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Subsequent Events Under COVID-19 Pandemic

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Abstract
The study aimed at clarifying the mechanism of addressing subsequent events after the reporting period according to the International Accounting Standard (IAS) No. (10) in light of Covid-19. The study examined the impact of Covid-19 on adjusting events occurring after the reporting period. To reach the results, the study developed a questionnaire that included paragraphs about each of the study's independent variable (Covid-19) and the dependent variable (adjusting subsequent events after the reporting period).

The study population consisted of Jordanian public shareholding companies listed on the Amman Stock Exchange. A simple, random sample was selected, consisting of 53 companies that fulfilled the conditions required for the purposes of preparing the study, and was adopted as a sample representing the population. Meanwhile, the sampling unit was represented by the financial managers and internal audit managers of the companies of the study sample.

Two questionnaires were distributed for each company with a total of (106) questionnaires. (75) questionnaires were retrieved, of which (64) were valid and adopted for analyzing and reaching the results of the study, which depended on a set of statistical measures such as descriptive statistical measures and the simple linear regression analysis to analyze the responses of the sampling unit to the paragraphs of the questionnaire related to the study's variables and to test the study's main hypothesis.

The study concluded that there is a statistically significant impact of Covid-19 on adjusting events occurring after the reporting period according to the IAS No. (10)-events after the reporting period.

The study, through previous studies and literature, reached a group of results, the most important of which is to consider the events after the reporting period for the year (2019) as non-adjusting subsequent events that need to disclose the effects that are considered essential. The study also presented a set of suggestions that contribute to increase the ability of professional organizations and entities in determining the optimal way of addressing the subsequent events after the reporting period in preparing future financial statements.

Keywords: International Accounting Standard No. (10), adjusting subsequent events, COVID-19

Introduction

There were many crises, circumstances and challenges that accompanied and will continue to accompany the workflow of various sectors and professions, including the economic ones in general and the accounting profession in particular.

Financial crises, periods of recession, inflation, financial scandals, surrounding environment conditions, technological developments and other events had a significant impact on the accounting profession. Through all these circumstances, the accounting profession has always been striving to keep pace with changes and confront the potential effects of these problems and reduce them.

The ultimate goal of Accounting is delivering qualitative-characteristics information to users in order to make the optimal decision (Abdulaziz, 2021), and this requires those in charge of the accounting profession to follow the best methods, means and instructions that enable them to achieve that goal, through applying accounting standards and principles issued by the bodies regulating the accounting profession in an optimal manner to reduce the consequences of the effects of the surrounding circumstances.

The (ISAB) had a significant impact on developing Accounting, as sought by the (FASB), through their multiple versions of principles to be the guide for business entities and accountants in performing their work in an optimal manner.

The (IASB) issued standards to create a common language for defining, interpreting and publishing financial data in order to achieve the goal of Accounting and provide a joint and unified vision for entities, shareholders and investors (Maloku et al., 2014).

Using one reliable accounting language represented by the International Accounting Standards (IFRS) contributes to achieving transparency and accountability, and helping investors identify opportunities and risks by providing high-quality financial reports. Among the standards issued by (IASB) is the International Accounting Standard (IAS) No. (10)- events after the reporting period. Like other standards, (IAS) No 10 came to achieve the vision of (IASB) and provide information and ways of treating events and various operations for users inside and outside entities with more transparency and disclosure for every circumstances or events that affect the quality of financial reports.

The most difficult event and challenge facing the whole world, and Accounting in particular, is the spread of Covid-19 pandemic, which has harshly cast its shadows wherever it occurred, and is still so far affecting the global markets and the accounting profession, leaving unusual impacts, circumstances and accounting events on all entities. The pandemic also affected the audit profession and increased the burdens assigned to both the external and internal auditors and to the audit committees to coordinate efforts between them and the preparers of the financial statements (Shbeilat, 2018; Shbeilat, 2014).

Therefore, professional organizations requested the entities to respond to this pandemic and its effects, exercise caution and take great care to know the impact of Covid-19 on financial reports and to disclose everything related to the pandemic to clarify its impact and reduce the negative consequences on financial reports. Among those disclosures are those related to reporting on subsequent events (Deloitte, 2020), in addition to other effects, as Covid-19 had many negative effects on financial reports, which are the link between entities and stakeholders (Elmousawi & Kanso, 2020).

Based on the above, this study came to clarify the impact of Covid-19 on the mechanism the International Accounting Standard No. (10)- events after the reporting period- in addressing the existence of adjusting subsequent events.

The Study Problem

The emergence of Covid-19 is a unique event that did not only affect the Accounting side, but its impact included the whole world with its various sectors. Despite the outbreak of the epidemic at the end of 2019, its effects still exist until the moment. These effects included all entities, their works and various activities, which created a state of uncertainty that accompanied many considerations related to Accounting business, activities, practices, policies, and estimates for the items of the financial statements, which may affect the quality of financial reports.

Among the considerations that accountants must take great care while dealing with, in light of Covid-19, are those related to events after the date of preparing the financial statements. Accountants have to be certain over the mechanism of dealing with those events as adjusting or non-adjusting events in accordance with the International Accounting Standard No. (10).

Many items of the financial statements are subject to difficult assessments under exceptional circumstances that Accounting faces while preparing the financial reports. These items also face many other considerations, such as those related to the entities' Going Concern, the values of assets and liabilities, and the accuracy of their evaluation and measurement in an optimal manner. Therefore, the quality of the financial reports may become questionable, and the subsequent events will be adjusting or non-adjusting events (Joshi, 2020; Shbeilat & Al-Harasees, 2018).

Accordingly, this study came to clarify the impact of Covid-19 in considering subsequent events as adjusting events in financial reports over the years of the emergence of this pandemic until the moment of preparing this study.

The Importance of the Study

The importance of the current study stems from the entities' ability to provide high-quality financial reports that achieve the main Accounting objective of providing credible, transparent, qualitative-characteristics information to increase the ability of users of these reports to make rational economic decisions, But in light of the difficult circumstances due to the spread of Covid-19 pandemic that ravaged various sectors, particularly the accounting profession, as well as the effects that accounting systems have suffered and still suffer from while issuing high-quality financial reports, it is needed to take into consideration the pandemic impact on the mechanism of processing, measuring and delivering accounting information, especially dealing with subsequent events to the date of preparing the financial statements in accordance with International Accounting Standard No. (10), and determining the best ways to classify those events into adjusting or non-adjusting events.

Therefore, the accountant must take into consideration everything that would affect the quality of the financial reports after preparing them, by clarifying and defining many of the events that can be considered events that must be adjusted, such as the company Going Concern, evaluating and measuring the financial statement elements and other events that are expected to be affected by the Covid-19 pandemic, since this pandemic has created a set of doubts about the Accounting's ability to address various operations as a result of the conditions of uncertainty accompanying that pandemic.

The study also provides content that consists of a theoretical framework that explains the negative effects of the pandemic, and the mechanism for addressing those effects, in addition to presenting an applied field study that may provide results that enrich the scientific and accounting library and to be added to previous studies that dealt with the impact of the Covid-19 pandemic on Accounting, which provides additional information to researchers interested in studying the way Accounting acts with the surrounding circumstances in light of that pandemic.

Objectives of the Study

The study came to determine the mechanism for dealing with subsequent events in light of the Covid-19 pandemic.

Accordingly, the study aims initially to clarify the effects of the pandemic in general, and identify the reasons that led the pandemic to have such an unprecedented impact on various sectors, including the economic ones in general, and Accounting in particular. The study also comes to show the impact of the pandemic on preparing and processing the multiple financial operations carried out by the accounting profession in order to provide financial reports.

The main objective of the study is looking into the way of processing the events, and considering these events as either adjusting or non-adjusting events in light of the exceptional effects and circumstances caused by Covid-19. The study will clarify the most important considerations that the accountant should take great care while evaluating them and determining their impact on financial reports, especially those related to the accuracy, validity of assessing and measuring the financial statements items, the entity's Going Concern, and the adequacy of disclosures in light of the pandemic, which will provide high quality and transparent financial reports that keep pace with the conditions that affected various sectors, especially Accounting, in order to assist the users of these reports in taking the most appropriate decision.

Study Hypothesis

Based on the problem of the study, the theoretical framework, the previous studies and the publications of professional organizations responsible for the accounting profession over the impact of Covid-19 in the existence of adjusting events after the preparing the report period, the study will test the following main hypothesis:

H1: There is a statistically significant effect of COVID-19 on the existence of adjusting events after the reporting period.

Study Model

The Figure is prepared by the researcher (2021)

Definitions

1. Subsequent events: "'are those events, favorable and unfavorable, that occur between the end of the reporting period and the date that financial statements are authorized for issue''. Two types of events can be identified:

''The first type is events that provide an evidence for the conditions that existed at the end of the reporting period (adjusting events after the reporting period); The second is the events that refer to circumstances that arose after the reporting period'' (non-adjusting events after the reporting period) (Saudi Organization for Certified Public Accountants, 2020).

2. COVID-19: It is an infectious disease caused by the Corona virus and was discovered in 2019 (WHO,2021).

Theoretical Framework and Previous Studies

Events after the Reporting Period

(IASB) (2018) clarified in its International Standard No. (10), entitled "Events after the reporting period", the objectives that must be adhered to while applying this standard.

It also specified the cases to adjust the financial statements related to events after the reporting period, the disclosures over the date to issue the statements as well as about events after the reporting period. The standard clarified that subsequent events are those favorable and unfavorable events that occur after the end of the reporting period and the date that financial statements are authorized for issue.

The subsequent events may be classified into adjusting or non-adjusting events. In this regard, it is necessary to know the classification of subsequent events, and as we know, subsequent events are a process that occurred after the date of the balance sheet, but before completing auditing and issuing it. These events are classified into two types:

- Subsequent events that have a direct impact on the financial data and require adjusting.
- Events that do not have a direct impact on the financial data and do not need adjusting, but may require disclosure.

Both types need the management to pay attention while estimating them in an appropriate manner to provide credible and high-quality information. Therefore, the management must determine the events that require amending the financial data and those that only require disclosure. Al-attar et al (2016) study determined some of the adjusting events, such as: declaring the client's bankruptcy due to economic conditions or suspended receivable balances, settling lawsuits with an amount different from the amount recorded in the book, the exempted equipment that are no longer used in the company's operations among other events.

Al-attar et al (2016) study also mentioned some events that do not require amending their financial statements, but only need to disclose them like the decrease in the market value of investments held for sale purposes, the issuance of shares and bonds, the decrease in the market value of shares, stock losses and mergers or purchases operations. The study also identified some events that are not considered of an accounting nature and it would be better to disclose them if they provide a better understanding of the company's operations, such as: a change in the product, workers strikes, the loss of an important client, specific management changes, in addition to the role of the management in determining and addressing the subsequent events after the reporting period.

Determining the information that provides subsequent events and the mechanism for addressing them after the end of period according to the IAS No. (10) properly contributes to providing credible financial information through which users of financial reports can take rational economic decisions, as mentioned in Kanu and Onuoha (2016) study over the companies' mechanism in addressing subsequent events that occurred after the reporting period and before the date they were authorized for issue.

The Kanu and Onuoha (2016) study indicated that there is some additional information about the conditions existing at the date of preparing the statements, such as the estimates used in preparing the financial data for that period, which were included in the reporting period. Some companies failed to modify the statements or did not intentionally modify them to show some data in line with the company's vision regarding not reducing the value of income or assets in that period, which led to providing incorrect and unreliable information to the users.

COVID-19 and its Impact on Addressing the Subsequent events after the Reporting Period

The Covid-19 pandemic is one of the crises that swept the whole world with its various sectors in an unprecedented way, which led to a significant change in the diverse habits and practices of individuals and various sectors, especially the economic ones. It also contributed to the development of unconventional ways to complete and perform their work. Castka et al (2020) sees that Covid-19 has spread rapidly, leaving great human and economic consequences, which led to a change in people's habits due to social distance and movement restrictions imposed on the ability to access their work in a normal manner, which increased the demand on modern technologies necessary to complete work remotely. This social distancing, movement restrictions and the closures of various sectors, mainly economic ones, led to great losses.

Like other sectors and professions, Accounting in its various branches was one of the most affected professions by this pandemic, especially with regard to the Accounting's ability to achieve the main objective of Accounting systems in providing credible, accurate and high-quality financial reports that enable their users to make rational economic decisions.

To achieve this goal, adapting to this reality has become an urgent necessity, that's why the various professional organizations and bodies responsible for the Accounting profession hastened to issue the necessary bulletins and instructions to reduce the impact of the pandemic, which contain many methods and amendments of their Accounting standards to keep pace with the change and impact resulting from the spread of Covid- 19.

In this regard, the study of Hassan (2020) clarified what was published by IASB regarding Accounting standards in the current situation, and the need to adapt and modify them according to the current circumstances, including: IAS No. (1) Presentation of Financial Statements, Standard No. (36) Impairment of Assets, Standard No. (34) Interim Financial Reporting, and Standard No. (29) Financial Reporting in Hyperinflationary Economies, which need to be reconsidered due to the inability of companies to complete their financial cycle, which may reflect an unreal image of the financial data, such as profitability and financial position.

Subsequent events were also among the multiple considerations that were given a great attention by researchers and professional organizations in determining the mechanism for addressing them in light of Covid-19.

Abdullah and Muhammad (2020) study clarified the position of various professional organizations towards Covid-19 impact on Accounting and Auditing professions in general, and subsequent events in particular. The study concluded with the need to hasten in suggesting a mechanism to address the financial implications that may create a major financial crisis even after the end of the pandemic. The study also showed the position of professional organizations responsible for the Accounting profession in clarifying and determining the implications on preparing the financial reports and the need of the users of these reports for financial information of higher quality more than they were in the past in light of the pandemic. One of the most important considerations that must be taken carefully into consideration is the mechanism for addressing the subsequent events after the reporting period, and therefore, the management must pay attention to those effects in the coming financial periods.

From this point, Grant Thornton (2020) organization confirmed that Covid-19 will not only have an impact for the years 2019-2020, but it will extend for many years, therefore, the necessary care must be taken when preparing financial reports because of its repercussions on the ability of companies in measuring assets and liabilities, as well as on determining the impact of adjusting or non-adjusting events, as well as disclosing them in an appropriate and adequate manner.

In addition, PWC (2020) organization has extensively tested the repercussions of Covid-19 on the mechanism of addressing subsequent events after the reporting period. It stated in its bulletin that the pandemic has a clear impact on the financial data and the estimates included. It also clarified that despite the emergence of the pandemic, there are non-adjusting events on the data ending in 2019, excluding the entity’s Going Concern, which is considered the adjusting subsequent events. As for those non-adjusting subsequent events, the management should disclose them if they have a material impact, especially since there were no indications of their existence during the reporting period. Among these events, an impact after the reporting period related to the recorded value of assets and liabilities, restriction plans, revenues, in addition to borrowing costs and related commitments. Even with the future changes of the pandemic impact, the entities must take into account the possibility of uncertainty in preparing the financial statements and thus pay attention to subsequent events after the reporting period, which may be adjusting events.

It turns out that this impact of the pandemic and its consequences may be a reason for the company's inability to continue as a going concern as a result of the decline in the performance of the entity. The Chen et al (2020); Abdullah and Muhammad (2020) studies, which showed the effects of Covid-19 on the performance of the entities, concluded that the outbreak of the pandemic led to a decrease in the entities’ revenues as a result of the negative impact on production and sales operations, increased risks, reduced market values of the entities’ shares and the company’s weak ability to service its debts, which negatively affected the level of performance that may create a major financial crisis. Therefore, firstly, the management must pay attention to the environment in light of Covid-19, adjust its strategies for the post-pandemic period, and work to address the financial implications in light of Covid-19 and the periods that follow, especially with regard to addressing subsequent events after the reporting period. Secondly, the users of financial information must take care while making the optimal economic decisions in light of the increased risks associated with their financial assets.

In order to clarify the impact of Covid-19 on subsequent events in the financial data since the beginning of the pandemic, Joshi (2020) study concluded that the impact of the pandemic on the financial data for the year 2019 will not include adjusting events, as the information related to the impact of the pandemic did not appear until the year 2020. The study found out that the subsequent events of the financial statements for the period 2019 are non-adjusting events, while as for periods after 2019 and from the beginning of preparing interim

financial reports, the management must take into account any subsequent events that may be adjusting in the financial statements.
Thus, addressing these events was clarified by Al-Masoodi et al (2020) study after it highlighted the significant impact of Covid-19 on the statements that were prepared in accordance with IAS. The study demanded the necessity of revealing the effects of this pandemic and identifying the events that arose before the end of the financial period and before publishing the financial statements for the ended financial period (2019), and addressing them in accordance with IAS (10). These statements which have a material impact on the statements must be disclosed, except for those related to the going concern that needs to amend the method through which data is presented, which requires a fundamental change in the accounting basis.
As for the upcoming financial periods, it is likely that they will be an event in the current period, and accordingly, it is necessary for the entities to do a continuous evaluation to determine the extent of recognition of developments occurring after the reporting period and the possibility of considering them as adjusting events. And this is what Dohrer and Mayes (2020) study also found out about the need to pay attention to the financial periods after the ended year (2019) by taking care in identifying the events that were present in those periods and determining the mechanism for considering them as adjusting events on the financial statements or just need sufficient disclosures.
In the same context, Hasan (2020) study confirmed the extent of applying the accounting standards in light of the Corona-virus pandemic. It also shed the light on the mechanism of addressing subsequent events and their past, current and future effects related to Covid-19. The study showed that there are no adjusting subsequent events on the financial statements that ended in 2019 due to the lack of indicators and information for Covid-19 until the end of 2019, with only disclosing those events. As for the future effects and in light of the presence of indicators and information about the effects of Covid-19, the management should take into account the mechanism for addressing the subsequent events, which may be adjusting events in the coming financial periods, especially in light of the ongoing spread of the pandemic until the moment.
Therefore, the management, when preparing the financial statements, should try to apply standards in light of the current circumstances in a way that enables it to provide financial statements in accordance with the sound foundations of the events, practices and estimates stated by the standards.
In this regard, Abdulaziz (2021) study clarified that the International Accounting Standard-events after the reporting period-should be applied while preparing the financial statements in the presence of indicators that prevent the entity from continuing as a going concern after the date of fiscal year-end and before publishing them. The International Accounting Standards Board (2020) explained, in International Standard No. (10), the mechanism for applying and addressing subsequent events related to going concern as follows:
1. “An entity is not allowed to prepare its financial statements on going concern basis if the management determines, after the reporting period, that it intends either to liquidate the entity or to cease business, or that it has no other realistic option but to do so.”
2. “Deterioration in operating results and financial position after the reporting period may indicate the need to consider if the going concern is still appropriate. If the going concern assumption is no longer appropriate, the impact will be so pervasive that this standard requires a fundamental change in the basis of Accounting, not a merely adjustment to the amounts recognized under the original Accounting basis”.

Accordingly, the standard also specified the necessary disclosures if there are doubts about the entity's ability to continue as a going concern, which appears through the entity's inability to prepare financial statements according to going concern assumption, as well as the management's knowledge of substantial uncertainties related to circumstances that raise doubts about the entity's ability to continue as a going concern. Those events which require disclosure, may arise after the reporting period.

In this context, Maryam and Hilal (2020) study tested the duration of the entities' ability to rely on IAS No. (10) to disclose subsequent events in light of the Covid-19 pandemic. The study questioned whether these events are adjusting or non-adjusting.

The study concluded that subsequent events regarding the financial statements ending in 2019 are non-adjusting events and may require disclosure because these events occurred after the date of preparing the reports, except for those related to the entity's going concern assumption. As for the upcoming financial periods and in light of the outbreak of Covid-19 and its ongoing impact on the entities, this requires making an accurate assessment of the facts and circumstances to identify and address subsequent events and, if necessary, adjust them because they existed at the date of the report or prior to its preparation.

Kigali (2020) article through a KPMG bulletin showed the need for the management to exercise important professional judgment in determining events after the reporting period that need to be adjusted, by identifying and studying all subsequent events until the date of approving the financial statements for issue, and to determine whether these events are being adjusted, which means they provide an evidence over the conditions could be existed at the reporting date or indicate that the going concern assumption is not appropriate, and to disclose the nature and financial effects of any events that are considered fundamental, even if they are non-adjusting.

Study Methodology

This study aims to demonstrate the impact of Covid-19 on the existence of adjusting subsequent events after the reporting period in accordance with the requirements of the IAS (10), subsequent events. This chapter includes a presentation of the method used in this study, a description of the study population, the study sample, the tools used in data collection, and statistical methods used in data analysis.

Study Approach: The descriptive approach was used in this study, based on the studies that dealt with the variables and dimensions of this study, and used the descriptive research method, because it is one of the best approaches appropriate to achieving the objectives of the study.

Study Population and Sample: The study population consists of all Jordanian shareholding companies listed on the Amman Stock Exchange for the period under study. As for the study sample, a simple random sample of (53) companies from various sectors was selected. The sampling unit was represented by financial managers and audit managers for the companies of the study sample. (2) questionnaires were distributed to each company, where the number of distributed questionnaires was (106), and (75) questionnaires were retrieved, of which (64) were valid, at a rate of 60%.

Sources of Data Acquisition: This study relied on two methods of data collection, namely:

The Secondary Data: to form the theoretical framework of the study and the data collection tool, and then refer to the sources represented by books, research and previous studies dealing with the subject of the study.

The Primary Data: The study used a special questionnaire developed to collect information from primary sources. The questionnaire included a set of questions related to study variables and hypotheses.

Study Tool: A questionnaire was developed to measure the study's main hypothesis variables in addition to the demographic information of the study sampling unit, which included the following paragraphs:
- Demographic information that includes four items consisting of: (the respondent's Gender, Academic qualification, Years of Experience and Job Level), and the items were measured using the five-point Likert scale.
- Independent variable questions: They include (15) questions related to the study's independent variable according to the main hypothesis of the study which is COVID-19.
- Dependent variable questions: They include (9) questions related to the dependent variable of the study according to the main hypothesis, represented by the existence of adjusting subsequent events after the reporting period.

Questionnaire Stability: This scale points out to the stability of the tool used to measure the variables and the internal consistency between the questionnaire paragraphs for each of the study variables. The result of the scale is statistically acceptable if the value of Cronbach Alpha is greater than (0.06). As the value becomes more close to 100%, this indicates higher stability degrees for the study tool, and an internal consistency between the questionnaire paragraphs.

Table (1) shows Cronbach's alpha stability coefficient for the study variables:
Table No. (1): Results of the stability coefficient of the study variables

Study variables	Number of paragraphs	Stability coefficient (Cronbach's alpha)
Independent Variable		
Covid 19	15	0.881
Dependent Variable		
Adjusting subsequent events	9	0.846

Statistical Methods: To answer the questions of the study and the paragraphs of the independent and dependent variables and to test the main hypothesis, the following statistical methods were used through using the statistical package (SPSS):
- Descriptive statistics methods: (arithmetic mean, standard deviation, percentages), to describe the characteristics of the sample and answer the paragraphs of the independent and dependent variables.
- Simple linear regression: To test the validity of the study's main hypothesis represented in testing the impact of COVID-19 on the existence of adjusting events after the reporting period.

Describing the Study Variables and Testing the Study Hypothesis

Analysis of the Demographic Characteristics of the Study Sample

The study adopted a set of demographic characteristics (the respondent's gender, Academic qualification, years of experience and job level). After analyzing the data of the demographic characteristics of these groups by extracting frequencies and percentages, the results appeared as in Table No. (2)

Table No. (2): Demographic Characteristics Analysis

Variable	Category	Frequency	Percentage
Gender	Male	50	78.1%
	Female	14	21.9%
Total		64	100%
Qualification	Diploma	7	10.92%
	Bachelor	26	40.63%
	Post graduate	31	48.44%
Total		64	100%
Years of experience	Less than 5	2	3.13%
	5 – 10	13	20.31%
	10 – 15	14	21.88%
	More than 15	35	54.69%
Total		64	100%
Job title	Financial Manager	38	59.37%
	Internal Audit Manager	26	40.63%
Total		64	100%

It is noted from the table above, which is related to the distribution of demographic characteristics of the sample of respondents, the following:

- The Respondent Gender characteristic: it turns out that the number and percentage of males are higher than females, reaching 50 males with a rate of 78.1 respondents, and 14 females respondent with a rate of 21.9. And this indicates the nature of the male-dominated society in Jordan.
- Academic qualification: the highest percentage of respondents of the study sample belongs to the post graduates, which reached 48.44, due to the fact that the sampling unit included financial managers and internal audit managers of Jordanian public shareholding companies, as these job positions mostly require high educational qualifications.
- Years of experience: It is clear from the table that the highest category was for those with more than 15 years of experience, with a ratio of 54.69, due to the nature of the sampling unit covered by the study, that included financial managers and internal audit managers, such positions and job levels often need to serve in the entities for relatively long periods of time.
- Job title: The study included the job levels that have professional knowledge and experience in employing it to address operations and events under the diverse circumstances that the sampling unit may have witnessed previously, and thus answer the paragraphs of the questionnaire designated to achieve the objective of the study in an appropriate manner. The percentage of financial managers reached 59.37 which is higher than internal audit managers, with a percentage of 40.63.

Results of the Descriptive Statistical Analysis of the Paragraphs of the Study Variables

The study extracted the Arithmetic averages, standard deviations, and the relative importance of the answers for the extent of approval of the sample members of the paragraphs that reflect the impact of Covid 19 (independent variable) on the existence of adjusting events after the reporting period (dependent variable). The arithmetic averages, standard deviations and relative importance were as shown as in Table No. (3), (4) for each variable:

Table No. (3): Descriptive analysis of the responses of the sample members related to COVID-19 (the independent variable)

Sequence	Paragraph	Arithmetic average	standard deviation	Rank	Evaluation
1	COVID-19 is a source of uncertainty about future activities	4.13	0.83	6	High
2	Covid-19 led to a decrease in the predictive ability of accountants	3.94	0.61	13	High
3	COVID-19 has made it difficult to estimate items in the financial statements	4.11	0.65	7	High
4	COVID-19 has brought about rapid changes in the business environment	4.19	0.77	3	High
5	COVID-19 prevented movement and travel between countries and within a single country	4.09	0.64	9	High
6	Covid-19 has led to the suspension of some operations, such as sales	3.89	0.96	14	High
7	COVID-19 has reduced the demand for products	4.19	0.56	4	High
8	Covid-19 has caused huge losses to entities	4.28	0.70	1	High
9	COVID-19 affects the entity's going concern assumption	4.13	0.65	5	High
10	COVID-19 negatively affected the ability of enterprises to pay their obligations	4.08	0.71	10	High
11	COVID-19 has delayed the publication of financial reports by enterprises	4.06	0.77	11	High
12	COVID-19 has resulted in the entities' loss of some distinguished clients	4.02	0.61	12	High

13	The effects of COVID-19 extend for more than a financial period	4.26	0.65	2	High
14	COVID-19 has created differences between the recorded values of assets and liabilities compared to their book values	4.09	0.71	8	High
15	COVID-19 has resulted in the suspension of some contracts with other parties	3.88	0.88	15	High
	Overall Average	4.09	0.52		

It is noted from Table No. (3), related to the independent variable (Covid-19), that the relative importance of all the arithmetic mean ratios for the questionnaire paragraphs came at a high level. The rate ranged between (3.88-4.28). The highest percent belonged to Paragraph No. 8, which is related to the occurrence of large losses among entities under Covid-19 by 4.28, and this indicates that the emergence and spread of the pandemic has unprecedented effects and circumstances that may create events that require the management to be more careful in evaluating the repercussions of those effects on the status of the entity in the future.
The paragraph related to suspending some contracts with other parties recorded the lowest arithmetic average percentage, as it reached 3.88, and despite this ratio, it was also of a high level in the sampling unit's responses.
Also, the paragraph related to the effects of Covid-19 extending to more than one financial period reached an arithmetic average of 4.26, and this may indicate that the effects of Covid 19 continue even after the pandemic ends. Therefore, entities should take into account the subsequent events of the upcoming financial periods. One of the important matters that entities should pay close attention to is going concern. Paragraph No. (9) is about determining the impact of Covid-19 on achieving the going concern assumption. The arithmetic average of the response regarding the impact of the pandemic on the going concern stood at 4.13 with a high level.

Table No. (4): Descriptive analysis of the answers of the sample members related to subsequent events (dependent variable)

Sequence	Paragraph	Arithmetic average	standard deviation	Rank	Relative Importance
1	Entities found information regarding assets impairment light of COVID-19	4.14	0.77	2	High
2	Entities have an evidence over the change in the realizable value after the reporting period	3.92	0.78	7	High
3	It turned out that there is a duty on the facility after the reporting period in light of COVID-19	3.89	0.82	8	High
4	The entities have information about the bankruptcy of some distinguished customers in light of COVID-19	3.81	0.79	9	High
5	Indications have emerged that prevent the entities from continuing as a going concern in light of COVID-19	4.13	0.85	3	High
6	The entities found a deterioration in their operational activities after the reporting period in light of COVID-19	4.17	0.72	1	High
7	The entity dealt with uncertainties due to COVID-19 in accordance with International Accounting Standards	4.08	0.57	4	High
8	Entities disclose non-adjusting events after the reporting period in light of COVID-19	4.02	0.85	5	High
9	The entity dealt with cases of increasing the level of business risks such as liquidity and credit risks	3.94	0.77	6	High
	Overall Average	4.01	0.55		High

It is noted from Table No. (4), related to the dependent variable (events after the reporting period) that the relative importance of all the arithmetic mean ratios of the questionnaire paragraphs came at a high level as the ratio ranged between (3.81-4.17).

The highest arithmetic mean ratio related to the dependent variable was for paragraph No. (6) with 4.17 percentage, which is that the entities found a deterioration in their operational activities after the reporting period in light of Covid-19, and this requires the enterprise to take into account that these events are possibly adjusting events.

The lowest percentage was paragraph No. (4) at a rate of 3.81, which is related to the management knowledge of the information that shows the bankruptcy of some distinguished customers in light of the pandemic, which requires the entities to clarify the impact of this event on the items of the financial statements, such as accounts receivable. Therefore, such

items either need an adjustment in their values or only a disclosure considering them non-adjusting events.
Paragraph No. (1), the entities obtained information about the assets impairment, ranked second in the arithmetic average ratio for the sample responses and reached 4.14 with a high level of relative importance. Therefore, the management should determine whether or not this information require adjusting the events after the reporting period.

Testing the Hypothesis of the Study
The main hypothesis: There is a statistically significant effect of COVID-19 on the existence of adjusting events after the reporting period in the Jordanian public shareholding companies listed on the Amman Stock Exchange.
To test the hypothesis, simple regression analysis was used, and Table No. (5) shows the results of the hypothesis test

Table No. (5): Results of simple regression analysis of the effect of COVID-19 in the existence of adjusting events

Independent Variable	R	R^2	F	Sig (F)	Coefficient B	T	Sig (t)
The impact of Covid 19 on the existence of adjusting events	0.589	0.347	32.88	0.000	0.553	5.73	0.000

The previous table shows that the regression model for the impact of the use of COVID-19 on the existence of adjusting subsequent events in the Jordanian public shareholding companies listed on the Amman Stock Exchange was statistically acceptable, depending on the F calculated value of (32.88), where it is considered a statistically significant value, as the value of the accompanied function reached (0.000) which is less than (0.05).
The table also shows the value of the coefficient ß, the impact of the independent variable on the value of the dependent variable in the regression model, which reached (0.553). It is noted that the value of the impact of the independent variable (Covid-19) on the dependent variable (the existence of adjusting subsequent events) was positive.
Through the table above, we note that the **t** linear value of the coefficient **ß** reached the significance level (0.000), which is a statistically significant value and means accepting the effect value through the value of ß for the influence of the independent variable on the dependent.
The value of R^2 is one of the indicators of the quality of the linear regression model, and it points to the percentage of the dependent variable variance that can be explained through the independent variable. The higher value (maximum value 1) of this indicator means higher quality of the model, which reached (34.7%).
Based on the results of the simple linear regression test shown in the table, we accept the study main hypothesis that there are adjusting events after the reporting period in light of COVID-19.

Conclusions & Practical Implications

The field study, in addition to reviewing relevant literature and publications of professional organizations responsible for the accounting profession, which attempted to demonstrate the impact of Covid-19 on financial reports and events after the reporting period, showed a set of results, the most important of which are

1- The study found that there is a statistically significant effect of Covid-19 on the existence of adjusting events after the reporting period according to the requirements of International Accounting Standard No.10. This is consistent with (Joshi, 2020; PWC, 2020).

2- Reviewing relevant literature and publications of global accounting organizations have shown that there is a consensus that subsequent events after the reporting period for the year ending in 2019 are non-adjustable events. This requires entities to disclose these events if they are of relative importance except for those related to the entities ability to continue as a going concern.

3. The study concluded that the effects of Covid-19 would extend to upcoming financial periods after 2019, even if the pandemic ends or decreases. The study showed that many of the effects will extend to the upcoming financial periods due to the nature of the events that accompanied Covid-19 and on the basis of which the financial statements were prepared. The study revealed several events whose procedures and estimates have been significantly affected after the spread of Covid-19, such as: 1) Estimates of some items of assets and liabilities, 2) evaluation of the performance of operational activities, 3) the entity’s ability to meet its obligations and the appropriateness of assessing entity's ability to continue as a going concern, 4) estimation of business risks related to liquidity and credit, and 5) Maintaining Distinguished clients. This, however, illustrated by the responses of the sampling unit represented by the financial managers and the internal audit, which all showed a high level of relative importance and also is consistent with (Hassan, 2020; Abdulaziz, 2021; Grant Thornton, 2020).

4. The study showed the ability of the IAS No. (10) in addressing the events after the reporting period even in the current exceptional circumstances as a result of the spread of Covid-19. The standard clarifies the favorable and unfavorable events that will be determined as adjusting subsequent events or non-adjusting that need only to be disclosed, through which the entities concluded that the events after the reporting period for 2019 are considered non-adjusting events. As for the upcoming periods, i.e after 2019, attention must be paid to determining the impact of Covid-19 on subsequent events (Maryam & Hilal, 2020). However, some of the directives approved by professional organizations in different countries regarding giving a grace period for the entities that exceed the period required to issue and publish their financial reports, need the International Accounting Standards Board to provide some necessary amendments to the International Accounting Standard No. (10) to comply with the directives of professional organizations in those countries.

This study recommends listed companies to apply International Accounting Standard No. (10) in an optimal manner, especially by identifying and categorizing the events after the reporting period whether they are adjusting or non-adjusting events. Entities should also pay attention while estimating items in the financial statements in light of the certainty/uncertainty cases resulting from the effects of Covid-19. Entities should also amend the strategies used in preparing, evaluating and estimating the items of the financial statements, especially those related to the entity’s going concern assumption even after Covid-19 effects are reduced or totally controlled. Furthermore, entities should use modern technological methods and means to continue their work and reduce the effects and consequences of the Covid-19

pandemic, because the pandemic has an impact on reducing sales, revenues and productivity of entities as a result of closures and movement restrictions, which are among the most important effects resulting during the emergence of the pandemic.
This study also urges international accounting standards issuers to consider revising IAS (10) to reduce the impact such pandemics, especially in light of some directives approved by organizations responsible for the accounting profession in different countries, like what was approved by the Amman Stock Exchange by allowing the entities to delay issuing their financial reports as a result Covid-19 effects. Finally, this study also urges. Finally, this study recommends that preparers of financial statements in public shareholding companies increase cooperation with the external auditor, internal auditor and audit committees with regard to accounts and estimates affected by the pandemic. The aim of this cooperation is to ensure the integrity of accounting procedures in accordance with accounting standards and to reduce modifications or reservations in the financial statements.

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