

Abstract:

This research aims to study the fundamentals of the effectiveness of audit committees and their role in achieving negotiation between the auditor and the client, and their impact on the quality of financial reports, which will deeply increase customer confidence in such reports. Therefore, questionnaires were used to get information to complete the field study. The response rate was almost 93.87% for the members of audit committees and 98.67% for auditors. The results of data analysis indicate that audit committees significantly impact on the relationship between: the negotiation process between the auditor and the client as an independent variable, and the quality of financial reports as a dependent variable .

Keywords: The effectiveness of audit committees, Negotiation between the auditor and the client, The quality of financial reports.