THE EFFECT OF OWNERSHIP STRUCTURE AND AUDIT COMMITTEE ON INTERNAL CONTROL DISCLOSURE IN NON-FINANCIAL COMPANIES LISTED IN INDONESIA STOCK EXCHANGE

NPM: 1542141
Merla Ade Murtika

Abstract

The purpose of the study is to examine the role of ownership structure and audit committee on internal control disclosure of non financial companies listed on the Indonesia Stock Exchange (IDX). The dependent variable used is Internal Control Disclosure (ICD). The independent variables used in these Managerial Ownership (MO), Institutional Ownership (IO), Audit Committee with Financial Expertise (ACFE), Audit Committee with Accounting Background (ACAB), Audit Committee with External Auditor Experiences (ACEA), and Audit Committee Meeting (ACME).

This study used 401 samples of non-finance companies that published on the IDX within 2013-2017 which were collected using a purposive sampling method. This study takes data from financial reports and annual reports http://www.idx.co.id (Indonesia Stock Exchange).

This study shows the result that the influence of managerial ownership is negative and significant effect on internal control disclosure. Institutional ownership, audit committee with financial expertise, and audit committee meetings shows the result positive and significant effect on internal control disclosure. Then the test result form variable audit committee with accounting background and audit committee with external auditor experiences does not have a significant effect on internal control disclosure.

Keywords: Internal Control Disclosure, Managerial Ownership, Institutional Ownership, Audit Committee with Financial Expertise, Audit Committee with Accounting Background, Audit Committee with External Auditor Experiences, and Audit Committee Meetings.