Voluntary Disclosure-Profitability Nexus: The Moderating Effect of Audit Quality

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Abstract

The study aims to explore the moderating effect of audit quality on the association between voluntary disclosure and profitability. The study sample consists of (34) industrial companies listed on the "Amman Stock Exchange (ASE)" during the period (2017-2021). To achieve the objectives of the study, the content analysis method has been used to measure the impact of voluntary disclosure by reviewing 32 items of voluntary disclosure. Several statistical methods that fit the objectives of the study are used as well. The results of the study show that there is a positive association between the voluntary disclosure level and the profitability of the company, and that the moderating variable of audit quality negatively affects the relationship between voluntary disclosure and the profitability of the company. Considering the aforesaid results, the study recommends making voluntary disclosure by the industrial companies listed on the "ASE" due to its role in enhancing the profitability of companies.

Keywords: Disclosure; Voluntary disclosure; Profitability; Audit quality

1. Introduction

Accounting disclosure is considered a means of furnishing users with financial statements and financial, non-financial, quantitative, and qualitative information usually governed by laws, instructions, and legislation in the country and this is called compulsory disclosure [1]. However, any additional information beyond that is called a "voluntary disclosure".

The growing interest in "voluntary disclosure" is due to the increasing complexity and diversity of financial operations, the diversity of cultures of users of financial statements, and the insufficiency of compulsory disclosure at times for decision-makers [2-4]. The continuous development of any company in all its fields, including disclosure, has an impact on the company's current and future conditions. Companies must develop their disclosures to raise the degree of transparency, give a clearer, more comprehensive, and easier picture of all the company's conditions to help decision-makers and users of financial statements, and raise investors' confidence and reassurance about their investments so that the company can achieve greater profitability [5].

The increasing challenges and crises that have hit all companies since the last decade until the present time, starting with the financial crisis through the financial recession and its consequences, such as the failure and collapse of many companies have created a state of doubt and mistrust among existing and new investors, suppliers, and users of financial statements. It is essential to increase the interest in obtaining the confidence of this category by increasing additional information and expanding "voluntary disclosure" to rebuild trust.

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Undoubtedly, giving a full and transparent picture of the company's historical, current, and future reality by making use of information utilization and presenting it to the public through "voluntary disclosure" approved by an auditing company whose work is characterized by the quality has several benefits such as restoring bridges of confidence and reassurance among stakeholders, its reflection on the market value of shares, and profitability to reach the principle of achieving continuity [6]. It is also difficult for companies, under the current circumstances, to increase and achieve profitability at a low level without "voluntary disclosure". Accordingly, the problem of the study lies in two ideas in exploring the impact of "voluntary disclosure" on profitability and answer the following study questions:
The following research questions are formulated to achieve the objective of the study.

1. Does "voluntary disclosure" affect the profitability of firms listed on the "ASE"?
2. Does the external audit quality affect the relationship between ""voluntary disclosure" and the profitability" of firms listed on the "ASE"?

The importance of this paper lies in the originality of the topic and the lack of studies that have focused on this topic of the study as the topic of the moderating effect of audit quality on the association between "voluntary disclosure and profitability" is of great interest to many financial organizations and researchers at the global and Jordanian levels. This study contributes to highlighting the role of "voluntary disclosure" in enhancing the quality of financial reports by increasing transparency, raising the percentage of objectivity, and increasing the accuracy and clarity of information, which leads to attracting additional investments and enhancing the confidence of external financing sources, which ultimately affects the profitability of the company.

This study is also important as it sheds light on the impact of the external audit quality represented by the size of the audit office in clarifying the association between "voluntary disclosure" and the company's profitability. On the other hand, due to the scarcity of studies on the subject of the impact of "voluntary disclosure" on profitability in particular, and enhanced by the moderating variable, the external audit quality, the study may be of great value and benefit to many competent authorities such as current and new investors, suppliers, along with legislators to help them make decisions and bylaws to adopt many "voluntary disclosure" elements, which are considered mandatory in light of their clear and tangible impact on the accuracy, transparency, and clarity of the company's financial position.

2. Literature Review

This section gives insight into the literature review and previous studies related to the effect of "voluntary disclosure" on profitability. Concerning the "voluntary disclosure", [3] defines it as a free choice for the company's management to provide financial and non-financial information in the financial statements, where the company determines the suitability of this information for decision-makers to disclose.

In the same context, [7] consider "voluntary disclosure" as the self-motivation to achieve economic benefits through the important role it plays in protecting the interests of users of the lists as a result of the disclosure of financial and non-financial information that is not obligated by a legal text. As put by [8], it is to provide users of financial statements with all additional information in addition to the information required by the presentation and disclosure standard to offer the required services to all parties interested in financial statements.

In other words, "voluntary disclosure" includes providing additional financial and non-financial information that is not legally binding and away from the legal and legislative requirements for users of financial statements and beneficiaries of all categories to help them make decisions to achieve future economic benefits. The importance of "voluntary disclosure" lies in the diversity and multiplicity of parties benefiting from this information and its impact on the decisions made by these parties [9]. "voluntary disclosure" also derives its importance from the benefits it provides to the company on the one hand and the beneficiaries of the financial statements on the other [10]. The importance of "voluntary disclosure", according to the opinion of [11, 12], is to provide appropriate information to all parties that use data and accounting lists in a way that facilitates and allows these groups to predict some of the company's main variables, such as the facility's ability to meet short and long-term obligations and the company's revenue strength.

Importantly, several previous studies, such as [4, 11-13] emphasize that the importance of "voluntary disclosure" lies in providing external parties with additional information about the work of companies, which gives an impression to the beneficiaries, describe the nature of the company's business environment, and reduce uncertainty about its future and performance. It also helps in making investment decisions, which leads to a decrease in the cost of capital.

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Regarding the effect of "voluntary disclosure on profitability", the effect of "voluntary disclosure" is clear on many aspects, such as its effect on increasing the confidence and decisions of users of financial statements, giving more clarity and transparency about the company's financial position, which leads to gaining investors' confidence, encouraging them to increase their investment, and gaining new investors [1, 14]. This also applies to suppliers and lenders to gain their trust, and employees and customers to feel confident about the company's future, and their continued connection with it.

However, other related studies such as [4, 15, 16] show the impact of expanding disclosure on the growth and revitalization of financial markets, reducing the cost of capital, reducing the phenomenon of information asymmetry, and high ratios of development in the national economy, where all these factors shall have a noticeable impact on the profitability indicators of companies. Another study by [17] shows that "voluntary disclosure" is positively correlated with corporate profitability. Also, the results of the study by [18] indicate that there is a positive effect of the association among profitability and the "voluntary disclosure". In the study of [4], the results show that the relationship is positive between profitability and the degree of "voluntary disclosure".

In this take and give discussion, [1] shows that the most affected element by the "voluntary disclosure" is the earnings per share, while [19] indicates that there is a positive significant association between the firm's profitability and the extent of the company's general "voluntary disclosure". Besides, [20] indicates that there is a strong and positive relationship between "voluntary disclosure" and the company's financial position and performance. As for the results of [4], it is found that the relationship is positive between financial performance and the degree of "voluntary disclosure" in the banking sector.

On the other hand, many studies such as [7] show that the relationship between profitability and the level of "voluntary disclosure" is negative. However, [4] shows that higher profitability is associated with a lower level of "voluntary disclosure", and thus it is a negative relationship. In the same area, [20] shows that public and strategic voluntary disclosures negatively impact profitability and a company's financial performance. Accordingly, it is hypothesized that "voluntary disclosure" positively affects the profitability of companies.

H1: "voluntary disclosure" positively affects the profitability of companies listed on the "ASE".

On the subject of the effect of audit quality as a moderating variable on the relationship between "voluntary disclosure and profitability", audit quality and objectivity are the foundation for the credibility and validity of financial reporting, which is extremely important for markets that function adequately. Also, conducting independent audits would help to strengthen and activate a strong mechanism for internal control, risk management, and corporate governance rules, and contribute to increasing profitability [21-23].

Importantly, financial statements and reports are the main sources of information in the financial markets, and the party responsible for disclosing this information is the administration. For example, if the administration discloses misleading information to achieve special benefits, this will result in the so-called information asymmetry problem, which leads to an increase in the level of information risks that investors are responsible for their inability to accurately estimate their expected returns from these investments [22, 24]. Hence, the importance of audit quality to ensure the credibility and validity of this information, and the high audit quality will improve the reliability and credibility of the users of this data by evaluating the accuracy and reliability of the information provided in these reports [25, 26].

The results of many previous studies such as [27] show the positive impact of audit quality on corporate profitability. It is found that the impact of "audit quality" on corporate profitability is positive and important and that the size and independence of the audit firm are positive and important as well. The findings of [28] show that the size of the audit office has significant effects on the profitability of companies. Also, the results attained in [21] show that there is a significant positive relationship between the size of the auditor on the one hand and the "return on assets" on the other hand and that this positive number means that there is an increase in the percentage of companies that have been audited by Big Four companies [29].

More tellingly, the studies addressing the use of external audit quality as a moderating variable on the relationship of disclosure with profitability are very few and rare. There are some related studies such as [30] that show a relationship between the disclosure of social responsibility and the "return on assets", and that the presence of audit quality as a moderating variable does not affect the relationship between them. The results of the study of [25]show that there is a

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positive relationship between disclosure represented by 33 optional items and earnings management and that the moderating variable of audit quality has no effect on the relationship between them, and its effect is limited to the independent variable, which is disclosure. Accordingly, it is hypothesized that audit quality affects the relationship between "voluntary disclosure" and the profitability of companies.

H2: Audit quality affects the relationship between "voluntary disclosure" and the profitability of companies listed on the "ASE".

3. Methodology of the Study

Study Sample and Population

The study population involves all industrial firms in the "Amman Stock Exchange" that apply and meet a set of criteria and conditions such as the availability of the necessary financial data for these companies, the company's disclosure of information related to the study variables, being listed on the "ASE" in all years of study, and that the company still practices its industrial activity in all years of study (2017-2021). Accordingly, the study sample is limited to (34) industrial companies whose data has been collected through the published and announced financial statements on the official "ASE" website, the Securities Commission, and the Securities Depository Center in five years from 2017 to 2021.

Research Approach

The nature of the study necessitates the use of the content analysis method for the financial statements of industrial companies listed on the "ASE" in data analysis. The study has also adopted the time-series cross-section approach (TSCSA) and Panel Data for industrial companies listed on the "ASE" when analyzing the financial data, as these series study the relationship between more than one variable for more than a year. The results are attained in two models:

Model (1): It aims to examine the relationship between "voluntary disclosure" and the profitability of industrial companies listed on the "ASE".

- $$PR_{it} = \alpha + \beta_1 VD_{it} + \beta_2 FS_{it} + \beta_3 LV_{it}$$

Model (2): It aims to examine the impact of the external audit quality on the relationship between "voluntary disclosure" and the profitability of industrial companies listed on the "ASE".

- $$PR_{it} = \alpha + \beta_1 VD_{it} + \beta_2 AQ_{it} + \beta_3 VD * AQ + \beta_4 FS_{it} + \beta_5 LV_{it}$$

Variables Measurement

To calculate the variables adopted in the research paper, the study has used the financial reports of industrial companies published on the official websites of the "ASE" and the Securities Depository Center as shown in Table (1).

"Voluntary disclosure": The level of voluntary disclosure in this study is measured by giving the number (1) when the item is disclosed and giving the number (0) if the item is not disclosed. The elements of "voluntary disclosure" are identified within six main groups: general information about the company, information about shareholders and members of the board of directors, information about social and environmental responsibility disclosure, information about financial ratios disclosure, information about employees, and information about the review and audit system. There are also 32 sub-disclosure elements from these main groups.

Table 1: Explanation of the Study Variables Measurement

Variable	Symbol	Measurement Method	Reference
Independent Variable: Voluntary Disclosure			
Voluntary Disclosure	VD	The number (1) is given if the items to be measured are disclosed, and the number (0) is given if they are not disclosed.	[1]
Dependent Variable: Profitability			
Profitability	PR	It is measured based on the "return on assets"	[31]
Moderating Variable: Median			

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Audit Quality	AQ	It is measured by adopting the numbers (1) or (0) if the approved auditing company is one of the Big 4.	[32]
Control Variables			
Firm Size	FS	natural logarithm of total assets.	[33]
Leverage	LV	It is the ratio of total debt to total assets.	[34]

4. Results

4.1 Descriptive Statistics

Table (2) indicates that the arithmetic mean related to the dependent variable which is the profitability and is measured by the ratio of "return on assets" is 0.015, which is a relatively low value. In other words, the closer this ratio is to 1 integral, the more profitable the company will be from the total invested capital (total assets), while the standard deviation is approximately 0.010. The highest value of the "return on assets" during the study period is 0.360, while the lowest value is 0.36, and this means that the industrial companies listed on the "ASE" in the study period from 2017 to 2021 have a clear discrepancy in terms of profitability values.

Table 2: Results of the Descriptive Statistics

Variable	Mean	Minimum	Maximum	SD
ROA	0.015	-0.36	0.36	0.095
VD	0.739	0.469	0.969	0.096
Size	101،126	965	1.174.183	247.733
Lev	0.342	0.032	0.956	0.204
AQ	0.394	0.000	1.000	0.49

The results of the descriptive analysis of the independent variable show that the value of the arithmetic means of the "voluntary disclosure" for industrial companies is about 0.74, where this ratio is good. In other words, the closer we get to 1 integral, there is a "voluntary disclosure" of all the items included in the study, which are a public information about the company, information about shareholders and members of the board of directors, information about social and environmental responsibility disclosure, information about financial ratios disclosure, information about employees, and information about the review and audit system, while the extent of disclosure has ranged between 0.47 to 0.97.

The results of the analysis indicate that the industrial companies listed on the "ASE" between 2017 and 2021 have paid attention to disclosing information related to the company's employees, with an arithmetic mean of 96%. However, the company's public disclosure is ranked second with a ratio of approximately 93%, while the lowest percentage of disclosure is approximately 47% and it is related to information on the review and audit system. Importantly, it is noted that the standard deviation is 0.096, indicating that there is no problem of data heterogeneity.

Table 3: Results of the Descriptive Analysis of the Items of Voluntary Disclosure

Items of the Voluntary Disclosure	AM	Rank
The percentage of disclosure of general information about the company	93%	2
The percentage of disclosure of information about shareholders and members of the board of directors	81%	3
The percentage of disclosure of information about social and environmental responsibility disclosure	78%	4
The percentage of disclosure of information about the financial ratios	50%	5
The percentage of disclosure of the information about employees	96%	1
The percentage of disclosure of the information about the review and audit system	48%	6
	74%	

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Relating to the moderating variable of audit quality of whether the accredited auditing company is one of the Big Four by adopting the numbers (1) or (0), the number (1) indicates that the auditor is one of the Big Four companies (Deloitte, Ernst & Young (EY), PricewaterhouseCoopers (PwC), and Klynveld Peat Marwick Goerdeler (KPMG). Table (1) shows that the arithmetic mean of the audit quality in Jordanian industrial companies is approximately 39%. In detail, this value indicates that the study sample is distributed among auditors from the four major companies and other companies with an increase in the number of industrial companies audited by local companies with no significant variation in the study sample. As for the standard deviation of the study observations, it is 0.49. It is also found that the lowest value is zero, which indicates that the industrial company is audited by audit firms that are not among the Big Four. During the analysis, it is found that there are 13 industrial companies in 2021 whose accounts are audited by the four largest companies, while the remaining 21 companies, whose accounts are audited by local companies.

4.2 Correlation Analysis

This study tests the relationship between the variables and the extent of their correlation with the other by applying the Pearson correlation test. The correlation coefficients according to the Pearson scale range between 0 and ±1, where zero indicates the absence of a relationship between the variables, while ±1 indicates the existence of a complete direct or negative relationship. The Pearson correlation matrix is an initial indicator to verify the multiple linear correlation problems if the relationship among the independent variables is more than ±80%.

Table (4) indicates that there are no correlation problems, as the highest correlation value between audit quality and firm or company size is 34%, which is an indicator of a weak relationship between these variables. However, the lowest value is the correlation between the variables, i.e. the company's profitability represented by the "return on assets" and "voluntary disclosure", with a value of approximately -3%, which is a very weak inverse relationship.

Table 4: Results of the Pearson Correlation Test

No.	**Variables**	(1)	**(2)**	**(3)**	**(4)**	**(5)**
(1)	**ROA**	1.000				
(2)	**VD**	-0.026	1.000			
(3)	**Size Log**	0.208	0.187	1.000		
(4)	**Lev**	-0.155	0.119	-0.217	1.000	
(5)	**AQ**	0.218	0.209	0.335	-0.108	1.000

4.3 Diagnostic Tests

Instability Tests of Variance for Data and the Autocorrelation Test

Panel data may suffer from variance instability problems, or the so-called heteroscedasticity problems because of the presence of a dimension of time-series cross-section data within the study sample. Notably, this type of problem can be solved if it exists using a special standard error correction model named Driscoll & Kraay. On the other hand, Wooldridge's test is one of the modern and suitable tests for testing the presence of an autocorrelation problem in the study data. The results of these tests presented in Table (5) show that the F-value of the study models is significant and with a probability value of 0.000, which is an indicator of the existence of the heterogeneity problem and the problem of autocorrelation in all the estimated models, which necessitates conducting some statistical treatments of data. To eliminate these problems, Driscoll and Kraay & standard are used to identify the error correction model.

Table 5: Instability Tests of Variance for Data

Model	**Modified Wald Test**	**Test Wooldridge F-value**	**P Value**
First model	1.9e+08	5415.781	0.000
A second model with the modified variable	3.8e+08	32246.215	0.000

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4.4 Appropriate Study Model Selection

To select the appropriate model for the study, a set of tests shall be conducted, namely: the Breusch-Pagan Lagrange Multiplier (LM) Test to select between the Pooled Least Suares model (PLS) and the random effect model (RM) and then using the Hausman test to select between the fixed effect model (FM) and a random effect model (RM).

4.5 Breusch-Pagan Lagrange Multiplier (LM) Test

This test compares the random-effects model (RM) and the pooled least squares regression model (PLS) to select the appropriate model, as the use of this test leads to the detection of any random effects in the regression model for the study. Table (6) shows that the Chi-Sq value of the Breusch-Pagan Lagrange Multiplier (LM) test for all models is significant and with a probability value (P) 0.000 which is less than the significance level of 0.05, and thus the appropriate model is the random effect model (RM).

Table 6: Results of the Breusch-Pagan Lagrange Multiplier (LM) Test

Model	**LM (Chi-Sq. Statistic)**	**P-value**	**Result**
First model	100.87	0.000	Random Effect
A second model with the modified variable	100.83	0.000	Random Effect

4.6 Hausman Test

This test compares the fixed effect model (FEM) and random effect model (REM) to select the appropriate model. Table (7) indicates that the statistical value of Chi-Sq for the estimated study models has ranged between 14.168 and 21.204, as all of them have significant values, where the probability value (P) is less than 0.05, and this indicates the existence of a relationship between the explanatory variables and random error in the study models. Therefore, the most appropriate model for this study according to the Hausman test is the fixed effect model (FM).

Table 7: Results of Hausman Test

Model	**Hausman Test (Chi-Sq. Statistic)**	**P-value**	**Result**
First model	14.168	0.003	Random Effect
A second model with the modified variable	21.204	0.001	Random Effect

4.7 Multiple Linear Regression Analysis and Hypothesis Testing

This section of the research paper presents the statistical results resulting from multiple linear regression tests using the Panel Data Analysis method conducted for the proposed study models based on the previously mentioned diagnostic tests, namely: Hausman and Breusch-Pagan Lagrange Multiplier (LM) Test after addressing the problems of heterogeneity and autocorrelation using Driscoll-Kraay Standard Errors Method.

In this part, the results of the statistical analysis are presented that show the direct effects of voluntary disclosure on the profitability of the Jordanian industrial companies listed on the "ASE", alongside the results related to testing the model that includes the audit quality variable added to the study model as a moderating variable are presented.

4.8 Results of the Direct Relationship between Voluntary Disclosure and the Company Profitability

This section offers insight into the statistical outcomes related to measuring the relationship of "voluntary disclosure" on the ratio of "return on assets" as a measure of the profitability of Jordanian firms listed on the "ASE", which

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contributes to testing the first hypothesis as presented in Table (8). Looking at the diagnostic tests of the estimated model, it is found that the statistical value (F) has reached (209.85), and the probability value (0.000) is less than the level of significance (0.01), indicating that the model is acceptable and statistically appropriate based on the significance of this statistic value. As for the coefficient of determination (R2), its value is (0.162), and this can be explained by the fact that the "voluntary disclosure" in the presence of the firm's size and the combined financial leverage has explained approximately (16%) of the changes that occur in the dependent variable (the firm's profitability), and this percentage is acceptable in this type of analysis.

From a statistical standpoint, it is found that the statistical value (t) corresponding to the estimated coefficient is (10.10) and with a probability value (0.001), which is less than the level of significance (0.01), indicating the acceptance of the first hypothesis, which states "voluntary disclosure" positively affects the profitability of companies listed on the "ASE". The statistical results of the estimated coefficient related to "voluntary disclosure" (VD) of (0.199) indicate that there are positive effects of voluntary disclosure on the company's profitability among the Jordanian industrial companies.

In other words, the greater the "voluntary disclosure" of industrial companies is, the higher the ratio of return on the company's assets, which positively affects the profitability of the Jordanian industrial companies in the study sample. This result is at one with several studies [3, 17, 18, 20] that show that "voluntary disclosure" has a positive impact.

Importantly, this result is in line with the agency theory, where the expansion of disclosure and increase of transparency are among the main factors that contribute to improving these relationships, converging the interests that reduce agency costs, and developing the disclosure that improves the quality of information, which leads to reducing asymmetry information between managers and stakeholders.

Furthermore, this result is consistent with the signal theory, as companies issuing voluntary bulletins and reports on the results of their work gives an indicator to users of financial statements that it is an indicator of the strength of the company's performance and success. Therefore, supporters of this theory see that the value of the company increases in the eyes of users of the lists when it has greater "voluntary disclosure". This result also agrees with the legitimacy theory because it is based on the view of the community, and the administration is obliged to disclose the information it has as an important source of legitimacy through compulsory disclosure under laws, regulations, and "voluntary disclosure" to create a good impression for the community.

Relating to the first control variable, the size of the company (SizeLog) measured by the natural logarithm of the size of the company's assets, the results indicate that the size of the company positively affects the company's profitability, noting that this result is with the results of previous studies. As for the second control variable, financial leverage (Lev), the results indicate that the increase in the volume of debts with companies leads to a decrease in the realized return, and a decrease in the profitability of companies, and the reason may be that the borrowing costs resulting from debts are high, which leads to a decrease in the net profits achieved by companies.

Table 8: First Model of Voluntary Disclosure and Firm Profitability

Variable	Estimated Coffecients	Statistics (t)	P-value
VD	0.199	10.090	0.001
SizeLog	0.155	7.710	0.002
Lev	-0.079	-5.180	0.007
Constant	1.352	9.340	0.001
R^2	**0.1620**		
F Value	**209.85** $^{(P = 0.000)}$		

4.9 The moderating effect of audit quality on the relationship between voluntary disclosure and firm profitability.

This section highlights the moderating role of audit quality in explaining the relationship between "voluntary disclosure" and the company's profitability measured by the ratio of "return on assets" for Jordanian industrial companies listed on the "ASE", which leads to testing the second hypothesis. Concerning the statistical suitability of the model, the statistical

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value of (F) has reached (5.433) and with a probability value (0.000), which is less than the level of significance (0.01), indicating the suitability of the model from the statistical point of view, while the value of the coefficient of determination (R2) has reached (0.1720) and this value increases compared to the direct model, where the value of the coefficient of determination (R2) is (0.1621). This can be explained by the fact that the independent variables together along with the moderating variable audit quality have explained an amount (17.20%) of the changes that occur in the dependent variable, i.e. the company's profitability.

The statistical results presented in Table (9) show that the value of the estimated coefficient for the variable that combines audit quality and "voluntary disclosure" (AQ*VD) is (-0.148), which is a negative value with statistical significance and has an absolute value of (t) statistic of (4.46) and with a probability value of (0.001), which is less than the level of significance (0.01), leading to the acceptance of the hypothesis which states “Audit quality affects the relationship between voluntary disclosure and the profitability of companies listed on the "ASE". The findings indicate that there are statistically significant effects of the variable that combine the audit quality and the index of "voluntary disclosure", but this effect is considered negative.

This result agrees with the studies of [25, 30] that show no effect of external audit quality as a moderating variable in the relationship between the two variables of voluntary disclosure and corporate profitability. It is worth noting here that the negative sign of the estimated coefficient is in contrast to the direction of the effect caused by voluntary disclosure on the firm profitability of companies previously shown in Table (8). The results can be understood based on the fact that companies that are audited by the Big Four audit firms do not attempt to disclose all items considered, i.e. general information about the company, information about shareholders and members of the board of directors, information about social and environmental responsibility disclosure, information about financial ratios disclosure, information about employees, and information about the review and audit system, where the focus of these companies is on discovering financial errors and applying accounting standards correctly, which leads to the inattention of the "voluntary disclosure" aspect.

Table 9: Moderating Role of the External Audit Quality

Variable	Estimated Coffecients (β*'s*)	Statistics (t)	Peobablity Value (p)
VD	-0.145	-1.80	0.081
AQ	0.085	0.82	0.415
c.VD*c.AQ	-0.148	-4.46	0.001
Lev	-0.079	-3.48	0.001
Size Log	0.146	2.60	0.010
Constant	1.257	2.90	0.004
R^2	0.1720		
F Value	**5.433** $^{(P = 0.000)}$		

5. Conclusion

In a nutshell, this article aims to identify the impact of "voluntary disclosure" on the firm profitability, along with identifying the impact of the external audit vault on the association between "voluntary disclosure" and the firm profitability" listed on the "ASE" for the period from 2017-2021. As the results confirm that disclosure is voluntary, as it positively affects the profitability of the company. Concerning the intermediate variable (the quality of the external audit), the results confirm that the quality of the audit negatively affects the association between "voluntary disclosure" and the firm profitability". More importantly, these results play a fundamental role in highlighting the importance of "voluntary disclosure", which leads to increasing the confidence of the users of the lists and financial statements in the data and information issued by the company by increasing the company’s management’s interest in good disclosures to improve its performance and thus increase the firm’s profitability. Considering the previous results and related discussion, the study presents several recommendations for regulators, companies, and future studies, including increasing interest in "voluntary disclosure" and its content so that the focus is on information that will improve companies’ performance and inform stakeholders of useful information that gives a correct indication of the company’s financial position, alleviates agency problem, and hides the phenomenon of information asymmetry. The study also recommends that future researchers need to expand the study of the subject of "voluntary disclosure" by examining

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other indicators of "voluntary disclosure" to give a clearer picture of this relationship. Besides, the study recommends studying other variables for profitability, such as the variables that measure the predictive future performance of companies such as growth and Tobin's Q. Moreover, the study also recommends researchers conduct additional studies dealing with the role of audit quality and its relationship to "voluntary disclosure", as the current study has dealt with one of the audit quality indicators, which is the size of the company, where the audit duration or audit fees can be added as a second indicator of audit quality, which helps to give more comprehensive results.

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