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Audit Committee's Effectiveness and Financial Reporting Quality

The case of GLCs in Malaysia

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TABLE OF CONTENTS

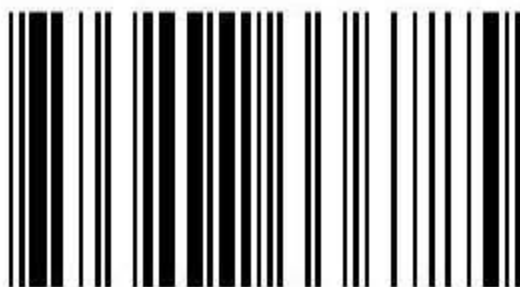
CHAPTER 1: INTRODUCTION	3
1.0 Introduction	3
1.1 Background of the study	3
1.2 Problem Statement	6
1.3 Objectives of the study	8
1.4 Motivation of the study	9
1.5 Significance of the study	11
1.6 Organization of the study	11
1.7 Conclusion	12
CHAPTER 2: GOVERNMENT-LINKED COMPANIES AND AUDIT COMMITTEE: LITERATURE REVIEW	13
2.0 Introduction	13
2.1 Government-linked Companies overview	14
2.2 Green Book Manual Implementation	16
2.3 Audit Committee Effectiveness and Financial Reporting Quality	17
2.3.1 Audit Committee Independence	18
2.3.2 Audit Committee Size	18
2.3.3 Audit Committee Meeting	20
2.3.4 Audit Committee Expertise	21
2.4 The Gap: Audit Committee Effectiveness and Financial Reporting Quality in GLCs	26
2.5 Conclusion	27
CHAPTER 3: THEORY AND HYPOTHESIS DEVELOPMENT	28
3.0 Introduction	28
3.1 Theories in Corporate Governance	28
3.1.1 Agency Theory	28
3.1.2 Resource Dependence Theory	29
3.1.3 Agency Theory, Resource Dependence Theory and Financial Reporting Quality	31
3.2 The Research Framework and Hypotheses Development	32
3.3 Hypothesis Development	34
3.3.1 Audit Committee's Effectiveness	34
3.3.1.1 Audit Committee Independence	36
3.3.1.2 Audit Committee Size	37
3.3.1.3 Audit Committee Meeting	37
3.3.1.4 Audit Committee Expertise	38
3.4 Conclusion	39

CHAPTER 4: RESEARCH METHODOLOGY	40
4.0 Introduction.....	40
4.1 Sample selection.....	40
4.2 Variable Measurement.....	43
4.2.1 Dependent Variables.....	43
4.2.2 Independent Variables.....	45
4.2.3 Control Variables.....	47
4.3 Regression model	48
4.4 Conclusion	50
CHAPTER 5: ANALYSIS OF RESULTS AND DISCUSSIONS.....	51
5.0 Introduction.....	51
5.1 Analysis and Discussions.....	51
5.1.1 Descriptive Analysis	51
5.1.2 Correlation Analysis	53
5.2 Regression Analysis	56
5.3 Research Findings and Discussion	58
5.4 Conclusion	62
CHAPTER 6: CONCLUSION.....	63
6.0 Introduction.....	63
6.1 Summary of the study.....	63
6.2 Implications of the study.....	66
6.2.1 Implications for theory	66
6.2.2 Implications for stakeholders, practitioners and regulators	67
6.2.3 Implications for research.....	68
6.3 Limitation of the study.....	68
6.4 Suggestions for future research.....	70
6.5 Conclusion	71
BIBLIOGRAPHY.....	73

Financial reporting quality has been under scrutiny especially after the collapse of major companies. The main objective of this study is to investigate the audit committee's effectiveness on the financial reporting quality among the Malaysian GLCs. In particular, the study examined the impact of audit committee characteristics (independence, size, frequency meeting and financial expertise) on earnings management in periods prior to and following the transformation program (2003-2009). The study is important as it provides additional knowledge about the impact of audit committee's effectiveness on reducing the earnings management, and assist practitioners, policymakers and regulators such as Malaysian Institute of Accountants, Securities Commission and government to determine ways to enhance audit committee's effectiveness and improve the financial reporting of GLCs, as well as improving the quality of the accounting profession.

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