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“The Review and Outlook of The Economy after Covid 19 Pandemic”*

**THE EFFECT OF COMPANY ACTIVITIES AND AUDIT  
COMMITTEE ON DISCLOSURE OF SUSTAINABILITY  
REPORTS**

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**ABSTRACT**

*The aim of this study is to determine the effect of company activities and audit committee on the sustainability report disclosure. This study use empirical studies on companies which are included in the LQ45 Index (Index for 45 listed companies which are selected based on considerations of liquidity and market capitalization, with predetermined criteria from Indonesia Stock Exchange). The independent variables in this research are company activities and audit committee. The dependent variable is sustainability report disclosure. Disclosure of sustainability reports is measured by Sustainability Report Disclosure Index (SRDI) according to the criteria from GRI (Global Reporting Initiative), namely economic, environmental, and social (labor practices and decent work, human rights, society and product responsibility). This research use descriptive quantitative method. This study use secondary data from annual report of companies listed on the Indonesia Stock Exchange from 2015 to 2018. The sampling technique used is purposive sampling. Statistical data analysis methods used are descriptive statistics, classic assumption test and hypothesis test including the coefficient of determination test, multiple regression analysis, simultaneously test, and partial test. From descriptive statistics result show the average value of sustainability report disclosure is 0,28 with a standard deviation of 0,20. The results of this study indicate that company activities and audit committee simultaneously influence sustainability report disclosure. The results also show company activities influence sustainability report disclosure partially, and audit committee influence sustainability report disclosure partially too.*

*Keywords: Company Activities, Audit Committee, Sustainability Report, Disclosure, Total Asset*

**1. INTRODUCTION**

Companies listed on the stock exchange have the obligation to make public reports and disclosures. Reporting obligations such as annual reports and financial reports must be published through the Indonesia Stock Exchange or on the respective company websites. Based on data from Global Reporting Initiative, (2011) from 438 companies listed on the Indonesia Stock Exchange, only 25 companies made sustainability reports.

However, in its development, more and more organizations are creating and publishing Sustainability Reports. Not only companies that are listed on the stock exchange, but also non-listing companies, both small and medium-sized and non-profit organizations, participate in making and reporting it. Based on data obtained from Global Reporting Initiatives (GRI), as of February 2016 there are as many as 85 companies that have made and published their reports. For 2015, the total number of reports published was

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63 reports, where the increase from the previous year (2014 to 2015) was higher than the increase in 2013 to 2014. This sustainability report shows a positive trend, where every year the number of companies that make it is increasing.

The number of companies in Southeast Asia that have made Sustainability Reports and disclosed them to the Global Reporting Initiatives as follow:

*Table 1. Sustainability Reports Disclosure from Southeast Asia Country – 2016*

No.	Country	Total
1	Thailand	97
2	Indonesia	85
3	Malaysia	59
4	Singapore	54
5	Philippines	30
6	Vietnam	12
7	Cambodia	1

*Source: GRI*

The table 1 shows that compared to other countries in Southeast Asia, Indonesia is very good after Thailand. Compared to other Southeast Asian countries, Thailand and Indonesia are the countries that make the most sustainable reporting.

Governance and disclosure act as the key success factor in business world. Several bankruptcies have occurred worldwide due to lack of governance and disclosures. This increases the significant of transparency and greater demands for accountability for financial and non-financial information. Last few years, sustainability reporting (GRI) becomes a serious research line focus on the non-financial disclosures. The GRI covers environmental social and governance disclosure. Stated that sustainability performance indicators (environmental, social and governance) can help a firm creates sustainability strategies and stakeholders evaluates the firm’s sustainability performance (Global Reporting Initiative, 2016); (Kathyayini Rao. Carol Tilt, 2016).

The GRI Standards represent global best practice for reporting publicly on a range of economic, environmental and social impacts. Sustainability reporting based on the Standards provides information about an organization’s positive or negative contributions to sustainable development.

The Reporting Principles are fundamental to achieving high quality sustainability reporting. An organization is required to apply the Reporting Principles if it wants to claim that its sustainability report has been prepared in accordance with the GRI Standards. The Reporting Principles are divided into two groups: principles for defining report content and principles for defining report quality. The Reporting Principles for defining report content help organizations decide which content to include in the report. This involves considering the organization’s activities, impacts, and the substantive expectations and interests of its stakeholders. The Reporting Principles for defining report quality guide choices on ensuring the quality of information in a sustainability report, including its proper presentation. The quality of information is important for enabling stakeholders to make sound and reasonable assessments of an organization, and to take appropriate actions (Global Reporting Initiative, 2016).

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In Global Reporting Initiative (2016) issued the latest update which was used as the main basis for the GRI disclosure method, so in 2017 several companies began to adapt to switch to using this indicator. In the GRI G4 indicator that the company has used since 2013, there are 91 disclosure items in it, while in the indicator published in 2016 called GRI Standards, there are 77 items of sustainability report disclosure. While the sample of this study uses LQ45 companies, which are listed on the Indonesia Stock Exchange (BEI). The research period used was 2015-2018. Based on the description above, it is necessary to test the effect of Company Activity and the Audit Committee on Sustainability Report Disclosures.

Based on the background as described above, this study has research questions as follow:

1. Do the Company Activity and the Audit Committee influence the Sustainability Report Disclosure simultaneously?
2. Does the Company Activity affect Sustainability Report Disclosure?
3. Does the Audit Committee affect the Sustainability Report Disclosure?

The research purposes contain description that answers the research questions above. The purpose of this research was made to express the wishes of researchers in a study, as follows:

1. To determine the effect of the Company Activity and the Audit Committee on the Sustainability Report Disclosure simultaneously.
2. To determine the effect of Company Activity on Sustainability Report Disclosure.
3. To determine the effect of the Audit Committee on Sustainability Report Disclosure.

## **2. LITERATURE REVIEW**

### **Stakeholder Theory**

The stakeholder perspective is an alternative way of understanding how companies and people create value and trade with each other (Freeman R. et. al, 2018). Research on stakeholder theory can continue to provide useful insights into the practice of sustainable and ethical value creation (DeColle, 2010). Stakeholder Theory is one of the main theories widely used to base research on sustainability reports. Stakeholder Theory extends organizational responsibility to all stakeholders, not just investors or company owners (Lozano R., 2013).

As stated in Laws of the Republic Indonesia number 32/2009 about Environmental Protection and Management (UU PPLH), sustainable development as development that can meet the needs of creating the present without reducing future capabilities. Based on this definition, the concept of sustainable development on social, economic and environmental issues (Mardikanto. Totok, 2014).

### **Company Activities**

Activity ratio is the ratio to assess the company's ability to carry out daily activities or the company's ability to sell, collect, receive accounts receivable or utilize its assets (Munawir S., 2007). The activity ratio can also be used to predict the capital needed by the company (IGKA, 2009). Activity ratio is a ratio that measures how effectively a company uses its various assets (Van Horne. et.al, 2012).

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### **Audit Committee**

The audit committee is a committee that has an important role in corporate governance. The audit committee has a duty to review the accounting policies implemented by the company, assess internal control, review the reporting system to external parties, and comply with regulations (Bradbury et al., 2004) ; (Widianto H. S., 2011). The committee appointed by the company to act as a liaison between the board of directors and external audit, internal auditors and independent members, which has the task of providing auditor oversight, ensuring management takes appropriate corrective action against laws and regulations (Prastiwi. et.al., 2011).

The audit committee is represented by the number of meetings between audit committee members in a company during a period of one year to measure the implementation of corporate governance (Budi R. Kartawinata, et.al., 2020). The purpose of establishing an audit committee within a company is to assist the board of commissioners in overseeing the operations of the company so that the company's performance is as expected. The regulation of the board of directors of the Jakarta Indonesia Stock Exchange No. SE-008/BEJ/12-2001 dated December 7, 2001 states that the company's audit committee should consist of at least 3 (three) people including the chairman of the audit committee. The audit committee in question is the total number of audit committee members in a company as measured by counting the number of audit committee members in the company mentioned in the company's annual report. Based on the Decree of the Chairman of BAPEPAM-LK Kep-29/PM/2004, it is stated that the members of the audit committee must (1) have high integrity, ability, knowledge and experience appropriate to their education, and be able to communicate well; (2) One of the members of the audit committee has a background in accounting or finance education; (3) Having sufficient knowledge to read and understand financial reports; (4) Have adequate knowledge of the laws and regulations in the capital market and other related laws and regulations.

### **Sustainability Report Disclosures**

Sustainability report is being increasingly recognized as an important factor contributing to corporate sustainability (Lozano R. Huisinigh D, 2011). From a historical perspective, the development and focus of sustainability-related reporting has seen several shifts (Fifka M, 2012) (Kolk A. Lenfant F, 2010) . An important channel through which organizations try to meet these demands is sustainability reporting. By disclosing sustainability information private companies, for example, aim to increase transparency, enhance brand value, reputation and legitimacy, enable benchmarking against competitors, signal competitiveness, motivate employees, and support corporate information and control processes (Herzig, C., Schaltegger, 2006). By the end of the 1990s, reporting research and practice increasingly began to consider the social and the environmental dimension simultaneously in a joint report which is often published alongside traditional financial reports. This trend can be directly linked to the development of voluntary standard-setting by the Global Reporting Initiative (GRI) (Kolk. A., 2010) ; (Vormedal. I. Ruud A, 2009). Today the GRI is regarded as “the de facto global standard” (KPMG, 2011); emphasis in original) for sustainability reporting. However, in spite of the standardization efforts, significant differences remain between companies from different institutional environments with regard to the content and quality of sustainability reports (Ghozali. Imam, 2016).

### 3. DATA AND RESEARCH TECHNIQUE ANALISYS

#### Study Population, Sample and Resources of Data

The object of this research are companies listed on the Indonesia Stock Exchange (IDX) and included in the LQ45 Index from 2015-2018. Data processing in this study used the Statistical Product and Service Solution (SPSS) version 24 program and Microsoft Office Excel. The processed data is obtained from companies that publish annual reports and sustainability reports consecutively in 2015-2018. This study used a purposive sampling technique, in which the sampling in this case is carefully selected so that it is relevant to certain criteria. The sample companies in this study are companies that have the following criteria:

*Table 2. Companies Criteria*

Description	Violation	Fulfilled
Companies listed on the IDX and LQ45 Index during 2015-2018	-	61
Companies that are not consecutively included in the LQ45 Index during 2015-2018	(30)	31
Companies that did not issue Sustainability Reports consecutively during 2015-2018	(21)	10
Companies that have total assets in the research year above IDR 1,000 Trillion	(2)	8

*Source: Author's data processed*

This study used 8 samples of companies that met the purposive sampling criteria from Table 2. The numbers of observations are 32 for 4 years, from 2015-2018. The following are the names of the companies used as the research sample which shown in Table 3 as follows:

*Tabel 3. List of company names used as research samples*

No.	Company Code	Company Name
1	ASII	PT Astra International Tbk
2	BBCA	PT Bank Central Asia Tbk
3	BBNI	PT Bank Negara Indonesia Tbk
4	BBTN	PT Bank Tabungan Negara Tbk
5	INTP	PT Indocement Tungal Prakasa Tbk
6	JSMR	PT Jasa Marga Tbk
7	PTBA	PT Bukit Asam Tbk
8	WIKA	PT Wijaya Karya Tbk

*Source: Indonesia Stock Exchange*

#### The Study Variables

The dependent variable used is the Sustainability Report Disclosure, which is measured based on the Sustainability Report Disclosure Index (SRDI). Below is the formula for SRDI calculation:

$$SRDI = \frac{\text{Number of items disclosed}}{\text{Total items disclosed}}$$

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The independent variable for company's activity is measured using Total Assets Turnover (TAT as X1), which is the ratio between sales and total assets of a company. This ratio describes the turnover speed of total assets in a certain period.

The independent variable for audit committee is measured using number of Audit Committee (AC as X2), which is stated on the annual report. This measurement follows the Indonesia Stock Exchange regulation.

### Research Model

The estimation to measure relationship between company activity, audit committee and sustainability report disclosure is linear regression model as follows:

$$SRDI = \alpha + \beta_1 TAT + \beta_2 AC + e$$

Information:

SRDI: Sustainability Report Disclosure Index

TAT: Total Asset Turnover

AC: Audit Committee

$\alpha$ : Constant     $\beta$ : Coefficient     $e$ : Error

### Model Validity

To check the validity of the study model and data, several tests were performed like: normal distribution test, autocorrelation and multicollinearity test. And then, models were checked for not having homoscedasticity.

### Hypothesis Testing

To test the proposed hypothesis, the following hypothesis formulations are used:

1. H1: The company activities and the audit committee simultaneously have an influence on the disclosure of the sustainability report.
2. H2: The company activities have an influence on the disclosure of the sustainability report.
3. H3: The audit committee has an influence on the disclosure of the sustainability report.

## 4. RESULT AND DISCUSSION

### Results

Descriptive statistics in this study produce the following data descriptions as shown in Table 4 below:

Table 4. Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TAT (X1)	32	,07	,89	,4066	,29511
AC (X2)	32	3,00	7,00	4,0625	1,29359
SRDI	32	,08	,96	,2784	,20385
Valid N (listwise)	32				

Based on the Table 4 above, the number of data used (N) is 32 data, which is data from 8 companies that were consecutively included in the LQ45 list of companies in the 2015-2018 research period, the companies in order to publish sustainability reports during that period and companies that have total research assets per year below IDR 1,000 trillion. According to Table 4, the analysis of descriptive statistics are stated below:

1. Total Asset Turnover is one of indicator for financial performance as measured by Total Assets Turnover (TAT) with an average value of 0.4066 with a standard deviation of 0.29511. The highest value of the total asset turnover calculation is 0.89, namely the PT Bukit Asam (Persero) Tbk company in 2017, while the lowest total asset turnover assessment value is 0.07, namely the company PT Bank Central Asia Tbk in 2016-2018, PT Bank Negara Company Indonesia (Persero) Tbk in the 2015-2018 research year, and the company PT Bank Tabungan Negara (Persero) Tbk in 2017-2018.
2. The audit committee as measured by the number of members gets an average score of 4.0625 with a standard deviation of 1.29359 and the highest value of the number of audit committee members is 7 committee members, namely PT Bank Tabungan Negara (Persero) Tbk in 2015, 2016, 2018, and for the lowest score of the number of audit committee members are 3 committee members, namely the company PT Bank Central Asia Tbk in 2015-2018, PT Bank Negara Indonesia (Persero) Tbk in 2016-2017, PT Indocement Tunggal Prakarsa Tbk in 2015, 2016, 2018, PT Jasa Marga (Persero) Tbk in 2015-2017, and PT Proof Asam (Persero) Tbk in 2016-2017.
3. Disclosure of sustainability report in this study is measured by the Sustainability Report Disclosure Index (SRDI), is an index used to assess how corporate responsibility is in accordance with the criteria according to GRI, namely Economic, Environmental, and Social (Labor Practices and Decent work, Human Rights, Society and Product Responsibility), and based on the table above the average value of sustainability disclosures report is 0.2784 with a standard deviation of 0.20385. The highest value of the results of the disclosure of the sustainability report was 0.96 or 96% of the items disclosed, namely PT Bukit Asam (Persero) in 2015, and the lowest value of the results of the disclosure of companies that reported the sustainability report was 0.08 or 8% of the items disclosed, namely PT Bank Negara Indonesia (Persero) Tbk in 2017.

### **Multiple Linear Regression Test**

Multiple linear regression tests were conducted to determine the regression coefficient on the dependent variable (SRDI) and the independent variable (TAT and AC). This study uses multiple linear regression because it has more than one independent variable. The multiple linear regression test table can be described in Table 5 as follows:

*Table 5. Multiple Linear Regression Test*

		Coefficients <sup>a</sup>		
		Unstandardized Coefficients		
Model		B	Std. Error	Sig.
1	(Constant)	-,050	,127	,695
	TAT (X1)	,259	,115	,032
	AC (X2)	,055	,026	,044

*a. Dependent Variable: SRDI (Y)*

*Source: Output SPSS 24*

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Based on the Table 5 above, it can be seen that the regression equation is:

$$SRDI = -0.050 + 0.259TAT + 0.055AC + e$$

The explanation of the results of the regression equation is as follows:

1. A negative value of -0.050 indicates the size of the sustainability report disclosure in the absence of independent variables, in this study the total asset turnover (X1) and the audit committee (X2), the value is 0. then the sustainability report disclosure that the company disclosed was 0.050.
2. The regression coefficient for the variable total asset turnover (X1) is 0.259, meaning that if the total asset turnover (TAT) increases by 1 unit, the sustainability report disclosure will increase by 0.259, assuming other independent variables have a fixed value. This means that the increase in total asset turnover (TAT), the better the sustainability report disclosure.
3. The regression coefficient for the audit committee variable (X2) is 0.055, meaning that if the audit committee (KA) has increased by 1 unit, the sustainability report disclosure will increase by 0.055, assuming other independent variables have a fixed value. This means that the increasing the number of audit committees, the better the sustainability report disclosure.

### Determination Coefficient Test (R Square)

Testing the coefficient of determination can be explained in Table 6 as follows:

Table 6. Determination Coefficient Test (R Square)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,470 <sup>a</sup>	,221	,167	,18606

a. Predictors: (Constant), AC (X2), TAT (X1)

b. Dependent Variable: SRDI (Y)

Source: Output SPSS 24

The explanation of the determination coefficient test:

1. The R value is 0.470, which means that the correlation between the total asset turnover variable and the audit committee on the sustainability report disclosure is 0.470, this has a close relationship because it is close to 1.
2. The value of R<sup>2</sup> is 0.221, meaning that the percentage contribution of the influence of the total asset turnover variable, and the audit committee on the disclosure of the sustainability report is 22.1%, while the rest is influenced by other variables not included in this model.
3. The adjusted R is 0.167, meaning that 16.7% is the sustainability report disclosure variable which can be explained by the company's activity variables, in this case the total asset turnover, and the audit committee. and the rest (100% -16.7% = 83.3%) is explained by other variables not included in this model.
4. The size of the prediction error has a value of 0.18606, which means that the error that occurs in predicting the disclosure of the sustainability report is 18.6%.

### Simultaneous Signification Test (F test)

Simultaneous test or F test was conducted to determine the effect of the independent variables, namely Total Asset Turnover (X1) and the Audit Committee (X2) on the



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dependent variable, namely the Sustainability Report which shown in Table 7 as follow:

Table 7. Simultaneous Signification Test (F test)

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	,284	2	,142	4,105	,027 <sup>b</sup>
Residual	1,004	29	,035		
Total	1,288	31			

a. Dependent Variable: SRDI

b. Predictors: (Constant), AC, TAT

Source: Output SPSS 24

Based on the results of the Table 7 above, it can be explained as follows:

*H1: The Effect of Company Activities (Total Assets Turnover) and the Audit Committee on Sustainability Report Disclosures*

The calculation result between F count and F table is  $4.105 > 3.328$ , and with a significant level of 0.05, a significant value of 0.027 is obtained, which is  $0.027 < 0.050$ , it can be said that the independent variable is total asset turnover, and the audit committee jointly affects the dependent variable, namely the disclosure of the sustainability report, so that H1 is accepted.

**Individual Parameter Signification Test (t-test)**

According to Ghozali. Imam, (2016) The t statistical test shows how far the influence of one explanatory / independent variable individually in explaining the variation of the dependent variable and is used to determine whether or not the influence of each independent variable individually on the dependent variable is tested at a significant level of 0, 05. In this study, to test whether the variable of company activity as measured by total asset turnover, and the audit committee partially affect the sustainability report disclosure variable as shown in Table 8 below:

Table 8. Individual Parameter Significance Test (t-test)

Coefficients <sup>a</sup>		
Model	t	Sig.
(Constant)	-,396	,695
TAT (X1)	2,258	,032
AC (X2)	2,102	,044

a. Dependent Variable: SRDI

Source: Output SPSS 24

Based on the Table 8 above, it can be explained the hypothesis as follows:

*H2: Effect of Company Activities (Total Assets Turnover) on Sustainability Report Disclosure*

The company activity variable (Total Assets Turnover) has a significance value  $< 0.05$

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(0.032 <0.05) and t count > t table (2.258 > 2.045), so the Total Asset Turnover (TATO) variable partially affects the sustainability report disclosure, H2 is accepted.

### *H3: Effect of the Audit Committee (KA) on Sustainability Report Disclosure*

The Audit Committee (KA) variable has a significance value <0.05 (0.044 <0.05) and t count < t table (2.102 > 2.045), then the Audit Committee (KA) variable partially affects the sustainability report disclosure, so H3 is accepted.

## **Discussions**

### **Hypothesis Testing Results**

Based on the results of the research previously described, to obtain an overview of the results of further research, each data calculated according to the underlying aspects is as follows:

### *H1: The Effect of Company Activities (Total Assets Turnover) and the Audit Committee on Sustainability Report Disclosures*

The calculation result between F count and F table is 4.105 > 3.328, and with a significant level of 0.05, a significant value of 0.027 is obtained, which is 0.027 <0.050, it can be said that the independent variable is total asset turnover, and the audit committee jointly affects the dependent variable, namely the disclosure of the sustainability report, so that H1 is accepted. In contrast to the research conducted by (Awalia. et.al., 2015), which states that there is a positive influence of the board of directors, independent boards of commissioners, leverage, and company activities simultaneously on the disclosure of sustainability reports.

This study proxies the variable of company activity using total asset rotation, and the audit committee as the independent variable. Of course, it is different from the research of Awalia. et.al., (2015), which uses a board of directors, an independent board of commissioners, leverages as an independent variable in addition to company activities. However, with a significant level of 0.05, a significant value of 0.027 is obtained, which is 0.027 <0.050, it can be said that the independent variable is total asset turnover, and the audit committee jointly affects the dependent variable, namely the disclosure of sustainability report.

These results are certainly in accordance with the expectations of researchers that the existence of an audit committee is increasingly able to encourage management to practice sustainability report disclosure. and with a good level of company activity it will make the company increase the disclosure of sustainability report.

### *H2: Effect of Company Activities (Total Assets Turnover) on Sustainability Report Disclosure*

The total asset turnover variable (TAT) has a significance value <0.05 (0.032 <0.05) and t count > t table (2.258 > 2.045), so the total asset turnover variable (TAT) partially affects the sustainability report disclosure, so that H2 is accepted.

These results are consistent and support the results of research conducted by Awalia. et.al, (2015), which states that company activities have a positive effect on the disclosure of sustainability reports. This means that based on this research, when a company has a higher level of corporate activity, it will make the company increase its sustainability report disclosure.

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The results of this study are an illustration that a company that has a good activity ratio is a company that is able to manage its assets well. And of course, by maximizing existing assets, you can get big profits. Of course, this will be the company's advantage in getting investors, and this good profit will encourage the company to be confident in developing the company's overall sustainability. When the economic aspects of the company are fulfilled, it means that the company has been trusted by the public, and through this sustainability development the company wants to increase public trust through the development of social and environmental aspects of the community as outlined in the sustainability report. However, this result is different from the research conducted by (Awalia. et.al., 2015), which states that Company Activities (Total Assets Turnover) have no effect on the disclosure of Sustainability Report (SRDI).

### *H3: Effect of the Audit Committee on Sustainability Report Disclosure*

The audit committee variable (KA) has a significance value  $<0.05$  ( $0.044 < 0.05$ ) and t count  $< t$  table ( $2.102 > 2.045$ ), then the Audit Committee (KA) variable partially affects the disclosure of sustainability report, so H3 is accepted.

These results are consistent and support the results of research conducted by Prastiwi. et.al., (2011) and Aniktia. et.al, (2015), which state that the audit committee has a positive effect on the disclosure of sustainability reports.

This study proves Prastiwi. et.al, (2011) statement that the audit committee is increasingly able to encourage management to practice sustainability report disclosure. as a medium for corporate communication with stakeholders in order to gain legitimacy through the implementation of good corporate governance.

## **5. CONCLUSION**

The purpose of this study is not only to test the simultaneous influence of the Company's Activities (Total Assets Turnover/TAT) and the Audit Committee on the disclosure of the Sustainability Report, but also to partially test the effect of the Company's Activities, the Audit Committee on the disclosure of the Sustainability Report. This empirical study was conducted on companies listed on the Indonesia Stock Exchange which are included in the 2015-2018 LQ45 Index. Based on the data that has been collected and the results of tests that have been carried out on the problem using multiple linear regression analysis, the following conclusions can be drawn:

1. The activities of the company (total assets turnover) and the audit committee simultaneously affect the disclosure of sustainability report.
2. Company activity as measured by total asset turnover partially affects the sustainability report disclosure.
3. The audit committee as measured by the number of committee members partially affects the sustainability report disclosure.

The suggestions we can give are as follows:

1. For practitioners to disclose sustainability reports in a disciplined manner and comply with regulators, as well as follow the advice of the audit committee and align with company activities.
2. For further researchers, it is expected to carry out the influencing factors of sustainability report by including other variables that have not been studied, so that it adds to the discourse of science, especially in the field of accounting, and increases the observation period so that the research results are more accurate.

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