

1. Introduction

In order to create harmonized, comparable, transparent and consistent information, accounting bodies have started promoting International Financial Reporting Standards (IFRSs) to be used globally. This is due to the globalization of financial markets where there is a need to reduce information asymmetry, and enable investors to compare the performance of organizations regardless of what countries they operate in (Latifah et al., 2012; Al-Sartawi, 2016). After the global financial scandals, particularly, the financial scandals of 2001 and the financial crisis of 2008, governments, audit firms, and regulatory bodies began taking steps towards improving their corporate governance structure (Mousa & Desoky, 2012; Al-Sartawi & Hamdan, 2013). Additionally, potential and current investors have started demanding timely and transparent information.

2. Objectives

1. To determine the level of compliance of IAS-1 by companies listed in Bahrain Bourse.
2. To determine the level of corporate governance by companies listed in Bahrain Bourse.
3. To examine the nature of the relationship between the level of compliance of IAS-1 and level of corporate governance by companies listed in Bahrain Bourse.

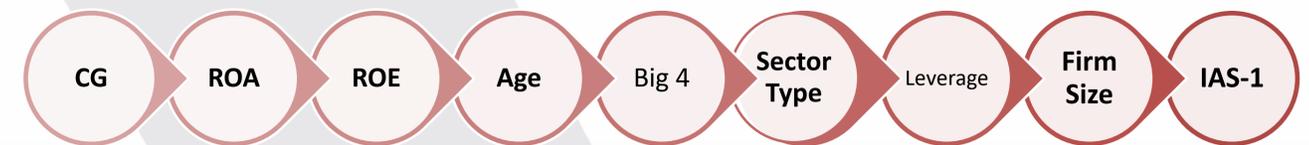
3. Resources

1. The Corporate Governance Code of the Kingdom of Bahrain published in 2011 by the Central Bank of Bahrain (CBB).
2. Annual Reports of companies listed on the Bahrain Bourse for the year ended 2015.
3. Official websites of the listed companies.

4. Model

5. Research Hypotheses

The relationship between the below factors and the International Accounting Standard No. 1



6. Methodology

1. The sample of the study included 39 firms listed in Bahrain Bourse
2. A checklist was designed (8 items regarding the board of directors' characteristics and 4 items regarding the audit committee) to measure the level of corporate governance.
3. The researchers examined the relationship between the level of corporate governance and the level of disclosure to find out whether the extent of mandatory compliance with IFRS was affected by the level of corporate governance.

7. Findings

1. The level of corporate governance applied in Bahrain listed companies was 72.5% for the year ended 2015.
2. The results indicate that there is a positive significant relationship between the level of corporate governance and the level of compliance with IAS 1.
3. The regression analysis indicates that disclosure compliance of 83.02% varies by the control variables: audit firm size, profitability (ROE), performance (ROA) and leverage.

8. Recommendations and Future Research

The analysis should be particularly relevant to regulatory bodies and standard setters. The study, therefore, recommends the CBB and the MOIC, the regulatory bodies in Bahrain, to organize regular training programs and to provide practical guides for full compliance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

$$IAS-1_i = \beta_0 + \beta_1 CGL_i + \beta_2 L_FSZ_i + \beta_3 ROA_i + \beta_4 LVG_i + \sum_{k=1}^{n=3} \beta_k SECT_{i,k} + \beta_6 BIG_i + \beta_7 AGE_i + \beta_8 ROE_i + \epsilon_i$$