

INFLUENCE BOARD OF DIRECTORS AND AUDIT COMMITTEE ON PERFORMANCE FINANCE COMPANY

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ABSTRACT

This research aims to analyze the magnitude of the influence of several characteristics of the size of the board of directors, the frequency of board commissioner meetings, and the competence of the audit committee on financial performance in construction companies in 2018–2022, with company age as a moderating variable. The theory of this research refers to agency theory and good corporate governance. This research is empirical, using data from audited financial reports on construction companies published in the period 2018–2022. Data analysis uses panel data regression analysis. Based on the results of panel data regression analysis with a significance level of 78% using the Eviews 12 application, This research uses ROE and Tobin's Q measurements to test the company's financial performance. The research results show that the size of the board of directors does not have a significant positive effect on financial performance based on ROE and Tobin's Q. Based on ROE, the frequency of board of commissioners meetings has a significant negative effect on financial performance, while based on Tobin's Q, the frequency of board of commissioners meetings has a significant positive effect on financial performance. Based on ROE and Tobin's Q, audit committee qualifications do not have a significant effect on financial performance. This research also shows that the size of the board of directors, the frequency of board of commissioners meetings, audit committee qualifications, and company age together or simultaneously influence financial performance.

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1. INTRODUCTION

Company performance, or the sustainability of a company's operations in the future, is a crucial consideration because it includes positive and negative aspects of company performance [1]. The purpose of performance measurement is to set future goals strategically in order to achieve them effectively [2]. Through the performance measurement process, the organization will be able to identify and evaluate both the strengths and weaknesses that exist in its operations. Performance review is an important process that aims to identify errors that occur and improve the decision-making process across several dimensions of organizational performance, including financial performance [2].

Because it is related to the productive use of money and the efficacy of business processes, financial performance is a challenging problem to solve [3]. Investors tend to emphasize the success of companies that exhibit strong financial performance. Such organizations are expected to achieve profitable sales and profit results in line with their initial projections. Companies that exhibit strong performance tend to allocate part of their profits to distribute dividends to their investors. In accordance with the objectives of investors in the field of capital investment, especially with the main objective of achieving increased welfare [3].

Performance Finance is a measure of success that can tell you whether your company has a future or not. Financial ratios can be used to analyze the company's current state and past performance. So that investors can know a quality company, it is important for the company to increase its performance and finances. Ratio profitability is a statistic used for objectively evaluating and scoring a company's financial performance [1]. Ratio profitability allows investors to assess a company's ability to earn profit [4]. Therefore, it is important for the world business to reach what they plan for the beginning of the fiscal year. Enhancement income company trends have become an indicator of getting better performance company enhancement income company has occurred.

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According to Asna, this business has a high level of efficiency in its function. Enhancement, which is mentioned in the article, also gives results that are beneficial for the business sector because it increases its ability to recruit investors and obtain cash allocation for the organization [2][5]. Profitability ratios are used to evaluate the overall financial profits produced by an entity. The concept of *return on assets* (ROA) as a metric for profitability scores has been established and discussed by Kasmir [6]. Use of ratios Return on assets (ROA) is often seen in many situations. The return on assets (ROA) ratio is used as a quantitative measure of size. For meskor effectiveness, a company produces profit relative to its total asset portfolio. A greater return on assets (ROA) ratio indicates increased profitability and increased productivity as a result of more efficient use of company resources. A negative return on assets (ROA) indicates that the company is currently losing or is about to lose. Observation interprets that the combined potential of all sources of power has failed to give a financial profit [2].

For interesting candidate investors, it is important for organizations to increase and maintain their financial performance. Investors who allocate their capital to a company always anticipate a return on their investment, so evaluating financial performance is an important step before making investment decisions. Apart from that, financial performance scores have an important meaning in managerial decision-making. Through financial performance scoring, managers can make the right decisions about strategic direction, which is optimal for the company in the next period. When trying to reach an objective organization, management always faces a number of challenges.

In the process of making decisions or implementing policies, managers rarely commit fraudulent actions that impact the organization's financial performance. Conflict that arises as a consequence of differences in interest between management and ownership has the potential to have a negative impact on the company's reputation and reduce company performance overall. To mitigate the potential impact on financial performance, it is important to establish a comprehensive framework that can serve as a guiding mechanism for managing organizations.

Theoretically, the implementation of standards for good corporate governance (GCG) has the potential to increase the score of a company, increase performance in finance, and mitigate risk. Potential risks that are related to the board's decision-making process, which may prioritize its interests alone and finally increase investor trust [7], The Board of Directors is an embodiment score based on openness, equality, accountability, and not quite enough answers. Execution not quite enough answer Directors Which effective expected can increase success finance company, so that grow satisfaction holder share on company performance in a way whole.

Board Commissioner play an important role in ensuring the application system. Manage a good company. The Board of Commissioners is responsible for maintaining accountability in the company, mainly in supervising operational internals. Board The commissioner of a company has a very important role. The board of commissioners is expected to have the ability to reconcile the interests of the principal to achieve financial results that are profitable. Because not quite enough answer main A board commissioner is someone involved in taking decisions and taking actions that prioritize the well-being and success of the organization, while refraining from doing so to chase an objective individual or self-interest alone. Board Commissioner Form The Audit Committee functions as a supervisor of business operations and a liaison between the board and executive leadership. It is strongly recommended that the Audit Committee follow the guidelines of the GCG, with a focus on the idea of independence. Independence requires the Audit Committee to have the capacity to give a report on performance finance, which is authentic if there is an impact from the interests of external parties. Ideas about age and experience The company has a consistent nature. There is a striking difference between young businesses and business-long businesses in terms of level of skill and a number of other factors. Activity innovative Companies experience changes over time, and the age of a business functions as an indicator of the development process and accumulation of skills.

The importance of age as a factor in corporate innovation stems from learning effects, where organizations that are already established are capable of innovating in a way that is more efficient with their accumulation routine and capacity. Along the way, the company's capacity for involvement in innovation has grown, not only through the use of previous experience and talent, but also through the gathering of source power, skill management, and the ability to face difficult circumstances. The term "age company" refers to the length of time it takes for a company to establish, develop, and remain active. Loderer and Waelchli (2015) explained in their scientific article entitled "Company Age and Performance" that, along the way, organizations tend to experience declining efficiency [8]. Other case According to Nugroho (2017), the age of a company is the period of time from its founding, beginning activities, and

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reaching circumstances of continuity in the realm of his business [9]. As a company's age increases, so does its visibility and market presence. As a result, companies tend to apply a higher level of transparency in order to embed trust in between holder interests external on the quality as a whole.

Subsector construction and building play an important role in stimulating economic development and are consistently expected to increase their contribution to the national GDP through a determination standard. Effort This is a challenge considering the state of the global economy, which is marked by an expected crisis of increased costs related to production infrastructure and reduced flexibility in financing company construction and building. Subsector industry recorded in Exchange Effect Indonesia (IDX) part big consists of business construction and construction. With more and more companies registering with the IDX, it is clear that the construction and building sector is experiencing rapid growth. On In the 1990s, the number of legally recognized companies was limited to just one entity. Nevertheless, we are now in the twenty-first century, and we want to reach 2022. The estimated number of companies listed will officially increase to 87.

The more important industry construction and building as catalysts for progress The national economy as a whole is shaped by various factors, such as government regulations and policies, sectoral policies, effective governance, framework business, dynamics in the market, and expansion in the economy. Development industry construction and building have an impact that is significant, especially with the increasing demand for construction service business entities and the need for labor construction. Continuous monitoring of the company's status requires a performance analysis of its finances overall. The task covers inspection and evaluation notes in finance, which cover the balance sheet, report profit, make a loss, and report current cash.

Analysis, performance, finance, and possible evaluation of success and achievement of goals are demonstrated by healthy financial reports. This thing works as a basis for reviewing the achievements or results of all departments or divisions within the organization. Through examining the company's financial performance, one can ascertain the credibility, efficiency, and effectiveness of the organization. According to Caesario (2018), industrial property performance over the last three years has been less than satisfactory [10]. The hope that 2017 will be years of economic recovery still cannot be proven, thus causing shares to decline for companies that operate in industries that currently decrease in appreciation. Temporary on the year 2017, Index Price Share Combined IHSG experienced an increase with a score of 19.99%; another case BEI index for the property industry, real estate, and construction building experienced a decline with a score of 4.13%.

The performance of the property industry has not improved despite the reduction in Bank Indonesia's interest rate and the easing of loan-to-deposit ratio rules. According to Putri and Kartini (2017), towards the end of 2017, a number of stock sectors continued to underperform, being below average industry performance [11]. One sector that experienced growth was the building industry; however, there is a possibility of a reversal next year. According to Alfred Nainggolan, Head of Research at Capital Connection, construction sector stocks are currently underperforming. To date, the property, real estate, and building construction industries are still slumping with a score of -2.88%.

The difference between this finding and previous findings is that the aim of this finding is to reproduce previous findings with a larger sample size. And varying time periods. This study was conducted between 2018 and 2022 in response to the scarcity of accessible data. These findings include company age as an element of moderation.

2. METHOD

Data and findings This was collected with secondary sources [12]. Information for these findings was collected from books, journals, and the Indonesia Capital Markets Directory (ICMD), as well as the company's annual financial report to the public. Information taken from the Indonesian Stock Exchange website (www.idx.co.id) is based on the annual report on finance. Use secondary data for two objectives: reducing costs and increasing efficiency during data collection and analysis [13]. Data secondary tends to be more accurate compared to gathered data alone and easier to collect. From the site Exchange Effect Indonesia and the report ICMD, we can know the structure of the system management company, including the composition of the board directors, board commissioners, and audit committee. Data regarding company performance, namely Tobin's Q and return on equity (ROE), sourced from Notes Finance which was obtained from the site Exchange Effect Indonesia and collected through the use of ICMD. These reports mainly consist of the balance sheet and report profit and loss.

These findings use panel data for five years, starting from 2018 until 2022, from PLC on the Indonesian Stock Exchange. However, the company that was categorized as in sector finance issued the findings because of the difference between obedience and condition regulation. Per 31 December 2022, the amount company recorded in Exchange Effect Indonesia (<http://www.idx.co.id>) recorded as much as 87.

From a total of 87 companies listed on the Indonesia Stock Exchange as of December 31, 2022, 52 companies in the construction sector were excluded because they were not included in the main listing board, and 6 companies were excluded because, starting in 2019, the existence of these companies was legally recognized. Companies established between 2018 and 2022 form the basis of this finding. The final sample in this finding is 29 PLCs, and the total observations over five years are 145 samples. This study selects data for 2018 to 2022 (five consecutive years) as the financial statements for 2022 are the most recent for all construction companies in Indonesia.

This study also deals with the issue of company age and its impact on company performance. This study is expected to contribute useful information on the age of the company over this five-year period. Construction companies were selected as the sample in these findings because information regarding financial statements of construction companies can be easily collected by accessing the Indonesia Stock Exchange website. The data in the ICMD is also useful because this data, like the market share price, cannot be found in the annual reports. Lastly, the use of IDX data makes it possible to compare with previous findings conducted in Indonesia, as most previous findings in Indonesia have utilised IDX data. Information from ICMD (Directory Market Capital Indonesia) and report finance collected annually, the problem faced is accuracy. To ensure accuracy, data should be cross-referenced to other sources whenever possible. In the annual report, data relating to share ownership, director profiles, financial reports, and records on accounts were researched. This information was collected from ICMD database reports and checked with information available in the annual report. Information about board directors, like size, qualification, frequency of meetings, skill, diversity, and ownership, And information about board commissioners, like size and independence (director no affiliation), is taken from the annual report of profile directors and commissioners. This profile was also collected from the website (www.businessweek.com) to learn about the background behind education and skill directors.

3. RELUST AND DISCUSSION

Analysis Statistics Descriptive

Descriptive statistical analysis can give information about the variables found, such as the mean (or average) score, the highest and lowest scores, the standard deviation, and the number of observations. These can all be linked to variables like the size of the board, how often it meets, the qualifications of the audit committee, the age of the company, and its financial performance.

A low standard deviation indicates that the observed scores in the sample or population cluster closely around the mean score. This is because the scores are close to the mean score, so it is concluded that each individual in the sample or population has an identical score. Conversely, if the standard deviation number is large, it indicates that there is a significant spread in the average score [14].

Table 1. Statistics Descriptive

Variable	N	Minimum	Maximum	Flat-Flat	St. Devasi
Size Board Directors	29	2	10	4.496552	2.092062
Frequency Meeting Commissioner	29	3	15	4	2.363718
Committee Auditing	29	3	3	3	0.117036
Age Company	29	5	47	29.482758	9.904477
Return On Equity (ROE)	29	-0.554000	0.851000	0.041986	0.137922
Tobin's Q	29	0.010000	2.260000	0.400759	0.404820

Board size is defined as the total number of directors in a company. To determine the number of directors, researchers looked at the list of directors in the annual report based on the descriptive results above and obtained the minimum results. The size of the board of directors in the property company is a minimum of 2 people and a maximum of 10 people. The average number of board members in property companies in Indonesia is 4.49. The standard deviation with a score of 2.09 indicates that there is a deviation between the size of the board of directors and the average score of 4.49.

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The researchers calculated the total annual sessions of the board of commissioners to get an idea of how often the board convenes. The results achieved include a minimum frequency of 3 board meetings per year and a maximum of 15 meetings per year, as explained above. In these results, the number of audit committee members in the family business is used as a proxy for committee credentials. According to the data shown above, the minimum result is 3 audit committee board members, and the maximum result is 3 audit committee board members, with an average of 3 audit committee board members in property companies listed on the Indonesia Stock Exchange.

These findings conclude that property companies listed on the Indonesia Stock Exchange have implemented the regulations that have been implemented by the Code of Good Corporate Governance, which in its rules requires every company listed on the Indonesia Stock Exchange to consist of at least three audit committee board members. The standard deviation with a score of 0.11 indicates that there is a deviation between the size of the audit committee and its average score of 0.11.

The moderating variable in this finding is measured by the age of the company. Based on the results of descriptive statistics, the minimum score of company age is 5 years, and the maximum score of company age is 47 years. The average (mean) for the company age variable is a score of 29.48 years. The standard deviation, with a score of 9.90, indicates that there is a deviation between the size of the board of directors and its average score, with a score of 24.48.

Corporate financial results are the focus of this investigation. The proxies used in these findings to measure corporate financial performance are Tobin's Q and ROE. For ROE, the score for property companies is minimum with a score of -0.55 and maximum with a score of 0.85. The average ROE score of property companies in Indonesia is 0.04. The standard deviation with a score of 0.13 indicates that there is a large enough deviation in the ROE score with an average score of 0.04. For Tobin's Q, the minimum score for property companies is 0.01 and the maximum score is 2.26. The average Tobin's Q score of property companies in Indonesia is 0.40, with a standard deviation of 0.40.

Test Chow

The Chow test step is carried out to ensure the optimal model choice between the pooled less square and fixed effect models. The determination of the model can be concluded from the numerical number shown in the probability score (prob). The selection of pooled less square as the optimal model is based on the criterion that the cross-sectional Chi-square score exceeds the threshold with a score of 0.05. Conversely, if the score is less than 0.05, the model chosen is the fixed effect model.

Test Hausmann

After using the fixed effect model in the Chow test, the next step is to conduct the Hausman test to ensure the selection of the best model between the fixed effect model and the random effect discovery model. The given problem score can be used to select the best model. The fixed effects model is selected if the prob score is less than 0.05, while the random effects model is selected if the prob score is more than 0.05.

Analysis Coefficient Determination

The coefficient of determination (R-squared) ranges from 0 to 1. As the score approaches 1, the impact of the independent variable on the dependent variable increases, which interprets a higher level of explanatory power for the resulting model in accounting for the variation in the independent variable. Conversely, as pointed out by Pandoyo Sofyan [14], when the score approaches zero, the capacity of the model to explain variations in the dependent variable decreases. To find out how much variation in the dependent variable can be attributed to the independent variable, we use a statistic called the coefficient of determination. The extent to which the model can explain differences in financial performance variables is measured here using the adjusted R-squared coefficient of determination.

Table 2. Coefficient Determination

Dependent Variable:			
Y1			
Weighted Statistics			
R-squared	0.834104	Mean dependent var	0.154019
Adjusted R-squared	0.782827	elementary school	0.290497
		dependent var	
S.E of regression	0.103782	Sum squared resident	1.184771
F-statistic	16.26661	Durbin-Watson stat	2.327536
Prob(F-statistic)	0.000000		
Dependent Variable:			

Y2

Weighted Statistics

R-squared	0.972043	Mean dependent var	1.616124
Adjusted R-squared	0.963402	elementary school	3.702353
S.E of regression	0.175644	dependent var	
F-statistic	112.4903	Sum squared resident	3.393578
Prob(F-statistic)	0.000000	Durbin-Watson stat	1.986931

Data source secondary (2022)

The calculation of the coefficient of determination shows the ROE score of 0.782827 and the Tobin's Q score of 0.963402. This score is known as adjusted R-squared. This means that the moderating variable of company age has an influence of 82% on the dependent variable, namely financial performance, while the independent variables of board size, meeting frequency, and audit committee qualifications each have an influence of 78%. For ROE benchmarked measurements and with a score of 96% for Tobin's Q benchmarked measurements. The rest, with scores of 22% and 4%, are explained by other factors not included in these findings.

Impact of Board Size on Financial Performance

The research shows the results of the probability score, with a score of 0.8452. The observation result with a score of 0.8452 exceeds the predetermined significance threshold of 0.05. This study interprets that there is no statistically significant relationship between the financial success of property businesses listed on the Indonesia Stock Exchange and their profitability, which is explained by the measurement of board size. Financial performance results are not affected by changes in board size. This phenomenon occurs because the number of members of the board of directors varies, thus affecting the characteristics of the company and the level of effectiveness of each in achieving resource management performance. The level of effectiveness of each in achieving less than optimal resource management performance [15].

The Board of Directors, as a key stakeholder in an organisation, has significant authority and plays an important role in achieving the company's sustainability goals. The increasing number of members of the Board of Directors of a company leads to the development of different points of view in conveying ideas. Making informed decisions about company policies to improve company profitability can pose significant challenges. This finding remains consistent with the findings of Anjani and Yadnya (2017) and Rumapea (2017) [16][17].

Impact of Board of Commissioners Meeting Frequency on Financial Performance

Based on ROE testing, the results of testing the second hypothesis are not proven. It can be seen from the probability number in the table that 0.0004 has a significance above 0.05. This concludes that the frequency of holding board meetings has a negative impact on financial performance. Therefore, the second hypothesis, which indicates that the frequency of board of commissioners meetings has a positive impact on financial performance, can be refuted. This phenomenon may arise due to the allocation of large resources by the company to carry out meetings. This assertion is supported by the findings interpreted by Johl et al, who argue that an increase in the number of meetings held is associated with a proportional increase in expenditure, as company resources are used to facilitate these meetings [18].

One factor that has a negative impact on company efficiency is the waste of management time in conducting meetings [18]. This phenomenon arises because of the potential for obstruction of company efficiency if meetings are held continuously without further implementation. Continuous meeting scheduling can hinder the ability of the board of commissioners to effectively supervise and regulate the company's business activities, thereby hindering overall organisational performance. This assertion is supported by the findings of Vafeas (2019), who interpreted meetings as hindering organisational productivity due to time constraints. As a result, the limited duration of meetings can interfere with the optimal and effective participation of the board of commissioners.

Based on Tobin's Q testing, the results of testing the second hypothesis are proven. It can be seen from the probability number in the table that 0.0072 has a significance above 0.05 and a coefficient score of 0.107853, which concludes that the frequency of board meetings has a positive impact on financial performance. Therefore, the second hypothesis, which indicates that the frequency of board of commissioners meetings has a positive impact on financial performance, is accepted.

This means that the positive correlation between the frequency of meetings held by the Board of Commissioners and the increase in the company's score, as measured by Tobin's Q, is clear. This finding

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remains consistent with the findings interpreted by Heriyanto and Mas'ud (2016) and Rumapea (2017), who interpreted a favourable correlation between the size of the Board of Commissioners and financial success. Commissioners enhance the development of strategic direction in order to improve financial performance. The Board of Commissioners has the capacity to provide a broader range of advice to effectively achieve organisational goals. The limited number of BOC meetings held will result in a limited range of choices being made.

The Impact of Audit Committee Competence on Financial Performance

Based on ROE testing with the probability number in the table interpreting 0.9820 and its significance above 0.05, it can be concluded that audit committee competence has no impact on financial performance. Therefore, the hypothesis indicating that audit committee qualifications have a significant positive impact on financial performance can be rejected. Based on Tobin's Q testing, the results of hypothesis testing are also not proven. It can be seen from the probability number in the table interpreting 0.5580 with a significance above 0.05 that the competence of the audit committee has no impact on financial performance. Therefore, the hypothesis, which indicates that audit committee competence has a significant positive impact on financial performance, can be rejected.

This can happen if the audit committee of a company is formed only with the aim of complying with the regulations that mandate the formation of the committee. The large number of employees at the institution has no impact on its financial performance, even though the institution has a minimum of three audit committee members as mandated by the Decree of the Minister of State-Owned Enterprises Number: Kep-103/MBU/2001.

This finding remains consistent with the findings of Nabila and Daljono (2013), Prastiti and Meiranto (2013) who interpreted the effectiveness of the presence of an audit committee [19][20]. The audit committee must have at least three members under Kep. 29/PM/2004, with one of the members being an independent commissioner as well as the committee chairman. Based on these results, we conclude that the average size of audit committees in the reviewed companies is three members, indicating that the organisations may be using a committee structure. Audits will only be used to ensure compliance with government regulations. The formation of an audit committee within a company is largely driven by regulatory requirements that mandate the formation of such a committee. The lack of clarity of duties and activities for each component in the audit committee, as mandated by regulations or standards, weakens the committee's effectiveness in monitoring management performance and ensuring business control.

The Impact of Company Age on Board Size, Frequency of Board Meetings, and Audit Committee Competence

Based on ROE measurement, the age of the company strengthens the variable frequency of board meetings and the competence of the audit committee, so that these two variables have a partial impact on financial performance. Another case for the board size variable still has an insignificant impact on financial performance. This can be seen from the t-statistic scores of the three variables, namely: 0.3239, 0.0003, and 0.0000 for board size, frequency of board meetings, and audit committee competence. The size of the board of directors can vary as a company matures. This can lead to differences in company characteristics and the effectiveness of each board. As a result, this can have an impact on the performance of resource management, resulting in less-than-optimal results. This finding remains consistent with the findings of Anjani as well as Yadnya (2017) and Rumapea (2017).

The age of the company strengthens the impact of the frequency of meetings of the board of commissioners, so that it has a positive and significant impact partially on financial performance based on ROE. This may occur because, as the company ages, the quality of the board of commissioners' meetings also increases. The existence of a board of commissioners meeting makes the direction of the company's financial strategy more fostered, so that financial performance also increases. The age of the company strengthens the competence of the audit committee, so that it has a negative and significant impact partially on financial performance based on ROE.

This could be due to the fact that, according to Istighfarin and Wirawati (2015), the formation of audit committees is largely driven by government requirements, so their effectiveness is limited [21]. In addition, it should be noted that the role of the audit committee is largely limited to the mechanisms of the board of commissioners. As a result, audit committees have no direct power to oversee business management activities. This finding interprets a negative correlation between the number of audit committee members involved in management and firm profitability. The findings presented here are in line with those of Narwal and Jindal (2015), who interpret that an increase in the number of committee

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members is associated with a decrease in a firm's profitability. This negative association could be due to the challenges faced by audit committees in effectively allocating responsibilities and potential miscommunication, leading to ineffective performance.

Based on Tobin's Q measurement, company age strengthens the variables of board size, frequency of board meetings, and audit committee qualifications so that the three variables have a partial impact on financial performance. This is observed from the t-statistic scores of the three variables, namely 0.0027, 0.0266, and 0.0095 for board size, frequency of board meetings, and audit committee qualifications. The age of the company strengthens the impact of the size of the board of directors, so that it has a partially negative and significant impact on Tobin's Q-based financial performance.

This implies that implementing a smaller board of directors has the potential to improve the overall firm score due to the facilitation of a cohesive decision-making process. In contrast, a larger board may lead to differences in viewpoints and conflicts of interest among its members. In addition, this may also be caused by family business ownership, where fellow board members or between directors and business owners have family ties so that the duties of directors do not run optimally.

The age of the company strengthens the impact of the frequency of board meetings, so that it has a partially negative and significant impact on Tobin's Q financial performance. This occurrence may be due to the large impact exerted by the company's founders and their very large shareholdings, resulting in a lack of independence on the board of commissioners. According to Ujiyantho and Pramuka, the supervisory role that board members are expected to interpret is less effective. The function of commissioners is hampered by their limited competence and honesty, as their appointments sometimes depend solely on factors such as awards, family ties, or other personal contacts. It is important to direct the focus on the autonomy of the board of commissioners. According to Effendi, there is a positive relationship between the number of independent commissioners and the occurrence of earnings management activities. The findings presented in this study further support the findings interpreted by Ujiyantho and Pramuka [22].

The audit committee's quality has a positive and marginally significant impact on a company's financial performance as measured by Tobin's Q as it ages. The presence of an audit committee within a company has been shown to have a favourable impact on financial performance. This is due to the committee's ability to maintain the credibility of reporting through effective oversight. The findings indicate that increasing the level of expertise among Audit Committee members can improve control and supervision. This finding indicates that audit committee members who have the necessary qualifications are able to effectively fulfil their supervisory role in overseeing the policies and actions implemented by the board of directors.

These findings remain consistent with the findings (Amaliyah & Herwiyanti, 2019), which prove that the quality of a company's audit committee affects the value it receives [23]. Based on these results, audit committee oversight of management's financial reporting is very important. In addition, the audit committee plays an important role in limiting management actions used to artificially increase profitability.

4. CONCLUSION

Based on ROE and Tobin's Q, board size has no positive impact on financial performance. There is no correlation between board size and corporate profits. This occurs because board size affects the extent to which each board is effective in obtaining suboptimal results in resource management. Increasing the number of members of the Board of Directors of a company can lead to the development of different points of view. Making informed decisions about company policies to improve company profitability may be a significant challenge. ROE benchmarked The frequency of board meetings has a negative impact on financial performance. This may be because the company allocates a significant amount of resources to hold meetings. As the number of meetings increases, the associated costs also increase, resulting in further allocation of company resources to meeting-related costs. According to Tobin's Q, there is a positive and substantial relationship between the frequency of board meetings and achieving financial success. The presence of a large number of BOCs has led to the development of strategic directions aimed at improving financial performance. The BOC has the capacity to provide a wider range of advice to effectively achieve organisational goals. The limited number of BOC meetings held will result in a limited scope of choices being made. Based on ROE and Tobin's Q, audit committee competence has no impact on financial performance. This can occur because the formation of an audit committee within a company is largely driven by the need for regulatory compliance, which mandates that companies form such

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committees. The lack of clarity of duties and activities for each component of the audit committee weakens its effectiveness in overseeing management performance and ensuring business control, thereby hindering compliance with rules and requirements. The age of the company strengthens the impact of the variable size of the board of directors, the frequency of board meetings and the competence of the audit committee so that the three variables have a partial impact on financial performance. This means that the older a company is, the stronger the impact of the three variables on financial performance. The size of the board of directors, the frequency of meetings of the board of commissioners, and the competence of the audit committee all have an impact on the financial performance of the company together or simultaneously there is an impact that occurs on financial performance. All independent variables, namely the size of the board of directors, the frequency of meetings of the board of commissioners, and the qualifications of the audit committee, are moderated by the age of the company. Together or simultaneously, there is an impact that occurs on the financial performance of the property company, which is certainly listed on the Indonesia Stock Exchange.

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