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# The effect of board characteristics on modified audit opinion

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**Abstract**

The board of directors, represented by the company's shareholders, supervises and controls the company. In the governance of the company, which is efficient and responsible for all those who communicate with the stakeholders, it is the director who is responsible for coordination and ensures the existence of culture and proper atmosphere in the system. The purpose of this research is to study the effect of the characteristics of the board of directors on the modified audit opinion of the company. The output of this research is limited to the years 2013-2020, and this research has one main hypothesis and four sub-hypotheses. The purpose of the research is applied research, and the research method is correlational in nature. The research was done in inductive analogical reasoning and panel elimination was used to analyze the hypotheses. The results of the research hypothesis test showed that the size of the board of directors has a positive and significant effect on the modified audit opinion of the company. Board independence has a negative and significant impact on the modified audit opinion. However, the impact of tenure and gender diversity on the modified audit opinion is not significant.

**Keywords:** Board tenure, Board of directors, Board independence, Board gender diversity, Audit opinion.

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## 1. Introduction

With the expansion of joint-stock companies and the increase in the duties and powers of the company's board of directors, the question arises as to how the managers will follow up with the shareholders and what guarantees are there for this category of shareholders and other interested groups? Because it is always potentially possible for managers to do things in the other direction and against the shareholders. This is due to the lack of information asymmetry between managers and shareholders of the company. This is because in order to set up the possibility of exclusive access to a part of the information as well as providing and providing information as available financial information and shareholders cannot continuously observe and control the activities of the managers. Consumers of financial information are also always unhappy with information asymmetry and are always looking for information that can be used to make rational decisions. If there is reliable information that can be used in the decision to use felt, then the information is related to perception. Therefore, it will be very important to identify mechanisms that help to create reliable features and reduce existing conflicts between stakeholders. This has turned into many discussions, of which the issue of corporate governance is one of the main ones. This company is a solution to prevent information asymmetry between managers and shareholders, through important conflict, and one of its mechanisms is to improve the structure of the board (Parvin, 2017).

## 2. Literature Review

A company is managed under the guidance and leadership of the members of its board of directors, then the guidance and leadership is transferred from the board of directors to the managing director and from the managing director to senior managers in order to manage and organize the company's daily work. In this way, the board of directors, represented by the company's shareholders, supervises and controls the company. In the governance of the company, which is efficient and responsible for all those who communicate with the stakeholders, it is the director who is responsible for coordination and ensures the existence of culture and proper atmosphere in the system. The key to creating a successful corporate governance is to ensure the spread of the principles of sustainability, responsibility, accountability, fairness, transparency and effectiveness in the organization (Jabran et al., 2020). It has happened with continuous changes in the portfolio of stakeholders of organizations and on the other hand, the dynamics of governance in the business environment, changes and transformations in the levels of governance and leadership of organizations. The board of directors is one of the elements of governance in today's organizations, most of them are mentioned as the executive lever of the principles of organizational governance and responsible for monitoring and policy making in companies (Hosseinzadeh & Moradi, 2022). On the other hand, according to Cohen et al. (2004), corporate governance plays a role in reducing other costs by ensuring reporting, financial information. The services of auditors, as a supervisory tool, have a significant contribution in improving the corporate governance structure. Information asymmetry between investors, shareholders and managers of business units always exists. Auditing is likely to reduce this asymmetry (Barizah et al., 2015). Auditing, in addition to increasing the quality of financial statements, also increases this quality. Auditing creates economic facilities for companies, internal or external stakeholders. The benefits that the audit brings to increase the economic benefit for the stakeholders are far more than the costs of the audit (Basioudis et al., 2008). From the reporting point of view, auditors can choose which one among the various options of audit reports with the audit decision. In the developments that are more advanced in terms of accounting science and auditing, among the audit opinions, acceptable opinion and non-interpreted standard opinion are the most common opinions. But this issue does not exist and it is not possible for auditors to always provide double opinions. In reality, they do not comment, which is called not commenting (Rittenberg et al., 2012). Increasing the status of women in corporate governance has led to the global growth of women on corporate boards. The reason for this can be seen as the worthy role of women in achieving success in economic fields, which leads to creating value and increasing the level of welfare in the society. They are more careful in the category of social relations and pay more attention to perform the correct assigned tasks and follow the ruling laws; Therefore, the presence of women in the board of directors of companies can be very useful (Esko et al., 2023)

Audit opinion has a significant impact on stock market reaction. In today's world, the stock market seems to react to all phenomena. Financial accounting information is a company's accounting product and reporting system that measures and discloses quantitative information related to the company's financial status. The audited financial statements and independent auditor's report are a set available for investors and shareholders to make financial decisions. If the said collection has informational content, it can affect the behavior of users, especially the actual and potential shareholders, and cause market reaction (Iyanilo et al., 2015). The occurrence of financial scandals that occurred in large companies such as Enron and WorldCom, as a result of which hundreds of thousands of shareholders suffered, indicates corruption and fraud in financial statements (Tanyalok & Sompong, 2015). Also, during the years following these financial scandals and financial crises, the auditor's responsibility in crediting the financial statements and discovering distortions has already been noticed, and financial analysts pay more attention to the auditor's opinion. Auditing through the crediting of financial statements increases the reliability of the reported information. Auditors tend to report mistakes and abuses and have no desire to accept questionable accounting practices (Rasmin et al., 2017).

Moderated and unmoderated comments indicate different errors. An inappropriately moderated opinion represents the first type of error and may lead to clients' persuasion to change auditors; However, inappropriate comments indicate the second type of error and may expose the auditors to some kind of obligations (Lenox et al., 2019). Empirical evidence regarding the relationship between modified audit reports and auditor switching (Type I error studies) provides plausible evidence that employers change their auditors in response to modified opinions (Hasan et al., 2020). Therefore, the main question of this research is to know if the characteristics of the board of directors have an effect on the modified audit opinion or not?

## 3. Research Background

Al-Agha et al. (2021) investigated the modified opinion of audit and financing in the conditions of merger and acquisition in companies admitted to the Tehran Stock Exchange. The research findings show that if the company is financed by the sale of shares, auditors will require more downwardly adjusted opinion, but more downwardly adjusted opinion, less if the company is financed by debt.

Hassan et al. (2020) investigated the relationship between board characteristics and auditor's modified opinion in Malaysia. Concluding that companies with large board size and greater financial expertise of the board are less likely to receive a modified audit opinion.

Sida (2020) in a research titled corporate governance and modified opinion in Jordan show that the profitability of the company and the number of institutional investors on the board of directors have a significant negative effect on receiving a modified audit opinion by the company. On the other hand, the results also show that the size of the board of directors is a positive and significant predictor of receiving a modified audit opinion by the company. That is, the larger the size of the board of directors, the more likely the company will receive a modified audit opinion. Finally, the independence of the board of directors, the activity of the board of directors, and the presence of the audit committee do not have a significant effect on the type of audit opinion received by the company.

Liu et al. (2020) investigated the effects of board of directors' characteristics and key factors of board of directors' effectiveness on the investment efficiency of companies. Their results show that the dynamics and potential of the board of directors have a strong positive relationship with the investment efficiency of the company. These findings support the view that corporate resources and the internal processes that enable boards of directors to bring these resources together to solve complex issues are critical to a firm's long-term success.

Gibran et al. (2020) investigated the relationship between the characteristics of the board of directors and the risk of falling stocks. Based on data from 2747 Chinese companies between 2011 and 2016, the research results showed that more diversity in the board of directors can reduce the risk of future stock falls.

In a research, Rashidi Baghi et al. (2019) examined the relationship between audit fees and characteristics of the board of directors. The statistical sample of the research includes 72 companies admitted to the Tehran Stock Exchange during the period 1384 to 1397. The results of their research showed that there is a positive relationship between the audit fee and the characteristics of the board of directors.

Lari Dasht Beyaz et al. (2019) investigated the basics of adjusting the auditor's opinion and profit management. The results showed that the relationship between profit management and the auditor's comment type is significant in only one of the five profit management models, but the relationship between profit management and the number of significant distortion clauses, significant limitation and pervasive ambiguity, in four, two and one model respectively. Five profit management models are significant.

## 4. Hypothesis

The main hypothesis: the characteristics of the board of directors have an effect on the modified audit opinion.

The tenure of the board of directors has an effect on the modified audit opinion of the company.

The size of the board of directors has an effect on the modified audit opinion of the company.

The independence of the board of directors has an effect on the modified audit opinion.

The gender diversity of the board of directors has an effect on the modified audit opinion of the company.

## 5. Research Method

This research is in the field of affirmative theory and is considered to be correlational in terms of applied purpose and descriptive in terms of nature and content. The research method of this research is descriptive correlational in terms of nature and content. which analyzes the relationship of correlation by using secondary data extracted from the financial statements of companies admitted to the Stock Exchange. This research will be done in the framework of deductive-inductive reasoning. The reason for using the correlation method is to discover correlation relationships between variables. Correlational research is one of the types of descriptive research. In the current research, we will first test the correlation between the research variables and if there is a correlation between the research variables, we will estimate the multiple regression model. On the other hand, the current research is post-event type (semi-experimental), that is, it is based on the analysis of past and historical information (financial statements of companies). Also, this research is a library and analytical-causal study and is based on panel data analysis.

## 5.1. Conceptual Model

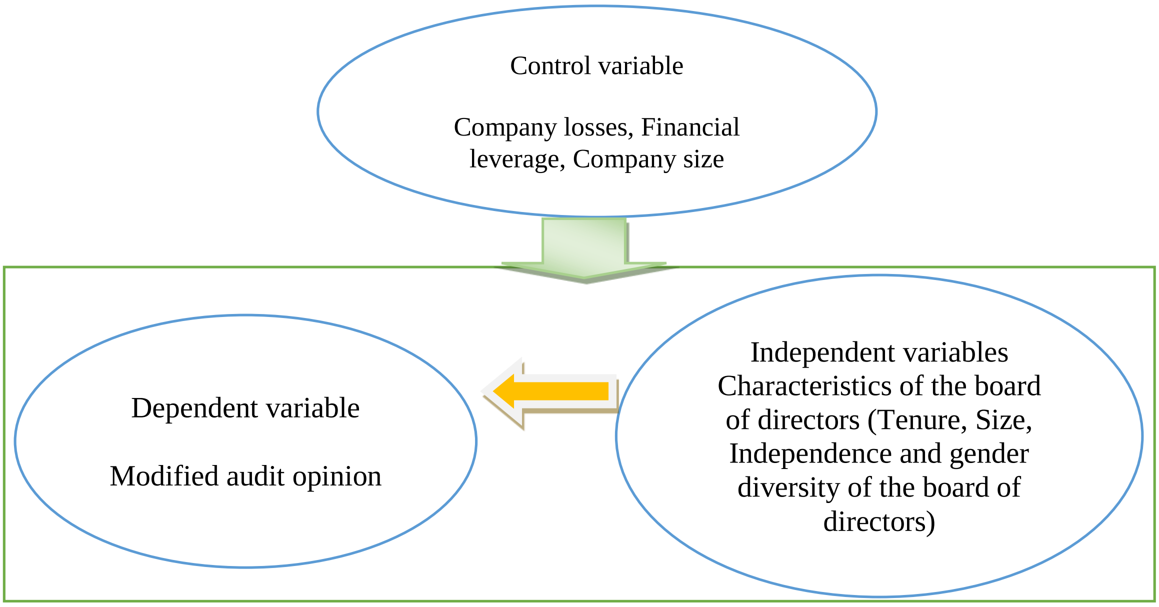


**Figure 1. Conceptual model**

According to the materials mentioned in the research variables section, in the above model, the dependent variables are: the modified opinion of the auditor and the independent variable is: the characteristics of the board of directors (tenure, size, independence and gender diversity of the board of directors) and the control variable is It is from: company loss, financial leverage, company size.

## 5.2. Regression Models and Variables

In this research, the following regression models is used to analyze the hypothesis, as in Hassan et al.'s (2020) article:

Model 1:

$$MAO_{i,t+1} = \beta_0 + \beta_1 \text{Board Tenure}_{i,t} + \beta_2 \Sigma \text{CONTROL}_{i,t} + \varepsilon_{i,t}$$

Model 2:

$$MAO_{i,t+1} = \beta_0 + \beta_1 \text{ Board Size}_{i,t} + \beta_2 \Sigma \text{CONTROL}_{i,t} + \varepsilon_{i,t}$$

Model 3:

$$MAO_{i,t+1} = \beta_0 + \beta_1 \text{Board Independence}_{i,t} + \beta_2 \Sigma \text{CONTROL}_{i,t} + \varepsilon_{i,t}$$

Model 4:

$$MAO_{i,t+1} = \beta_0 + \beta_1 \text{Gender Diversity}_{i,t} + \beta_2 \Sigma \text{CONTROL}_{i,t} + \varepsilon_{i,t}$$

### Dependent Variable: MAO
According to the second paragraph of Iran Auditing Standard 705, conditional, rejected and non-commentary comments are called modified comments, and accepted comments are called unmodified comments. As mentioned, considering that the dependent variable of the research is a qualitative variable, it is measured as zero and one through the virtual variable, so that if the auditor's opinion is acceptable (unmodified opinion) then zero will be one otherwise (Chen et al., 2015). In order to extract the type of auditor's opinion, whether it is acceptable (un modified opinion) or conditional, rejected and no opinion (modified opinion), the reports of the auditor and legal inspector to the general assembly of companies have been used.

### Independent Variables: Board Characteristics
**Board Tenure**
If the tenure of at least one member of the board of directors has remained constant in this position for three years, the number 0 and if it has changed, the number 1 is assigned to it, which means that there is diversity in the tenure of this position.
**Board Size**
It is calculated through the number of members of the board of directors of the company
**Board Independence**
It is calculated from the ratio of the number of non-commissioned managers to the total number of members of the company's board of directors
**Gender Diversity**
If there is at least one female representative in the board of directors, the number is 1, otherwise it is zero.

### Control Variables
**Loss of the company**
If the company has reported a loss during the financial year, one and zero otherwise
**Financial Leverage**
It is calculated by dividing the ratio of the book value of liabilities to the book value of the company's assets.
**Size of the company**
The natural logarithm of company assets.

**Table 1. Sample selection process**

| Criteria | Number |
|---|---|
| The total number of companies admitted to the stock exchange at the end of 2020 | 536 |
| The number of companies that were not active in the stock market during the period of 2013-2020 | (188) |
| A number of companies have been admitted to the stock market since 1992 | (65) |
| The number of companies that were other than holding, investments, financial intermediaries, banks or leasing | (55) |
| The number of companies whose fiscal year did not end on March 29 or changed their fiscal year in the time period of the research. | (54) |
| The number of companies that have had a trading break of more than 3 months | (28) |
| Number of sample companies | 146 |

After considering all the above criteria, the number of 146 companies remained as the screened society. All of which have been selected as examples. Therefore, our observations reach 1168 during the period of 2013 to 2020.

## 6. Results

**Table 2. Descriptive statistics of variables**

| Variables | Observations | Mean | S.D. | Min | max |
|---|---|---|---|---|---|
| MAO | 1168 | 0.54 | 0.48 | 0 | 1 |
| Board Tenure | 1168 | 0.74 | 0.22 | 0 | 1 |
| Board Size | 1168 | 5.03 | 0.27 | 5 | 7 |
| Board Independence | 1168 | 0.66 | 0.18 | 0.2 | 1 |
| LOSS | 1168 | 0.12 | 0.32 | 0 | 1 |
| LEV | 1168 | 0.59 | 0.19 | 0.031 | 1.98 |
| Size | 1168 | 14.71 | 1.59 | 11.30 | 20.76 |

The fact that the average deviation is far from the average also indicates that the data are scattered and not centered around the average. The median of a variable, as another central index, represents a number that half of the data is larger than and half of the data is smaller.
The average auditor's opinion (adjusted opinion) is equal to (0.54), which shows that during the studied period, in about 54% of the cases, the auditor emphasizes the issue that affects the financial statements to be corrected. For example, if there are concerns for the auditor about the problem of continuity of activity, the financial performance of the company based on the return on assets index is equal to (0.19) and the maximum is (0.79). Board tenure has an average of (0.74) and a standard deviation of (0.22). The members of the board of directors are on average 5 people and in the most cases it includes 7 people. The independence of the board of directors has an average of (0.66) and the company's loss, which represents the company's loss report during the financial year, has an average of (0.12). The average financial leverage is equal to (0.59). The average size of the company calculated based on the natural logarithm of the company's assets is equal to (14.71) and the maximum is (20.76).

**Table 3. Descriptive statistics of qualitative research variables**

| Symbol | Existence | | Absence | | Total | |
|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent |
| Gender Diversity | 229 | 19.60 | 939 | 80.40 | 1168 | 100 |

Table (3) shows that in 19.60 percent i.e. 229 observations, there was at least one female representative in the board of directors.

**Table 4. Pearson correlation coefficients**

| Correlation coefficient | MAO | Board Tenure | Board Size | Board Independence | LOSS | LEV | Size |
|---|---|---|---|---|---|---|---|
| **MAO** | 1<br>- | | | | | | |
| **Board Tenure** | 0.023<br>(0.116) | 1<br>- | | | | | |
| **Board Size** | 0.081<br>(0.062) | 0.021<br>0.189 | 1<br>- | | | | |
| **Board Independence** | -0.117<br>(0.000) | -0.032<br>0.112 | -0.029<br>(0.14) | 1<br>- | | | |

| Correlation coefficient | MAO | Board Tenure | Board Size | Board Independence | LOSS | LEV | Size |
|---|---|---|---|---|---|---|---|
| **LOSS** | 0.231 (0.000) | -0.008 (0.52) | 0.006 (0.31) | 0.019 (0.127) | 1 - | | |
| **LEV** | 0.132 (0.000) | 0.134 (0.00) | 0.184 (0.00) | -0.029 (0.141) | 0.101 (0.02) | 1 - | |
| **Size** | 0.081 (0.049) | 0.061 (0.09) | 0.219 (0.00) | 0.041 (0.061) | -0.073 (0.04) | 0.096 (0.029) | 1 - |

According to table (4), according to the above table, as can be seen, the correlation coefficient between the explanatory variables of the research, which are specified in the research models at the same time, is less than 60%. Therefore, the problem of strong correlation between the explanatory sentences of the research models does not exist, and the assumption of the absence of strong correlation between the explanatory sentences of these models is confirmed.

**Table 5. Stationarity test of research variables**

| Variable | Test statistics | P_Value |
|---|---|---|
| **MAO** | -31.23 | 0.000 |
| **Board Tenure** | -56.21 | 0.000 |
| **Board Size** | -21.48 | 0.000 |
| **Board Independence** | -30.07 | 0.000 |
| **Gender Diversity** | -16.09 | 0.000 |
| **LOSS** | -29.43 | 0.000 |
| **LEV** | -13.43 | 0.000 |
| **Size** | -23.21 | 0.000 |

The first hypothesis: the tenure of the board of directors has an effect on the modified audit opinion of the company.

**Table 6. Results of the first research hypothesis**

| Variable | Coefficients | Z_Statistic | P_Value |
|---|---|---|---|
| Board tenure | 0.07 | 0.94 | 0.283 |
| LOSS | 2.21 | 9.09 | 0.000 |
| LEV | 0.98 | 2.04 | 0.046 |
| Size | 0.12 | 2.46 | 0.027 |
| C | -1.32 | -8.21 | 0.000 |
| Likelihood Estimation | | 211.21 | |
| McFadden ($R^2$) | | 0.3422 | |

According to the results presented in Table 6, the significance level (P-VALUE) of the Z statistic related to the variable "tenure of the board of directors" is greater than 0.05 (0.283) and its coefficient is (0.07) and the value of the statistic is Z for it is (0.94). Therefore, the hypothesis is rejected and at the 95% confidence level, it can be said that the tenure of the board of directors does not have a significant effect on the modified opinion of the auditor of the company.
The second hypothesis: the size of the board of directors has an effect on the modified audit opinion of the company.

**Table 7. Results of the second research hypothesis**

| Variable | Coefficients | Z_Statistic | P_Value |
|---|---|---|---|
| **Board Size** | 0.16 | 2.63 | 0.014 |
| **LOSS** | 1.04 | 7.32 | 0.000 |
| **LEV** | 0.23 | 6.76 | 0.000 |
| **Size** | 0.08 | 1.72 | 0.067 |
| **C** | -0.061 | -1.42 | 0.103 |
| Likelihood Estimation | | 84.439 | |
| McFadden ($R^2$) | | 0.1945 | |

Based on the results presented in Table 7, the significance level (P-VALUE) of the Z statistic related to the variable "board size" is less than 0.05 (0.014) and its coefficient is (0.16) and the value The Z-statistic for it is (2.63). Therefore, the hypothesis is rejected and at the confidence level of 95%, it can be said that the size of the board of directors has a positive and significant effect on the modified audit opinion of the company.

The third hypothesis: the independence of the board of directors has an effect on the modified audit opinion.

**Table 8. Results of the third research hypothesis**

| Variable | Coefficients | Z_Statistic | P_Value |
|---|---|---|---|
| **Board Independence** | -0.31 | -2.87 | 0.004 |
| **LOSS** | 0.36 | 4.49 | 0.000 |
| **LEV** | 0.83 | 2.35 | 0.032 |
| **Size** | 0.14 | 1.63 | 0.072 |
| **C** | -0.009 | -0.67 | 0.421 |
| Likelihood Estimation | | 179.004 | |
| McFadden ($R^2$) | | 0.3327 | |

Based on the results presented in Table 8, the significance level (P-VALUE) of the Z statistic related to the variable "board independence" is less than 0.05 (0.004) and its coefficient is (-0.31) and The value of the Z statistic for it is (-2.87). Therefore, the hypothesis is rejected and at the confidence level of 95%, it can be said that the independence of the board of directors has a negative and significant effect on the modified audit opinion of the company.

Fourth hypothesis: The gender diversity of the board of directors has an effect on the modified audit opinion.

**Table 9. Results of the fourth research hypothesis**

| Variable | Coefficients | Z_Statistic | P_Value |
|---|---|---|---|
| **Gender Diversity** | -0.004 | -1.32 | 0.212 |
| **LOSS** | 0.61 | 7.51 | 0.000 |
| **LEV** | 0.91 | 2.12 | 0.039 |
| **Size** | 0.42 | 2.59 | 0.021 |
| **C** | -0.012 | -1.73 | 0.069 |
| Likelihood Estimation | | 102.114 | |
| McFadden ($R^2$) | | 0.2032 | |

According to the results presented in Table 9, the significance level (P-VALUE) of the Z statistic related to the variable "gender diversity of the board of directors" is greater than 0.05 (0.212) and its coefficient is (-0.004). The value of the Z statistic for it is (-1.32). Therefore, the hypothesis is rejected and at the confidence level of 95% it can be said that the gender diversity of the board of directors does not have a significant effect on the modified opinion of the auditor of the company.

## 7. Conclusion

The result of the first hypothesis is that the tenure of the board of directors does not have a significant effect on the modified opinion of the auditor of the company. There are usually different opinions about increasing the tenure of company managers and its impact on the performance and quality of financial reporting. Some argue that increasing the tenure of the CEO creates managerial governance and increases information asymmetry, resulting in a lack of transparency in financial reports; On the other hand, some views believe that the increase in tenure makes managers more familiar with the management environment and their responsiveness to pressures and providing timely and transparent financial reports due to the involvement of their own interests and rewards. But the result of our research in this field did not achieve a significant impact in this field.

The result of the second hypothesis showed that the size of the board of directors has a significant positive effect on the modified audit opinion of the company.

Regarding the impact of this variable on the auditor's opinion, some studies have shown that a larger board of directors is likely to be more vigilant in dealing with agency problems because an increase in board size may increase the supervisory power of the board of directors due to greater monitoring of the company's management. Therefore, the size of the board of directors is considered as another important element in the characteristics of the board of directors that may affect the effectiveness of the board of directors in monitoring activities, monitoring the financial reporting process and internal control, which in turn affects the quality of the board. Increases financial reporting. On the other hand, a range of theoretical literature shows that the larger the size of the board of directors, the ability to coordinate and communicate between manager's decreases, thus leading to inefficient performance and poor financial reporting quality, which causes an increase in adjusted statements. The opinion of our research results is consistent with the second opinion, which indicates that the increase in the number of board members leads to an increase in moderated and unacceptable opinions. In this sense, this result is in line with the research results of Hassan et al. (2020), Saida (2020), Abbaszadeh & Manzarzadeh (2019). But it is in contrast to the results of Uroke et al. (2019) who found a negative relationship between the size of the board of directors and moderated opinion. The results of Ishak's research (2015) also indicated the absence of a significant relationship in this field.

The result of the third hypothesis showed that the independence of the board of directors has a negative and significant effect on the modified audit opinion of the company. According to this result, it can be said that independent and non-obligatory managers perform better monitoring of financial reporting processes and thus reduce the probability of receiving an adjusted audit report by the company. Also, due to the fact that the independence of managers reduces their personal interests in the company and as a result information asymmetry is reduced, it can be argued that the audit reports under their supervision and management in the company contain fewer clauses about ambiguous matters and as a result The possibility of receiving conditional or rejected comments is reduced. This result is in line with the results of Hasan et al. (2020), Uruke et al. (2019) and Ishak (2015).

The result of the fourth hypothesis showed that the gender diversity of the board of directors does not have a significant effect on the modified audit opinion of the company; Although the direction of this effect is negative. Regarding the effects of gender diversity on the quality of financial reporting, some research believes that due to women's greater conservatism and their greater emphasis on transparency, as well as their less presence in profit manipulation methods; The probability of receiving moderated comments in companies with their presence decreases; But the results of our research in this field were not significant, which could be due to their smaller number and less power in the decision-making process of companies. In this context, the results of Schappell et al.'s (2012) research showed that, after controlling for the strength of corporate governance and related financial characteristics, boards of directors with at least one female director are less likely to receive a going concern statement, which is in accordance with the direction of influence. with the findings of this research.

### 7.1. Suggestions

According to the result of the first hypothesis that the tenure of the board of directors does not have a significant effect on the modified audit opinion, it is suggested that the length of time managers remain in their positions should not be relied upon as a measure of acceptable or unacceptable audit reports. which cannot indicate the adjustment of the auditor's opinion about his reports.

According to the result of the second hypothesis that the size of the board of directors has a positive and significant effect on the modified audit opinion, it is suggested that the number of board members in companies should be considered by the users of financial reports; Because it can indicate the reduction of clauses such as continuity of activity and ambiguity in the company's financial statements, which leads to receiving an adjusted opinion.

According to the result of the third hypothesis that the independence of the board of directors has a negative and significant effect on the adjusted opinion, it is suggested that the number of non-obligatory members of the company should be taken into consideration by the shareholders as well as other users of the financial reports because it can cause Reduce information asymmetry and provide more transparent and unambiguous reports.

According to the result of the fourth hypothesis that gender diversity has no effect on moderated comments, it is suggested that the presence of gender diversity in the board of directors should be used with caution as a measure of the type of comments used by users; However, it is suggested to the company owners to use a larger number of women on the board of directors due to the proof of the negative impact of this issue in research in countries with more women, because the lack of women and giving them a smaller role in decision-making hinders Their impression on the transparency of financial reports and as a result of receiving comments is moderated.

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