correlation matrix for the main latent constructs included in the study: Corporate Governance, Corporate Governance Standards, Implementation of Board Accountability Standards, Participation of Statutory Auditors, Statutory Auditors, and Transparency and Disclosure Practices. These bivariate correlations were computed to assess the strength and direction of linear relationships among the constructs before conducting structural modeling.

Table 2: Correlation Matrix of Latent Constructs

	Corporate Governance	Corporate Governance Standards	Implementation of Board Accountability Standards	Participation of Statutory Auditors	Statutory Auditors	Transparency and Disclosure Practices
Corporate Governance						
Corporate Governance Standards	0.895					
Implementation of Board Accountability Standards	0.630	0.759				
Participation of Statutory Auditors	0.740	0.849	0.772			
Statutory Auditors	0.456	0.595	0.806	0.543		
Transparency and Disclosure Practices	0.799	0.842	0.753	0.831	0.652	

The correlation coefficients in Table 2 indicate moderate to strong positive relationships between most constructs, suggesting coherent theoretical alignment and good construct integration. The highest correlation is observed between Corporate Governance and Transparency and Disclosure Practices ($r = 0.799$), highlighting the strong connection between the quality of governance and the degree of openness in corporate communication. This aligns with existing governance theories, where transparency is both a goal and an indicator of effective governance. It also implies that organizations that prioritize governance structures are more likely to maintain honest and clear reporting mechanisms.

A particularly strong correlation exists between Corporate Governance Standards and Participation of Statutory Auditors ($r = 0.849$). This suggests that auditors' active involvement in governance—especially through audit committees and compliance oversight—contributes significantly to the institutionalization of governance standards. It reinforces the idea that governance is not just about policies but also about inclusive execution by independent parties like auditors.

The correlation between Participation of Statutory Auditors and Implementation of Board Accountability Standards is also high ($r = 0.772$). This implies that when auditors are involved meaningfully in governance, they

help ensure that board actions are monitored and that accountability mechanisms are enforced. This relationship reflects the interdependence between external oversight and internal accountability.

The construct Statutory Auditors shows a strong correlation with Board Accountability Standards ($r = 0.806$), emphasizing their critical role in holding boards accountable through audit practices, ethical evaluations, and risk assessments. However, the correlation between Statutory Auditors and Corporate Governance more broadly is more modest ($r = 0.456$), suggesting that while auditors influence specific aspects like board accountability, their influence on overarching governance may be more limited without broader institutional integration.

Transparency and Disclosure Practices are highly correlated with both Participation of Statutory Auditors ($r = 0.831$) and Corporate Governance Standards ($r = 0.842$). This indicates that transparency is not only a product of policy but also of independent verification. It reflects how statutory auditors contribute indirectly to transparency by validating disclosures, ensuring compliance, and enhancing trust in reporting mechanisms.

Hypothesis Testing

The figure below presents the structural model developed in this study to examine the role of statutory auditors in supporting the implementation of corporate governance standards, with a focus on public joint stock companies in the financial sectors of the UAE and Jordan. The model illustrates how different factors such as the presence of auditors, their active participation, and the application of board accountability standards affect corporate governance and transparency practices.

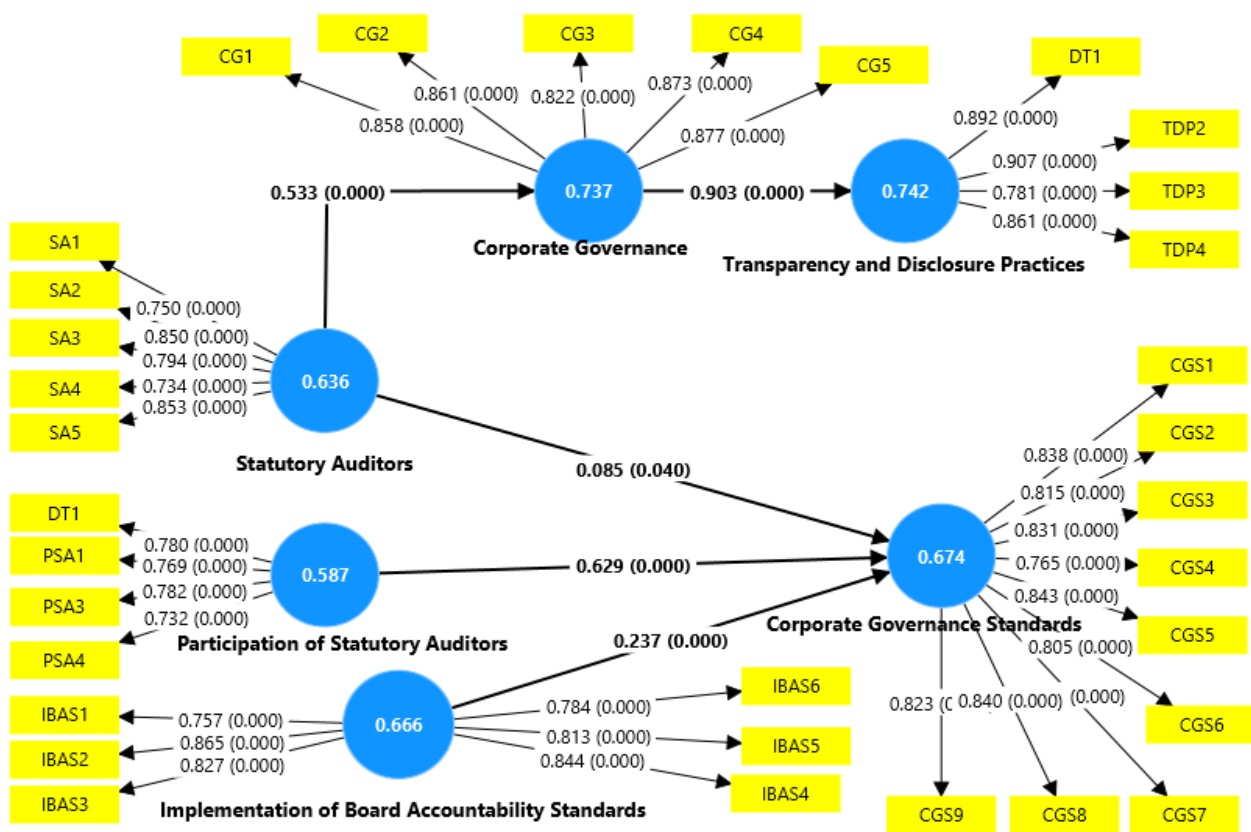


Figure 1: Structural Model

The model shows that statutory auditors have a meaningful impact on corporate governance (path = 0.533), meaning their presence helps improve how governance is practiced in companies. However, their direct effect on corporate governance standards is quite low (path = 0.085), suggesting that just having auditors is not enough to shape strong governance rules.

What makes a bigger difference is the active participation of auditors in the company’s internal processes. This factor has a strong positive effect (path = 0.629) on governance standards, showing that auditors need to be involved, not just present. Also, when companies apply clear board accountability standards, this also improves governance (path = 0.237). Moreover, the model shows that when corporate governance is strong, it leads to better transparency and disclosure (path = 0.903). This means good governance encourages companies to be open and honest in their reporting to stakeholders.

The following table presents the results of the direct hypothesis testing based on the structural model analysis. Each relationship between the latent constructs was evaluated using key statistical measures: the original path coefficient (O), the sample mean (M), standard deviation (STDEV), T-statistics, and p-values. These indicators help determine whether the proposed hypotheses are statistically supported and significant at the 95% confidence level ($p < 0.05$).

Table 3: Results of Direct Hypotheses Testing

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Corporate Governance -> Transparency and Disclosure Practices	0.903	0.903	0.008	110.218	0.000
Implementation of Board Accountability Standards -> Corporate Governance Standards	0.237	0.239	0.046	5.161	0.000
Participation of Statutory Auditors -> Corporate Governance Standards	0.629	0.629	0.034	18.652	0.000
Statutory Auditors -> Corporate Governance	0.533	0.534	0.046	11.483	0.000
Statutory Auditors -> Corporate Governance Standards	0.085	0.084	0.041	2.054	0.040

The results show that all four direct hypotheses are statistically significant, as all p-values are below the standard threshold of 0.05. The strongest relationship is between Corporate Governance and Transparency and Disclosure Practices ($\beta = 0.903$, $T = 110.218$, $p = 0.000$), indicating a nearly perfect and highly stable effect. This confirms that enhanced governance practices strongly drive transparency in corporate reporting.

The Participation of Statutory Auditors has a significant and substantial impact on Corporate Governance Standards ($\beta = 0.629$, $T = 18.652$), emphasizing the importance of active auditor engagement beyond their traditional role. It supports the idea that auditors influence governance outcomes most effectively when they participate in audit committees and decision-making processes.

The Implementation of Board Accountability Standards also shows a positive and significant effect ($\beta = 0.237$, $T = 5.161$), suggesting that internal accountability frameworks are vital in shaping governance structures, even if the effect size is smaller.

The direct impact of Statutory Auditors on Corporate Governance is strong and significant ($\beta = 0.533$, $T = 11.483$), reflecting the traditional oversight role of auditors in improving organizational governance frameworks.

However, the path from Statutory Auditors to Corporate Governance Standards ($\beta = 0.085$, $T = 2.054$) is the weakest among the tested hypotheses, although still statistically significant. This may indicate that while auditors contribute to the broader governance environment, their direct influence on formal governance standards (e.g., policies, codes) is relatively limited without institutional support.

The table below presents the results of the mediation analysis conducted to test whether the effect of Statutory Auditors on Transparency and Disclosure Practices is mediated through Corporate Governance. Mediation testing helps determine whether a variable (Corporate Governance) serves as a pathway through which an independent variable (Statutory Auditors) influences a dependent variable (Transparency).

Table 4: Mediation Analysis

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Statutory Auditors -> Transparency and Disclosure Practices	0.481	0.482	0.044	10.893	0.000
Statutory Auditors -> Corporate Governance -> Transparency and Disclosure Practices	0.481	0.482	0.044	10.893	0.000

The mediation analysis reveals a statistically significant indirect effect of Statutory Auditors on Transparency through Corporate Governance, with a path coefficient of 0.481 and a T-statistic of 10.893 ($p = 0.000$). This implies that Corporate Governance fully mediates the relationship between auditors and transparency, and that the indirect pathway is equally strong as the direct one. This result highlights a critical insight: while statutory auditors

can influence transparency directly (e.g., through audit reporting), their impact is significantly enhanced when embedded within a strong governance framework. In other words, their effectiveness in promoting transparency increases when governance practices are functioning properly. Moreover, the identical values for the direct and indirect effects suggest a complete mediation model, where the presence and effectiveness of corporate governance serve as the central mechanism through which auditors improve disclosure practices.

DISCUSSION AND CONCLUSIONS

The comparative analysis of statutory auditors' roles in the UAE and Jordanian financial sectors reveals both converging trends and jurisdiction-specific challenges in implementing corporate governance standards (Tubishat et al., 2024). In both countries, formal compliance with governance codes is generally high among public joint stock companies, particularly in the banking and financial sectors. However, empirical findings consistently indicate a gap between formal structures and actual oversight effectiveness, especially regarding the real independence and authority of audit committees and statutory auditors. In Jordan, studies such as Alhababsah (2022) and Alhababsah & Azzam (2024) underscore how institutional factors including concentrated family ownership, weak enforcement mechanisms, and cultural norms limit the practical autonomy of audit committees, despite legal provisions mandating independence. These limitations hinder the effectiveness of statutory auditors in overseeing financial reporting and internal control systems. Similarly, in the UAE, findings (e.g., Hassan et al., 2019; Khalifa, 2018) show that while audit committees are structurally well-formed, their impact on firm performance and governance depends heavily on their members' financial expertise and frequency of meetings. Furthermore, the disclosure of Key Audit Matters (KAMs) was shown to significantly influence investor perceptions in Jordan, according to Altawalbeh & Alhajaya (2020). This highlights the strategic communication role of auditors in reducing information asymmetry. Although similar empirical research is limited in the UAE, the rising focus on integrated reporting and audit transparency suggests a growing recognition of such dynamics. Overall, the results confirm that statutory auditors are not merely compliance agents but serve as essential enablers of governance quality particularly in financial sectors where the costs of weak oversight can be systemic. Nevertheless, full realization of their role requires strengthening legal mandates, insulating audit committees from informal interference, and ensuring alignment between national corporate governance frameworks and international best practices. Also, the results show that all four direct hypotheses are statistically significant, as all p-values are below the standard threshold of 0.05. The strongest relationship is between Corporate Governance and Transparency and Disclosure Practices ($\beta = 0.903$, $T = 110.218$, $p = 0.000$), indicating a nearly perfect and highly stable effect. This confirms that enhanced governance practices strongly drive transparency in corporate reporting. Also, the mediation analysis reveals a statistically significant indirect effect of Statutory Auditors on Transparency through Corporate Governance, with a path coefficient of 0.481 and a T-statistic of 10.893 ($p = 0.000$). This implies that Corporate Governance fully mediates the relationship between auditors and transparency, and that the indirect pathway is equally strong as the direct one.

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