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**Hesham Yossef Khayat**

Department of Accounting, Faculty of Commerce, Tanta University, Egypt

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# Corporate Governance Attributes and Internet Financial Reporting: A Resource dependence theory

Hesham Yossef Khayat

Department of Accounting, Faculty of Commerce, Tanta University, Egypt

## Article History

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## Abstract:

The main objective of this research is to examine the role of corporate governance attributes (CGA) in Internet financial reporting quality. This research uses the OLS regression to investigate how CGA, such as board composition, characteristics of audit committee, and ownership concentration, influence the quality of the online disclosure of financial information. Drawing on agency and resource dependence theories, the study explores that diverse board of governance in terms of independence and gender provide access to a wider range of resources and experience, which helps them better supervise the way financial information is reported. The results indicate that characteristics of board of directors and audit committee especially independence, gender diversity, and the frequency of audit committee meetings improve the quality of the digital reports. These findings provide valuable insights for policymakers, regulators, and practitioners regarding corporate governance practices that can improve the quality of disclosure in the digital age.

**Keywords:** CGA; Internet financial reporting; digital reports quality; gender diversity; independence; resource dependence theory; OLS regression.

## 1. Introduction

In today's world with rapidly changing business environment, transparency has emerged as critical component of responsible business practices. As organisations strive to build trust and credibility with their stakeholders, the role of corporate governance attributes (CGA) in enabling these critical principles garnered the attention of scholars and practical application. The value of transparency and accountability in corporate governance cannot be overstated. Transparency means communicate a clear and timely disclosure of relevant information to stakeholders, which is considered as a critical requirement for fostering trust and ethical decision-making (Kolstad & Wiig, 2009). Accountability, on the other hand, refers to corporate leaders and decision-makers responsibility and accountability for their actions and the consequences of those actions (Shearer, 2002).

An organization's transparency and accountability are greatly influenced by its corporate governance system, which means a set of policies, procedures, and practices that govern how business runs (Cadbury, 1992; Gompers et al., 2003; Klapper & Love, 2004). The degree of transparency and accountability within a company, with a focus on the timeliness of financial information disclosed to stakeholders, can be influenced by certain corporate governance characteristics, such as composition of the board of directors and its committees, independence

of directors, the effectiveness of internal control mechanisms, and the quality of financial reporting (Fama & Jensen, 1983; Bushman & Smith, 2003; Bushman et al., 2004; Beekes & Brown, 2006; Frankel et al., 2011)..

Moreover, there were growing acknowledgements in the prior literature of the role that CG plays in improving transparency and accountability through financial reporting. Previous studies (Healy & Palepu, 2001; Jensen & Meckling, 1976) indicate a correlation between strong CG frameworks and improved financial reporting quality and transparency. On the other hand, inadequate governance may result in decreasing stakeholder trust as well as information asymmetry and higher agency costs (Hermalin and Weisbach, 2003). This dynamic is made more difficult by the digitalization of financial reporting, which brings new challenges toward reliability, security, and accessibility of information.

According to several studies (Beekes & Brown, 2006; Bushman et al., 2004; Frankel et al., 2011; Abdallah and Eltambohy, 2022; Abdallah, 2023), board composition and ownership structure are among the CGA that are important in determining the quality and timeliness of the financial information disclosed to stakeholders. The significance of corporate governance characteristics is emphasised even more in the context of online financial reporting. According to Ettredge, Richardson, and Scholz (2002), online disclosure platforms provide companies with the ability to quickly and easily share financial information with a larger audience. According to Oyelere, Laswad, and Fisher (2003), the quality, dependability, and comprehensiveness of the information published on these platforms are shaped by the corporate governance policies that underpin their effective use.

## **2. Research Problem**

In today's business context, internet has emerged as a significant platform for financial reporting, allowing businesses to transmit financial information to a diverse variety of stakeholders efficiently and transparently. However, the amount to which businesses use this medium to promote transparency and accountability differs substantially.

The development of Internet Financial Reporting has brought both opportunities and challenges for organisations seeking to preserve transparency. While IFR has the potential to improve stakeholder participation and the timely disclosure of financial information, it also raises issues about the accuracy, consistency, and completeness of the information given. The topic of internet financial reporting (IFR) has attracted significant attention in the literature because it represents a critical part of corporate governance and a representation of a firm's commitment to openness and accountability. (Marston and Polei, 2004; Aly et al., 2010).

Despite an increasing amount of research on CG and financial reporting, there is still a gap in the literature regarding the precise impact of CGA on IFR. Many studies have looked at the overall relationship between CG and financial transparency, but few have looked at how these characteristics particularly affect the quality of internet-based financial disclosures. Furthermore, previous research frequently ignores the interplay of various governance systems and their aggregate impact on IFR practices.

This research study will investigate the relationship between CG attributes and the level of transparency displayed by IFR. The study will analyse a diverse sample of publicly traded companies to identify the specific governance characteristics associated with more transparent online financial reporting practices. The current study aims to give empirical evidence on the function of corporate governance in improving transparency and accountability in the digital era by looking at the following research questions:

1. What are the CGA that may impact IFR?
2. How do CGA impact the quality of IFR?

### **3. Research Objectives**

This study seeks to test the association between CGA and IFR, by achieving the following sub-objectives:

- Examining the relationship between board composition (e.g., board size, board independence, and gender diversity) and the quality of IFR.
- Analyzing the influence of audit committee characteristics (e.g., committee size, independence, and frequency of meetings) on the quality of IFR.
- Providing empirical evidence on the impact of ownership concentration on the quality of online financial reporting.

### **4. Importance of the Study**

The current study is important for theory and practice:

- In theory, this study adds to the literature on CG and financial reporting by focusing on the growing importance of IFR. The findings of the current study can help policymakers and regulators develop rules and best practices for promoting disclosure and accountability in company financial disclosures through online platforms.
- Practically, the research offers practical ideas for corporate executives and board members on how corporate governance can improve the quality of financial information communicated on companies' websites. Furthermore, the findings of this study can assist investors, analysts, and other stakeholders in making more informed and sustainable decisions by examining the impact of CGA on the quality of online financial reporting.

### **5. Literature review and hypotheses development**

The literature has extensively investigated the relationship between CGA and the quality of financial information disclosure. Researchers have regularly discovered that CG mechanisms have major impact on the transparency of traditional financial reporting (Bushman & Smith, 2001; Healy & Palepu, 2001; Beasley, 1996; Forker, 1992; Haniffa & Cooke, 2002). As a result, this section summarises prior research on the impact of governance qualities and internet financial reporting.

## 5.1 CG and Financial Reporting: A Foundation of Transparency

Board independence, defined as the presence of non-executive directors who are devoid of any connection that could compromise their objectivity, is a key component of effective corporate governance. Independent directors play an important role in overseeing management actions and ensuring that financial disclosures are made without undue influence or bias. Research by Beasley (1996) and Haniffa and Cooke (2002) indicates that organisations with a higher proportion of independent directors are more likely to exhibit openness in their financial reporting since these directors provide important oversight and question management as needed.

Ownership concentration, or the extent to which a small number of owners own a substantial proportion of a company's shares, has a considerable impact on financial reporting procedures. According to Bushman and Smith (2001), Healy and Palepu (2001), and Abdallah and Eltambohy (2022), in enterprises with high ownership concentration, controlling shareholders may have significant influence over financial reporting, thereby degrading disclosure quality. In contrast, dispersed ownership structures tend to foster more rigorous reporting methods, since the requirement to cater to a larger shareholder base needs greater transparency and accountability.

Audit committee characteristics, such as committee members' independence and expertise, are equally vital in providing accurate financial reporting. According to Forker (1992), an efficient audit committee serves as a safeguard against financial misreporting by adding a layer of scrutiny to the financial statements and guaranteeing compliance with relevant accounting rules. The audit committee's performance is further enhanced by the participation of financially knowledgeable members, who are better positioned to recognize and resolve possible errors in financial reporting.

Despite these positive correlations, the shift to enhanced governance and transparency in emerging markets presents substantial difficulties. A culture of secrecy and inadequate reporting standards frequently impedes the efficacy of corporate governance changes in nations such as Egypt. The historical lack of openness, as well as the prevalence of informal practices in many emerging economies, create significant challenges to the implementation of efficient corporate governance systems. Many corporations show low compliance with established corporate governance rules, even when legal frameworks are supposed to increase transparency (Ezat & El-Masry, 2008).

Furthermore, while International Financial Reporting Standards (IFRS) has been legislated to promote transparency, actual compliance varies widely across listed companies. This variation is frequently driven by their governance frameworks and audit quality (Aboud, 2018). In many circumstances, companies may legally adopt IFRS but fail to properly execute the standards in practice, resulting in inconsistent and untrustworthy financial statements.

In emerging markets such as Egypt, improved corporate governance through effective board structures and transparent reporting systems correlates favourably with firm value. Better governance standards often lead to improved market perceptions, which are reflected in stock prices. The relationship between governance and business value is particularly important in

emerging economies, where investors are increasingly seeking greater transparency and responsibility.

Empirical research demonstrates that sustaining excellent corporate governance standards not only enhances a company's financial performance but also results in higher market ratings and cheaper capital costs. This shows a direct correlation between governance characteristics and financial success (Ezat & El-Masry, 2008). In emerging economies, such relationships are especially important because they highlight the necessity of strong governance procedures in increasing business value and market views. Companies, for example, that prioritise transparency and accountability in financial reporting are more likely to attract investors, resulting in higher stock prices and reduced capital costs. Investors are becoming more aware of the hazards associated with inadequate governance and are more inclined to invest in companies that have excellent governance processes. As a result, organisations that demonstrate a commitment to good governance might have a competitive advantage in the marketplace, because they are seen as more trustworthy and reliable.

While institutional and cultural factors may affect the efficiency of governance procedures, corporate governance is crucial in emerging economies for improving transparency and accountability. In line with the literature that emphasises the importance of corporate governance for accurate and timely reporting, Abdallah's (2023) study conducted in MENA nations discovered that multi-layer monitoring techniques improve transparency and quality of financial disclosures. Regulating environments and cultural norms that may not encourage transparency, for example, might limit efficacy; this emphasises the necessity for nuanced research that takes regional differences into account.

## **5.2 IFR: The Digital Frontier of Corporate Transparency**

Research on the factors influencing online disclosure practices has become more prevalent in the context of IFR. Transparency and accessibility are more important than ever since the introduction of digital technologies has changed the way businesses share financial information with stakeholders. Research by Oyelere et al. (2003), Kelton and Yang (2008), and Abdelsalam and Street (2007) highlights how corporate governance improves the timeliness, and accessibility of financial information published on company websites.

According to previous research, businesses that have robust governance frameworks are more likely to use online reporting as a means of increasing transparency. Businesses that have strong audit committees and independent boards, for instance, are better positioned to use IFR to make timely and thorough disclosures, which will increase stakeholder confidence. IFR is a vital part of contemporary corporate governance efforts since its digital format allows businesses to reach a larger audience.

## **5.3 CGA and Timeliness of IFR**

Studies focusing on developing countries, as Egypt, show a strong relationship between corporate governance characteristics, including board size, ownership structure, and composition, and the promptness of corporate internet reporting (CIR) (Ezat & El-Masry, 2008). For stakeholders to have access to the most recent information necessary to make wise

investment decisions, financial disclosures must be made on a timely basis. Research has indicated that certain factors, such as the size of the company, its liquidity, and the existence of independent directors, have a beneficial impact on the promptness of disclosures.

For example, larger boards provide access to a wider range of resources and experience, which helps them better manage and supervise the way financial information is reported. Governance tools, including as ownership dispersion and board independence, are critical to improving the transparency and the timeliness of online disclosures, according to Ezat and El-Masry (2008). Firms with a larger percentage of independent directors typically provide more thorough and timely disclosures because these directors offer better supervision over management choices of financial reporting.

Furthermore, liquidity, as a measure of a company's financial sustainability, is frequently related to earlier disclosures. Firms with higher liquidity are more transparent in their reporting methods because they face greater scrutiny from investors and analysts. This inspection offers an incentive for timely and correct disclosures, ensuring the company's reputation and investor confidence.

#### **5.4 Research Gap**

Although several prior research has been done in developed markets, more needs to be done in emerging economies where special institutional and cultural factors may have an impact on the relationship between corporate governance and online financial reporting (Gul & Leung, 2004; Samaha et al., 2012). By offering empirical data from an emerging market context, the proposed study seeks to fill this gap and advance our understanding of how corporate governance characteristics affect digital financial reporting's quality. So, this research aims to test the following hypotheses:

Hypothesis 1: Companies with Strong board of directors' composition are more likely to demonstrate higher-quality IFR.

Hypothesis 2: The effectiveness of the audit committee characteristics is positively associated with the quality of IFR.

Hypothesis 3: higher ownership concentration is positively correlated with higher levels of IFR quality.

### **6. Research methodology**

#### **6.1 Research Design**

Using a quantitative research design, this study aims to empirically explore how CGA affect the level of quality of IFR for Egyptian-listed companies. The study analyses data of corporate governance system and online reporting for Egyptian companies listed on the EGX-100 over 2023 using a cross-sectional study.

## 6.2 Sample Selection

The study's target population consists of all companies that are listed on the EGX-100 index, which is a representation of the top 100 Egyptian Exchange companies based on market capitalization, liquidity, and trading activity. Due to their substantial economic influence on Egypt and the likelihood of having access to complete financial reporting data, the EGX-100 companies were chosen. To guarantee a representative sample, the study will cover businesses from a range of industries. Businesses that do not publish their financial data publicly or have insufficient governance data will not be included in the research. After the selection criteria are applied, 67 enterprises make up the final sample.

## 6.3 Data Collection

The current research collect data from two key sources: First, annual reports, business websites, and the Egyptian Exchange (EGX) official database will be the sources of information on corporate governance features such as board independence, audit committee effectiveness, ownership structure, and board size. Second, the timeliness and content of financial disclosures made available on the companies' official websites will be examined to gather information regarding the quality of Internet financial reporting. Examining financial statements, reports, and other pertinent disclosures that are made available online will be part of this process. Lastly, financial reports and corporate documents will be the main source of secondary data on firm-specific attributes including size, profitability, and liquidity.

## 6.4 Variables measurement

### Independent Variables (CG Attributes) include:

CGA are the independent variables of this research including the board of directors' composition (e.g. Size, independence, and gender diversity), audit Committee characteristics (evaluated based on the size, independence, and frequency of meetings), and ownership Structure which focuses on concentrated ownership.

### Dependent Variable (IFR Quality):

IFR quality is measured by the timeliness of the financial information disclosed online, through the average timeliness scores, which range from 1 to 100%. The timeliness measures the frequency of financial information updates, availability of historical financial reports, and lag time between the date of the financial reports and the date of posting them online using the following formula:

$$\text{IFR\_Q} = \frac{\text{Frequency updates} + \text{availability of historical reports} + \text{lag time}}{3} \times 100 \quad \text{Model 1}$$

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Table (1) explores the measures and scores for each criterion.



**Table 1:** Criteria of IFR timeliness

Criteria	Measures	Scores
<b>Frequency of financial information updates.</b>	Quarterly updates	3
	Semi-annually updates	2
	Annually updates	1
<b>Availability of historical financial reports</b>	Available for more than 5 years	3
	Available For less than 5 years	2
	Available For one year	1
<b>Lag Time</b>	Online posted Within 30 days	3
	Online posted Within 60 days	2
	Online posted More than 60 days	1

### 6.5 Empirical Model

Data will be analyzed using OLS regression to test the research's hypotheses and examine the relationships between CGA and the quality of IFR based on the following models:

$$IFR\_Q = \beta_0 + \beta_1 BI + \beta_2 BG + \beta_3 BS + \beta_4 \text{Control Variables} + \epsilon \quad \text{Model 2}$$

$$IFR\_Q = \beta_0 + \beta_1 ACS + \beta_2 ACM + \beta_3 ACI + \beta_4 \text{Control Variables} + \epsilon \quad \text{Model 3}$$

$$IFR\_Q = \beta_0 + \beta_1 OS + \beta_2 \text{Control Variables} + \epsilon \quad \text{Model 4}$$

Where IFR\_Q is the score of internet financial reporting quality. Model 2 measures the impact of CGA on IFR\_Q. The CGA are represented as BI (board independence), BG (board gender diversity), and BZ (board size). Also, model 3 focuses on audit committee characteristics including ACS (audit committee size), ACI (audit committee independence), and ACM (audit committee meetings). Finally, model 4 investigates the impact of ownership concentration (OS) on IFR\_T, Table (2) explains the measurement of all variables.

**Table 2:**Summary of variables and their measurement

Variables	Abbreviation	Definition & measurement
<b>Dependent Variable</b>		
<i>Quality of Internet Financial Reporting</i>	<i>IFR_Q</i>	Measured by a composite score with a maximum value of 100% based on the availability of historical financial reports, frequency of updates, and lag time between the date of the financial reports and the date of posting them online.
<b>Independent variables</b>		
<i>Corporate Governance Attributes</i>	<i>BI</i>	- <b>Board Independence</b> is the percentage of independent directors to all board members.
	<i>BG</i>	- <b>Board Gender diversity</b> is the number of women in board to whole board size.
	<i>BS</i>	- <b>Board Size</b> is the total number of directors in the board.

	<i>AC</i>	-	<b>Audit Committee:</b> Evaluated based on size (ACS), frequency of meetings (ACM), and independent audit committee members (ACI).
	<i>OS</i>	-	Ownership concentration is the percentage of concentrated ownership.
<b>Control variables</b>			
<i>Firm-level characteristics</i>	<i>Size</i>		Firm size: the natural log of total assets.
	<i>Prof</i>		Profitability: return on assets (ROA)
	<i>Liq</i>		Liquidity: the current ratio (=Total assets/total liabilities).

## 7. Results and discussion

This section discusses the results of the statistical analysis, correlation analysis, and testing hypotheses of the relationships between the board of directors' attributes, audit committee characteristics, ownership structure, and the IFR\_Q while controlling for firm size, ROA, and current ratio using OLS regression.

### 7.1 Descriptive Statistics

Table (3) displays the results of descriptive statistics analysis for factors that may influence IFR\_Q. According to Table 3, CGA varied significantly among the sample. Also, companies appear to have modest levels of IFR quality on average with a mean value of 0.519. The results indicate a significant variation in corporate governance structures among firms, often influenced by factors such as industry, regulatory environment, and firm size. This aligns with previous findings regarding board independence (mean = 0.884, SD = 1.280) and size (mean = 7.84, SD = 2.495). Moreover, the standard deviation of 4.205, indicates notable variations in gender diversity throughout listed firms, with the mean value of board gender diversity (BG) reaching 5.81.

With a standard deviation of 1.442, the average of ACS is 3.24 members, suggesting considerable variation among firms. Also, the average of ACM is 0.38 sessions with a standard deviation of 0.487, indicates that the audit committee meetings appear to be infrequent and unvarying among listed firms. Furthermore, the mean score for audit committee independence (ACI) is 0.29, with a standard deviation of 0.454, suggesting that Egyptian listed firms are divers in terms of independent audit committees. Also, the average value of ownership structure (OS) = 0.554, with a standard deviation of 0.477, indicating that ownership concentration is a moderately variable. firm size (SIZE) has a mean value of 8.721, which indicates that there is a significant range in business sizes in the research sample, with a standard deviation of 0.985. With a standard deviation of 0.545 and an average profitability (Prof) of 0.064.

**Table 3:** Results of descriptive statistics

Variables	Mean	Min.	Max.	Std. D.
IFR_Q	.519465	.1063830	.9361702	.2413715200
BS	7.84	3	17	2.495
BI	.884073	.2000	8.000	1.2795
BG	5.81	0	17	4.205
ACS	3.24	0	7	1.442
ACM	.38	0	1	.487
ACI	.29	0	1	.454
OS	.553871	.09040	2.9100	.47732
SIZE	8.72075	5.3025	10.452	.98495
Prof	.063608	-3.7017	1.0238	.54543
Liq	1.62424	.084327	13.224	1.4871
Valid N (listwise)	67			

## 7.2 Correlation Analysis

Table 4 shows the Pearson correlation matrix, which reveals that there are significant relationships between CGA and IFR\_Q. BS ( $r = 0.162$ ,  $p = 0.063$ ) and BI ( $r = 0.154$ ,  $p = 0.078$ ) exhibit positive correlations with IFR\_Q, suggesting that larger and more independent boards may be slightly associated with higher IFR\_Q. However, these correlations are not statistically significant at conventional levels, indicating that other factors may also influence IFR outcomes (Beekes et al., 2004).

In contrast, ACS ( $r = 0.236$ ,  $p = 0.007$ ) and ACI ( $r = 0.412$ ,  $p < 0.01$ ) show stronger and statistically significant positive correlations with IFR quality. This aligns with agency theory, which posits that effective audit committees serve as a critical mechanism for monitoring management and ensuring the integrity of financial reporting (DeFond & Francis, 2005; Carcello & Neal, 2000). OS ( $r = 0.263$ ,  $p = 0.002$ ) also correlates positively with IFR\_Q, suggesting that concentrated ownership may lead to improved monitoring and higher reporting quality (Shleifer & Vishny, 1997; Abdallah, 2023).

**Table 4:** Results of the correlation matrix

Var.	IFR_Q	BS	BI	BG	ACS	ACM	ACI	OS	SIZE	Prof	Liq
IFR_Q	1										
	.000										
BS	.162*	1									
	.063	.000									
BI	.154*	-.181**	1								
	.078	.038	.000								
BG	.131	.201**	-.089	1							
	.135	.021	.309	.000							
ACS	.236**	-.118	-.009	.429***	1						
	.007	.178	.923	.000	.000						
ACM	-.012	.735**	-.148	.222**	.292**	1					
	.891	.000	.090	.011	.001	.000					
ACI	.412***	.041	.313***	-.195**	-.014	.021	1				
	.000	.643	.000	.025	.872	.812	.000				

OS	.263**	-.121	-.028	-.065	.013	-.220**	-.159	1			
	.002	.167	.749	.456	.883	.011	.068	.000			
SIZE	.201**	.222**	.088	.004	.113	.148	.023	-.137	1		
	.021	.011	.315	.963	.196	.091	.789	.117	.000		
Prof	-.023	.059	-.026	-.089	-.038	.176**	.050	-.085	.056	1	
	.792	.504	.765	.310	.664	.043	.568	.331	.521	.000	
Liq	-.138	.061	-.141	.077	.033	.103	-.180**	-.014	.085	.090	1
	.115	.486	.108	.383	.705	.240	.039	.878	.335	.304	.000

### 7.3 Hypotheses testing

#### – Board Composition Attributes and IFR Quality

The first regression model presented in Table 5, assesses the impact of BS, BI, and BG on IFR\_Q. The results indicate that both BS ( $B = 0.017$ ,  $p = 0.049$ ) and BI ( $B = 0.037$ ,  $p = 0.026$ ) have significant and positive effects on IFR\_Q. These findings support the view that larger boards and independent directors contribute to more effective oversight and higher-quality financial reporting (Klein, 2002; Vafeas, 2005). The positive, though not statistically significant, coefficient for BG ( $B = 0.316$ ,  $p = 0.000$ ) suggests that while gender diversity may enhance board effectiveness, its impact on IFR requires further investigation (Carter *et al.*, 2003).

These results underline the importance of the board structure in influencing IFR\_Q, consistent with the resource dependence theory, which argues that diverse and independent boards are better equipped to provide critical resources and enhance firm performance (Pfeffer & Salancik, 1978; Abdallah, 2023). The model explains 27.1% of the variance in IFR quality ( $R^2 = 0.271$ ), indicating that board attributes are a significant, though not exclusive, determinant of IFR quality.

**Table 5:** Results of regression analysis to test hypotheses (1)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	F	Sig.
		B	Std. Error	Beta				
1	(Constant)	.006	.005	.113	1.301	.196	3.373	.021
	BS	.017	.009	.175	1.985	.049**		
	BI	.037	.016	.195	2.256	.026**		
	BG	.316	.075		4.240	.000***		
R Square		.271						
Obs.		67						
a. Dependent Variable: IFR_Quality								

#### - Audit Committee Attributes and IFR Quality

Second regression model presented in Table 6, examines the relationship between audit committee attributes and IFR quality. The analysis reveals that audit committee meetings ( $B = 0.218$ ,  $p < 0.001$ ) have a statistically significant positive impact on IFR\_Q. This finding is consistent with the view that frequent audit committee meetings enhance the effectiveness of the audit process, leading to rigorous oversight of financial reporting (Abbott *et al.*, 2004; Bedard *et al.*, 2004).

Curiously, the coefficients for ACS ( $B = -0.019$ ,  $p = 0.168$ ) and ACI ( $B = 0.007$ ,  $p = 0.874$ ) are not statistically significant. This suggests that while the composition of the AC is important, the frequency of ACM may play a critical role in ensuring IFR\_Q. These results aligned with the findings of previous studies that emphasize the importance of audit committee activity over mere structural attributes (Raghunandan & Rama, 2007).

The model accounts for 42.7% of the variance in IFR\_Q ( $R^2 = 0.427$ ), highlighting the substantial role that active audit committees play in enhancing financial reporting quality.

**Table 6:** Results of regression analysis to test hypotheses (2)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	F	Sig.
		B	Std. Error	Beta				
2	(Constant)	.517	.049		10.512	.000**	9.519	.000
	ACS	-.019	.014	-.116	-1.387	.168		
	ACI	.007	.041	.013	.158	.874		
	ACM	.218	.042	.410	5.128	.000**		
R Square		.427						
Obs.		67						
a. Dependent Variable: IFR_Quality								

- **Ownership Structure and IFR Quality**

The third regression model (Table 7) focuses on the impact of OS (e.g., ownership concentration) on IFR\_Q. The results show that ownership concentration ( $B = 0.133$ ,  $p = 0.002$ ) has a statistically significant positive impact on IFR\_Q. This finding supports the agency theory perspective, which posits that concentrated ownership aligns the interests of owners and managers, thereby reducing agency costs and improving financial reporting quality (Jensen & Meckling, 1976; Shleifer & Vishny, 1997).

This model explains 26.3% of the variance in IFR quality ( $R^2 = 0.263$ ), indicating that ownership structure is an important determinant of IFR\_Q. This is consistent with prior research suggesting that ownership concentration can mitigate the principal-agent problem by enhancing the monitoring of management and ensuring more transparent and reliable financial reporting (La Porta et al., 1999).

**Table 7:** Results of regression analysis to test hypotheses (3)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	F	Sig.
		B	Std. Error	Beta				
1	(Constant)	.446	.031		14.270	.000**	9.697	.002
	OS	.133	.043	.263	3.114	.002**		
R Square		.263						
Obs.		67						
a. Dependent Variable: IFR_Quality								

## 8. Conclusion, limitations, and Future Research

The main purpose of this study was to examine the impact of CG characteristics on the information quality of online financial reporting, using a sample of EGX 100 listed companies. The results of this study provide a strong empirical evidence of the contribution of corporate governance characteristics to improve the quality of IFR, which indicates that strong corporate governance practices are essential for fostering timeliness of digital reporting, as seen by the positive and significant effects of ownership concentration, audit committee meetings, board independence and gender diversity on IFR quality. These results are consistent with agency theory, which holds that strong governance systems improve the quality of released information and lessen information asymmetry (Jensen & Meckling, 1976; Shleifer & Vishny, 1997).

Furthermore, the effective board structures are essential for promoting accountability and guaranteeing high-quality financial disclosures, as evidenced by the positive impact of board size and independence on IFR quality (Fama & Jensen, 1983; Vafeas, 2005), which coincide with the argument of the resource dependence theory. Additionally, the significant effect of audit committee meetings highlights the importance of active and engaged audit committees in monitoring financial reporting processes (Abbott et al., 2004).

This study contributes to the growing body of literature on corporate governance and financial reporting by providing empirical support for the critical role of governance mechanisms in ensuring the quality of IFR. However, the significant importance of this study, it has certain limitations. The findings may not be as broadly applicable as possible due to the small sample size of 67 firms. Even more extensive knowledge of the relationship between corporate governance qualities and IFR quality might be obtained with a bigger and more diversified sample, even though the sample consists of enterprises from different industries. Furthermore, it is more difficult to determine causal relationships due to the cross-sectional design of the study. The findings imply relationships between IFR quality and governance characteristics, but longer-term studies are required to prove causation. Thirdly, the research depends on data that is accessible to the public, which might not fully encompass internal governance systems. In the future, qualitative data from audit committee or board member interviews may be included in research to provide better understanding of how CG affect the quality of IFRs.

Several avenues for further research are proposed, building on the results of this study. Initially, research in the future may examine how various corporate governance characteristics combine to affect the quality of IFRs. A more comprehensive understanding of the governance processes that influence IFR quality could be obtained by looking at the interactions between, for instance, board independence and ownership concentration or audit committee characteristics and board diversity. Subsequent studies may explore the impact of exogenous variables, including modifications in regulations or fluctuations in the economy, on the association between CG and IFR quality. This would provide a context for the results and shed light on how external forces impact financial reporting and governance procedures. Third, expanding the study to other institutional contexts—such as developing nations or emerging markets—may offer insightful cross-cultural comparisons and increase the findings' applicability across the globe. Finally, future studies might look at how technological developments interact with

established governance systems to shape the quality of IFRs. Examples of these breakthroughs include using of artificial intelligence techniques such as machine learning, natural language processing, deep learning and neural networks in financial reporting.

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