The Impact of Audit Committee Independence and Size on the Audit Report Delay: An Applied Study

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Abstract

The timeliness of corporate annual financial reports is considered to be a vital factor affecting the effectiveness of information that is made available to external users. The purpose of this study is to investigate whether there is any impact of audit committee independence and size on the audit report delay of the Egyptian listed companies. Furthermore, five control variables are used which are audit opinion, audit office size, firm size, leverage, and firm profitability. 250 observations were drawn from 50 Egyptian listed companies during 2016-2020 throughout four sectors which are healthcare and pharmaceuticals, real estate, industrial goods and services and automobiles, and the basic resources sector. The findings of the study indicated that there is a significantly positive impact of audit committee independence and audit office size on the audit report delay. Furthermore, there is a significantly negative impact of the audit opinion on the audit report delay. On contrary, the study concluded that the variables of audit committee size, firm size, leverage, and firm profitability did not show any significant association with the audit report delay. Moreover, there are significant differences among the four sectors under study regarding the variables (audit committee independence, audit opinion, leverage, firm profitability, and audit report delay).

Key words: Audit committee independence, Audit committee size, audit report delay, Egypt

1. Introduction:

More attention from governments and regulatory bodies has been paid to corporate governance systems after the scandals which led to the fall of well-known firms such as Enron and WorldCom. These regulations aimed to retrieve the confidence which is lost in financial reporting (Habbash and Alagla, 2016)**.** The audit committee is one of the main items of corporate governance systems. Prior studies indicated that audit committees have an important monitoring role in corporate governance. This role can help in observing and controlling managers' practices. Thus, protecting the owner's wealth, stopping managers' maximization of their personal interests, attracting more foreign investments, and presenting financial reporting on a timely basis through its monitoring role (Alqatamin, 2018; Bansal and Sharma, 2016; Ika and Ghazali, 2012).

Timeliness is one of the main qualitative characteristics of financial information quality. Timeliness means that decision-makers must obtain the information in time to be capable of influencing their decisions (FASB, 2010). Financial reporting is the main source of information that is available to shareholders in emerging markets. So, presenting the financial information promptly will help to achieve decision-making utility (Oussii and Taktak, 2018a). Prior studies also showed that delays in presenting financial information at the right time reduce earnings quality and increase information asymmetry. In addition to that, it increases uncertainty regarding investment evaluations and expected earnings through investors who are well-informed by utilizing private information to exploit other investors (less-informed) who have less information (Sultana et al., 2015).

In Egypt, depending on the requirements of the Egyptian Financial Supervisory Authority, every Egyptian company should prepare and issue its financial statements within a maximum of three months after the end of the fiscal year (Egyptian Financial

Supervisory Authority, 2021). In addition to that, the Egyptian Auditing Standard No.300, paragraph 8 required the auditor to design an overall strategy that specifies the scope, timing, and direction of the auditing process which assists in preparing the most detailed audit plan (Egyptian Financial Supervisory Authority, 2014). Hence, contributes to decreasing the time needed for the auditing process where the audit delay can be reduced.

Prior studies indicated that an effective monitoring body cannot be provided by the existence of an audit committee only, because audit committees are not always effective, and their existence may not be enough. Hence, more attention should be paid to the impact of audit committee characteristics (Habbash and Alagla, 2016). The study focused on the audit committee characteristics where the previous studies indicated that they are one of the most effective characteristics, which are audit committee independence, and audit committee size (Asiriuwa et al., 2018; Buallay, 2018; Gebrayel et al., 2018; Pérez-Cornejo et al., 2019; Salehi et al., 2018).

2. Research Problem:

The primary source of accounting information for the company is the financial reports, which allow the users of those reports to recognize the company's financial position and the results of its business to make the correct investment decisions and improves the efficiency of financial markets (Afify, 2009; Hassan, 2016). Moreover, they are considered an active tool to achieve the communication function from an accounting perspective (Kusumayani et al., 2019). Therefore, it is so far necessary to publish audited reports on time to achieve the great benefit of the financial reports, thus reducing audit report delay. (Al-Ajmi, 2008; Kaaroud et al., 2020).

Because of the importance of audit report delay and its association with the timeliness of the issuance of financial reports, many regulators responsible for capital markets around the world have set periods during which companies must disclose their financial statements to protect the interests of users of financial reporting information (Abernathy et al., 2017; Aifuwa et al., 2020; Ika and Ghazali, 2012; Oussii and Taktak, 2018a). Additionally, the US Securities and Exchange Commission (SEC) issued rules that shorten the deadlines for submitting annual financial reports for US companies to a period not exceeding 60 days after they were 90 days (Azizan, 2019; Odjaremu and Jeroh, 2019; SEC, 2003). As for Egypt, the Egyptian Financial Supervisory Authority has issued the rules for listing and de-listing securities on the Egyptian stock exchange, moreover, Companies Law No. 159 of 1981 in addition to Capital Market Law No. 95 of 1992 has issued obligations for the preparation of the annual financial statements within a period not exceeding three months from the end of the fiscal year (Capital Market Authority, 1992; Egyptian Financial Supervisory Authority, 2021; Official Newspaper, 1981).

The problem with the study is that many researchers in several developed countries have given more focus to the issue of audit committee independence and audit committee size and their impact on audit report delay (Aifuwa et al., 2020; Firnanti and Karmudiandri, 2020; Hariadi et al., 2020; Ogoun et al., 2020; Oussii and Taktak, 2018a; Raweh et al., 2019; Sultana et al., 2015), but they did not reach to an agreement about the nature of the relationship between audit committee independence and audit committee size and audit report delay so that the current study is seeking to determine the impact of audit committee independence and audit committee size on audit report delay through the application on the Egyptian listed companies in four sectors which are healthcare and pharmaceuticals sector, real estate sector, industrial goods and services and automobiles sector, and basic resources sector.

To define the study problem, the following questions can summarize and express the study problem as follows:

Q1: To what extent are there key differences among Egyptian stock market sectors with regard to the audit committee independence?

Q2: To what extent are there key differences among Egyptian stock market sectors with regard to the audit report delay?

Q3: To what extent are there key differences among Egyptian stock market sectors with regard to the audit opinion?

Q4: To what extent are there key differences among Egyptian stock market sectors with regard to the leverage?

Q5: To what extent are there key differences among Egyptian stock market sectors with regard to the firm profitability?

Q6: To what extent is there a relationship among the audit committee independence and the audit report delay?

Q7: To what extent is there a relationship among the audit committee size and the audit report delay?

Q8: To what extent do the audit committee independence impact on the audit report delay?

Q9: To what extent do the audit committee size impact on the audit report delay?

3. Study Objectives:

1. Determining the key differences among the Egyptian stock market sectors with regard to the audit committee independence.
2. Examining the key differences among the Egyptian stock market sectors with regard to the audit report delay.
3. Studying and analyzing the key differences among the Egyptian stock market sectors with regard to the audit opinion.
4. Examining the key differences among the Egyptian stock market sectors with regard to the leverage.
5. Determining the key differences among the Egyptian stock market sectors with regard to the firm profitability.
6. Studying and analyzing the relationship among the audit committee independence and the audit report delay.
7. Studying and analyzing the relationship among the audit committee size and the audit report delay.
8. Studying and analyzing the impact of audit committee independence on the audit report delay.
9. Studying and analyzing the impact of audit committee size on the audit report delay.

4. Study Significance:

1. The study will fill the gap in the literature where the evidence of how audit committee independence and audit committee size impact audit report delay remain scant. In addition to that, there is a difference between the researchers regarding the impact of audit committee independence and audit committee size on audit report delay.
2. The study suggests that audit committee independence and audit committee size will contribute to the improvement of financial statements' timeliness.
3. The study may affect regulators and policymakers who need to play a role in the establishment of effective audit committees and the improvement of financial reporting timeliness.
4. The study will help to restore the confidence of investors in the capital markets which require reliable and timely accounting information by identifying the factors related to the audit committees that may affect audit delay.
5. The study expected that the audit committee monitoring function will encourage or help management to produce financial information on a timely basis.
6. The study provides practical evidence about the impact of audit committee independence and size on the audit report delay.

5. Study Limitations:

1. The study utilized when measuring audit report delay the period from the date of the end of the fiscal year until the date of the auditor's signature on the audit report (e.g. Diana, 2018; Raweh et al., 2019; Shofiyah and Suryani, 2020; Viet et al., 2018; Yuliusman et al., 2020). The study did not include the period from the date the auditor signs the report until the date of the disclosure of the financial reports, because this period is controlled by the company's management. (Khlif and Samaha, 2014; Pizzini et al., 2015).
2. The study focused on some of the most effective audit committee characteristics which are audit committee independence, and audit committee size (Firnanti and Karmudiandri, 2020; Ghafran and Yasmin, 2018; Ogoun et al., 2020; Oussii and Taktak, 2018a), although there are other characteristics of the audit committee.
3. The study applied to four major sectors only which are healthcare and pharmaceuticals, real estate, industrial goods and services and automobiles, and basic resources during the period 2016-2020

6. Study Outline:

In order to achieve the objectives of the study, the study is divided into a group of major sections, the theoretical framework of the study which included the concept of audit report delay, the importance of audit report delay, the concept of the audit committee, and the importance of the audit committee, the second section involved the literature review related to audit report delay, audit committee independence and audit committee size, and the associations between independence, audit committee size and audit report delay, the third section comprised study methodology, population and study sample, the measurement of the study's variables, data collection sources, and statistical techniques of the study, the last section included study results and study recommendations.

7. Theoretical framework of the study

7.1 The concept of the audit report delay:

A stream of research has dealt with the concept of audit report delay, as some have defined it as the period from the date of the end of the fiscal year until the date of the auditor's signature on the audit report. This concept is what the researcher will take and rely upon when dealing with that period (e.g. Diana, 2018; Raweh et al., 2019; Shofiyah and Suryani, 2020; Viet et al., 2018; Yuliusman et al., 2020). While another stream defined audit report delay as the period from the date of completion of the audit of the financial statements submitted by the auditor until the date of the disclosure of the financial reports (Mukhtaruddin, 2015). Otherwise, prior research has tended to divide it into two periods: the first period starts from the end of the fiscal year and extends to the date of the auditor's signature on the audit report, often this period represents the time required to complete the audit tasks, and the responsibility of this period falls on the auditor because it is related to the period that the auditor spends in the audit process, and that is why we call it the audit report delay, as for the second period, it starts from the date the auditor signs the report until the date of the disclosure of the financial reports, and this period is controlled by the company's management. (Khlif and Samaha, 2014; Pizzini et al., 2015)

According to the Egyptian context, it is noticeable that no control by management in the second period because companies are obligated to submit the financial statements attached to the audit report in the first session of trading immediately after the auditor approves of the financial statements and his signature on the audit report, therefore, there is no delay period in the second period. Thus, the responsibility for delaying the issuance of the audit report lies on the auditor alone without the company's management (Al-Sayrafi, 2017; Mathuva et al., 2019). While other researchers divided it into three periods, where the two previous periods are combined into the third period called the total delay period, which is from the date of the end of the fiscal year until the date of the disclosure of the financial reports. (Al-Ajmi, 2008; Shafakheibari and Oladi, 2015).

7.2 The importance of the audit report delay:

Financial reports are the main source of accounting information for stakeholders and shareholders (Al-Ajmi, 2008), also financial reports are a way for the company to communicate its financial information and its performance in a manner that supports decision-making (Kusumayani et al., 2019). Audit report delay has vital importance because it is one of the factors affecting the timeliness of the disclosure throughout the financial reports, as it is not possible to disclose the financial reports until after the auditor signs them, as the decrease in audit report delay leads to reduced information asymmetry between the auditor and users of financial reports, increased information efficiency as a result of announcing profits as soon as possible, reduced uncertainty when making decisions, limiting the spread of rumors, improving stock prices in the stock market, while the delay in issuing the audit report can affect the quality of accounting information because it is not available on time, which has a negative impact on investor confidence in the money market (Afify, 2009; Dao and Pham, 2014; Hassan, 2016; Lee et al., 2009; Nelson and Shukeri, 2011; Yaacob and Che-Ahmad, 2012).

Despite the importance of providing timely financial reports, it is no less important than the content of those reports for users, as companies should not be concerned with the timeliness of publishing their financial information at the expense of the relevance and faithful representation of this information (Joshi, 2005; Türel, 2010). Because too early disclosure of the financial statements will affect the reliability of the financial statements because it is considered incomplete disclosure of all the activities and operations of the company so that these statements cannot be reliable, thus the balance must be achieved by the management between timeliness of financial statements and their relevance and reliability to achieve maximum benefit by the investors and users from the information disclosed (Emeh and Appah, 2013; McGee and Yuan, 2008).

7.3 The concept of the audit committee.

There is a controversial debate about the concept and nature of the audit committee, researchers and academic bodies disagreed on defining a unified definition of the concept of audit committees, this may be due to the different roles, responsibilities, and scope of work, as well as the nature of their composition and other factors that may differ from one environment to another. Some definitions related to audit committees can be presented as follows:

The Sarbanes-Oxley Act (2002) described the audit committee as a committee formed by and amongst the board of directors to oversee the processes of accounting, financial reporting, and audits of the financial statements as well as Spira (2003) defined the audit committee as a sub-committee of the main board of directors with a responsibility of internal financial control but no powers of decision-making and does not report immediately to company shareholders. In addition to that, DeZoort et al. (2002) stated that the audit committee is formed of qualified members with the power and resources to maintain stakeholder interests by guaranteeing trustworthy financial reporting, internal controls, and risk management through its hardworking oversight efforts. Further, Stewart and Munro (2007) said that the committee is composed to review the management representation letter, the letter of the auditor to management, and the response of management to the auditor’s recommendations. Whereas, Arens et al. (2012) illustrated that the audit committee is formed of members of the board of directors whose responsibilities involve helping auditors stay independent of management. Otherwise, Johnstone et al. (2013) mentioned that it is a subcommittee of the board of directors responsible for observing audit activities, working as a representative of shareholder's interests and it should be formed of outside members of the board, that is, independent members of the organization. Moreover, the study of Ogoun et al. (2020) described the audit committee as a sub-committee within the corporate governance areas that is focused on guaranteeing the mechanism of internal control besides the quality of annual returned financials of the organization.

On the other hand, the Guide to Corporate Governance Regulations and Standards in Egypt mentioned that the board of directors forms the audit committee of at least three independent members where one of them should be a financial and accounting expert, and the committee can comprise non-executive members if there is not a sufficient number of independent members, one or more members could be appointed from outside the company where the committee’s chairman has to be independent and the majority of its members are independent or non-executives (Ministry of Investment, 2011). This is in agreement with the (Egyptian Financial Supervisory Authority, 2016) which stated that the board of directors shall set up an audit committee, enjoying complete independence in discharging its task, the audit committee shall have operating rules approved by the board, defining its terms of reference in compliance with the laws and regulatory instructions, to ensure its independence, the audit committee shall elect its chairman, however, the board of directors shall approve the composition of the committee, define the criteria of selecting its members, set its working program and determine the remuneration of its members and chairman, and the tasks assigned, the audit committee shall be made up of independent and non-executive members of the board of directors, or from outside the company, provided that at least one of them has financial and accounting experience.

7.4 The importance of the audit committee:

The board of directors has large tasks and responsibilities to supervise the management, so it is required to gather a large amount of information about the activities of the company to perform this role, so it delegates some of its complex tasks to some specialized committees. One of the most important committees of the board of directors is the audit committee which possesses financial and accounting expertise and has sufficient independence. It also can effectively oversee the process of preparing the financial statements and reports of the company as well as supervise, control, and support the effectiveness of both the internal auditor and the external auditor, which eventually makes the board of directors able to perform its duties more effectively and to provide reports with a high level of credibility and honesty to shareholders (Alzeban, 2015; Ibrahim, 2018; Mahrous, 2011; Salleh and Stewart, 2012). Moreover, (Sultana et al., 2015, p.72) contend that the "emergence of the audit committee's importance is likely to directly influence the actions and activities of the external auditor, including time taken to issue the audit report."

7.5 The audit committee characteristics:

7.5.1 Audit committee independence:

Those who are free from any relationships with the firm managers are called independent directors (Pérez-Cornejo et al., 2019), which means there is nothing that might impair the judgment of audit committee members (Chukwu and Nwabochi, 2019), also for the audit committee members to be independent they must not perform executive duties (Apadore and Noor, 2013).

The independence of the audit committee members is an important matter to protect the stakeholders, as independent managers are more efficient than those who are not independent according to the theory of the agency in terms of company oversight, resistance to management pressure, and maintaining objectivity because no relationship binds them to the company, which creates some kind of balance increases the credibility of the company's financial decisions (Katmon and Al Farooque, 2015).

Also, the quality of financial reports can be influenced by an independent committee (Firnanti and Karmudiandri, 2020). It is noted that a board that includes a balanced number of non-executive directors has the capability of reducing audit report lag because of their independent judgment (Soyemi et al., 2019).

Despite what audit committee members independence achieves of the financial statement quality and board functioning improvement (Armstrong et al., 2014), however, there is still disagreement about the adequacy and the extent of independence that enables the audit committee to be effective in the performance of its tasks, while some countries such as the United States and the United Kingdom require the independence of all members of the audit committee, other countries require the independence of the majority of members only, such as Singapore, Australia and China (LEONG et al., 2015).

7.5.2 Audit committee size:

The effectiveness of the audit committee is mainly related to the available resources, the most important of which is the number of audit committee members (Ahmed Haji, 2015), which clarify that for the audit committee to ensure its efficient performance it must have sufficient size (Almuzaiqer, 2018). Although there is no specific size for the audit committee, the regulatory authorities require that the audit committee consists of at least three members, and the majority of them should be independent directors (Blue Ribbon Committee, 1999; Sarbanes-Oxley Act, 2002), also, the (Ministry of Investment, 2011) in Article 5: 5: 1 stated that the board forms the audit committee of at least three independent members where one of them should be a financial and accounting expert.

It is stated that the adequate size of the audit committee could help in resolving the companies' issues in a more effective way (Sultana et al., 2015). The size of the audit committee must be appropriate, not less than necessary, according to the nature and needs of the company, as in the event of a decrease in size, this leads to the inability of the committee to fulfill its responsibilities, also the number of committee members should not be more than necessary to avoid the variance in opinions and the difficulty of reaching an agreement, either when discussing or making recommendations.

For the committee to be able to resolve the issue of voting, the number of audit committee members must be individual, also appropriate and sufficient number must be available in a manner that enables the availability of expertise, skills, viewpoints, and leaders in the committee, and for the committee to achieve the desired efficiency and effectiveness, these experiences and skills must be exchanged.

Hence, a strong audit committee in terms of its size will guarantee to reduce the internal control and procedures of the company. Thus, it will decrease the working hours of the auditor and consequently reduce the audit report delay (Lirungan and Harindahyani, 2019).

8. Literature Review

8.1 Studies related to the audit report delay:

The objective of (Elsayed, 2018) was to determine the impact of external audit quality on the auditor's report delay. An applied study was carried out on 12 companies in the healthcare and pharmaceuticals sector within the period 2012-2016. The study revealed that there is a significant positive relationship between (firm size, leverage, and year-end date) and audit report delay. Also, there is a negative relationship between (profitability, audit office size, and auditor industry specialization) and audit report delay.

Moreover, Oussii and Taktak (2018b) investigated whether coordination between external auditors and the internal audit function (IAF) affects the timeliness of audit reports as proxied by audit delay. A survey of chief internal auditors from Tunisian listed companies was used to analyze the extent of coordination between IAFs and external auditors. Data from 53 listed companies were collected over the period (2011-2014). Further, regression analysis was used to test the hypothesis. The study results indicated that greater coordination between internal and external auditors results in timelier financial reporting.

Furthermore, the study of (Wahdan, 2018) aimed to evaluate the impact of internal control in ERP systems on financial reporting lag. An empirical study was carried out on the sample of firms from two sectors: real estate and medical care and pharmacy to investigate the impact of ERP systems on internal control dimensions, the impact of ERP systems on financial reporting lag, the impact of internal control dimensions on financial reporting lag, and the impact of internal control dimensions in ERP systems on financial reporting lag. The findings of the study indicated that there is a positive and significant impact of ERP systems on operations efficiency in both sectors. However, there is a positive impact of the ERP system on operations effectiveness and reliability of financial statements in the real estate sector.

The purpose of Dewi et al. (2019) was to examine and analyze the association between audit tenure and financial distress on delay in the publication of the financial statement. Secondary data are used such as financial reports. A sample of 396 companies listed on the Indonesia Stock Exchange (IDX) was utilized from 2015 through 2017. The study found that delay in the publication of financial statements is not affected by audit tenure and financial distress. This result showed that audit tenure and financial statements can't be the focus of companies when they submit their financial statement because there are some regulations regarding the timeliness of publishing the financial statement.

Additionally, the purpose of (Kaaroud et al., 2020) study was to examine the extent of audit report lag and its association with governance mechanisms in the Islamic banking institutions in Malaysia. The sample of the study comprises 112 observations of Islamic banking institutions' financial reports for the period 2008-2014. The findings show that the extent of audit report lag for the sample selected ranges from a minimum period of 7 days to a maximum period of 161 days, and the extent of audit report lag is approximately two months on average. The analysis indicated that audit committee expertise and audit committee meeting have a significant association with the extent of audit report lag. On the other hand, board independence, audit committee size, and Shari'ah board expertise have an insignificant association with the extent of audit report lag. In addition, one control variable (Islamic bank size) is found to be significantly associated with longer audit report lag.

8.2 Studies related to audit committee independence and size:

Asiriuwa et al. (2018) examined audit committee attributes and audit quality with emphasis on the specific requirements of the 2011 SEC code in Nigeria. A sample of 50 companies was included. Data used for the study were gathered from the annual reports of companies listed on the Nigerian Stock Exchange from 2012 through 2014. The study findings revealed that audit committee size, frequency of meetings, number of experts, and overall effectiveness, all have a positive relationship with audit quality. However, only size and overall effectiveness were significant in their relationship.

Furthermore, Salehi et al. (2018) evaluated the relationship between the characteristics of the audit committee and the board and profitability among the companies listed on the Tehran Stock Exchange (TSE) in Iran. Data was utilized during the period from 2010 to 2015. A sample of 111 companies was employed. Required information gathered from library research, articles, and websites. The study results reported that there is a positive and significant relationship between audit committee financial expertise and profitability. At the same time, there was not any significant association between audit committee size and corporate financial performance.

The purpose of Moses (2019) study was to investigate the relationship between audit committee composition, the board of directors' characteristics, and the quality of financial reports of commercial banks in Nigeria. Data was collected from the annual reports of fifteen (15) commercial banks for a period of ten (10) years from 2009 to 2018. The Jones quality of accruals model and the ordinary least square method of regression were used to analyze the data for the study. The study findings showed that the audit committees with independent members have a positive effect on financial reporting quality. In addition to that, the numerical size of the board of directors showed a positive relationship with the quality of financial reports. Finally, the findings showed that board composition has a positive relationship with the quality of financial reports.

Pérez-Cornejo et al. (2019) analyzed the effect of audit committee characteristics (independence and independent members' knowledge and diligence) on corporate reputation through their effect on ERM system quality. A sample of 123 listed Spanish companies for the years 2008-2014 is used. The data for audit committee characteristics were obtained from the corporate governance reports of each company analyzed for the years 2008-2014. The study results showed that audit committee independence improves corporate reputation through the ERM system. The findings also revealed a positive relationship between the average educational level of independent directors of the audit committee and ERM system quality.

Moreover, (Ashari and Krismiaji, 2020) investigates the effect of audit committee characteristics, which includes independence, size, competence, and frequency of meetings on the financial performance of manufacturing firms listed on the Indonesian Stock Exchange for the year 2016 and 2017. The study found that all the characteristics of an audit committee positively affect the company's performance. The research also used three control variables, which are the quality of auditors, financial leverage, and company size. The results showed that the quality of auditors and financial leverage have positively affected the company's financial performance, while the financial performance of the company is negatively affected by company size.

8.3 Studies related to the audit committee independence, size and the audit report delay:

Sultana et al. (2015) aimed to determine whether audit committee compositional features are associated with the timeliness of financial reporting by Australian firms. A sample of 100 firms listed on the Australian Securities Exchange (ASX) from 1 January 2004 to 31 December 2008 was employed. Secondary data are used. The study results indicated that audit committee members with financial expertise, prior audit committee experience, and those who are independent are associated with shorter audit report lag. However, audit committee gender, size, and meeting frequency do not appear to be significant determinants of audit report lag.

Furthermore, the study of Al-Qublani (2016) aimed to investigate the relationship between the characteristics of audit committee which are audit committee independence, audit committee overlap, tenure of chairman of the audit committee, the expertise of the chairman of the audit committee, and audit report lag of firms listed on Bursa Malaysia. Data were collected from 139 companies in the financial year 2015. The results showed that the chairman of the audit committee with accounting expertise, audit committee size, frequency of meetings of the audit committee, firm size, leverage, and profitability are significantly associated with audit report lag. However, the other five variables: audit committee independence, audit committee overlap, tenure of chairman of the audit committee, auditor type, and industry type were insignificantly related to audit report lag.

Moreover, Oussii and Taktak (2018a) investigated whether there is any relationship between the effectiveness of an audit committee and the financial reporting timeliness of Tunisian listed companies as proxied by external audit delay (AD). The study analysis focused on five audit committee characteristics: authority, financial expertise, independence, size, and diligence. A sample of 54 companies during 2011-2013 was employed. Data on audit committees was collected via the questionnaire. Multivariate analyses indicated that audit committees with members who have financial expertise are significantly associated with shorter AD. However, audit committee independence, authority, meeting frequency, and size do not appear to have a significant impact on AD. Thus, the results suggested that audit committee financial expertise contributes to the improvement of financial statements' timeliness.

Likewise, The study (Ogoun et al., 2020) investigated audit committee attributes and audit report lag of quoted industrial firms in Nigeria. Secondary data were collected from the financial reports published by selected quoted companies covering eight (8) years from (2012-2019). The study results stated that audit committee members with financial experts and non-executive members contributes increases the timeliness of audit certified annual financial returns. Furthermore, the framers of the Nigerian Corporate Governance Code should modify the compositional requirements of audit committee to allow for only nonexecutive directors, knowledgeable in accounting.

Originality and contribution

After reviewing the literature, the main reasons that led to study this problem can be summarized as follows:

- Most of studies indicated that audit committee independence and size could reduce earnings management practices, are positively associated with audit quality, firm's performance, financial and stock performance, profitability, financial reporting quality, corporate voluntary disclosure, and level of corporate social responsibility (CSR) disclosure. In addition to that, they are able to detect misstatements or deter opportunistic reporting by management.
- Most of studies showed that effective audit committee independence and size would enhance the quality of internal controls, reduce audit business risk, and consequently lead to shorter audit report delay.
- Most of studies indicated that audit committee independence and size affect financial reporting timelines. Therefore, affect regulators and policy makers who need to play a role in the establishment of effective audit committees and the

improvement of financial reporting timeliness.

- Most of studies have no agreement on the impact of audit committee independence and size on the audit report delay, for example, some studies concluded that audit committee size is associated with audit report delay (Al-Qublani, 2016; Apadore and Noor, 2013; Nelson and Shukeri, 2011) on the other side, other studies found that audit committee size does not have a significant impact on audit report delay (Oussii and Taktak, 2018a; Sultana et al., 2015). In addition to that, there is no approval on the impact of the other characteristics of audit committee such as audit committee independence on audit report delay as illustrated in the literature review.
- Thus, previous studies provide mixed and inconclusive results. Hence, further examination is required to be done in this context to arrive at conclusive results.
- There is a scarcity in the studies that examined the relationship between audit committee independence and size and the audit report delay, especially in Egypt (Afify, 2009; Mutawa, 2019; Selim, 2019). Therefore, this study has the potential to expand the understanding about overall aspects with regard to this relationship.

9. Study Hypotheses:

H1: There are no significant statistical differences among sectors with regard to the audit committee independence.

H2: There are no significant statistical differences among sectors with regard to the audit report delay.

H3: There are no significant statistical differences among sectors with regard to the audit opinion.

H4: There are no significant statistical differences among sectors with regard to the leverage.

H5: There are no significant statistical differences among sectors with regard to the firm profitability.

H6: There is no significant statistical relationship among the audit committee independence and the audit report delay.

H7: There is no significant statistical relationship among the audit committee size and the audit report delay.

H8: There is no significant statistical impact of the audit committee independence on the audit report delay.

H9: There is no significant statistical impact of the audit committee size on the audit report delay.

10. Study Methodology

10.1 Population and Study Sample

The study population involved (70) companies listed in four major sectors of the Egyptian stock market which are healthcare and pharmaceuticals, real estate, industrial goods and services and automobiles, and basic resources throughout 5 years from the period 2016 to 2020. The criteria of sample selection are as follows:

1. Companies listed in EGX from 2016 through 2020.
2. Companies presented their financial statements in the Egyptian pound.
3. Companies that have published their annual report publicly between 2016 and 2020.

4. Continued listed companies in the Egyptian stock exchange during 2016-2020
5. Companies that have the data on audit committee independence, and audit committee size in their annual reports.

Subsequently, according to prior criteria the sample comprises of (50) companies listed in the Egyptian stock market as follows:

Table (1) of the Study sample

No.	Sector	Population	Sample
1.	Healthcare and pharmaceuticals	17	13
2.	Real estate	29	17
3.	Industrial goods and services and automobiles	15	13
4.	Basic resources	9	7
	Total	**70**	**50**

Source: Prepared by researcher

10.2 The measurement of the study's variables:

The study involves eight variables, which classified as two independent variables that are (audit committee size and audit committee independence), and five control variables which are (audit opinion, audit office size, firm size, leverage, and firm profitability), and the dependent variable which is audit report delay. Specifically, table (4/1) shows the measurement of variables as follows:

Table (2) Variables measurement

Symbol	Variable	Measurement	References
X1	Audit committee size (ACSIZE)	Total number of Audit Committees members	(Al-Dhamari et al., 2018; Salehi et al., 2018; Setiany et al., 2017).
X2	Audit committee independence (ACIND)	The number of independent members is divided by the total number of audit committee members.	(Alqatamin, 2018; Juhmani, 2017; Madi et al., 2013).
C1	Audit opinion (OPINION)	1, if the company received an unqualified audit opinion and 0 otherwise	(Nelson and Shukeri, 2011; Yaacob and Che-Ahmad, 2012).
C2	Audit office size (A_SIZE)	1, if the auditor is one of the Big 4 auditing firms and 0 otherwise	(Hassan, 2016; Ram and Hassan, 2017).
C3	Firm size (F_SIZE)	Natural log of total assets	(Alqatamin, 2018; Khudhair et al., 2019)
C4	Leverage (LEV)	Total liabilities divided by Total assets	(Dao and Pham, 2014) (Yaacob and Che-Ahmad, 2012)

C5	Firm Profitability (PROF)	Net earnings divided by the total assets	(Afify, 2009; Apadore and Noor, 2013; Dao and Pham, 2014).
Y	Audit report delay (ARD)	is calculated by taking the number of days between a firm's fiscal year-end and the audit report signature date	(Ghafran and Yasmin, 2018; Oussii and Taktak, 2018a; Pizzini et al., 2015).

Source: Prepared by researcher

10.3 Data Collection Sources

In order to collect the necessary data to test the study hypotheses, the study depended on the financial reports of the companies related to the study sectors during the period 2016-2020. Financial reports such as financial statements, board of director reports, and audit committee reports of companies. Also, these reports are published and available on the Mubasher Masr website (https://www.mubasher.info/countries/eg), company websites, Egyptian stock exchange website, and Egyptian company for publishing information website.

10.4 Statistical Techniques of the Study:

The study depended on several statistical techniques which can be classified into several categories:

10.4.1 Descriptive analysis: is used to describe the data of the study sample depending on the mean (as a measure of central tendency), maximum values, minimum values, and standard deviations (as a measure of dispersion).

10.4.2 One-Sample Kolmogorov-Smirnov test: is employed to test the normality of the study data in order to determine the suitable statistical tests to analyze the desired data.

10.4.3 Kruskal-Wallis test: is used to determine the main differences between the trends of the study sample around the role of audit committee characteristics on audit report delay according to sectors.

10.4.4 Correlation Analysis (spearman): is utilized to estimate the strength and direction of the relationship between independent variables (audit committee characteristics which are audit committee independence, and audit committee size), control variables (firm size, audit office size, firm profitability, leverage, and audit opinion) and dependent variable: audit report delay.

10.4.5 Multiple Linear Regression: is used to identify the most important predictive variables of independent variables (audit committee characteristics which are audit committee independence, and audit committee size), Control variables (firm size, audit office size, firm profitability, leverage, and audit opinion) to illustrate its role in supporting the dependent variable: audit report delay. All these tests are considered to be accompanying the analysis methods that were decided to be used and which are available in the SPSS statistical methods package.

10.5 Testing Normality

The study depended on the test of One-Sample Kolmogorov-Smirnov to determine whether the study data follows the normal distribution or not, then the appropriate statistical tests can be chosen to analyze the study data. Generally, the data are distributed normally if the significance value of the Kolmogorov-Smirnov test is much more than 5 %. Otherwise, data don't have a normal distribution. Table (3) shows the results One-Sample Kolmogorov-Smirnov test as follows:

Table (3) The results of (the Kolmogorov-Smirnov) test for the normal distribution of the data

Coding	Variables	Test Statistic	P-Value
y	Audit report delay (ARD)	2.303	.000
X1	Audit committee size (ACSIZE)	6.631	0.000
X2	Audit committee independence (ACIND)	2.975	.000
C1	Audit opinion (OPINION)	7.289	0.000
C2	Audit office size (A_SIZE)	6.497	0.000
C3	Firm size (F_SIZE)	1.367	.048
C4	Leverage (LEV)	4.942	0.000
C5	Firm Profitability (PROF)	2.801	.000

Source: the results of the statistical analysis

Table (3) illustrates that P-Value (significant) for test statistics in the Kolmogorov-Smirnov test is less than 0.05, so the data does not follow the normal distribution. Subsequently, the study will depend on nonparametric tests to examine the hypothesis of the study.

10.6 Descriptive statistics of the study:

Table (4) shows the results of the descriptive statistical analysis that related to the impact of audit committee characteristics on audit report delay. The descriptive statistics include the mean, standard deviation, minimum and maximum values of the study variables for all sectors as follows:

Table (4) Descriptive statistics for all sectors

Symbol	Variables	N	Minimum	Maximum	Mean	Std. Deviation
y	Audit report delay (ARD)	250	24.00	269.00	71.68	28.26

x1	Audit committee size (ACSIZE)	250	2.00	6.00	3.44	0.87
x2	Audit committee independence (ACIND)	250	0.00	1.00	0.45	0.36
c1	Audit opinion (OPINION)	250	0.00	1.00	0.74	0.44
c2	Audit office size (A_SIZE)	250	0.00	1.00	0.36	0.48
c3	Firm size (F_SIZE)	250	16.82	24.73	20.65	1.94
c4	Leverage (LEV)	250	0.00	9.39	0.59	0.91
c5	Firm Profitability (PROF)	250	0.00	0.48	0.07	0.08

Source: the results of the statistical analysis

It is noticeable that the average of the variable audit report delay (ARD) of all sectors is 71.68 days with a corresponding standard deviation of 28.26, a minimum value of 24.00, and a maximum value of 269.00, comparing these results, especially the mean with the results of prior studies made in Egypt, it is found that this average is close to the average of prior studies (Afify, 2009; Elsayed, 2018; Mutawa, 2019; Samaha and Khlif, 2017; Selim, 2019; Wahdan, 2018) which are 67.2, 74.77, 73.57, 68.66, 72, and 71.32, respectively. But the study average is lower than the results of other studies in other countries (Chukwu and Nwabochi, 2019; Oussii and Taktak, 2018a) which are 159.38, and 136.14, individually. Likewise, it is higher than the results of other studies (Almuzaiqer, 2018; Raweh et al., 2019) which are 60.41, and 51.05 separately. Consequently, it is observed that Egyptian listed companies have an acceptable average in submitting their financial reports in a timely manner, thus reducing the ARD.

Regarding the explanatory variables for all sectors, it is observed that the average of the variable audit committee size (ACSIZE) is 3.44 with a corresponding standard deviation of 0.87, a minimum value of 2.00, and a maximum value of 6.00, comparing this average with the results of previous studies, it is found that the study average is close to prior studies, as it is 3.42 in the study of (Raweh et al., 2019), but is it is lower than (Ogoun et al., 2020) which is 5.22 and (Chukwu and Nwabochi, 2019) which is (5.46). Moreover, it is higher than other studies such as those (Almuzaiqer, 2018) which is 3.30, and (Nelson and Shukeri, 2011) which is 3.26.

Furthermore, it is observed that the average of audit committee independence (ACIND) is 0.45 with a standard deviation of 0.36, a maximum value of 1.00, and a minimum value of 0.00, comparing this average with the results of prior studies, it is revealed that this average is close to the study of (Oussii and Taktak, 2018a) with average 0.56 and (Mutawa, 2019) with 0.67, also, the study average is lower than the average of other studies which are (Ogoun et al., 2020; Putri, 2018; Raweh et al., 2019) which are 1,750, 0.85, and 0.81 respectively.

For the control variables, the average of audit office size (A_SIZE) is 0.36 with a corresponding standard deviation of 0.48, a maximum value of 1.00, and a minimum value of 0.00, comparing the average with the results of prior studies, it is obvious that the study average is nearby to the average of (Afify, 2009) which is 0.40 and (Ogoun et al., 2020) that is 0.43. However, the average is lower than the results of some prior studies such as those (Mutawa, 2019) with an average of 0.80, and (Raweh et al., 2019) with an average of 0.61. In addition to that, the average of the firm size (F_SIZE) is 20.65 with a subsequent standard deviation of 1.94, a maximum value of 24.73, and a minimum value of 16.82. It is noticed that the average is close to the outcomes of the previous studies (Afify, 2009; Elsayed, 2018; Wahdan, 2018) with values of 20.52, 19.70, and 20.55, respectively. However, the average is higher than some prior studies such as those (Aifuwa et al., 2020) with an average of 9.81, and (Oussii and Taktak, 2018a) with an average of 18.03.

Additionally, the average of leverage variable is 0.59 with a subsequent standard deviation of 0.91, a maximum value of 9.39, and a minimum value of 0.00. This result is close to the result of (Chukwu and Nwabochi, 2019) with an average of 0.53. However, the average is lower than the average of some prior studies such as those (Wahdan, 2018) with an average of 2.67, (Mutawa, 2019) with an average of 1.57. On contrary, the average is higher than the average of some studies (Elsayed, 2018) with an average of 0.34, and (Raweh et al., 2019) with an average of 0.47. Furthermore, the average of the variable firm profitability is 0.07 with a corresponding standard deviation of 0.08, maximum value 0.48, and minimum value 0.00. The study's conclusion is close to (Elsayed, 2018) with an average of 0.08, (Mutawa, 2019) with an average of 0.08. Despite this, the study average is lower than certain prior studies such as those (Samaha and Khlif, 2017) with an average of 0.09, and (Afify, 2009) with an average of 0.10. Furthermore, the study average is higher than several studies such as (Aifuwa et al., 2020; Chukwu and Nwabochi, 2019; Raweh et al., 2019) with an average of 0.03, 0.03, and 0.05, respectively. Finally, the average of audit opinion (OPINION) is 0.74, with a corresponding standard deviation of 0.44, maximum value of 1.00, and minimum value of 0.00.

10.7 Testing the extent of differences among sectors regarding The audit report delay:

The Kruskal-Wallis test determines the main differences between the trends of the study sample around the role of audit committee characteristics on audit report delay according to sectors as follows

Table (5) Kruskal-Wallis test results according to all sectors							
		Mean Rank				Kruskal-Wallis Test	
Coding	**Variables**	**Healthcare and Pharmaceuticals**	**Real Estate**	**Industrial Goods and Services and Automobiles**	**Basic Resources**	**Chi-Square**	**P-Value**
Y	Audit report delay (ARD)	118.9307692	114.8411765	124.9846154	164.5428571	12.596	.006
X1	Audit committee size (ACSIZE)	128.8692308	120.1882353	133.4	117.4714286	2.845	.416
X2	Audit committee independence (ACIND)	115.6692308	89.65294118	151.6923077	182.1714286	54.413	.000
c1	Audit opinion (OPINION)	143.1153846	130.5588235	106.5769231	115.6428571	16.082	.001
C2	Audit office size (A_SIZE)	118.4615385	121.1764706	133.8461538	133.5714286	3.199	.362
C3	Firm size (F_SIZE)	124.0769231	120.2588235	119.4769231	152.0571429	5.643	.130
C4	Leverage (LEV)	115.5230769	113.7058824	130.4769231	163.4285714	13.435	.004
C5	Firm Profitability (PROF)	157.2769231	110.4117647	136.0692308	83.5	29.609	.000

Source: the results of the statistical analysis

Table (5) indicates that there are significant differences among sectors regarding the variables (audit committee independence, audit opinion, leverage, firm profitability, and audit report delay,) because its significance level is less than 5%. While there are no significant differences among sectors concerning the variables (audit committee size, audit office size, and firm size) as the significance level is more than 5%. Briefly, the main results of testing the first hypothesis can be presented in the following table (6) as follows:

Table (6): Results of the first five Hypotheses regarding to differences among sectors			
Hypotheses	**Significance**		**Decision**
H1: There are no significant differences among sectors with regard to the audit committee independence.	.000	Significant	Reject
H2: There are no significant differences among sectors with regard to the audit report delay.	.006	Significant	Reject
H3: There are no significant differences among sectors with regard to the audit opinion.	.001	Significant	Reject
H4: There are no significant differences among sectors with regard to the leverage.	.004	Significant	Reject
H5: There are no significant differences among sectors with regard to the firm profitability.	.000	Significant	Reject

10.8 Testing the relationship among the audit committee independence, size, and the audit report delay

The following table (7) indicates the results of the Spearman correlation analysis of the study variables in the companies under the study as follows:

Coding		Audit Report Delay (ARD)	P-Value
X1	Audit Committee Size (ACSIZE)	-0.077	.227
X2	Audit Committee Independence (ACIND)	0.124	.051
C1	Audit Opinion (OPINION)	-.324**	.000
C2	Audit Office Size (A_SIZE)	.228**	.000
C3	Firm Size (F_SIZE)	.153*	.016
C4	Leverage (LEV)	.255**	.000
C5	Firm Profitability (PROF)	-.149*	.018

Source: the results of the statistical analysis

Table (7) indicates that there is a significant negative relationship between the ARD and OPINION at the 1% significance level with correlation coefficient -.324**. Moreover, the ARD has a significant positive correlation with A_SIZE, and LEV at the 1% significance level with correlation coefficient .228** and .255** respectively. Furthermore, there is a significant positive relationship between ARD and F_SIZE at the 5% significance level with correlation coefficient .153*. Additionally, the correlation between ARD and PROF showed a significant negative relationship at 5% significance level with correlation coefficient -.149*. On the other side, regarding the explanatory variables, there is no significant association between ACSIZE, ACIND, and ARD as explanatory variables.

So, **hypothesis (6) can be accepted** which stated, " There is no significant statistical relationship among the audit committee independence and the audit report delay".

Furthermore, **hypothesis (7) can be accepted** which stated, " There is no significant statistical relationship among the audit committee size and the audit report delay".

10.9 Testing the impact of audit committee independence and size on the audit report delay:

The results of the multiple regression analysis of the audit committee characteristics on audit report delay are presented in table (9) as follows:

Table (9) - Regression results (Enter Method) of the most significant factors affecting audit report delay in all sectors

code	Variable Name	Unstandardized Coefficients		Stand. Coef.	T	P - Value	Collinearity Statistics	
		B	Std. Error	Beta		Sig.	Tol.	VIF
x1	Audit committee size (ACSIZE)	-3.217	1.903	-.099	-1.690	.092	.951	1.051
x2	Audit committee independence (ACIND)	11.236	4.674	.143	2.404	.017	.933	1.072
c1	Audit opinion (OPINION)	-19.095	4.123	-.298	-4.632	.000	.791	1.264
c2	Audit office size (A_SIZE)	22.671	4.516	.387	5.020	.000	.553	1.808
c3	Firm size (F_SIZE)	-0.725	1.069	-.050	-0.678	.498	.609	1.642
c4	Leverage (LEV)	-1.466	1.980	-.047	-0.740	.460	.812	1.231
c5	Firm Profitability (PROF)	-15.983	22.529	-.045	-0.709	.479	.820	1.219
Constant				100.479				
R				.453				
R^2				0.205				
Adj.R2				0.182				
F- value				8.935				
P-value				.000				

Source: the results of the statistical analysis

Table (9) indicates the significance of the model used as a whole to test the influence of ACIND and ACSIZE on ARD in all sectors, Where the F- value is 8.935 with a significant level of .000, which is less than 5% significance level, that means the model with its independent variables is valid for predicting the value of the dependent variable. It is also evident from the value of the (VIF) for each variable, which is less than 10, and the value of the (Tolerance), which is greater than .1, that there is no problem of linear interference (multicollinearity) and the strength of the study model in interpreting the effect on ARD.

Regarding the explanatory ability of the model, the value of the multiple correlation coefficient between the independent variables and the dependent variable amounted to (.453) and the coefficient of determination amounted to (21.0%), which means that the independent variables explain an amount of (21.0%) of the change in the dependent variable audit report delay in all sectors. By inspecting the results of table (9), it is noticed that the multiple regression specified the most important variables that impact ARD, which are (audit committee independence, audit opinion, and audit office size).

Furthermore, it is found that there is a negative but insignificant influence of ACSIZE. This result is consistent with the study of (Mutawa, 2019; Sultana et al., 2015). However, the results are not consistent with the studies (Almuzaiqer, 2018; Firnanti and Karmudiandri, 2020) which found there is a significantly negative impact of ACSIZE on ARD. Nevertheless, other studies found that there is a positive and significant relationship between ACSIZE and ARD such as (Nehme et al., 2015; Raweh et al., 2019).

Likewise, it is noticed that there is a highly significant and positive relationship between the ACIND and ARD, which means when the ACIND increases, the ARD increase. This result is in line with (Akhor and Oseghale, 2017; Ogoun et al., 2020). One of the reasons is that independent audit committees' members demand higher quality audits that require more time to achieve, thus leading to an increase in the ARD (Apadore and Noor, 2013). While this outcome is not in agreement with (Aifuwa et al., 2020; Nehme et al., 2015) that found there is a negative relationship between ACIND and ARD providing that independent AC members have a significant role in the process of financial reporting, especially in auditing, thus decreasing ARD. While others revealed no association between ACIND and ARD (Firnanti and Karmudiandri, 2020; Oussii and Taktak, 2018a; Raweh et al., 2019).

Concerning control variables, it is noticed that there is a negatively significant impact of OPINION on ARD which means when the auditor expresses an unqualified opinion, the company seeks to disclose its financial statements early which leads to reduce the ARD. These results are in agreement with the studies (Elsayed, 2018; Nelson and Shukeri, 2011; Shukeri and Islam, 2012). While other studies found that there is a significantly positive relationship between OPINION and ARD (Oussii and Taktak, 2018a; Puasa et al., 2014). It seems that the auditor may need additional time to complete the audit work for companies that receive qualified audit opinions, and thus may increase the ARD. Nevertheless, other researchers revealed that there is no significant impact of OPINION on ARD (Baldacchino et al., 2016; Wahdan, 2018).

For A_SIZE, it is observed that there is a positive significant impact of A_SIZE on ARD which means the larger the A_SIZE, the longer the ARD. This outcome is in line with the study of (Dong et al., 2018). However, other researchers found that there is a highly significant negative relationship between A_SIZE on ARD (Apadore and Noor, 2013; Elsayed, 2018) implying that corporations audited by the Big Four firms have a shorter audit report lag and hence report to the public early. According to past research, the Big Four firms have greater resources, powerful technology, and more experienced auditors, allowing the audit process to be finished in a quicker amount of time. While further studies revealed that there is not significant impact of A_SIZE on ARD (Mutawa, 2019; Nelson and Shukeri, 2011; Raweh et al., 2019; Wahdan, 2018). For the other control variables, it is obvious that there is no significant impact of F_SIZE, LEV, and PROF on ARD.

The results of the multiple regression analysis of the most important factors affecting the dependent variable ARD in all sectors show that ACIND has a significant impact on ARD in all sectors. On the other hand, ACSIZE, ACEXP, and ACMEET do not appear a considerable impact on ARD. Regarding the control variables, OPINION leads to a decrease in ARD in all sectors but A_SIZE reveals a positive impact on ARD in all sectors. (**Bold Significantly affecting variables**)

$$Y= 100.479 -3.217X_1 \mathbf{+11.236X_2} \mathbf{-19.095C_1} \mathbf{+22.671C_2} -0.725C_3 -1.466C_4 -15.983C_5$$

So, **hypothesis (8) can be rejected** which stated, " **There is no significant statistical impact of audit committee independence on the audit report delay**" and accept that There is significant statistical impact of audit committee independence and size on the audit report delay.

Moreover, **hypothesis (9) can be accepted** which stated, " **There is no significant statistical impact of audit committee size on the audit report delay**".

]11. Study Conclusion:

The study intended to examine the impact of audit committee independence and size on the audit report delay through the application of 50 companies listed on the Egyptian Stock Exchange (EGX) with 250 observations during 5 years from 2016 to 2020, in the same context the study concluded several groups of results which can be presented as follows:

11.1. Existence of significant differences among sectors in the Egyptian Stock market regarding the variables (audit committee independence, audit opinion, leverage, firm profitability, and audit report delay,) because its significance level is less than 5% which are (.000, .001, .004, .000, and .006), respectively, with Chi-square (54.413, 16.082, 13.435, 29.609, and 12.596) separately. While there are no significant differences among sectors concerning the variables (audit committee size, audit office size, and firm size) as the significance level is more than 5% which are (.416, .362, and .130), individually, with Chi-square (2.845, 3.199, and 13.435), respectively.

11.2. There is no significant association between audit committee size, independence, and audit report delay as explanatory variables. Regarding the control variables, it is found that audit report delay and audit opinion has a significantly negative relationship with a correlation coefficient -.324** at the 1% significance level. Furthermore, audit office size and leverage have a significantly positive correlation with audit report delay at the 1% significance level with a correlation coefficient of .228** and .255** respectively. In the same context, the audit report delay and firm size have a significant positive correlation at a 5% significance level with a correlation coefficient of 0.153*. Moreover, there is a significantly negative association between firm profitability and audit report delay at 5% significance level with a correlation coefficient of -.149*.

11.3. Existence of Significantly positive impact of (audit committee independence, and audit office size) on audit report delay with coefficients of 11.236, and 22.671 respectively at significance levels of 0.017, and 0.000 individually.

11.4. Existence of a Significantly negative impact of audit opinion on audit report delay with coefficients -19.095 at significance level 0.000.

11.5. The study showed that many characteristics associated with the audit committees did not affect the delay in issuing the financial statements approved by the auditor, such as audit committee size, despite the commitment of the companies represented in the sample when forming these committees to the rules of Egyptian governance on the one hand and the effectiveness of the impact of these characteristics on audit report delay in many studies (Almuzaiqer, 2018; Firnanti and Karmudiandri, 2020; Naimi et al., 2010; Oussii and Taktak, 2018a; Raweh et al., 2019) that were carried out in developed countries, which means that compliance with these rules is often only a formal commitment that does not achieve its goal.

12. Study Recommendations:

Concerning the results that the study has reached; a group of recommendations can be suggested as follows:

12.1. The study showed that the average period for issuing financial statements approved by the auditor in the Egyptian market is approximately 72 days, and the researcher suggests reducing the time allowed for Egyptian companies to submit approved financial statements to 60 days instead of the 90 in order to be in line with the instructions of international professional organizations in order to improve the quality of accounting information, as the timeliness is one of the pillars of its quality.

12.2. Regarding the data of the study sample, it became clear to the researcher that many companies exceed the permissible limit for the issuance of their approved financial statements. In this regard, the researcher suggests increasing penalties to be a warning for companies that did not comply with the maximum period specified by the regulating rules in this regard.

12.3. The need to improve the quality of audit committees in a real manner, especially for companies listed in EGX, in order to reduce the delay in publishing financial reports as found in developed countries, and hence increases the quality of financial reports.

12.4. In order to ensure the completion of the auditor's report in a specific period, the audit offices should be encouraged to set a timetable for the completion of the audit process for the companies, after which the management can disclose the financial statements before the period specified by Egyptian law.

13. Further research:

13.1. An analytical study of the relationship between the effectiveness of the internal control system, adherence to the quality control standards of external auditing, and the disclosure of social and environmental responsibility on audit report delay for companies listed in the Egyptian Stock Exchange.

13.2. The impact of the industrial specialization of auditors on the timeliness of publishing the financial reports of companies listed in the Egyptian Stock Exchange.

13.3. Studying the relationship between the characteristics of audit committees and the level of risk disclosure in the companies listed in the Egyptian Stock Exchange.
13.4. The impact of board of directors' characteristics and the characteristics of the audit committee on the quality of disclosure of financial reports for companies listed in the Egyptian Stock Exchange.
13.5. Introducing new variables that have not been previously studied and related to the effectiveness of audit committees, such as the ownership of audit committee members, the remuneration of committee members, their reputation and studying the impact on audit report delay.
13.6. Conducting more studies in other economic sectors in order to identify the extent of the difference between those sectors about the impact of the audit committee characteristics on audit report delay.

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