

Enhancing Financial Reporting Quality: The Influence of Audit Committee Attributes and the Role of Audit Quality



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ABSTRACT: This study to analyze the influence of the positive Characteristics of the audit committee consisting of an independent audit committee, knowledge accountancy audit committee, number meeting audit committee, and size audit committee on quality reporting finance. Besides that For analyzing audit quality strengthening moderation between characteristics of the audit committee with quality reporting finance. Research This uses agency theory which emphasizes the conflict of interest between the principal and agent. Research This is a study associative with using secondary data from the Indonesia Stock Exchange (BEI) or via the company website of each sample. The sample collection technique sample uses method purposive sampling. Sample in study This is all over incoming companies The LQ 45 index is listed on the Indonesia Stock Exchange (IDX) with a total sample of 120 observations. For the test, the hypothesis used MRA analysis with the use of application data. The results of the research include the independent audit committee, knowledgeaccountancy audit committee, number meeting audit committee, and the number of influential audit committees for quality reporting finance. Companies that use Big Four auditors can strengthen the connection between the independent audit committee and knowledge accountancy audit committee on quality reporting finance whereas companies that use Big 4 auditors weaken the connection amount meeting audit committee and the amount audit committee on quality reporting finance.

KEYWORDS: characteristicsaudit committee, quality reporting finance, audit quality

1. INTRODUCTION

Fueled by scandal companies and cases of fraud that have plagued the business world in recent years First in the 2000s, regulators set governance structure companies to protect investors and avoid fraud reporting finance. However, although there is a permanent regulator just happens to matter such as an incident in the report submitted to BEI where the total assets company changed to Rp. 22.8 trillion (down Rp. 1.2 trillion) and the company lost net Rp1.3 trillion. After several years, case another occurred at PT Bank Bukopin which revised its profit net 2016 to Rp183.56 billion from previously Rp1.08 trillion. The decrease the biggest happened in the section income provisions and commissions which are income from card credit. Income This is down from Rp1.06 trillion to Rp317.88 billion (CNBC, 2018). Case the show that quality report finance Still questionable.

Sealin That quality reporting finance Can seen from accuracy time reporting finance, where for 6 years last on BEI amount late company in delivery report financial ups and downs, where year In 2015 there were 52 companies (10.338%), in 2016 there were 69 companies (13.372%), in 2017 there were 70 companies (11.589%), in 2018 there were 113 companies (17.889%), in 2019 there were 64 companies (9.316 %), and in 2020 there were 96 companies (12.715%) (Indonesia Stock Exchange, 2021). This can give a description that quality reporting finance is still questionable. On the side of others, governance companies that have not been effective also contribute to the occurrence of cases.

There are many debates about the fundamental role played by governance companies in increasing quality reporting finance from the perspective theoretical theory of agency and theory signal (Bedard and Gendron, 2010). More precisely, quality report finance is very important for holder shares, creditors, and investors, providing they information finance about the company, depending on the reliability of its translation to in decision investment. Quality reporting finance is a vital thing for users reporting finance, practitioners, regulators, and researchers in the field of accounting. High-quality information accountancy like income also becomes matter important for a company to access capital markets and debt markets. Information about income functioning for describe performance finance company. From the perspective of investment, quality reports and bad finances are problems

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that can mislead investors (Myers, Myers, & Omer, 2003; Schipper & Vincent, 2003). Quality report high finances can also increase Power to attract investors to shares and increase market liquidity (Young & Guenther, 2003), lowering the cost of debt (Salvato & Moores, 2010), reducing the cost of capital (Khalifa, Othman, & Hussainey, 2018; Leuz & Verrecchia, 2000; Salvato & Moore, 2010), and encourage more capital allocation efficient (Ha & Feng, 2018; Biddle, Hilary, & Verdi, 2009; Bushman, Piotroski, & Smith, 2011).

Absence of information This triggers market manipulation (Okoye and Ofoegbu, 2011). Thus, cases related to reported fraud in a way reliable, and case bankruptcy has an impact on quality reporting finance (Olowokure et al., 2016). Therefore that's one of the things that is needed is for the Audit Committee to monitor and prepare in give report accurate and transparent finances as well as disclosure related (Cohen et al. 2017). One of the form embodiment companies in Indonesia in implementation of Good Corporate Governance (GCG) is with formation Audit Committee and preparation Charter Audit Committee in accordance with Regulation Financial Services Authority Number 55/POJK.04/2015 of 2015 about Formation and Guidelines Implementation Work Audit Committee in increase quality reporting finance. The role of the audit committee to assist the board of commissioners in supervising the reporting process finance and overall process is more significant for forming a company with quality good governance (Wallace and Zinkin 2005). Benefits obtained from a quality audit committee can have good impact on a company when There are strong and binding regulations (Farber, 2005).

The effectiveness committee's internal audit function helps the board of Commissioners guard quality report finance will better with the existence of an auditor who has the quality that tall. There are many aspects of the relationship direct between characteristics audit and quality committee reporting finance. With objective highlight connection this, research This add effect moderation that is audit quality. Although confession is wide about the importance of audit quality, there is a gap in the literature on empirical research effect moderation from factor This. This will help the company increase audit quality and avoid problems reporting finances. Besides study, This expands existing literature with test effect moderation audit quality against the connection between audit committee with quality reporting proxied finance with management profit real.

The Objective this study to analyze the influence of independent audit committees, expertise accountancy audit committees, number meeting audit committees, and size audit committees on quality reporting financial and moderated audit quality. Research This highlights the important characteristics of an audit committee in supervising quality reporting finance companies with the aim of ensuring that the information required by investors is available useful and accurate information time. Besides study, This expands existing literature with the test effect moderation audit quality against the connection between audit committee with quality reporting proxied finance with management profit real.

2. LITERATURE REVIEW

Agency Theory

Agency Theory Jensen and Meckling (1976) stated that there are two mechanisms for overcoming conflict agency that is mechanism bonding and mechanisms monitoring (monitoring). Conflict agency which is still there is something that not can be overcome by both mechanisms referred to as residual loss. Mechanism binding is a binding mechanism agent that can behave in line with the interest principle. While mechanism supervision is run by internal and external parties from an external company to an agent. Mechanism This can be in the form of internal such as through role effective from the board of Commissioners or non-executive boards, audit committees, and internal auditors, as well as in a way external namely by auditors, media, and regulators. Research This focuses on a close mechanism the relation to report finance that is a mechanism of good monitoring from the internal side represented by the audit committee as well as in a way external represented by the auditor. This is because the second party owns a very big role in the reporting process finance and has an adequate understanding of the report finance company.

Quality Reporting Finance

According to Jonas and Blanchet (2000), quality reporting finance is information complete and transparent financial that is not designed to blur or mislead users. Perspective protection holder stocks/ quality investors reporting finance, which means that quality reporting depends on the use and sufficiency of capital providers. Therefore, the more use of information from report finance, increasingly tall quality of report finance and vice versa. Thus, the report finance must give transparent, accurate information time and can be reliable for protecting investors. According to Akeju and Babatunde (2017), quality reporting finance covers information useful financial and non-financial information for making decisions that are included in report finance. Indeed, the numbers finance are very interesting but information non-financial can also differentiate the company and encourage capital providers to invest. De facto, the elements financial and non-financial certain in report finance used in accordance with approach attribute special for measure quality report finance.

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Development Hypothesis

Independence Audit and Quality Committee Reporting Finance

audit committee must be independent of management because enables internal and external auditors to still be free from influence and interference hands that are not from executive companies. Pomeroy and Thornton (2008) in a meta-analysis of 27 studies show that the independence of the audit committee is size quality the most common audit committee selected and consensus shows that matters That increase quality reporting finance. Therefore, the relationship between AC independence as a feature main and decision reporting finance managerial. Moreover, again, Beasley (2009) proves that the independent audit committee relates negatively to the occurrence of fraud finance. Kamarudin et al. (2017) found that independence correlated audit committees negatively with independence audit and management committee profit. This shows that the audit committee's independence has an influence positive to discretionary accruals and restatements. This shows that ratio independence of a larger audit committee high on the board correlates with level higher abnormal accruals high and possible company state return profit. Likewise, Amin et al. (2018) prove that the independence of the audit committee has a connection negative with accrual discretionary and similar results to Hasan et al. (2020). Therefore, the independence of the audit committee is said to be a factor key in the increasing role they in preventing misrepresentation in report finance. Therefore, the hypothesis First following submitted:

H1: Independence audit committee relates positively to quality reporting finance

Knowledge Accountancy Audit and Quality Committee Reporting Finance

DeFond et al. (2005) claim that expert finance is considered important for the effectiveness of audit committees because the committee needs to do various tasks that require a level of sophistication and high financial. Dhaliwal et al. (2010) revealed that the ability of experts increase quality profit. In fact, they find that the presence of expert accounting and finance in the audit committee has an impact positive on quality finance for company AS. Ghafran and O'Sullivan (2017) highlighted Mark's potential skill audit committee in a larger company compared to with company registered, showing that Mark's skill for audit quality depends on the challenges reporting finance certain issues faced company. Moreover, again, Al-Shaer et al. (2017) found that AC quality tends to be increase quality than the volume of disclosure accountancy environment, that expert accountancy causes improvement, and that applicable for more companies small. Therefore, hypothesis second following submitted:

H2: Knowledge accountancy influential audit committee positive to quality reporting finance

Amount Meeting Audit and Quality Committee Reporting Finance

Xie et al. (2003) showed that amount board meetings related negatively to level management profit, showing that the council met in a way regular can monitored with better. This shows that the active council that devotes time to repair problems quickly can obstruct management profit. Besides that, Beasley et al. (2009) claim that member audit committees committed to meaningful and substantive meetings which in turn will lead to more monitoring and improve the reporting process finance. Literature previously argued that the frequency of meeting audit committees lowers the level of presentation return finance. Habbash and Alagla (2015) argue that more meetings often reduce accrual discretionary and increasing quality reporting finance. This shows that the audit committee is more efficient and committed to producing quality performance (Abbott, 2016). Therefore, the hypothesis third following submitted:

H3: Amount meeting influential audit committee positive to quality reporting finance

Size Audit and Quality Committee Reporting Finance

Related to the theory dependence on source power, size the audit committee has considered very much increase quality reporting finance. Indeed, a more audit committee tends to behave as an authoritative body that carries out function-effective monitoring. Moreover, again, Dhaliwal et al. (2010) showed that the size audit committee improves the quality of reporting finance Because of skills and experience of the diverse skills they share among they alone. Setiany et al. (2017) studied characteristics of audit and disclosure committee finance volunteerism in Indonesia, which shows that the size influential audit committee is significantly positive to reporting finance. Therefore, the hypothesis fourth following submitted:

H4: Size influential audit committee positive to quality reporting finance

Audit Quality Moderates Characteristics Audit Committee with Quality Reporting Finance

In doing its job of supervising the reporting process finance in the company, the audit committee must also often be involved with an external auditor Which must be held periodically between the parties related to policies and practices important accounting (Wallace and Zinkin 2005). As part monitoring function, the qualified auditor will help task supervision on report finances run by the audit committee. Qualified auditors tall and have a good understanding of the industry company will support the task audit committee in guarding quality report finance. Krishnamoorthy et al. (2008) also stated that an audit committee can be more effective in confronting management when the completion process of dispute-related reporting finance when supported

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by qualified auditors because the quality auditor will have a good understanding of the disputed issue and the ability to communication Good with management and with the audit committee. Therefore, hypothesis 5 is submitted:

H5. Audit quality is capable of moderating the connection between the characteristics of audit committees with quality reporting finance.

3. RESEARCH METHODOLOGY

Type Study

Type research used in the study This is a study associative with approach quantitative. According to Sugiyono (2018:37), study associative is research that aims to know the connection between two variables or more and research quantitative can interpreted as method research based on philosophy positivism, used For research on a population or sample certain, data collection using research instruments, data analysis is quantitative statistics with objective For to study hypothesis that has been set. Study This is located in Indonesia with using report data company annual report LQ-45 index on the Indonesia Stock Exchange which is available on the official website of the Indonesia Stock Exchange (IDX) <http://www.idx.ac.id> and the respective company websites. Period observation research used is for 5 years that is 2018 to 2022.

Population and Sample Study

According to Sugiyono (2018:80), population is a generalization area consisting of an object or subject that has quantity and characteristics certain conditions set by researchers For study and then withdrawn conclusion. Population in study This is all over company The LQ 45 index listed on the Indonesia Stock Exchange (IDX) in 2018-2022 consists of 45 companies.

According to Sugiyono (2018:81) sample is part of the number and characteristics possessed by a population mentioned. Method taking a sample in study This is a method of purposive sampling, namely election sample on base conformity between samples with criteria election certain. Criteria election sample in study This is:

- 1) LQ-45 Index Companies in a row for 5 years enter LQ-45 index from 2018 to 2022
- 2) LQ-45 Index Companies that publish report finance and reports annual period 2018-2022.
- 3) LQ-45 Index Companies that display information completely related with variable study This.

Table 1. Sample

No.	Sample Company Description	Amount
1	LQ-45 Index Companies for the period 2018-2022	45
2	LQ-45 Index Companies that are not consecutive during period 2018-2022	(21)
2	Index companies The LQ-45 index does not display information in a way complete	(0)
	Amount sample company	24
	Amount sample company period 2018-2022	120

Analysis Regression

Testing hypothesis in research This uses analysis of multiple linear regression to obtain a comprehensive overview of the connection between variable One with variable others, namely: the company's market value with a number of variable independent namely: reporting integrated and disclosure risk textual which is formulated:

$$EPS = \alpha + \beta1KA + \beta2PAKA + \beta3JRKA + \beta4LKA + \beta5size + \beta6Lev + \beta7Loss + e(1)$$

$$EEPS = \alpha + \beta1KA + \beta1KA * KA + \beta2PAKA + \beta2PAKA * KA + \beta3JRKA + \beta3JRKA * KA + \beta4LKA + \beta4LKA * KA + \beta5size + \beta6Lev + \beta7Loss + +e$$

(2)Hypothesis Testing

Interaction test often called Moderated Regression Analysis (MRA) is an application of special regression linear multiple where in equality the regression contains element interaction. The MRA test can seen in Equation 2. Besides the testing hypothesis in the study can measured from the goodness of fit function of regression based on the regression model that has been done. In statistics, analysis This can be measured from mark t statistic, value F statistic, and coefficient determination.

4. RESULTS AND DISCUSSION

Testing and selecting panel data estimation models are used to select one of the three models that are more appropriate and have more efficient estimates in this study. The right model to estimate panel data parameters can be selected from a variety

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of options. The Chow test, which is used to choose between the pooled least squares (PLS) model and the fixed effect (FE) model, is one of the three tests used to select a panel data estimation model. The fixed effect model (FE) or random effect model (RE) is selected through the second test, the Hausman test. In addition, the pooled least squares (PLS) model or the random effects (RE) model can be selected through the Lagrange multiplier test. Therefore, from the results and testing selected the random effect (RE) model is used in the study. Statistical data descriptive from the study of the variables can seen in Table 2 below:

Table 2. Statistical Results Descriptive

Variables	Observe	Mean	Std. Dev.	Min	Max
EPS	120	256,9314	258,4436	-308	1094
KAI	120	1,7083	1.04033	0	6
PARTY	120	1,075	0.8808	0	3
JRKA	120	16,1167	13,2729	4	57
KJA	120	4,075	1,4152	3	8
BIG4	120	0.9167	0.2775	0	1

This test is directed to determine the magnitude of the impact that one has factor-free in understanding variable dependent. The existence of variable control and influence variable independent report integrated into variable dependent company market value will shown in a study. If it is smaller than (0.05) or the t-statistic value is bigger than mark critical t-table, then H₀ will be rejected, but H_a did not will rejected. Method random effect (RE) is used to perform a significance test partial on panel data, and the results are in tables 3. as follows:

Table 3. Significance Test Results Partial (t-Statistic Test) EPS

EPS	Coeff.	Std.Err.	Z	P> z
KAI	-118,1419	113,566	-1.04	0.298
PARTY	36 3,276	258 ,6083	1 ,40	0.046 *
JRKA	-16,2908	14,2298	-1.14	0.252
J.K.A.	217,4954	166,2112	1.26	0.092 **
KKABIG4	152,5395	116,1669	1.31	0.089 **
_cons	87,4691	200,7177	0.44	0.663

Source: Processed STATA output (2023). * sig=0.05 **sig=0.10

Based on Table 3. shows a coefficient worth constant of 87.4691 and a P-value of 0.298 for a significant KAI If the variable independent KAI is constant then the average EPS is 87.4691. The coefficient value regression of -118.1419 (negative) with a level significant 0.298 > 0.05 which means KAI is not influential on EPS. The PAKA coefficient value is 363.276 (positive) with a level significant 0.046 < 0.05 which means PAKA has an effect positively on EPS. The JRKA coefficient value is -16.2908 (negative) with a level significant 0.252 > 0.05 which means JRKA is not influential on EPS. The JKA coefficient value is 217.4954 (positive) with a level significant 0.092 < 0.10 which means JKA has an effect positively towards EPS. The KKA coefficient value is 152.9353 (positive) with a level significant 0.098 < 0.10 which means BIG4 moderates the influence of KKA on EPS.

Based on Table 3. can concluded that H₁ is rejected, the independent audit committee is not influential in quality reporting finance. This matter according to the researcher due to a number of matters among others: 1) High Governance Standards, where incorporated companies in LQ-45 usually Already own governance standards corporate governance which is Good compared to with companies that do not merge in the index. They tend to Already own systems reporting more finances transparent and standardized. As a result, the influence independent audit committee may Not too seen Because reporting finance Already has high standards, even without influence significant from the audit committee. 2) Size and Complexity of the Company, where Companies in LQ-45 generally are big with structure and complex organization. In companies big like this, function internal control may be more dependent on the department finance or other supervisory divisions, not only on the audit committee. This makes the role independent audit committee one of the parts small from overall mechanism control so that the impact on quality reporting finance can not enough visible. 3) Focus independent audit committees on Compliance, Not Quality Reporting, where audit committees are often more focused on aspects of compliance to regulation and standard reporting than in a way actively increase quality Contents report finance. In a matter of this, the independent audit committee may only ensure that report finance Already fulfills standards and regulations, but is not involved more in increase the quality reported information (e.g., openness,

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consistency, or quality disclosure). Therefore That can concluded although the audit committee's own role is important in supervision reporting finance, there are a number of conditions specifically for companies in the LQ-45 Index that can limit the influence direct they to quality reporting finance. Factors like governance standards that have been high, supervision from regulators and external auditors, and the complexity company make the role of the audit committee become from Lots element in guard quality report finance so that influence Can look No significant in context.

Based on Table 3. Summarizing that H2 accepted, knowledge accountancy influential audit committee to quality report finance. Knowledge of good accounting in The Audit Committee may impact positively to quality reporting finance a company. This is Because a member of The Audit Committee has a strong understanding of the principles of accounting and practice best will operate role with more effectively and make more decisions Good in supervising reporting finance. According to researchers possibility This happens because 1) more assessment is Good Where members of The Audit Committee have knowledge of strong accounting and can evaluate whether the report finance reflects with Correct performance financial company. They can identify potential problem accountancy or mismatch with standard applicable accounting. 2) The Audit Committee which has a good understanding of accountancy can ensure consistency in the method of accounting used company from year to year important to make it easier to understand and comparison report finance from period to period. 3) Knowledge of strong accounting allows members Audit Committee to do better in solving problems in complex accounting or controversial that may appear in reporting finance. So that can concluded that knowledge of good accounting in The Audit Committee may increase understanding and supervision of the reporting finance company. This helps ensure that report finance is prepared with high integrity and quality, which in turn can increase trust holder shares, investors, and stakeholders' interest in the company.

Based on Table 3. conclude that H3 is rejected, the number of meetings audit committee does not influence to quality report finance. Amount meeting Adequate and scheduled Audit Committee in a way routine No impact to quality reporting finance a company. There are some reasons Why the amount meeting the audit committee Possible No influential significance to quality report finance in the incorporated companies in LQ-45 Index. A number of factors This related to quality meetings, characteristics company, as well as various factors that are possibly more dominant in influencing quality report finance. Here are some reasons namely: 1) quality meetings are more important than frequency, where frequency meeting audit committees do not always reflect effective meetings. Even though the amount many, the discussion that was held was not enough deep or had no focus on issues in reporting finance, then the impact to improvement quality report finance Can so minimal. On the other hand, meetings that are rare but very effective in handling problems critical can have a more impact positive on quality reporting. 2) Expertise and competence audit committee is more important, where expertise, competence, and experience from member audit committees in field accounting and finance are more important than only just amount meeting. The audit committee has members with competence tall can provide more suggestions and recommendations although the frequency of the meetings is not many. If the audit committee often meets but is not supported by adequate expertise, then meetings the Possible No produce significant improvement in quality report finance. 3) Time and Resource Limitations Power Audit Committee, where the audit committee may face limitations on time and resources the power that cause meeting only natural formality or just fulfill obligation regulations. Meetings held only to fulfill condition regulations often do not have an impact substantial on quality report finance. Therefore, the amount of meetings Can become many, but If the discussion is not deep or is not focused on the problem main in report finance, then its influence on quality reporting will be small. So meetings of audit committee No always become indicators quality of report finance, especially in context companies that are big and organized with Good as incorporated in the LQ-45 Index. Factors like quality from meetings, the competence of member audit committees, and supervision strict from regulators and external auditors play a role in guarding quality report finance. Amount high meeting No always reflect effectiveness, so that its influence to quality report finance Can just No significant.

Based on Table 3. Summarizing that H4 accepted, size influential audit committee to quality report finance. The size of the audit committee can influence quality report finance in the affiliated companies in the LQ-45 Index Because of various related reasons with effective supervision, capacity work, and diversity perspective in the committee Based on. Observation researcher size influential audit committee to quality report finance in LQ-45 companies because of a number of matters among others: 1) more Lots members means supervision strong, where an audit committee with amount more members allows distribution of more tasks evenly in supervise various aspects reporting finance company. With more Lots members, each member can focus on a specific area like compliance regulation, management risk, or internal control. This is can increase accuracy in supervision regarding the reporting process finance, so that help in identify error or mistakes that can be made just escape If amount member committee more little. 2) Diversity Perspective in Decision Making, where the size of a larger audit committee can also bring diverse perspectives in discussion and decision-making. Every member committee Possibly has different backgrounds, experiences, and skills, which can enrich the view in evaluating quality report finance. With more Lots perspectives involved, there are possibilities bigger than detecting potential risks or problems in reporting possible finances No visible to members of more

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committees a little bit. So that can be concluded that the size of a larger audit committee in companies' LQ-45 Index can impact positively quality report finance Because allow more supervision, diverse perspectives in making decisions, and capacity for more work. In a company with structure and activities with complex finances, the existence of more Lots members in the audit committee can help ensure that the reporting process finance walks in accordance with standards, is more transparent, and can relied on by stakeholders' interest.

Based on Table 3. Summarizing that H5 is accepted, audit quality is capable of moderating the connection between characteristics of the audit committee with quality reporting finance. Audit quality is capable of moderating the connection between characteristics of audit and quality committee reporting finance in the affiliated companies in the LQ-45 Index for a number of reasons. Good audit quality, especially that performed by external auditors, can strengthen the effectiveness supervision audit committee on reporting process finance. Based on observation researchers have that audit quality is capable of moderating the connection between characteristics of the audit committee with quality reporting finance in LQ-45 companies because of a number of matters among others: 1) Strengthening Supervision Audit Committee, where high audit quality can help audit committee For more effective in operating his role in supervise the reporting process finance. Qualified external auditors can provide more audit reports detailed and in-depth, which then can be referenced by the audit committee to identify areas in need of attention. However, even though characteristics of the audit committee (such as size, frequency of meetings, or expertise) influence quality reporting finance, the existence of quality audits can strengthen influence said, because the audit committee has more information and is able to give advice or more corrections right. 2) Improve Trust in Audit Findings, where when external audit quality is high, the results and recommendations submitted by the auditor are more trusted by the audit committee and management. This is important Because the audit committee can use recommendations to increase accuracy and transparency report finance. In other words, high audit quality can moderate connection This method ensures that the findings audit committee are supported by strong evidence from external audit so that actions taken by the audits committee have more impact on quality reporting finance. 3) Quality Audit Help Identifying Risk Earlier, where Auditor with quality tall usually own deep expertise in identify risks possible finances No detected by the audit committee, especially associated risks with complexity transaction finance company in LQ-45 Index. This can help the audit committee for more fast in take action corrective and ensure that the report finance still reflects the condition of the real finances. With the existence of the role of quality audit, the audit committee can be more proactive and responsive in guarding quality report finance. Thus, audit quality can moderate the connection between characteristics of audit and quality committee report finance through improvement transparency, which has an impact on the perception positive from the market and investors. Therefore That can concluded that audit quality can moderate the connection between characteristics audit committee (such as size, expertise, or frequency of meetings) and quality report finance in the company LQ-45 index by giving support in-depth information, improving supervision, and accountability, as well as help in identify and manage risk in report finance. Good audit quality helps the audit committee work more effectively so that every characteristic of the audit committee can have more impact on quality reporting finance.

5. CONCLUSION

Based on an objective study can concluded that:

Independent audit committee No influence on quality reporting finance. Although the audit committee's own role is important in supervision reporting finance, there are a number of conditions specifically for companies in the LQ-45 Index that can limit the influence directly to quality reporting finance. Factors like governance standards that have been high, supervision from regulators and external auditors, and the complexity company make the role of the audit committee become from Lots element in guard quality report finance so that influence Can look No significant in context. Knowledge accountancy influential audit committee on quality reporting finance. Knowledge of good accounting in The Audit Committee may increase understanding and supervision of the reporting finance company. This helps ensure that report finance is prepared with high integrity and quality, which in turn can increase trust holder shares, investors, and stakeholders' interest in the company. Amount meeting audit committee does not influential on quality reporting finance. Amount meetings of audit committee No always become indicators of quality of report finance, especially in context companies that are big and organized with Good as incorporated in the LQ-45 Index. Factors like quality from meetings, the competence of member audit committees, and supervision strict from regulators and external auditors play a role in guarding quality report finance. Amount high meeting No always reflect effectiveness, so its influence on quality report finance Can just No significant. Amount influential audit committee on quality reporting finance. The size of a larger audit committee in companies' LQ-45 Index can impact positively quality report finance Because allow more supervision, diverse perspectives in making decisions, and capacity for more work. In a company with structure and activities with complex finances, the existence of more Lots members in the audit committee can help ensure that the reporting process finance walks in accordance with standards, is more transparent, and can relied on by stakeholders' interest. Companies that use Big Four

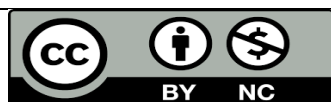
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auditors can strengthen the connection between characteristics of audit committees on quality reporting finance. Audit quality can moderate the connection between characteristics audit committee (such as size, expertise, or frequency of meetings) and quality report finance in the company LQ-45 index by giving support in-depth information, improving supervision, and accountability, as well as helping to identify and manage risk in report finance. Good audit quality helps the audit committee work more effectively so that every characteristic of the audit committee can have more impact on quality reporting finance.

In the study, there are several limitations that can made into a reference or novelty study that will lift the same theme, some among them, namely: Study This needs to be developed further again to get results empirically stronger, namely by further research wide with using data from all companies on the Indonesia Stock Exchange. Study to front of it Can do study similar with add variable other interactions or mediation so that Can bridge results not yet consistent.

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