

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/345144881>

THE IMPACT CORPORATE GOVERNANCE ON INTERNET FINANCIAL REPORTING: EMPIRICAL EVIDENCE FROM PALESTINE

Article in *International Journal of Accounting & Finance Review* · November 2020

DOI: 10.46281/ijaf.v5i4.852

CITATIONS

5

READS

113

5 authors, including:



Firas Barakat
Al-Quds University

10 PUBLICATIONS 84 CITATIONS

SEE PROFILE



Victoria Lopez
University of Granada

37 PUBLICATIONS 1,429 CITATIONS

SEE PROFILE



Lazaro Rodriguez-Ariza
University of Granada

118 PUBLICATIONS 2,916 CITATIONS

SEE PROFILE



K. M. Anwarul Islam
TMU

105 PUBLICATIONS 198 CITATIONS

SEE PROFILE

Some of the authors of this publication are also working on these related projects:



RESEARCH PAPER [View project](#)



Social Business model of an emerging economy [View project](#)

THE IMPACT CORPORATE GOVERNANCE ON INTERNET FINANCIAL REPORTING: EMPIRICAL EVIDENCE FROM PALESTINE

Dr. Firas S. Q. Barakat
Professor

Department of Accounting
Faculty of Economics and Business
Al-Quds University, Palestine
E-mail: fbarakat@staff.alquds.edu

Dr. M. Victoria Lopez Perez
Professor

Department of Finance and Accounting
Faculty of Economics and Business
University of Granada, Spain
E-mail: mvlopez@ugr.es

Dr. Lázaro Rodríguez Ariza
Professor

Department of Finance and Accounting
Faculty of Economics and Business
University of Granada, Spain
E-mail: lazaro@ugr.es

Dr. Orobah Ali Barghouthi
Assistant Professor

Department of Banking & Finance
Faculty of Economics and Business
Al-Quds University, Palestine
E-mail: Omahmoud@staff.alquds.edu

K. M. Anwarul Islam
Associate Professor

Department of Business Administration
The Millennium University, Dhaka, Bangladesh

PhD Candidate

University of Selangor, Malaysia
E-mail: ai419bankingdu@gmail.com

*Corresponding author's e-mail address: fbarakat@staff.alquds.edu

ABSTRACT

The current research investigates whether the difference in the Internet Financial Reporting standard is clarified by corporate governance. A study was carried out on a selection of 48 companies listed on the 2019 Palestine Stock Exchange. An index was also selected from several previous studies to assess the standard of Internet financial reporting. One of the first analytical researches to investigate the relationship between corporate governance and Internet Financial Reporting in Palestine is the latest analysis. Firstly, the scope of disclosure of Internet Financial Reporting in Palestinian businesses appears to be limited. Second, the educational history of boards is greatly related to Internet Financial Reporting. Nevertheless, the board independence coefficient and board audit committee are negligible. Thirdly, an important element in strengthening internet financial reporting standards is a broad audit company. Fourthly, there is a strong positive correlation between the concentration of ownership and financial reporting on the Internet. Companies mainly held by stakeholders are more likely to reveal internet data and to strengthen the reports released. Finally, profitability and market capitalization have a direct connection with Internet Financial Reporting, and Internet Financial Reporting does not justify the composition of the board, board meetings, international investors, and business size.

Keywords: Corporate Governance, Ownership Structure, Internet Financial Reporting, Palestine, Developing Countries.

INTRODUCTION

Nowadays, a recent phenomenon regarding financial reporting is known as Internet Financial Reporting (IFR). It is a fast-growing approach applied by corporate in order to publish financial information on the Internet (Oyelere et al, 2003). Recently, the internet is globally used as a way for companies and the agency's information publication, and such a method is considerably growing all over the world (Andrikopoulos et al., 2013). Investment is encouraged through the usage of the internet, as the disseminated information is worldwide enabled through this means (Aly, 2010). Also, investors rely upon the internet as the source of information and they report their financial information wholly or partially via the web (Hindi & Rich, 2010). Stakeholders are immediately informed by companies regarding their information on a real-time basis, what in turns increases the accessibility of financial and non-financial information, and which is considered as a cost-effective tool for communication of financial information to such stakeholders (Mohamed et al., 2009; Bollen et al., 2008; Abdelsalam et al., 2007). Subsequently, it is indispensable to carry out research in the field of the changes in the environment of financial reporting via the internet as a magnificent means of communication (Xiao et al., 2002).

In the world's developed countries, Internet Financial Reporting is considered a commonplace practice (Pervan, 2006). Such practice is begun to be also applied in developing countries. Few academic studies have been carried out of developing countries, while many researchers have examined corporate governance and Internet Financial Reporting in developed countries; a skip which is significant for many reasons. First, the practices of international trade and international investment make critical pressure on the development of corporate governance and Internet Financial Reporting (Reed, 2002). Second, the practices of developed countries tended to be mimicked by developing countries like Palestine. Third, some distinctions in structure, such as the dominance of government ownership and/ or family/close held companies that render the implementation of Western-style are found (Mensah, 2002). Lastly, significant deviation in terms and content of disclosure practices and implementing corporate governance

between countries exist. This study aims at investigating the factors that may influence Palestinian Corporate Internet Financial Reporting, particularly those listed in the Palestine stock exchange. The level of Internet Financial Reporting will be measured, then the factors that have an impact on Internet Financial Reporting, specifically governance mechanisms, will be studied and variables of corporate governance that have an impact on the adoption of Internet Financial Reporting will then be identified. Several reasons were beyond selecting Palestine to address the influence of corporate governance on Internet Financial Reporting. The first reason is that it is necessary for Palestine, being a developing country, to attract foreign investment, to raise capital, and promote the confidence and understanding of stakeholders, and thus, there are many motives that encourage companies to publish their financial information via the internet to reach a wider range of international as well as local investors (Aly, 2010). The second reason is that it is evident the number of internet users is increasing significantly in developing countries (Kamel & Hussein, 2002). Such evidence proposes that information through the internet is increasingly sought by stakeholders in Palestine.

The remainder of the paper as follows. The next section reviews the literature and describes the development of our research hypotheses. The following section describes the research methodology. The next section provides the main findings. The final section shows the conclusions and limitations and further research.

LITERATURE REVIEW

Internet Financial Reporting (IFR) companies are usually one of the instruments on which companies rely to convey their information to investors and stakeholders as they plan to sell their securities to the public to attract investors. Disclosure will play an important role in reducing the agency expenses that shareholders are required to pay to track management since businesses provide the annual report with satisfactory details (Al Shammari & Al-Sultan, 2010).

It is possible to recognize corporate governance as a framework. Corporate governance systems take into account the opportunistic actions of management, taking into account the nature of both internal and external corporate governance mechanisms and the desire to minimize agency costs (McKnight & Weir, 2009). Therefore, corporate governance should be focused on online financial reporting, which ensures that managers who have greater access to corporate information than shareholders can have accurate transparency to increase the company's value by minimizing agency costs since disclosure is a management system used to decrease these costs (Craswell & Taylor, 1992). The emphasis is not on the issue of the agency in this report. We want to look at the characteristics of the board, which is an Internet Financial Reporting case.

The most evolved methodology used to achieve transparency is called Internet Financial Reporting. Internet Financial Reporting has many significant features, as it is transferred to stakeholders through the internet in real-time, it is also low-cost, and businesses can provide financial and non-financial information. In addition, online information brings a new dimension to the exchange of reports. Online, real-time data will soon replace the historical financial statements currently given to stakeholders by businesses. Internet search and display capabilities allow businesses to add value to business information. Companies should be able to offer a wide variety of additional non-financial information to key stakeholders that can be obtained upon request, depending on the interests of the stakeholders (Bonson & Escobar, 2002).

Internet Financial Reporting analysis, primarily in developing countries, has been carried out (Lodhia et al., 2004; Bonson & Escobar, 2006; Bonson & Escobar, 2002; Marston, 2003).

Developing countries have performed a few studies on the determinants of the IFR (Omar, 2017; Zakeya & Al-Sartawi, 2016; Kuruppu et al., 2015; Jimoh & Okoye, 2016; Aly et al., 2010). Heong Yap et al. (2011), Parlakkaya et al. (2015), and Omar (2017) examined the effect on Internet Financial Reporting of corporate governance mechanisms and found that some of these mechanisms have an important relationship with Internet Financial Reporting, such as (board independence, duality, the board size, number of shareholders. Audit committee and audit independence. In general, the systems of corporate governance generally guarantee the consistency of accounting information reported across a series of institutional arrangements with regard to the issues mentioned above. Good corporate governance can improve intra-company regulation and can mitigate opportunistic activities and eliminate information asymmetry, so it has a beneficial impact on the high quality of information disclosure, such as financial reporting on the internet.

Otherwise, the Internet Financial Reporting literature review suggested that it is a global activity. Studies suggest that many businesses rely on the Internet as one of the most important platforms for communication of financial information in many countries (Homayoun et al., 2011; Lipunga, 2014; Shukla & Gekara, 2010).

Until now, no empirical research on Internet Financial Reporting in Palestine has been implemented. Due to the professional and ethical conduct on which well-functioning markets depend, internet financial reporting is very relevant. In economic life and for the sake of business and future growth, trust and integrity play an important part. Therefore, in order to identify the standard of Internet financial reporting in the listed firms, the current study will examine those concepts in Palestine.

HYPOTHESES DEVELOPMENT

Disclosure reduces agency conflicts and the issue of inconsistency between investors and management with details. The theory of the agency has been used widely to clarify and evaluate corporate governance activities and corporate transparency in accounting literature. Corporate governance, for instance, can enable Internet Financial Reporting to be adopted.

Board educational background

It is argued that the educational background of directors, their qualifications, their abilities, and knowledge are significant factors influencing corporate governance. From the viewpoint of the Agency, the qualifications of the Board of Directors members relate to the functioning and goals of the Board in many respects (Mallin & Michelon, 2011; Michelon & Parbonetti, 2010). If the qualifications of the Board of Directors members increase, the more likely they are to be better qualified to fulfill their governance roles and assist the organization in achieving its strategic goals (Peters & Romi, 2011). Having highly educated directors covering both financial and legal information increases the consistency of business decisions, including corporate disclosure (Welford, 2007).

Directors' educational background may provide a wider outlook and superior pattern of thought and, thus, the comprehension of the broader interests of various stakeholders is more likely to increase (Akhtaruddin & Abdur Rouf, 2011; Welford, 2007), thereby increasing awareness of corporate responsibility (Wallace and Cooke, 1990), disclosure of more knowledge to show transparency ((Haniffa & Cooke, 2002) and corporate disclosure (Peters & Romi, 2011). There is currently no empirical proof of the relationship between managers' qualifications and Internet Financial Reporting. The theory, which is taken from this point, is:

H₁: There is a significant relationship between the educational background of directors and IFR

Board independent

Independent directors are known as a tool for controlling management activities (Rosenstein & Wyatt, 1990). In addition, independent directors can seem more impartial and may consider different stakeholders in making their deliberations and recommendations, thereby helping to achieve the strategic objectives of the organization, including the propensity to provide transparent information to a broader segment of stakeholders (Rupley et al., 2011). An important association between the independence of board directors and Internet Financial Reporting has been found in several empirical studies (Kiew-Heong et al., 2011; Parlakkaya et al., 2015; Omar, 2017). Other findings found negligible relationships (Samaha et al., 2012; Puspitaningrum & Atmini, 2012). Manager independence can affect various aspects of Internet Financial Reporting, at least in the financial reporting and disclosure literature (Armstrong et al., 2013), and plays a complementary role in the disclosure of details (Samaha & Dahawy, 2010). Based on the philosophy of the department, independent directors are required to play an important role in oversight, contributing to a rise in demand for enhanced transparency, such as Internet Financial Reporting.

On the contrary, the independence of the Board of Directors is not supposed to influence the degree of Internet Financial Reporting in Palestine, as the number of independent members of the Board is inadequate.

H₂: The percentage of independent directors has no impact on IFR.

Board audit committee

By reviewing the work of the board, which is responsible for protecting and promoting the interests of stakeholders, the establishment of board committees is required to provide trust in financial reporting and corporate disclosure policies (Fama & Jensen, 1983; Islam & Bhattacharjee, 2010). Board committees are linked to good corporate governance is strengthened (Davis, 2001). Therefore, over time, audit committees strengthen corporate transparency standards (Francis et al., 2012).

Within the board, the audit committee allows for thorough specialization. It is expected that this little group, normally three or four representatives of publicly traded companies, will devote its time and pay attention to a more attentive analysis of financial statements and audit results. Based on what has been previously reported, the Audit Committee is expected to have a positive effect on Internet Financial Reporting in Palestine.

H₃: There is a positive relationship between the board audit committee and IFR in Palestine.

Audit firm

Big audit firms usually have several clients, so they can expect to lose a few of their clients, especially if they deal with vulnerable clients. Smaller audit firms, however, with limited customers, may risk losing their contract, having dealt with risky customers. In order to achieve its objectivity and freedom, this can influence the organization (Abdul Naser et al., 2006). Muhamad Sori et al. (2006) observed that senior managers of publicly traded companies have a high degree of trust in the efficiency of international audit firms' audits, as they are expected to be more impartial than non-international audit firms.

This is because an international audit firm's intention is to preserve its credibility, which is a valuable and intangible business asset (Muhamad Sori et al., 2006).

In the improvement of corporate reporting standards, foreign auditing firms play an important role (Hall, 2002) and also promote the publication of financial reports, in particular, online reporting (Xiao et al., 2004). Previous empirical studies have shown mixed results, although some of them show a positive correlation between foreign auditing firms and Internet Financial Reporting (Boubaker et al., 2012; Hasan et al., 2013). However, other studies revealed negligible links between audit firms and financial reporting on the Internet (Abd El-Salam, 1999, Aly et al., 2010).

H₄: Firms that are audited by an international audit firm are more inclined to practice IFR

Ownership concentration

As significant variables in explaining changeability in corporate disclosure practices and Internet Financial Statements, the form of ownership and concentration of ownership have been proposed. The relationship between a corporation and its stakeholders can be influenced by variations in the arrangements of ownership and also affect the degree and consistency of corporate disclosure practices (Van der Laan Smith et al., 2005), as determined by the level of management conduct monitoring (Eng & Mak, 2003). In this aspect, the dominating values will then be decided by the relative relationship between managers and shareholders (Halme & Huse, 1997).

Ownership concentrations are correlated with fewer disputes between organizations. In addition, significant shareholders can be a major group of stakeholders with authority (O'Sullivan et al., 2008) and may therefore access the information needed from alternative sources other than corporate disclosure (Berthelot et al., 2003). As dominant shareholders usually have access to the details they need, the closely-held ownership is not required to be open to disclosure (Cormier et al., 2005). In addition, companies with dispersed ownership are more likely to enhance their financial reporting policy, while companies with centralized ownership are less likely to reveal additional details through the internet (Reverte, 2009).

The ownership arrangement has an explicit impact on the degree of online disclosure. When the system is vast and has multiple stakeholders, the degree of transparency would be greater. However, several studies have shown that the extent of the disclosure may be influenced by concentrated ownership (Hasan et al., 2013; Said et al., 2009). Other studies have shown that the concentration of ownership and the degree of the disclosure have been negatively linked (Gandia, 2008; Khlif et al., 2017).

H₅: There is a positive association between ownership concentration and IFR.

The board educational background, board independent, Board audit committee, audit firm, and ownership concentration are the independent variables in the regression model. In order to evaluate the Internet Financial Reporting, some other explanatory variables such as the size of the board, Board meetings, and foreign investors, size of the firm, profitability, and market capitalization are required to be incorporated into the research model. The significance of the model is increased through this process. The size of the board of directors is considered as one of the main elements of an efficient and effective board of directors, due to that they provide very critical information (Nassir Zadeh et al., 2018). The size of the board of directors minimizes

management opportunism by diverting attention to corporate disclosure (Sun et al., 2010). The Size of the board of directors has a positive relation with Internet Financial Reporting (Parlakkaya et al., 2015; Zakeya & Al-Sartawi., 2016). The number of board of directors' meetings convened annually is an indicator of board effectiveness. Meeting frequency reflects the exertion and prudence of the board of directors in carrying its duties (Carcello, et al., 2002; Persons, 2006), in order to dominate the production of information at board meetings and participate in decision making (Ben Ayed-Koubaa, 2010). When the board is full of activity, it will request appropriate information from the firm. Hezadeen et al. (2016) found a significant correlation between the meetings of the board of directors and the Internet Financial Reporting. Nonetheless, Kiew-Heong et al. (2011) found a negative relationship.

Online financial reporting plays an important role in rationalizing foreign investment and making investment decisions. Donnelly and Mulcahy (2008) found foreign investors play an important role in monitoring companies that benefit the company by reducing costs and problems of information. a greater need for social disclosure as a means of monitoring the behavior of foreign managers. Investors, especially those who are foreigners, need more information from companies to increase efficiency and effectiveness in investment decision-making (Barako et al., 2006). Palestine attracts scarce foreign investment, due to the tense political and security situation of the territory. Notwithstanding, Palestine has a market economy in which the private sector plays a significant role. Palestine's strategic location and its need for the development of large-scale infrastructure make it a largely unexploited market with great investment potentials.

It might be said that firms with greater profitability are expected to more disclose transparent information caused by their willingness to disclose their favorable positions on the internet (Oyeler et al., 2003). Theoretically, investors generally are thought to perceive the absence of voluntary disclosure as an indication of "bad news" about a firm (McKinnon and Dalimunthe, 1993). Also, agency theory suggests that managers of profitable companies have an incentive to disclose more information (Abd El-Salam, 1999), such as internet financial reporting. Generally, the size of a firm is seen as an indicator of institutional constitution and perception of stakeholders regarding detailed and more transparent disclosures by firms that affect their Internet Financial Reporting. The size of the firm has been argued to have a relationship with disclosure on the Internet (Botosan, 1997; Frankel et al., 1999). Ettredge et al. (2002) have also chosen the size of the firm as an important factor to illustrate internet financial reporting practices. The agency theory suggests that large firms exhibit higher agency costs due to the information asymmetry between market participants (Jensen & Meckling, 1976). In order to reduce these agency costs, larger firms disclose more information on the internet. On the other hand, a higher firm's market capitalization might lead to more frequent and transparent information disclosure efforts by firms in order to maintain the requirements of creditors and investors' information (Naser et al., 2006). So, these firms might relief the concerns of stakeholders regarding their financial performance and situation on

RESEARCH METHOD

Data

Data used in the current were gathered from 48 companies (all were Palestinian companies in Palestine Stock Exchange) in the five sectors, divided as follows: (6-banking companies, 14-industry companies, 7-insurance companies, 9-construction companies, and 12- service

companies). The data belong to the year 2017 and were collected from the websites of companies and the Palestine Stock Exchange website.

Variables and model

Internet financial reporting index: The FASB (2000) identifies two primary dimensions of Internet Financial Reporting: presentation and content. These dimensions can improve corporate disclosure. An index is developed based on prior studies (Al-Htaybat, 2011; Ali-Khan & Ismail, 2011; Bin-Ghanem, 2015). But it is more homogeneous to the Internet Financial Reporting index that is used by Bin-Ghanem (2015) and Aly et al. (2010) in analyzing Internet Financial Reporting in Arab countries. Indices used in Arab countries are relevant to our study because these countries experience similar characteristics to Palestine. We deleted some items that are not found in any websites and items commonly added found in the websites of the companies but not included in other prior indexes. Our Internet Financial Reporting index combines a total of 36 items. We used a non-weighted approach to scoring. When all users have the same value (Abdelsalam et al., 2007; Akhtaruddin et al., 2010) by giving a score of 1 for the presence and 0 for the absence of each content object, this method is the most suitable.

In order to determine the level of IFR, we analyzed factors included in the index defined above looking for the information on the internet. The below regression model was estimated to test our hypotheses:

$$\text{IFR.Index} = \beta_0 + \beta_1 \text{Board educational} + \beta_2 \text{Board Independence} + \beta_3 \text{Board Audit Committee} + \beta_4 \text{Audit firm} + \beta_5 \text{Ownership concentration} + \beta_6 \text{Board size} + \beta_7 \text{Board meetings} + \beta_8 \text{Foreign investors} + \beta_9 \text{Firm size} + \beta_{10} \text{Profitability} + \beta_{11} \text{Market capitalization}$$

Variables	Predicted sign	Definition
Dependent variable		
Total-IFR index		The total score for all 36 items
Independent variables		
Board educational	+	Number of directors holding postgraduate degrees
Board independent	-	Number of independent non-executive directors on the board
Board audit committee	+	It is a dualistic variable with a value of 1 if the organization has a board audit committee and 0 otherwise.
Audit firm	+	1 if an auditor is a Big-4 firm, and 0 otherwise
Ownership concentration	+	majority shareholder, we assign it a value of 1 and if not, it is assigned a zero value
Control variables		
Board size		The number of board members
Board meeting		Total number of board meetings per year
Foreign investors		Dummy variable equals to 1 if the majority Foreign investors, 0 otherwise
Firm size		Number of employees
Profitability		Return on assets
Market capitalization		Log the firm's total market capitalization

FINDINGS AND DISCUSSION

Table 1. Disclosure of internet financial reporting

Internet Financial Reporting Index		No of companies	% of disclosure on the internet
1	<u>Format</u>		
1.1	Annual report in multiple file formats	46	96
1.2	Financial data in a process able format	39	81
1.3	Hyperlinked table of contents	16	33
1.4	Drop-down navigational menu	21	44
1.5	Hyperlinks inside the annual report	15	31
1.6	Hyperlinks to data on a third-party's website	7	15
1.7	Audio files	3	6
1.8	Video files	3	6
1.9	Investor e-mail alerts	25	52
1.10	Dynamic graphic images	31	65
1.11	Automatic investor relations information request form	29	60
1.12	Internal search engines	16	33
2	<u>Content</u>		0
2.1	Current year's annual report	45	94
2.2	Last year's annual report	45	94
2.3	Recent quarterly report	45	94
2.4	Charters for the audit committee	34	71
2.5	Charters for other Board committees	30	63
2.6	Code of conduct and ethics for directors, officers, and employees	32	67
2.7	Recent monthly financial data	18	38
2.8	Performance overview (e.g., highlights, fact-sheet, 'FAQ')	23	48
2.9	Earnings estimates	17	35
2.10	Calendar of events of interests to investors	26	54
2.11	Recent financial news releases	23	48
2.12	Listing of analysts following the firm	34	71
2.13	Analyst ratings	1	2
2.14	Text of speeches and presentations	10	21
2.15	Same-day stock prices	45	94
2.16	Historical stock prices	47	98
2.17	Information about the firm's stock transfer agent	32	67
2.18	Information regarding a dividend reinvestment plan	13	27
2.19	Dividend history	19	40
2.20	Members of the Board of Directors	48	100

2.21	Shareholding structure	48	100
2.22	The organization has its own written guidelines on corporate governance.	35	73
2.23	Provided in both Arabic and English	15	31
2.24	Advanced features (XBRL)	0	0
Average			53

Respect to the IFR index, indicating that the extent of IFR disclosure in Palestine companies tends to be limited (Average 53%). We will briefly explain some important items for: *Format*: table 1 represents the measurement scheme of the Internet Financial Reporting scale and provides the percent of sample firms disclosing each of the items in the disclosure index. Through accessing all the websites of the companies on the Internet and on the Palestine Stock Exchange website. The most popular presentation format is the Annual Report in multiple file formats (96%). Other frequently adopted presentation formats are financial data in a process able format (82.0%) –Especially on the Palestine Stock Exchange website. Only 3% of sample firms had video files and Audio files on their websites. While Drop-down navigational menu (44%), Hyperlinks to data on a third-party's website (15%). Previous percentages came mixed and this was not in favour of investors because these tools provide users with alternative options for searching for information and may improve the accessibility and transparency of financial disclosures to investors. For instance, hyperlinks encourage users to develop individual information search strategies depending on their own unique interests and objectives (Andrea et al, 2008).

Content: The six most common content items are Members of the Board of Directors (100%), Shareholding structure (100%), Historical stock prices (98%), Current year's annual report (94%), Last year's annual report (94%), Recent quarterly report (94%). Out of the 24 content items, 14 were found at half or more of the corporate websites and PEX website. Very few sample companies disclosed Provided in both Arabic and English (31%), Analyst ratings (2%), and Advanced features (XBRL) (0%). shows that while on average the level of IFR is moderate, companies need made improvements in some terms of disclosure on the internet such as use Advanced features (XBRL). Extensible Business Reporting Language (XBRL) is a technological tool that can disseminate data by producing more relevant and customized information according to users' demands. XBRL is a second-generation digital reporting technology because it allows "more automated analysis and interrogation of the underlying information across multiple platforms" and a new communication channel for users (Dunne et al. 2013).

Accordingly, it becomes necessary for countries, especially developing ones, to pay attention to the importance of disclosure in general through clearer and more structured laws and regulations, as well as to support and guide companies operating in various economic sectors to expand their disclosure it and exploit all possible means to achieve greater dissemination of financial information with a view to taking rational economic decisions in a timely manner, improving accountability and contributing to the acceleration of economic growth at the same time(Al-Sartawi, 2015).

Descriptive statistics

Table 2. Descriptive statistics of the variables and correlation

	Mean	S.D	1	2	3	4	5	6	7	8	9	10	11	12
1.IFR	19.50	7.21	1											
2.Board educational	3.31	2.17	0.67**	1										
3.Board independent	0.65	1.31	0.43**	0.35**	1									
4.Board audit committee	0.67	0.48	0.65**	0.51**	0.24*	1								
5.Audit firm	0.67	0.48	0.72**	0.55**	0.35**	0.90**	1							
6.Ownership concentration	0.56	0.50	0.58**	.210	.212	0.35**	0.35**	1						
7.Board size	8.73	2.01	0.48**	0.61**	0.52**	0.32*	0.32*	0.26*	1					
8.Board meetings	5.77	2.22	0.44**	0.34**	0.28*	0.38**	0.32*	0.27*	.234	1				
9.Foreign investors	0.27	0.44	.210	.130	-.155	.227	.227	0.24*	.059	.063	1			
10.Firm size	309.42	561.93	0.42**	0.33*	0.28*	0.28*	0.29*	0.25*	0.36**	.119	0.32*	1		
11.Profitability	0.04	0.08	0.39**	0.31*	.215	.106	.161	.159	0.27*	0.30*	.090	.154	1	
12.Market capitalization	7.76	8.01	0.53**	0.42**	0.42**	0.32*	0.35**	0.27**	0.42**	.178	.163	0.88**	.109	1

Table (2) shows the descriptive statistics and correlation of the study sample. Accordingly, the mean of the Internet Financial Reporting index is 19.50, which indicates that the extent of Internet Financial Reporting disclosure of the study sample tends to be limited. With regard to the board educational background, the mean is 3.31, what in turns indicates that the members of the Board of Directors who have a high educational background in Palestinian companies were few and this is the case in the developing countries. The board of director's means of meetings is 5.77 per year, and such value of mean complies with the Palestinian Corporate Governance Code, which recommends that members of the Board of Directors must attend board meetings. However, the mean of the size of the board is 8.73, which is similar to that found in the Arab Gulf States (8.46) (Bin-Ghanem, 2015) and in Malaysia (Kiew-Heong et al., 2011). Furthermore, the mean of the board of director's independence is 0.65, which reveals that the boards of directors have few independent members. In addition, the mean of the board of director's audit committee is 0.67, and this involves the fact that a large number of companies have an audit committee. As for ownership, it can be observed that the mean of ownership concentration is 0.56, indicating the fact that the shareholders from the majority of an individual. Otherwise, the foreign investors are few in Palestine and this can be attributed to political circumstances in Palestine and the Middle East.

With respect to correlation, it was calculated in order to examine any autocorrelation between Internet Financial Reporting and each of the various structures and corporate features of corporate governance. The results indicate a significant association between the level of Internet Financial Reporting and all corporate governance characteristics except foreign investors. Most of these results agree with the research hypotheses. The composition of the team of directors has a positive relationship with the existence of audit committees which ensure internal control, the presence of independent board members, and board qualification, and such a result is consistent

with the recommendations of the Code of Governance in Palestine. With reference to the external audit firm, the results of the study have revealed that it is associated with the board characteristics in this research (The size of the board of directors, board educational background, board meetings, board independency), perhaps due to a suggestion of audit firms to apply code of corporate governance in Palestine to improve accountability and disclosure on internet. The findings have also shown the presence of relationships between ownership concentration and the size of the board of directors, board meetings, board audit committees, and audit firms. Perhaps, whenever there is a majority of shareholders, the companies apply the instructions, in addition to the commitment of the Board of Director's duties. Lastly, the findings suggest that certain variables are linked to control variables. Therefore, there is a link between the size of the board of directors, board meeting, board education, and audit committee with the size of the company, profitability, and market capitalization. The large and profitable companies constitute a larger board of directors, more meetings and have committees. Another fascinating point is that corporations get a high income and are bigger when corporate governance is better.

The regression results

Table 3. Regression between dependent (IFR) and independent variables

Variables	Beta	t
Board educational	.267	2.49*
Board independent	-.006	-.062
Board audit committee	-.071	-.391
Audit firm	.410	2.19*
Ownership concentration	.311	3.90**
Board size	-.019	-.189
Board meetings	.074	.892
Foreign investors	.012	.145
Firm size	-.217	-1.298
Profitability	.179	2.27*
Market capitalization	.385	2.22*

R	.908 ^a
R Square	.824
Adjusted R Square	.771

** p < 0.01

* p < 0.05

Table (3) represents the results of the regression analysis. The adjusted R Square of 0.771 indicates that 77.1% of the variance in the dependent variable is explained by the independent variables. Thus, the model has excellent explanatory power.

The results indicate the board's educational background is significantly associated with Internet Financial Reporting. Nevertheless, the coefficient of board independence and board audit committee is not statistically significant.

There is a significant positive association between the board educational background and Internet Financial Reporting. The results indicate that companies that have more directors'

qualifications on the board are more interested in Internet Financial Reporting. They can use more resources (the organizations with strong management skills are the largest in the industry and have the highest profitability) and some of them are used to boost the disclosure of Internet Financial Statements. We accept Hypothesis (1) as a consequence. However, there is a statistically insignificant result for the association between board independence and Internet Financial Reporting (Puspitaningrum & Atmini, 2012; Samaha et al., 2012). Thus, hypothesis (2) is accepted. This outcome is inconsistent with the theory of the agency, which implies that the existence of directors strengthens the compliance of a corporation with disclosure requirements since they are free from the desires of management. In developed nations, this may theoretically be attributed to selection procedures. According to the Palestinian Code of Governance, two members of the Board of Directors are recommended to be independent. But most firms did not apply.

The presence of board audit committees, in contrast to our perceptions, has a negative impact on Internet Financial Reporting and has little association with Internet Financial Reporting. It is noted, on the basis of what was said earlier, that the audit committee does not play that role in the Palestinian companies. We deny, therefore, the hypothesis (3). This outcome is inconsistent with prior literature, which states that the board is supported by an efficient audit committee to fulfill its regulatory and fiduciary duties (Weir et al., 2002). From the point of view of the agency, it is argued that audit committees serve as oversight mechanisms that enhance the role of corporate financial reporting's audit certification function (Bradbury, 1990), contributing to the reduction of agency costs, thereby improving the consistency of such reporting (Nelson et al., 2010). The consistency of the flow of knowledge between managers and shareholders can also be enhanced by audit committees (Barako et al., 2006). Nevertheless, the presence of an external multinational accounting company has an impact on the level of financial reporting on the Internet. This suggests that the degree of occurrence in Palestine is clarified by the form of an audit firm. Companies in Palestine may emulate developed countries' practices, and this could be due to the fact that foreign audit firms in all countries follow the same procedures. Hypothesis (4) was endorsed accordingly. Our standards are in line with Xiao et al. (2004) and Hall (2002), who found that the audit firm is an important factor in improving the overall reporting practices of businesses.

There is, on the other hand, an important positive correlation between ownership concentration and Internet Financial Reporting. Hypothesis (5) is approved, however. Said et al, (2009) are in line with this outcome. The ownership structure is one of the key mechanisms for minimizing expropriation by management, according to agency theory (La Porta et al., 1997). Companies mainly owned by stakeholders are more likely to reveal internet data and to strengthen the reports released (Reverte, 2009).

With regard to the control variables, the findings in Table (3) show that there is an insignificant association between board size, board meetings, and international investors and Internet financial reporting. The size of the board of directors and Internet Financial Reporting has a negative relationship. Kelton (2008) and Alanezi (2009) agree with this finding. A small board may be an efficient tool for tracking the success of corporate executives with less tension, contrary to the theory of the agency. However, the relationship between board meetings and Internet financial reporting is statistically negligible. This outcome is consistent with Kiew-Heong et al. (2011), who found that Internet Financial Reporting in Malaysia is not correlated with board meetings.

International investors have no association with Internet Financial Reporting. Barako et al. (2006) and Huafang and Jianguo (2007) are inconsistent with this outcome. Companies in which investors are well educated are normally favored and where their investments are well secured (Merton, 1987). Moreover, because of poor corporate governance systems and disclosures, especially Internet Financial Reporting (Mangena & Tauringana, 2007), investors avoid companies in developing countries.

The results in Table (3) also show that profitability (Pirchegger & Wagenhofer, 1999; Sánchez et al. (2011) and market capitalization(Healy et al.1999) have an essential link with Internet Financial Reporting, and Internet Financial Reporting is not clarified by company size. Profitability and market capitalization can affect governance structures that affect the disclosure policies of a business, specifically disclosure through Internet Financial Reporting.

CONCLUSION

The current study explores whether the difference in the standard of Internet Financial Reporting is explained by the board features, Audit Company, and ownership structure. A study was carried out on a selection of 48 companies publicly traded in 2019 on the Palestine Stock Exchange. The findings advocate the argument that the approaches to agency theory justify the impact of multiple factors on Internet Financial Reporting. To assess the standard of Internet Financial Reporting, an index from several previous studies was chosen. With regard to Internet Financial Reporting, its index indicates that the scope of our sample's disclosure of Internet Financial Reporting appears to be small (average 53%).

The findings show that the educational history of the board is significantly linked to Internet Financial Reporting. Notwithstanding, the board independence coefficient and the board audit committee are negligible. Internet Financial Reporting is more interested in the claim that businesses that are more eligible as board directors are more interested in the argument. The audit company is also an important element in improving the overall reporting standards of businesses.

There is, on the other hand, a strong positive correlation between ownership concentration and Internet Financial Reporting. The ownership structure is regarded as one of the key mechanisms for minimizing management expropriation, according to agency theory (La Porta et al., 1997). In order to reveal data on the internet and to enhance the reports released, companies often owned by stakeholders are more viable (Reverte, 2009).

The findings show that profitability and market capitalization have a substantial relationship with Internet Financial Reporting with respect to the control variables. Internet Financial Reporting also does not clarify board size, board meetings, international investors, and business size. Contrary to agency theory, the statement that says a small board can be an efficient tool to track the success of corporate executives with less tension is contrary. There is no partnership, on the other hand, between foreign investors and the IFR. Due to weak corporate governance systems and disclosures, especially Internet Financial Reporting, foreign investors avoid companies in developing countries.

Internet Financial Reporting exists as an efficient way for shareholders and investors to market a business. Internet financial reporting leads to growing the awareness of investors and keeps them constantly informed of the latest financial details to help to streamline their securities investment decisions. The results contained in the present study provide insights into the need for effective corporate governance frameworks, such as board independence, Board activity, and Audit Committee to ensure better standards of Internet financial reporting practices in

developing countries. As Internet Financial reporting can help Palestinian companies attract foreign investments Companies are recommended to improve their website content, use new technology such as advanced features (XBRL), and information contained in order to have good Internet Financial Reporting and to make the right decision for users especially investors.

The current research has shown some limitations; only in 2019, the sample is taken from the Palestinian Stock Exchange. In order to equate the outcomes of the current research with the results related to internet financial reporting in other countries, further study may be carried out as well. The current research also suggests finding other corporate governance or systemic influences in the PGC (2009) as variables that examine the relationship between corporate governance and the Internet Financial Reporting.

REFERENCES

- Andrikopoulos, A., Merika, A. A., Triantafyllou, A., & Merikas, A. G. (2013). Internet disclosure and corporate performance: a case study of the international shipping industry. *Transportation Research Part A: Policy and Practice*, 47, 141-152.
- Ayed-Koubaa, H. B. (2010). Qualité de la communication financière au sujet des pratiques de gouvernance d'entreprise: cas du SBF 120.
- Abd-Elsalam, O. H. (1999). *The Introduction and Application of International Accounting Standards to Accounting Disclosure Regulations of a Capital Market in a Developing Country* (Doctoral dissertation, Heriot-Watt University).
- Abdelsalam, O. H., Bryant, S. M., & Street, D. L. (2007). An examination of the comprehensiveness of corporate internet reporting provided by London-listed companies. *Journal of International Accounting Research*, 6(2), 1-33.
- Akhtaruddin, M., & Rouf, D. (2011). Corporate Governance, Cultural Factors, And Voluntary Disclosure: Evidence From Selected Companies In Bangladesh, Working Paper, 2011 BAASANA International Conference, Bloomsburg University of Pennsylvania, USA.
- Akhtaruddin, M., & Haron, H. (2010). Board ownership, audit committees' effectiveness, and corporate voluntary disclosures. *Asian Review of Accounting*, 18(1), 68–82.
- Al-Shammari, B., & Al-Sultan, W. (2010). Corporate governance and voluntary disclosure in Kuwait. *International Journal of Disclosure and Governance*, 7(3), 262-280.
- Al-Sartawi, A. (2015). The effect of corporate governance on the performance of the listed companies in the gulf cooperation council countries. *Jordan Journal of Business Administration*, 11(3), 705-725.
- Alanezi, F. S. (2009). Factors influencing Kuwaiti companies' Internet financial reporting. *Journal of Economic and Administrative Sciences*, 25(2), 44–78.
- Al-Htaybat, K. (2011). Corporate online reporting in 2010: a case study in Jordan. *Journal of Financial Reporting and Accounting*, 9(1), 5–26.

- Armstrong, C. S., Core, J. E., & Guay, W. R. (2014). Do independent directors cause improvements in firm transparency?. *Journal of Financial Economics*, 113(3), 383-403.
- Aly, D., Simon, J., & Hussainey, K. (2010). Determinants of corporate internet reporting: evidence from Egypt. *Managerial Auditing Journal*, 25(2), 182-202.
- Barako, D. G., Hancock, P., & Izan, H. Y. (2006). Factors influencing voluntary corporate disclosure by Kenyan companies. *Corporate Governance: an international review*, 14(2), 107-125.
- Berthelot, S., Cormier, D., & Magnan, M. (2003). Environmental, Disclosure Research: Review and Synthesis. *Journal of accounting literature*, 22, 1-44.
- Bin-Ghanem, H. (2015). Corporate Governance Characteristics and Internet Financial Reporting: Evidence from Gulf Co-operation Council Countries.n book: Issues in Contemporary Accounting & Finance, Chapter: 3, Publisher: Universiti Putra Malaysia Press, Editors: Siti Zaidah Turmin, Mohammad Noor Hisham Osman, Zulkarnain Muhamad Sori, Ahmed Razman Abdul Latiff, pp.20-45
- Bollen, L. H., Hassink, H. F., de Lange, R. K., & Buijl, S. D. (2008). Best practices in managing investor relations websites: Directions for future research. *Journal of Information Systems*, 22(2), 171-194.
- Bonsón, E., & Escobar, T. (2006). Digital reporting in Eastern Europe: An empirical study. *International Journal of accounting information systems*, 7(4), 299-318.
- Bonsón Ponte, E., & Escobar Rodríguez, T. (2002). A Survey on Voluntary Disclosure on the Internet. Empirical Evidence from 300 European Union Companies. *International Journal of Digital Accounting Research*, 2, 27-51.
- Botosan, C. A. (1997), Disclosure level and the cost of equity capital. *Accounting Review*, 72(2), 323-349.
- Boubaker, S., Lakhali, F., & Nekhili, M. (2011). The determinants of web-based corporate reporting in France. *Managerial Auditing Journal*, 27(2), 126-155.
- Bradbury, M. E. (1990). The incentives for voluntary audit committee formation. *Journal of Accounting and public policy*, 9(1), 19-36.
- Carcello, J. V., Hermanson, D. R., Neal, T. L., & Riley Jr, R. A. (2002). Board characteristics and audit fees. *Contemporary accounting research*, 19(3), 365-384.
- Cormier, D., & Gordon, I. M. (2001). An examination of social and environmental reporting strategies. *Accounting, Auditing & Accountability Journal*. 14(5), 587-616.

- Craswell, A. T., & Taylor, S. L. (1992). Discretionary disclosure of reserves by oil and gas companies: an economic analysis. *Journal of Business Finance & Accounting*, 19(2), 295-308.
- Carcello, J. V., Hermanson, D. R., & Ye, Z. (2011). Corporate governance research in accounting and auditing: Insights, practice implications, and future research directions. *Auditing: A Journal of Practice & Theory*, 30(3), 1-31.
- Davis, S. M. (2001). The Race For Global Corporate Governance", Web Document: 1-5, Retrieved from <http://www.cipe.org/ert/e31/e31-3.php3>.
- Donnelly, R., & Mulcahy, M. (2008). Board structure, ownership, and voluntary disclosure in Ireland. *Corporate Governance: An International Review*, 16(5), 416-429.
- Dunne, T., Helliard, C., Lymer, A., & Mousa, R. (2013). Stakeholder engagement in internet financial reporting: The diffusion of XBRL in the UK. *The British Accounting Review*, 45(3), 167-182.
- Djamhuri, A., & Widya, Y. (2016). Corporate Governance and Internet Financial Reporting in Indonesia (an Empirical Study on Indonesian Manufacturing Companies). *The International Journal of Accounting and Business Society*, 24(2), 36-47.
- Eng, L. L., & Mak, Y. T. (2003). Corporate governance and voluntary disclosure. *Journal of accounting and public policy*, 22(4), 325-345.
- Ettredge, M., Richardson, V. J., & Scholz, S. (2002). Dissemination of information for investors at corporate Web sites. *Journal of Accounting and Public Policy*, 21(4-5), 357-369.
- Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *The journal of law and Economics*, 26(2), 301-325.
- FASB. (2000). Business reporting research project: Electronic distribution of business reporting information. Steering Committee Report Series. Financial Accounting Standards Board.
- Francis, J. R., Khurana, I. K., Martin, X., & Pereira, R. (2011). The relative importance of firm incentives versus country factors in the demand for assurance services by private entities. *Contemporary Accounting Research*, 28(2), 487-516.
- Frankel, R., Johnson, M., & Skinner, D. (1999). An empirical examination of conference calls as a voluntary disclosure medium, *Journal of Accounting Research*, 37(1), 133-150.
- Gandía, J. L. (2008). Determinants of internet-based corporate governance disclosure by Spanish listed companies. *Online Information Review*, 32(6), 791-817.

- Hall, J. A. (2002). An Exploratory Investigation into The Corporate Social Disclosure of Selected New Zealand Companies, Massey University, School of Accountancy, Auckland, New Zealand, Discussion Paper Series 211.
- Halme, M., & Huse, M. (1997). The influence of corporate governance, industry, and country factors on environmental reporting. *Scandinavian Journal of Management*, 13(2), 137-157.
- Haniffa, R., Nasser, A. T. A., Wahid, E. A., Nazri, S. N. F. S. M., & Hudaib, M. (2006). Auditor-client relationship: the case of audit tenure and auditor switching in Malaysia. *Managerial Auditing Journal*. 21(7), 724-737.
- Haniffa, R. M., & Cooke, T. E. (2002). Culture, corporate governance, and disclosure in Malaysian corporations. *Abacus*, 38(3), 317-349.
- Hasan, M. S., Hossain, S. Z., & Swieringa, R. J. (2013). Corporate governance and financial disclosures: Bangladesh perspective. *Corporate Governance*, 4(1), 109-119.
- Healy, P. M., Hutton, A. P., & Palepu, K. G. (1999). Stock performance and intermediation changes surrounding sustained increases in disclosure. *Contemporary accounting research*, 16(3), 485-520.
- Hindi, N. M., & Rich, J. (2010). Financial Reporting on the Internet: Evidence from the Fortune 100. *Management Accounting Quarterly*, 11(2), 11-21.
- Homayoun, S., Rahman, R. A., & Bashiri, N. (2011). Internet corporate reporting among public listed companies in Malaysia: An exploratory study. *African Journal of Business Management*, 5(30), 11863-11873.
- Huafang, X., & Jianguo, Y. (2007). Ownership structure, board composition, and corporate voluntary disclosure. *Managerial Auditing Journal*, 22(6), 604-619.
- Islam, M. Z., Islam, M. N., Bhattacharjee, S., & Islam, A. K. M. Z. (2010). Agency problem and the role of the audit committee: Implications for the corporate sector in Bangladesh. *International Journal of Economics and Finance*, 2(3), 177-188.
- Juhmani, O. (2017). Corporate governance and the level of Bahraini corporate compliance with IFRS disclosure. *Journal of Applied Accounting Research*, 18(1), 22-41.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of financial economics*, 3(4), 305-360.
- Jimoh, J., & Okoye, F. A. (2016). Voluntary Internet Financial Reporting in The Nigeria Public Sector. *Igbinedion University Journal of Accounting*, 2, 40-61.

- Khan, M. N. A. A., & Ismail, N. A. (2011). The level of internet financial reporting of Malaysian companies. *Asian Journal of accounting and Governance*, 2, 27-39.
- Kelton, A. S., & Yang, Y. W. (2008). The impact of corporate governance on Internet financial reporting. *Journal of accounting and Public Policy*, 27(1), 62-87.
- Kamel, S., & Hussein, M. (2002). The emergence of e-commerce in a developing nation. *Benchmarking: An International Journal*, 9(2), 146-53.
- Khlif, H., Ahmed, K., & Souissi, M. (2016). Ownership structure and voluntary disclosure: A synthesis of empirical studies. *Australian Journal of Management*, 42(3), 376-403.
- Kuruppu, N., Oyelere, P., & Al-Jabri, H. (2015). Internet financial reporting and disclosure practices of publicly traded corporations: Evidence from Sri Lanka. *Accounting & Taxation*, 7(1), 75-91.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. W. (1997). Legal determinants of external finance. *The journal of finance*, 52(3), 1131-1150.
- Lipunga, A. M. (2014). Internet financial reporting in Malawi. *International Journal of Business and Management*, 9(6), 161-172.
- Lodhia, S. K., Allam, A., & Lymer, A. (2004). Corporate reporting on the internet in Australia: an exploratory study. *Australian Accounting Review*, 14(34), 64-71.
- Mallin, C. A., & Michelon, G. (2011). Board reputation attributes and corporate social performance: An empirical investigation of the US best corporate citizens. *Accounting and Business Research*, 41(2), 119-144.
- Mangena, M., & Tauringana, V. (2007). Disclosure, corporate governance, and foreign share ownership on the Zimbabwe stock exchange. *Journal of International Financial Management & Accounting*, 18(2), 53-85.
- Marston, C. (2003). Financial reporting on the internet by leading Japanese companies. *Corporate communications: An international journal*, 8(1), 23-34.
- McKinnon, J. L., & Dalimunthe, L. (1993). Voluntary disclosure of segment information by Australian diversified companies. *Accounting & Finance*, 33(1), 33-50.
- McKnight, P. J., & Weir, C. (2009). Agency costs, corporate governance mechanisms, and ownership structure in the large UK publicly quoted companies: A panel data analysis. *The quarterly review of economics and finance*, 49(2), 139-158.
- Mensah, S. (2002). Corporate governance in Ghana: issues and challenges. In the *African capital markets Conference*.

- Mohamed, E. K., Oyelere, P., & Al-Busaidi, M. (2009). A survey of internet financial reporting in Oman. *International Journal of Emerging Markets*.
- Mohamed, E. K., Oyelere, P., & Al-Busaidi, M. (2009). A survey of internet financial reporting in Oman. *International Journal of Emerging Markets*, 4(1), 56-71.
- Muhamad, Sori, Z., Mohamad, S., & Karbhari, Y. (2006) Perceived auditor Independence and Size of the audit firm. Staff Paper 5/2006, University Putra Malaysia, Selangor.
- Naser, K., Al-Hussaini, A., Al-Kwari, D., & Nuseibeh, R. (2006). Determinants of corporate social disclosure in developing countries: the case of Qatar. *Advances in international accounting*, 19, 1-23.
- Nelson, J., Gallery, G., & Percy, M. (2010). Role of corporate governance in mitigating the selective disclosure of executive stock option information. *Accounting & Finance*, 50(3), 685-717.
- O’Sullivan, M., Percy, M., & Stewart, J. (2008). Australian evidence on corporate governance attributes and their association with forward-looking information in the annual report. *Journal of Management & Governance*, 12(1), 5-35.
- Omar, J. (2017). Corporate governance and the level of Bahraini corporate compliance with IFRS disclosure. *Journal of Applied Accounting Research*, 18(1), 22-41.
- Oyelere, P., Laswad, F., & Fisher, R. (2003). Determinants of internet financial reporting by New Zealand companies. *Journal of International Financial Management & Accounting*, 14(1), 26-63.
- Parlakkaya, R., Kahraman, U., & Cetin, H. (2015). The effects of corporate governance on the level of Internet financial reporting: Evidence from Turkish companies. *International Journal of Economics and Management Engineering*, 9(3), 920-924.
- Persons, O.S. (2006). Corporate Governance And Non-Financial Reporting Fraud. *Journal of Business and Economic Studies*, 12(1), 27-39.
- Pervan, I. (2006). Voluntary financial reporting on the internet: analysis of the practice of stock-market listed Croatian and Slovene joint-stock companies. *Financial theory and practice*, 30(1), 1-27.
- Peters, G. F., & Romi, A. M. (2011). *Greenhouse Gas Emission Accounting: The Effect Of Corporate Governance On Voluntary Disclosure*. Working Paper, University of Arkansas and Indiana University, USA.
- Pirchegger, B., & Wagenhofer, A. (1999). Financial information on the Internet: a survey of the homepages of Austrian companies. *European Accounting Review*, 8(2), 383-395.

- Puspitaningrum, D., & Atmini, S. (2012). Corporate governance mechanism and the level of internet financial reporting: Evidence from Indonesian companies. *Procedia Economics and Finance*, 2, 157-166.
- Reed, D. (2002). Corporate governance reforms in developing countries. *Journal of business ethics*, 37(3), 223-247.
- Reverte, C. (2009). Determinants of corporate social responsibility disclosure ratings by Spanish listed firms. *Journal of business ethics*, 88(2), 351-366.
- Rosenstein, S., & Wyatt, J. G. (1990). Outside directors, board independence, and shareholder wealth. *Journal of financial economics*, 26(2), 175-191.
- Rupley, K. H., Brown, D., & Marshall, S. (2011). Multi-stakeholder governance: impact on environmental disclosure. *Working Paper*.
- Said, R., Zainuddin, Y. H., & Haron, H. (2009). The relationship between corporate social responsibility disclosure and corporate governance characteristics in Malaysian public listed companies. *Social Responsibility Journal*.
- Samaha, K., & Dahawy, K. (2010). Factors influencing voluntary corporate disclosure by the actively traded Egyptian firms. *Research in Accounting in Emerging Economies*, 10, 87-119.
- Samaha, K., Dahawy, K., Abdel-Meguid, A., & Abdallah, S. (2012). Propensity and comprehensiveness of corporate internet reporting in Egypt. *International Journal of Accounting & Information Management*, 20(2), 142-170.
- Sánchez, I.M., Dominguez, L.R., & Álvarez, I.G. (2011) Corporate governance and strategic information on the internet, A study of Spanish listed companies. *Accounting, Auditing and Accountability Journal*, 24(4), 471-501
- Shukla, A., & Gekara, M. G. (2010). Corporate reporting in the modern era: a comparative study of Indian and Chinese companies. *Global Journal of International Business Research*, 3(3), 42-57.
- Sun, N., Salama, A., Hussainey, K., & Habbash, M. (2010). Corporate environmental disclosure, corporate governance, and earnings management. *Managerial Auditing Journal*, 25(7), 679-700.
- Sanad, Z. R., Al-Sartawi, A., & Musleh, M. A. (2016). Investigating the relationship between corporate governance and internet financial reporting (IFR): evidence from Bahrain bourse”, *Jordan Journal of Business Administration*, 12(1), 239-269.
- UNCTAD. (2017). World Investment Report. Retrieved from <https://en.portal.santandertrade.com/establish-overseas/palestine/investing-3>

- Van der Laan Smith, J., Adhikari, A., & Tondkar, R. H. (2005). Exploring differences in social disclosures internationally: A stakeholder perspective. *Journal of accounting and public policy*, 24(2), 123-151.
- Wallace, R. S. O., & Cooke, T. E. (1990). The diagnosis and resolution of emerging issues in corporate disclosure practices. *Accounting and Business Research*, 20(78), 143-151.
- Weir, C., Laing, D., & McKnight, P. J. (2002). Internal and external governance mechanisms: their impact on the performance of large UK public companies. *Journal of Business Finance & Accounting*, 29(5-6), 579-611.
- Welford, R. (2007). Corporate governance and corporate social responsibility: Issues for Asia. *Corporate Social Responsibility and Environmental Management*, 14(1), 42-51.
- Xiao, J. Z., Dahya, J., & Lin, Z. (2004). A grounded theory exposition of the role of the supervisory board in China. *British Journal of Management*, 15(1), 39-55.
- Xiao, Z., Jones, M. J., & Lymer, A. (2002). Immediate trends in Internet reporting. *European Accounting Review*, 11(2), 245-275.
- Yap, K. H., Saleh, Z., & Abessi, M. (2011). Internet financial reporting and corporate governance in Malaysia. *Australian Journal of Basic and Applied Sciences*, 5(10), 1273-1289.
- Zalan, M. K., Fard, H. V., Homayoon, A. (2013). A study on the effect of voluntary disclosure quality on independent auditors' acceptable opinion of listed companies in the Tehran stock exchange. *Academic Journal of Accounting and Economic Researches*, 2, 89- 97.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal. This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>)