

The Impact of Audit Quality on the Financial Performance of The Listed Jordanian Chemical Company Sector

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Abstract

The study aims to find out the impact of audit quality on the financial performance of the chemical company sector, to explore how audit quality, especially focus on auditor independence and the size of the audit committee, affects the financial performance (ROA, ROE, EPS) of the Jordanian chemical industries sector listed on the Amman Stock Exchange. In order to examine the data a questionnaire was distributed to study sample consists of (59) employees working within chemical companies, (48) from it valid for statistical analysis where the number of chemical companies reached (8). Ordinary Simple Linear regression method employed in the analysis of data. The study revealed that auditor's independence has a positive and significant effect on financial performance of Chemical Company Sector. It was concluded that aspect of audit quality influence financial performance of Chemical Company. The study recommended Auditor's independence should be increased greatly in order to enhance financial performance (ROA, ROE, EPS) of the Chemical Company Sector, by improving internal control of the company, also, Always Conduct integrity and appropriate usage tests for auditors. Shareholder should control the committee size, by controlling the audit committee members, which will reflect positively on the audit report quality.

Keywords: Audit, Audit Quality, Financial Performance, Chemical Company Sector, Amman Stock Exchange.

1. Introduction

Auditing typically refers to the examination of financial records, transactions, and other relevant information to ensure accuracy, compliance with laws and regulations, and adherence to accounting standards. Audits can be conducted by external or internal auditors and are often performed for various stakeholders, such as shareholders, government agencies, or management.

Auditing financial statements is essential for a country's economic system. The significance, as outlined by Mautz and Sharaf (1961) and Mautz (1972), lies in its role in strategic resource allocation for societal well-being. Auditing involves examining and verifying financial data to ensure its accuracy in portraying an entity's economic events and conditions during a specific period. This process, guided by auditing standards, utilizes techniques to analyze and validate financial information, maintaining the core idea of ensuring the faithful representation of economic realities (Chalu, 2019).

The main objective of an audit is to provide assurance regarding the reliability and integrity of financial information, as well as to identify areas for improvement in internal controls and operational efficiency. Also it aims to provide a reasonable level of confidence that financial statements are free from significant errors or fraud, adhere to auditing standards, and promote effective communication with the client's management (Xiao, 2020).

Aligned with the purpose of an audit, audit quality is academically described as the overall probability that an auditor will successfully detect and disclose a significant error (Xiao, 2020).

The process of realizing audit quality involves the detection, adjustment, and reporting of material misstatements, ultimately leading to the achievement of high-quality auditing practices (Xiao, 2020).

Financial performance serves as a reflective measure of an enterprise's development and profitability, constituting a pivotal component in strategic decision-making within the realm of enterprise management. Consequently, internal environmental factors wield considerable influence over financial performance. These factors predominantly pertain to the actualities of internal control mechanisms, internal management practices, and the overarching developmental strategy employed by the enterprise. The intricate interplay of these internal elements significantly shapes the trajectory of financial performance, rendering them indispensable considerations in the evaluative process (Zhang, 2022).

The global chemical industry holds immense significance, particularly in developed countries where there's a notable emphasis on increased investment and production in this vital sector. This industry plays a pivotal role in achieving sustainable development for nations, with approximately 20 million individuals worldwide employed in the chemical and pharmaceutical sector, according to the International Labor Organization. (Jordan Chamber of Industry, 2019).

The U.S. chemical industry is a major player globally, serving both domestic and international markets. American exports from this sector make up approximately 15% of the world's total exports. In the Arab Gulf countries, chemical industries contribute significantly, comprising about one-third of total manufacturing industries and employing over 150,000 people. Noteworthy is the industry's strong interconnection with various economic sectors, creating a ripple effect where each job opportunity within the chemical company sector generates three additional jobs indirectly in other sectors (Jordan Chamber of Industry, 2019).

2. Problem of study

The problem of the study revolves around understanding the relationship between audit quality and the financial performance of listed companies within the Jordanian chemical industries sector. Specifically, the research aims to investigate whether the quality of audits conducted in this sector has a discernible impact on the financial outcomes of the companies involved. This problem is prompted by the need to assess the Impact of audit processes and their potential role in shaping the financial health and performance of companies operating within the Jordanian chemical industries. Ascertaining the nature and extent of this impact is crucial for both regulatory considerations and the strategic management of firms within this sector.

3. Research Questions

The study raises the following research questions:

Main Question: Is there an Impact of audit quality (auditor's Independence, Audit Committee Size) on the financial performance (ROA, ROE, EPS) of the listed Jordanian chemical industries sector?

1. Is there an Impact of the Auditor's Independence on the financial performance (ROA, ROE, EPS) of the listed Jordanian chemical industries sector?
2. Is there an Impact of the Audit Committee Size on the financial performance (ROA, ROE, EPS) of the listed Jordanian chemical industries sector?

4. Objectives

The primary objective of this study is to explore how audit quality, especially focus on auditor independence and the size of the audit committee, affects the financial performance (ROA, ROE, EPS) of the Jordanian chemical industries sector listed on the Amman Stock Exchange. The specific objectives are as follows:

1. To identify the Impact of the Auditor's Independence on the financial performance (ROA, ROE, EPS) of the listed Jordanian chemical industries sector.
2. To identify the Impact of the Audit Committee size on the financial performance (ROA, ROE, EPS) of the listed Jordanian chemical industries sector.

5. Significance of the Study:

5.1 The theoretical significance of the study:

Stems from addressing an important topic, which is the Impact of audit quality (auditor's Independence, Audit Committee Size) on the financial performance (ROA, ROE, EPS) of the listed Jordanian chemical industries sector. To fill the gap in previous studies, the theoretical importance of this study is that it deals with topics that have a significant impact on the progress

and development of the chemical industries sector, which prompts us to research and deepen its study, which hopefully will be a qualitative addition to the library and researchers. The importance of this study also lies in the fact that it deals with contemporary topics, It is modern in use in many fields, as it is considered one of the most important products of technological progress in our time, and this study and its results can be useful for scholars and researchers in the future by presenting new and creative ideas and suggestions.

5.2 Practical importance:

Practical importance includes providing a comprehensive understanding of the impact of audit quality on financial performance for senior management of chemical industrial companies and for those interested in improving audit quality to produce transparent and credible financial reports.

6. Hypotheses

H₀: Audit Quality (auditor's Independence, Audit Committee Size) has no significant impact Financial Performance (ROA, ROE, EPS) of the listed Jordanian chemical industries sector.

H₀₁: There is no significant impact of The auditor's Independence on the financial performance (ROA, ROE, EPS) of the listed Jordanian chemical industries sector.

H₀₂: There is no significant impact of The Audit Committee size on the financial performance (ROA, ROE, EPS) of the listed Jordanian chemical industries sector.

7. Limitations of the Study:

There are Limitations of the study as following:

1. Objectivity limitations: This research is titled The Impact of Audit Quality on the Financial Performance of the Chemical Company Sector.
2. Methodological limitation: The use of the descriptive analytical method through the use of the annual reports to collect the primary data from the listed Jordanian chemical industries companies in the Amman Stock Exchange, questionnaire for the sample size of the study.
3. Spatial limitation: This present study is limited to the Jordanian chemical industrial companies listed on the Amman Stock Exchange from 2014-2021.

8. Literature Review

Assessing the impact of audit quality on the financial performance of the listed Jordanian chemical company sector involves considering several studies conduct with it as in (Ananda, 2023) study This research investigates the factors influencing audit quality in companies listed on the Indonesian Stock Exchange (IDX) from 2018 to 2020. By analyzing variables such as audit fees, audit tenure, auditor industry specialization, and audit firm size across a sample of

240 companies, the study uncovers that high audit fees and auditor industry specialization have a negative impact on audit quality. Conversely, longer audit tenure and larger audit firm size are found to positively influence audit quality. These results highlight the importance of considering audit tenure and firm size as crucial elements in ensuring the delivery of high-quality audits.

Also, (Chung, 2023) in their study conducted a comprehensive and systematic review screening more than 5.6 million articles and thoroughly analyzing a shortlist of 246 studies about the decarbonization innovations of the chemical industry. Based on the review results, we identified the sociotechnical system of the industry into four groups: raw materials, chemical making processes, chemical product making and usage, and waste management and recycling. Our review also assesses the opportunities, challenges, current and emerging practices, and 71 potentially transformative technologies for the decarbonization of the chemical industry. The decarbonization innovations for the industry create environmental, financial, and collateral benefits. Still, there are also barriers across economic, technical, political, and behavioral aspects to decarbonization. To overcome those barriers, the review suggests policy and social instruments. We lastly outlined research gaps and future agendas for the chemical industry's decarbonization. In other hand (Bratten, 2023) study focus to determine whether companies experience improved audit quality when their audit committees demonstrate greater engagement, Data from audit analyzes were used to assess the level of audit committee activity, Various aspects were examined, including audit fees and the extent to which companies achieve profit targets. The results indicate that increased activity within audit committees is associated with improved audit quality in companies. The correlation between corporate social responsibility (CSR) and financial performance in the basic and chemical industries in Indonesia from 2016 to 2020 was investigates in (Efifania, 2022) study using data from companies listed on the Indonesia Stock Exchange, the study investigates the impact of CSR on net profit margin, ROA, and ROE. The analysis introduces mediating variables (economic development and industrial competition) and control variables (sales, earnings per share, and earnings before interest and taxes). The findings indicate a positive influence of CSR on financial performance, with GDP and market share playing significant roles as mediators. Control variables such as operating income, earnings per share, and sales revenue exhibit limited significance on financial performance. (Zhang1, 2022) investigates the impact of (CSR) report information Financial Performance Disclosure Despite, a high percentage of companies globally releasing CSR reports, the lack of mandatory regulatory requirements, results in selective and often positive information disclosure, leading to lower CSR report quality. The study seeks to provide evidence of the Link between CSR information quality and financial performance. (Al-taee,2022) examines the influence of audit committee and team characteristics on the audit quality of the textile sector in Iraq. Through questionnaires and the PLS-SEM method, the research shows a positive link between audit quality and the attributes of audit committees and teams. It also highlights a significant correlation between the audit committee, audit team, and audit quality, underscoring the importance of an effective audit process. The study seeks to provide insights for policies concerning audit quality based on these characteristics. (Obeidat, 2021) investigates the impact of the cash conversion cycle on the financial performance of listed chemical firms in the Amman Stock Exchange from 2010 to 2019. Data from five out of six firms were analyzed using ROE and EPS as financial performance metrics. Both multiple and single regression

models were employed, revealing a significant influence of the cash conversion cycle on financial performance. Control variables were also found to significantly affect financial performance. (Rizquallah, 2020) investigates the impact of Good Corporate Governance (GCG) and Company Size on the financial performance of companies in the basic industrial and chemical sectors listed on the Indonesia Stock Exchange from 2015 to 2019. Analyzing data from 40 companies, the research shows that both GCG and Company Size independently have a positive and substantial impact on financial performance. Moreover, when considered together, these factors collectively contribute positively to financial performance. (Salih, 2020) investigates the influence of audit quality on mitigating risks in the Iraqi external audit profession. With increased cases of corruption and a lack of governing laws, the research emphasizes the flexibility in existing regulations, allowing potential exploitation of legal gaps. The study, employing a descriptive analytical approach and a questionnaire, involves a random sample of accounting specialists, university professors, and auditors. The findings indicate that auditing quality positively influences risk reduction in the external audit profession. (Xiao, 2020) examines the relationship between audit work and quality using the China audit days data set from 2006 to 2011. Increased audit work is found to increase the likelihood of audit adjustments, reduce aggressive earnings management, and improve financial statement quality. While overall audit work does not have a significant impact on audit opinion changes, in the absence of audit adjustments, the likelihood of audit opinion changes increases, and the study highlights the role of audit work in improving audit quality in emerging markets, especially China. (AL-Qatamin, 2020) explores the impact of time pressure on audit quality, using premature sign-offs as a proxy for audit quality in a Jordanian context. The researcher developed a survey questionnaire based on existing literature and distributed it to 120 Jordanian external auditors. Out of the 120 instruments, 74 were usable for analysis, resulting in a response rate of 61.7%. Descriptive statistics were employed, and Pearson correlation was used to test hypotheses, revealing that respondents agreed that time pressure influences premature sign-offs in the audit process. The study suggests future research should focus on other dysfunctional behaviors among auditors and their impact on audit performance quality. (Irawady, 2019) utilizing a descriptive method and regression analysis, explores the impact of implementing auditing standards, specifically International Standards on Auditing (ISAs), on audit quality. The research finds a significant positive influence of ISA implementation on audit quality, reinforcing the already high audit quality of the audit firm. The legal force of ISAs was identified as a contributor to minimizing standards violations. (Hategan, 2019) emphasizes the vital role of audit service quality for both investors and accounting professionals. Factors influencing audit quality, such as auditor size, rotation, contract duration, and service types, were examined using a sample of seven energy sector companies listed on the Bucharest Stock Exchange. The study, spanning 2013 to 2018, revealed correlations between these factors, suggesting that improving financial reporting and audit quality boosts investor confidence in professional accountants. (Shibli, 2019) investigates profit management practices among Iraqi industrial companies listed on the Iraq Stock Exchange from 2012 to 2017. It explores factors influencing profit management, focusing on audit quality characteristics (audit office size, retention period, global affiliations, industry specialization, audit fees). The study establishes a model to analyze the relationship between audit quality and profit management. Statistical methods, including Binomial Test and Binary Logit, are employed to test hypotheses. Findings indicate varying levels of profit management across study years,

with a significant impact of audit quality characteristics on profit management practices. The study recommends the establishment of a control committee to ensure a high-quality audit environment and raise awareness among investors about the adverse effects of profit management practices on investment decisions. (Almasani , 2019) examines the direct and indirect relationships between the independent variables (audit firm rotation and audit fees), the mediating variable (audit quality), and the dependent variable (reliability of financial reporting). Data from 285 Yemeni auditors were analyzed using Structural Equation Modeling (SEM) via Smart PLS and descriptive analysis was performed using SPSS. The results show that there is a significant positive relationship between audit fees, audit firm rotation and audit quality, each of which has a significant positive relationship with the reliability of financial reporting. This study highlights the mediating role of audit quality in the relationship between audit fees, audit firm rotation, and financial reporting reliability and provides detailed insights into auditing practices in Yemen.

Jordan Chamber of Industry, 2019.

This study, initiated by the Economic and Industrial Studies Center, aims to provide specialized insights into various industrial sectors. The focus here is on the chemical and cosmetic industries sector within the Jordanian economy. Key findings indicate that the sector employs around 15.2 thousand workers across 692 facilities, with an average of 22 workers per facility. In 2017, the sector's gross production amounted to approximately 1.53 billion Jordanian Dinars, with 57.6% attributed to intermediate consumption and 42.4% as value added. The chemical industries sector contributes 9.2% to total industrial production and 8.6% to the overall industrial sector's value added. In terms of exports, the sector holds the third position among industrial subsectors, with exports reaching about 828.7 million Jordanian Dinars in 2017. This accounts for 14.8% of the total industrial exports and showcases a broad international reach, entering markets in approximately 105 countries with over 120 different products. According to the study, the local production within this sector, on average, meets 36.4% of the total demand for chemicals and cosmetics in the domestic market. This indicates that more than 63.6% of the local demand for chemical products is fulfilled through imports from overseas sources.

9. Theoretical Framework

9.1. Audit

Auditing concept revolves around the systematic examination and verification of various records, transactions, processes, and systems within an organization. Audits are conducted to provide assurance on the accuracy, reliability, and integrity of financial and non-financial information, as well as compliance with relevant laws, regulations, and internal policies. audit aims to enhance transparency, accountability, and trust in the information provided by organizations to their stakeholders, including investors, creditors, regulators, and the public. The audit process is methodically structured into distinct phases, each crucial for achieving the overarching objective of providing a professional opinion on financial statements. The auditor's approach is guided by the imperative to gather sufficient, appropriate evidence while minimizing costs.

Auditing concept related to: Independence, Evidence, Materiality, Risk Assessment, Internal Controls, Audit Opinion, Types of Audits.

As, per the Committee of Auditing Concepts auditing is a process that aims to gather and objectively evaluate evidence related to activities or events. The main goal is to ensure that these statements align with predetermined criteria and then share the audit findings with stakeholders. Users of reports rely on auditors to identify any instances of fraud, which's a complex concept. (Irawady,2019)

SAS No. 82 which deals with considering fraud in a financial statement audit (AU 316) highlights the auditors concern regarding activities that could lead to distorted information in the financial report. Adhering to audit standards is crucial for conducting a high quality audit ensuring accuracy, in examining evidence and detecting fraud.(Irawady,2019)

The audit discipline hinges on skilled practitioners leveraging their expertise, applying integrity, objectivity, and professional skepticism. This allows them to make well-founded judgments supported by the specific facts and context of the engagement. The attributes of perseverance and robustness play a crucial role in ensuring that requisite adjustments are applied to the financial statements. In cases where these adjustments are not implemented, it becomes imperative to appropriately qualify the auditor's report. The process of auditing is a systematic and methodical endeavor, aiming to uphold the accuracy and reliability of financial information. (IAASB-2022-Handbook-Volume-3: p24)

As defined by the Committee of Auditing Concepts, auditing is a systematic process aimed at acquiring and objectively assessing evidence related to economic activities or events. The objective is to enhance the conformity of financial statements to predetermined criteria and convey the results to stakeholders (Irawady,2019).

9.1.1 The purpose of Audit

The financial statement audit serves the purpose of the auditor critically assessing and providing a professional judgment on the accuracy of the financial statements. This involves a thorough process of obtaining adequate and relevant audit evidence. The key goal is to determine whether the financial statements are free from significant misstatements. The conclusion of the audit occurs during the reporting phase, where the auditor communicates their findings following established auditing standards and procedures.(IAASB-2022-Handbook-Volume-3: p4).

9.1.2 Formulating the Audit Program

Key phases include: (Arens et al., 2012)

➤ Phase I:

1. Understanding the Entity and its Environment:

- Thorough comprehension of the client's business, strategies, and processes.

- In-depth study of the business model, analytical procedures, and benchmarking against industry competitors.

2. Assessing Internal Control and Control Risk:

- Identification and evaluation of internal controls for effectiveness.
- Efficient controls lead to a decrease in the initially assessed control risk, thereby optimizing the requirements for audit evidence.

3. Risk Assessment:

- Leveraging industry insights and control effectiveness to assess the risk of material misstatement.

- Influences the audit plan, determining the nature, timing, and extent of procedures.

➤ Moving to Phase II:

- Tests controls and perform substantive tests on transactions :
- Rigorous testing of identified internal controls for effectiveness.
- Evaluation of transaction recording accuracy through substantive tests.

➤ In Phase III:

- Analytical Procedures and Tests of Details of Balances:
- Utilization of analytical procedures for assessing the reasonableness of account balances.
- Specific tests of details focus on identifying monetary misstatements in financial statement balances.

➤ Concluding with Phase IV:

- Completion and Audit Report Issuance
- Integration of information obtained to formulate an overall conclusion on the fairness of financial statements.
- A subjective process relying on professional judgment.
- Issuance of the audit report accompanying the client's published financial statements

The essence of auditing lies in the systematic gathering and assessment of evidence concerning information, aiming to ascertain and communicate the extent to which the information aligns with established criteria. It is crucial that auditing is carried out by a capable and impartial individual.(Arens et al., 2012)

9.1.4 Auditor

International Standard On Auditing 200, Overall Objectives of The Independent Auditor And The Conduct Of An Audit In Accordance With International Standards On Auditing

" This International Standard on Auditing (ISA) deals with the independent auditor's overall responsibilities when conducting an audit of financial statements in accordance with ISAs. Specifically, it sets out the overall objectives of the independent auditor, and explains the nature and scope of an audit designed to enable the independent auditor to meet those objectives. It also explains the scope, authority and structure of the ISAs, and includes requirements establishing the general responsibilities of the independent auditor applicable in all audits, including the obligation to comply with the ISAs. The independent auditor is referred to as "the auditor" hereafter". (ISAAB,2022 Volume-1: p100).

In our study, International Standard on Auditing (ISA) No. 200 is a key reference. We can connect the study to this standard by highlighting the dimension that assesses auditor independence. The standard stresses the significance of an auditor's independence in conducting impartial and professional audits, and is directly linked to the independent variable in the study, which centers on the auditor's independence as a fundamental element. The International Standard on Auditing serves as a framework to measure the independent variable in the study, which is the auditor's independence, and comprehend its impact on the financial outcomes of companies in this sector.

9.1.5 Auditor Qualifications:

- The auditor must be qualified to understand the criteria used in the audit process.
- Competence is crucial in determining the types and quantity of evidence needed for a reliable conclusion.
- Independence is essential to prevent bias in the accumulation and evaluation of evidence (Arens et al., 2012).

9.1.6 Audit committee

The phrase "audit committee" refers to a collective of directors who are assigned with the important task of supervising the financial reporting process. It is their responsibility to select both internal and external auditors and carefully review the results of audits, whether they be conducted internally or externally. To ensure that these responsibilities are carried out effectively, the audit committee develops a range of policies that act as guiding principles for the auditing procedures. The members of the audit committee, their ability to work together, and their individual performance all have an impact on the quality of an audit, as emphasized by Mardessi (2021).Al-taee,2022(

A group of auditors, which can consist of employees from the company itself or external auditors hired from audit firms, collaborates with the audit committee. While performing their auditing duties, the audit team is responsible for following the rules set by the audit committee. Dzikrullah et al. (2020) emphasize the importance of skilled audit teams in examining financial accounts, confirming their correctness, and accurately presenting the findings of these statements.

Ultimately, it is through the combined endeavors of competent audit teams that the standard of audits is improved.)Al-tae,2022(

9.2. Financial Performance

It is the evaluation of how well a company generates revenues and manages its expenses to achieve profitability and create value for its stakeholders. It involves analyzing various financial metrics and indicators to assess the effectiveness of the company's operations, management, and overall business strategy.

In assessing financial performance, the analysis delves into key aspects such as financial structure, profitability, operating efficiency, solvency, and growth potential. Given the vast array of financial performance indicators, companies typically tailor specific metrics based on their unique circumstances to facilitate a comprehensive evaluation of their financial performance(Zhang,2022).

Klassen and Whybark (1999) proposed a comprehensive framework for assessing financial performance, emphasizing the inclusion of three critical elements: corporate profit, asset profit, and owner's equity income. Their research underscores the necessity of adopting a multifaceted approach in evaluating companies, as relying solely on one indicator may distort the overall assessment. (Zhang,2022).

Furthermore, Perrini et al. (2007), in their examination of financial performance, advocate for enterprises to consider not only financial indicators but also the operational efficiency and effects when evaluating their financial standing. This underscores the importance of a thorough evaluation that encompasses both financial metrics and the efficiency and broader impacts of a company's operational activities. (Zhang,2022).

Financial performance serves as a subjective gauge of a company's effectiveness in leveraging its primary operational assets to generate income. This term is also employed to depict the overall financial well-being of a company across a specific timeframe. Stakeholders, encompassing trade creditors, bondholders, investors, employees, and management, all have a vested interest in monitoring the company's financial performance. It serves as a barometer of how adeptly the company generates revenue and manages the financial interests, assets, and liabilities for both stakeholders and shareholders (Astuti & Mahardika, 2021).) Efifania,2022)

As organizations, companies typically articulate specific goals aligned with the interests of their members. The attainment of these goals is considered a managerial accomplishment. Evaluating a company's success or performance becomes paramount as it provides a foundation for decision-making by internal and external stakeholders. Assessing financial positions stands out as a managerial tool, aiding in meeting the requirements of funders while effectively realizing the company's objectives (Damanik & Yadnyana, 2017).) Efifania,2022)

The evaluation of financial performance encompasses various indicators, including (ROE), (ROA). Among these metrics, ROA is particularly regarded as a comprehensive measure reflecting overall performance (Rizquallah,2020).

ROA, a ratio illustrating the return on employed assets within a company, serves as a key gauge for assessing management's efficacy in investment management. It also quantifies the company's ability to generate returns on assets in relation to net profit, with an increasing ROA indicating potential improvements in financial performance (Rizqullah,2020).

ROA provides valuable insights into a company's efficiency, effectiveness, and economic performance. A company possessing a substantial asset base may not necessarily exhibit strong financial performance if its net profit is comparatively lower. Conversely, a company with fewer assets that can generate a significant net profit is considered to have relatively robust financial performance (Rizqullah,2020).

Improved financial performance opens up greater opportunities, especially for companies with larger total assets. The size of a company, often measured by total assets, is a pivotal factor. Larger companies tend to have greater total assets, reflecting their size and potential for generating higher returns (Rizqullah,2020).

Earnings Per Share (EPS) stands out as a vital metric within a company's financial performance, clearly outlined in its financial statements. According to Kasmir (2017), EPS is a ratio that assesses management's effectiveness in delivering profits to shareholders. A low EPS may indicate management falling short of satisfying shareholders, whereas a high EPS signals increased shareholder welfare and a potentially higher rate of return. (Yuliandhari,2020).

The calculation of EPS involves dividing net income by the number of outstanding shares, This ratio not only sheds light on dividend computations but also clarifies how much dividend per share will be distributed to shareholders. Frequently utilized to evaluate company performance, especially by investors seeking significant dividends, a higher EPS is associated with enhanced shareholder welfare, offering investors a greater opportunity for increased dividends. It's crucial to note that the actual distribution of dividends is contingent on decisions made during the General Meeting of Shareholders (GMS). (Yuliandhari, 2020).

While a high EPS implies potential for greater dividends, the ultimate decision rests with the GMS. The EPS value serves as a valuable benchmark for investors evaluating a company's prospects. In essence, EPS functions as a metric enabling investors to assess a company's performance and anticipate the future condition of its stock. (Yuliandhari,2020).

According to Kasmir (2016), Return On Equity (ROE) is a monetary ratio employed to quantify the extent of equity's contribution to net income generation, Concurrently, Hery (2017) posits that ROE functions as a ratio to assess how companies deploy their resources to yield returns on equity. (Krisdayanti,2021)

Based on the elucidation of ROE by these experts, it can be deduced that ROE represents a return on common stock equity, serving as a metric to gauge the profitability stemming from shareholder investments.(Krisdayanti,2021).

In evaluating the efficacy of ROE, Kasmir (2017) suggests a benchmark where a commendable ROE should surpass the threshold of (40%) A ROE exceeding (40%) is indicative of a favorable performance, whereas a ROE below (40%) is deemed subpar. (Krisdayanti,2021)

9.3. Chemical Sector

The chemical and cosmetic industries sector is renowned for its remarkable diversity in categories and products, demonstrating versatility in usage. Its products hold substantial importance for both individuals and interconnected sectors, particularly in pharmaceuticals, medicine, and construction, where chemical products serve as crucial inputs. (Jordan Chamber of Industry, 2019)

The sector's establishments vary in scale, comprising large-scale, high-level industrial facilities, some of which are partially state-owned, engaged in the production of petroleum refining products, petrochemicals, and fertilizers. Additionally, smaller to medium-sized private-sector-owned facilities contribute by manufacturing a broad range of high-quality consumer products with a competitive edge (Jordan Chamber of Industry, 2019).

On an industrial scale, the chemical and cosmetic industries sector ranks as the third-largest in terms of export volume, constituting approximately (13.5%) of total industrial exports. Its success can be attributed to competitive pricing and strict adherence to global standards, allowing its products to access numerous regional and international markets (Jordan Chamber of Industry, 2019).

Furthermore, it stands as the second-largest sector among the top ten industrial sectors concerning registered capital, representing around (18%) of the total registered capital in the industrial sector. This position underscores its role as a technological enhancer and a capital-intensive component. To sustain this status, industry establishments must keep abreast of cutting-edge global technology, adopt best manufacturing practices, and invest in research and development, innovation, while aligning educational programs in chemical engineering and applied chemistry faculties with the dynamic requirements of the chemical industries (Jordan Chamber of Industry, 2019).

the sector's success hinges on its ability to embrace innovation, creativity, and continuous research and development efforts, positioning itself as a vital player in the global industrial landscape (Jordan Chamber of Industry, 2019).

Modern society relies heavily on chemicals, playing a vital role in various aspects of our daily lives and complex industries. From our morning routines involving toothpaste, soap, and cosmetics to consuming meals with preserved and synthetically flavored ingredients, taking medicines, and utilizing transportation systems powered by refined fuels, chemicals have significantly enhanced modern life, making it more comfortable and affluent (Chung, 2023).

The chemical industry itself is extremely diverse, encompassing different raw materials, production routes, and final products. The complexity ranges from early-stage processing for commodity chemicals to late-stage batch processing for specialty chemicals and pharmaceuticals. In the EU alone, more than 140,000 chemicals are registered and marketed, with more than 30,000 new substances added in 2018. (Chung, 2023).

In the initial stage of intermediate chemical production, various raw materials serve as feedstocks. These intermediate chemicals undergo either conversion into final chemical products or are directly consumed as end products. Essential chemical processes such as reforming,

cracking, gasification, and pyrolysis play a pivotal role in both producing and utilizing numerous intermediate chemicals.)Chung,2023).

Primary chemicals, which include high-value products like ammonia and methanol, account for approximately two-thirds of the total energy consumption in the chemical industry. Notably, light olefins (such as ethylene and propylene) and aromatics (such as benzene, toluene, and mixed xylenes) are regarded as high-value chemicals, playing a crucial role in the manufacturing of plastics, synthetic fibers, and rubber.)Chung,2023).

It's noteworthy that the production of ammonia and methanol heavily relies on natural gas and coal, rendering them among the most emission-intensive commodities within the industry. (Chung,2023).

In other hand the chemical industry has several unique factors influence audit quality, corporate performance, setting it apart from other industries such as: Regulatory Compliance, Risk Management, Environmental and Sustainability Factors, Technological Innovation, Supply Chain Complexity, Product Liability and Litigation Risks, Volatility in Raw Material Prices, necessitate a tailored approach to audit quality and corporate performance evaluation compared to other industries.

10. Methodology

10.1. Introduction

The study methodology involved formulating hypotheses, derived from the literature review, to elucidate the influence of independent variables on the dependent variable, study population and sample, the use of the questionnaire and annual reports as the main instrument for data collection from the respondents. Jordanian chemical companies listed in the Amman Stock Exchange to achieve the objectives of the study, Furthermore, this section deals with research design, data sampling & data collection tools, and the methodological techniques that have been used in this research as sequential processes. Thus, it presents information about the research population, sample, and instrument, in addition to results of validity and reliability testing and analysis of normality and collinearity.

10.2. Quality of audit

10.2.1 The Concept Audit Quality

Audit Quality is the overall effectiveness and reliability of an audit process and the resulting audit report. It encompasses several aspects that contribute to the credibility, accuracy, and value of the audit findings and conclusions.

The concept of audit quality can be understood as the rigorous adherence to professional auditing standards, codes of conduct, ethics, audit guidelines, and regulations established by professional bodies to govern the auditing profession. This ensures that auditors maintain their independence and integrity (Menezes Brás, 2018). However, Reid, Carcello, Li, Neal, and Francis (2018) offer a different perspective on audit quality. They define it as including all the measures used by audit

offices to enable the execution of audits that are both of high quality and effective. Nurjannah (2019) presents an alternative viewpoint, suggesting that audit quality can be understood as the competent and successful execution of the audit procedure in accordance with established standards. This encompasses the revelation of detected mistakes and abnormalities, with a particular emphasis on satisfying the anticipations and requirements of individuals who utilize financial statements. (Salih,2020).

Audit quality has become increasingly important for ensuring accurate financial reporting and building trust among stakeholders. It is crucial for meeting the needs of users, boosting confidence in financial markets, and safeguarding the interests of all stakeholders. Defining audit quality is challenging due to various factors, and scholars have not reached a global consensus. Nonetheless, the widely accepted definition by DeAngelo (1981) describes it as the market-assessed probability that an auditor will detect and report irregularities in the accounting system employed by the client. (Almasani,2019).

10.2.2 The Importance of Quality of audit

The auditing profession has come under increased scrutiny, especially following major corporate failures such as Enron and WorldCom. To address these challenges, prioritizing audit quality is essential. Various stakeholders, including auditors, clients undergoing audits, those benefiting from auditing services, and professional organizations, view the quality of audits as crucial. Several key aspects contribute to ensuring audit quality (Shibli,2019):

1. Adhering to professional standards: Complying with professional norms, specifically quality control standards, is crucial to enhance audit performance and confirm auditors' commitment to professional guidelines.
2. Closing the expectations gap in auditing: Addressing the quality gap, a subset of the expectations gap, involves aligning the anticipated quality of auditing services between users and auditors with actual performance.
3. Enhancing detection of violations and errors: High-quality auditors excel in identifying errors and irregularities in financial statements, minimizing misrepresentation. This emphasis is underscored by professional organizations and research studies, particularly in the aftermath of significant corporate.
4. Mitigating agency conflicts: High-quality auditing helps alleviate conflicts of interest between management and shareholders, reducing agency costs and reinforcing the necessity for quality audit services.
5. Reinforcing the concept of corporate governance.
6. Functioning as a competitive tool: Audit quality is essential for distinguishing auditing offices, gaining a competitive edge, and ensuring satisfaction and loyalty in the audit services market.
7. Bolstering confidence in audit reports and financial statement reliability: Emphasizing audit quality is crucial to instill confidence in audit reports and enhance the trustworthiness of financial statements used in decision-making.

10.2.3 Several factors contribute to the complexity of describing and evaluating the quality of an audit:

Beyond the judgmental nature of certain aspects of financial statements (IAASB-2022-Handbook-Volume-3: p24)

1. Limited Insight from Misstatements: The presence or absence of material misstatements in audited financial statements offers only a partial understanding of audit quality.
2. Audit Variability: Audits differ, and determining what constitutes sufficient and appropriate evidence for an audit opinion involves a subjective element.
3. Divergent Stakeholder Perspectives: Stakeholders hold diverse views on what defines audit quality, introducing variability in assessments.
4. Transparency Constraints: The lack of transparency regarding audit procedures and findings adds to the challenge of comprehensively evaluating audit quality.

The term "audit quality" encompasses the fundamental elements that establish an environment conducive to consistently conducting audits of the highest caliber (IAASB-2022-Handbook-Volume-3).

Achieving a quality audit involves an engagement team that (IAASB-2022-Handbook-Volume-3)

- Demonstrates and upholds appropriate values, ethics, and attitudes.
- Possesses a sufficient level of knowledge, skills, and experience, with allocated time to effectively carry out audit tasks.
- Follows a meticulous audit process and enforces quality control measures under legal requirements, regulations, and relevant standards.
- Generates reports that are not only timely but also provide valuable insights.
- Interacts with relevant stakeholders in a manner that is not only appropriate but also constructive.

10.3. Research Design

The study used the descriptive analytical method to achieve its objectives. This included the use of secondary data, and extracting insights from previous studies related to the current research topic. In addition, the study used questionnaire and annual reports as primary tools to collect data from participants, and specifically targeted Jordanian chemical companies listed on the Amman Stock Exchange to collect primary data.

10.4 Population and sample size

The section explains the population size estimate and sample size determination for this study

10.4.1. Population Size

The study population consisted of (8) Jordanian chemical companies listed in the Amman Stock Exchange, and the internal auditors of employees in those companies reached (48) employees who meet the conditions of our research in terms of job title, as this information was collected from the annual reports of those companies.

10.4.2 Sample Size

Based on previous studies, it was found that the average number of auditors in chemical companies reaches three internal auditors. Accordingly, the sample consists of (48) employees working within chemical companies, where the number of chemical companies reached (8). The study sample will be selected using the comprehensive survey method due to the small number of auditors. Insiders in chemical companies listed on the Amman Stock Exchange.

Table (1): study sample: chemical company

Company name	Company No.
Premier Business And Projects Co.Ltd	141010
The Industrial Commercial & Agricultural	141009
Jordanian chemical industries	141026
Intermediate petrochemical industries	141217
Jordanian industrial resources	141055
The Arab Pesticides & Veterinary Drugs Mfg. Co.	141209
National Chlorine Industries	141054
Comprehensive Multiple Project Company	141086

10.4.3. Data Collection Tool

The study adhered to the quantitative approach, employing a questionnaire and annual reports as the primary tools for data collection. The research specifically targeted employees within chemical companies listed on the Amman Stock Exchange, forming the study sample. The data collection process was structured around two key sources:

1. Secondary Data Sources: This encompassed an extensive review of books, academic journals, previous research, thesis, and articles.
2. Sources of Primary Data: The study sourced primary data directly from internal auditors within chemical companies listed on the Amman Stock Exchange, which were included in the study sample. This was achieved through the administration of a questionnaire.

10.4.4. Study tool

Earlier studies with titles closely aligned with our research or related to the study variables were consulted. In the development of our questionnaire, was structured into distinct parts:

1. Part one: Demographic information for the study sample.
2. Part Two: Dimensions of the independent variable consisting of The First Dimension: auditor's Independence, The Second Dimension: Audit Committee size.

First Dimension: Auditor's Independence.

Table (2): auditor's Independence Scale Item

No.	The Clause
1.	Auditors provide their judgment and reports once and completely.
2.	The auditors conduct the audit process independently of any external or internal influences.
3.	Auditors have a unique position because they review the company's financial performance without outside interference.
4.	Auditors evaluate the organization's financial performance objectively and professionally.
5.	The auditor obtains written and explicit authorization from management before the audit process within the company
6.	The more independence of the auditors, the more effective monitoring, and reduced fraud opportunities and earning management, increasing trust of the account's auditor.
7.	auditors have the sufficient knowledge to perform their tasks objectively

Second Dimension: Audit Committee size

Table(3): Audit Committee Size Scale Item

8.	The size of the audit committee is determined by disclosure instructions and international accounting standards.
9.	The size of the audit committee is determined according to the work conditions and requirements.
10.	The size of the audit committee differs according to the specific objectives of the audit process.
11.	The size of the auditor committee is considered one of the basic requirements in the audit process.
12.	Audit committee size is considered one of the important concepts in the business environment.
13.	The increased number of audit committee members helps in the specialization diversity and experiences of its members, leading to an increase in the monitoring, and improving quality of the financial reports

Thus, questionnaire was presented as statements to be answered by participating individuals who indicated their agreement/disagreement within a 5-point Likert scale as shown in table below.

5 Points	Strongly Agree
4- Points	Agree
3 – Points	Neutral
2- Points	Disagree
1- Point	Strongly Disagree

The scale for measuring level of the sample individual's agreement with the study variables and fields is Likert five-point scale in the form of the equation:

Upper limit of the alternative-lower limit

Length of the clause=_____

Number of the limits

1 - 5

_____ = 1.33

3

Table (4): Five degrees on the questionnaire's clauses are provided.

Class	Length
Strongly Disagree	1–1.8
Disagree	1.81– 2.6
Neutral	2.61– 3.4
Agree	3.41– 4.2
Strongly Agree	4.21– 5

This scale is used to clarify the arithmetic mean of the study sample individuals' response to the questionnaire clauses.

Study Variables

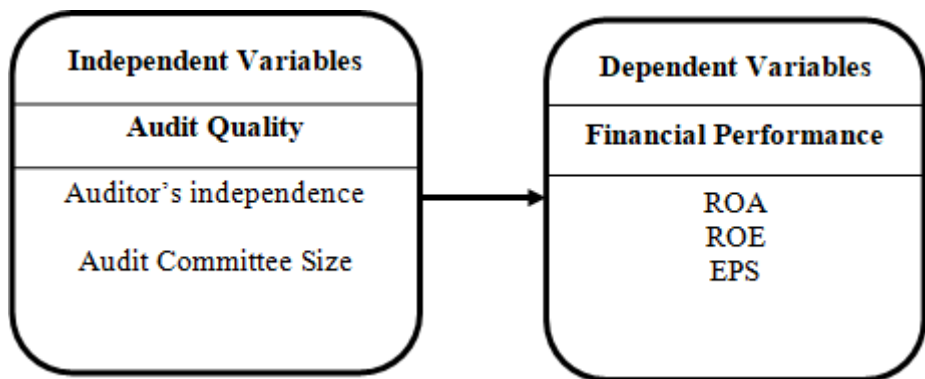


Fig. 1: Study Variable

11. Result and recommendation

11.1. Results:

Description of the study sample

In this part of the chapter, we will show the characteristics of the demographic variables of the sample members.

- How many years have you been working at the company?

Table (5) presents the results of a frequency test for years working at the company distribution in the dataset.. The table displays the counts and percentage of respondents in each years group.

Table (5) The counts and percentage of respondents in each year's work group

Group	Frequency	Percentage
Less than 5 years	2	11.8
5-10 years	3	17.6
11-15 years	7	41.2
More than 15 years	5	29.4

It can be seen from the previous table that the highest percentage of the distribution of respondents according to the variable of years of work amounted to (41.2%) for years (11-15 years), while the lowest percentage amounted to (11.8%) for years (less than 5 years).

➤ Professional certification

Table (6) presents the results of a frequency test for professional certification distribution in the dataset.. The table displays the counts and percentage of respondents in each certification group.

Table (6) The counts and percentage of respondents in each professional certification group

Group	Frequency	Percentage
JCPA	2	11.8
CPA	5	29.4
Other	6	35.3
None	4	23.5

It can be seen from the previous table that the highest percentage of the distribution of respondents according to the variable of professional certification amounted to (35.3%) for certification (other), while the lowest percentage amounted to (11.8%) for certification (JCPA).

➤ Gender

Table (7) presents the results of a frequency test for gender in the dataset.. The table displays the counts and percentage of respondents in each gender group.

Table (7) The counts and percentage of respondents in each gender group

Group	Frequency	Percentage
Male	12	70.6
Female	5	29.4

The frequency test reveals that most respondents identified as male, with 12 individuals, accounting for 70.6% of the total sample. While the reached female 5 by percentage 29.4%.

➤ Age

Table (8) presents the results of a frequency test for age distribution in the dataset.. The table displays the counts and percentage of respondents in each age group.

Table (8) The counts and percentage of respondents in each age group

Group	Frequency	Percentage
Less than 35 years	8	47.1
36-40 years	4	23.5
41-45 years	4	23.5

46-50 years	1	5.9
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It can be seen from the previous table that the highest percentage of the distribution of respondents according to the variable of age amounted to (47.1%) for age (less than 35 years), while the lowest percentage amounted to (5.9%) for age (46-50 years).

➤ Academic Qualifications.

Table (9) presents the results of a frequency test for academic qualifications distribution in the dataset.. The table displays the counts and percentage of respondents in each academic qualifications group.

Table (9) The counts and percentage of respondents in each academic qualifications group

Group	Frequency	Percentage
Bachelor	11	64.7
Master	5	29.4
Doctorate	1	5.9
Other	0	0.0

It can be seen from the previous table that the highest percentage of the distribution of respondents according to the variable of academic qualifications amounted to (64.7%) for qualifications (Bachelor), while the lowest percentage amounted to (5.9%) for qualifications (Doctorate).

➤ Major field.

Table (10) presents the results of a frequency test for major filed distribution in the dataset.. The table displays the counts and percentage of respondents in each major filed group.

Table (10) The counts and percentage of respondents in each major filed group

Group	Frequency	Percentage
Accounting	12	70.6
Management	1	5.9
Finance	4	23.5
Other	0	0.0

It can be seen from the previous table that the highest percentage of the distribution of respondents according to the variable of major filed amounted to (70.6%) for filed (accounting), while the lowest percentage amounted to (5.9%) for filed (management).

HO: Audit Quality (auditor's Independence, Audit Committee Size) has no significant impact on Financial Performance (ROA, ROE, EPS) of the listed Jordanian chemical Company sector.

To sure this hypothesis we applied the multiple regressions between the independent variable (auditor's Independence, Audit Committee Size) and dependent variable Financial Performance (ROA, ROE, EPS), as shown below:

Linear correlation test (Multicollinearity):

Linear correlation test was used to ensure that there is no high correlation between independent variables, based on the VIF test and the Tolerance test for each of the independent variables, the independent variables of the model must be independent, to ensure that purpose, we use these

tests, which are considered one of the methods used to multicollinearity of the problem of linear multiple regression, knowing that must not exceed the coefficient of (VIF) of the value (10), and the value of the test of tolerance variance must be greater than (0.05).

Table (11): The results for the tests: VIF and Tolerance

Independent variable	VIF	Tolerance
auditor's Independence	1.032	.969
Audit Committee Size	1.032	.969

We show in table (11) the values of the variance inflation coefficient test (VIF) for all independent variables are less than (10), while the value of the test tolerance coefficient of variance (Tolerance) for all independent variables is greater than (0.05) and therefore can be said that there is no problem of high correlation between independent variables, this enhances the possibility of use in the model.

Table (12): The results for multiple regressions

R	R Square	Adjusted R Square	F	Sig*	Regression coefficients				
					Domain	β	Std. Error	T	Sig*
0.661	0.437	0.357	5.438	0.02*	auditor's Independence	.663	375.73	3.253	.006*
					Audit Committee Size	-.009	498.88	-.045	0.0426

* Statistically significant at the level of statistical significance ($\alpha \leq 0.05$)

We shows in a table (12) the following:

1. The value ($F = 5.438$) and statistically significant (0.00) is less than the level of statistical significance ($\alpha \leq 0.05$), Thus, a multiple linear regression model is suitable for measuring the causal relationship between the independent variable (auditor's independence, audit committee size) and dependent variable (Financial Performance). A summary of the Model Summary analysis of multiple linear regressions.

2. The value of the correlation coefficient between the independent variable (auditor's independence, audit committee size) and dependent variable (Financial Performance) was (0.661), the value of the coefficient of determination (R^2) (0.437), and that the value of the adjusted determination coefficient (Adjusted R^2) (0.357) which indicates that the independent variable (auditor's independence, audit committee size) was able to explain (35.7%) of the changes in the dependent variable (Financial Performance) and the rest attributed to other factors.

There is a statistical significance for the coefficient of multiple linear regression equation related to the independent variable (auditor's independence), where the value ($T = 3.253$), which show the impact of the effect of (auditor's independence) on financial performance. Thus, there is significant for the coefficient of multiple linear regression equation, which were $t(0.663)$, and have a positive effect, Then we reject the null hypothesis "Audit Quality (auditor's Independence, Audit Committee Size) has no significant impact Financial Performance (ROA, ROE, EPS) of the listed Jordanian chemical company sector."

Sub Hypotheses

HO1: There is no significant impact of The Auditor's Independence on the financial performance (ROA) of the listed Jordanian chemical company sector.

To sure this hypothesis, a simple regression analysis test was applied, as shown in the following table:

Table (13): The results for simple linear regression by auditor's independence according to ROA

R	R Square	Adjusted Square	R	F	Sig*	Regression coefficients				
						Variable	β	Std. Error	T	Sig*
0.091	0.008	-0.058		0.125	0.0147	auditor's Independence	-.091	.594	-.353	0.0147

* Statistically significant at the level of statistical significance ($\alpha \leq 0.05$)

We find from the previous table (13) we find that Sig* = 0.0147, $\alpha < 0.05$ which is mean that there is a statistical significance of the coefficient of the simple linear regression equation related to the existence of an important relationship between auditor independence on ROA assets result, therefore, we reject the null hypothesis stating that "There is no significant impact of the auditor's Independence on the financial performance (ROA) of the listed Jordanian chemical company sector".

HO2: There is no significant impact of The Auditor's Independence on the financial performance (ROE) of the listed Jordanian chemical company sector.

To sure the effect of the independent variable on the dependent variable we used a simple linear regression analysis, as shown below:

Table (14): The results for simple linear regression by auditor's Independence

R	R Square	Adjusted R Square	F	Sig*	Regression coefficients				
					Variable	β	Std. Error	T	Sig*
0.665	0.442	0.404	11.862	0.00*	auditor's Independence	.665	1064.1	3.444	.004*

* Statistically significant at the level of statistical significance ($\alpha \leq 0.05$)

In Table (14) we can see the value of the correlation coefficient between the variable (auditor's Independence) and the dependent variable (ROE) was (0.665), the value of the coefficient of determination (R²) (0.442), and that the value of the modified coefficient of determination (modified R²) (0.404), which indicates To that the variable (auditor's Independence) was able to explain (40.4%) of the changes in the dependent variable and the rest was attributable to other factors. A value (T = 3.444) which shows the effect of (auditor's Independence) on ROE. Therefore, there is a significant effect of the sample linear regression coefficient, which was

(0.665), which is a positive effect. and then we reject the null hypothesis which states” There is no significant impact of The auditor’s Independence on the financial performance (ROE) of the listed Jordanian chemical company sector”.

HO3: There is no significant impact of The Auditor’s Independence on the financial performance (EPS) of the listed Jordanian chemical company sector.

To sure this hypothesis, a simple regression analysis test applied, as shown in the following table:

Table (15): The results for simple linear regression by auditor’s independence according EPS

R	R Square	Adjusted R Square	F	Sig*	Regression coefficients				
					Variable	β	Std. Error	T	Sig*
0.204	0.042	-0.022	0.655	0.0331	auditor’s Independence	0.204	.156	.809	0.0331

* Statistically significant at the level of statistical significance ($\alpha \leq 0.05$)

We find from the previous table (15) that there is a statistical significance of the coefficient of the simple linear regression equation related to the existence of an important relationship between auditor independence on EPS assets results. therefore, we reject the null hypothesis stating that” There is no significant impact of the auditor’s Independence on the financial performance (EPS) of the listed Jordanian chemical company sector”.

HO4: There is no significant impact of The Audit Committee size on the financial performance (ROA) of the listed Jordanian chemical company sector.

To sure this hypothesis, a simple regression analysis test was applied, as shown in the following table:

Table (16): The results for simple linear regression by Audit Committee size according to ROA

R	R Square	Adjusted R Square	F	Sig*	Regression coefficients				
					Variable	β	Std. Error	T	Sig*
0.195	0.038	-0.026	0.592	0.454	Audit Committee size	.195	26.931	.769	0.454

* Statistically significant at the level of statistical significance ($\alpha \leq 0.05$)

We find from the previous table (16) that there is no statistical significance of the coefficient of the simple linear regression equation related to the existence of an important relationship between audits Committee size on ROA assets results. There fore, we reject the null hypothesis stating that There is no significant impact of the Audit Committee size on the financial performance (ROA) of the listed Jordanian chemical company sector”.

HO5: There is no significant impact of The Audit Committee size on the financial performance (ROE) of the listed Jordanian chemical company sector.

To sure this hypothesis, a simple regression analysis test was applied, as shown in the following table:

Table (17): The results for simple linear regression by Audit Committee size according to ROE

R	R Square	Adjusted R Square	F	Sig*	Regression coefficients				
					Variable	β	Std. Error	T	Sig*
0.106	0.011	-0.055	.170	0.686	Audit Committee size	.106	188.22	0.412	0.686

* Statistically significant at the level of statistical significance ($\alpha \leq 0.05$)

We find from the previous table (17) that there is no statistical significance of the coefficient of the simple linear regression equation related to the existence of an important relationship between audits Committee size on ROE assets results. Therefore, we accept the null hypothesis stating that there is no significant impact of the Audit Committee size on the financial performance (ROE) of the listed Jordanian chemical company sector”.

HO6: There is no significant impact of The Audit Committee size on the financial performance (EPS) of the listed Jordanian chemical company sector.

To sure this hypothesis, a simple regression analysis test was applied, as shown in the following table:

Table (18): The results for simple linear regression by Audit Committee size according to EPS

R	R Square	Adjusted R Square	F	Sig*	Regression coefficients				
					Variable	β	Std. Error	T	Sig*
0.265	0.07	0.008	1.135	0.304	Audit Committee size	.265	253.93	1.065	.304

* Statistically significant at the level of statistical significance ($\alpha \leq 0.05$)

We find from the previous table (18) that there is no statistical significance of the coefficient of the simple linear regression equation related to the existence of an important relationship between audit Committee size on EPS assets results. therefore, we accept the null hypothesis stating that There is no significant impact of the Audit Committee size on the financial performance (EPS) of the listed Jordanian chemical company sector”.

The results emanating from the study showed that the aspects of audit quality (Auditor’s independence and Audit Committee) have a significant effect on financial performance (ROA, ROE, EPS) of the Chemical Company Sector, This implies largely that auditor’s independence Promote high quality audit report as they influence financial performance of chemical company

11.2 Recommendations

Based on the specific findings, the study recommends as follows:

- 1- Auditor's independence should be increased greatly in order to enhance financial performance (ROA, ROE, EPS) of the Chemical Company Sector, by improving internal control of the company, also, Always Conduct integrity and appropriate usage tests for auditors.
- 2- Shareholder should control the committee size, by controlling the audit committee members which will reflect positively on the audit report quality

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