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DETERMINANTS OF HIGH-QUALITY INTEGRATED REPORTS

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Abstract

Financial information, the primary analytical and accountability tool for investors, appeared unable to meet their needs, especially when it came to non-financial disclosures. There is Integrated Reporting (I.R.) to solve this problem. The study analyzes the impact of audit firm (KAP) size, stakeholder pressure, audit committee meetings, and audit committee powers on I.R. Property, real estate, and construction companies listed on the Indonesian Stock Exchange (IDX) were selected for this study due to their perceived complexity in their operations. Using targeted sampling techniques, 116 samples were selected for the observation years 2018-2019 and processed with multiple linear regression analysis in the Eviews 8 analytical tool. Based on the findings and conclusions of the investigation, audit committee meetings and audit committee mandates have a positive and material impact on (I.R.). This shows that the company can maximize its I.R. practices if the audit committee meets frequently and the authority of the audit committee is expanded. In the meantime, the impact of KAP's size and stakeholder pressure on I.R. has not been proven.

Keywords: *Integrated Reporting, Stakeholder Pressure, Audit committee meeting, Public Accounting Firm Size, Audit Committee Authority*

INTRODUCTION

The nations of the world, through the United Nations, have determined the direction of the development of human life on Earth from 2016 to 2030. A manifesto called the Sustainable Development Goals (SDGs) is designed to create a sustainable order of life. The Sustainable Development Goals map our global challenges, including poverty, inequality, climate, environmental degradation, prosperity, and peace and justice (United Nations).

In response to the great hopes of the world's nations, the government has issued a policy instrument in the form of the Presidential Decree (Perpres) of the Republic of Indonesia Number 59 of 2017 on the Implementation of the Achievement of the Sustainable Development Goals. The Sustainable Development Goals (SDGs), hereinafter abbreviated as SDGs, are a document that contains global goals and targets from 2016 to 2030. One attempt to realize it is by implementing integrated practices from various segments, including business segments.

In line with the government's focus on increasing domestic infrastructure capacity in order to accelerate economic growth, the infrastructure and construction business segment is quite a vital segment in driving such efforts. In practice, the construction industry also has complex information to report in order to produce an information tool that can be used in decision making efforts. On the criteria of such information complexity, the construction segment has sufficient reasons to implement integrated reporting.

Integrated Reporting – commonly referred to as IR – is a corporate reporting model developed by the International Integrated Reports Council (IIRC) and supported by the Global Reporting Initiative (GRI) in 2011. Integrated Reporting can be described as 'holistic' reporting in which stakeholders will be supplemented with information related to the organization's activities (Abeysekera, 2013).

Research by Ghani et al., (2018) noted that the size of the public accounting firm affects the application of I.R., meaning management will use the I.R. as their reporting when the external auditors are those with large corporate size. This is supported by the argument that companies that designate KAPs of large size, are those that have non-simple reporting requirements, so they need a competent auditor to handle them.

Kurniawan & Wahyuni, (2018) found that stakeholder pressure can negatively affect the application of I.R., which means, when companies get a considerable amount of pressure from stakeholders, companies will tend to refrain from disclosing financial and non-financial information on their I.R. It is simply understandable that the company in its capacity as a company report maker, feels so depressed that they do not have enough space in the effort to carry out company information reporting.

In its joint report, KPMG, GRI, United Nations Environment Programme (UNEP) and Unit for Corporate Governance in Africa of the University of Stellenbosch Business School (2010:8), outlined several reasons for implementing voluntary and mandatory reporting disclosures. Mandatory-based reporting will be well used as it will help in terms of comparability, fund savings, and standardization. While voluntary-based reporting will also be appropriate as it is based on points of flexibility, proximity, and compliance aspects. As for the application of I.R., I.R. has been applied voluntarily and mandatory. Nevertheless, on the basis of voluntary and mandatory disclosure of I.R., there is still such an interesting debate of the application of both.

Based on the above points, the researchers consider the relevant research on I.R. carried out, especially in Indonesia, which still applies on a voluntary basis. In accordance with the issue of application of I.R. in various countries, especially the countries of Indonesia which are still minimal. The research will be aimed at examining the direct impact of public accountant firm size variables, stakeholder pressure, audit committees meetings, and audit committee authorities on integrated reporting.

THEORETICAL BACKGROUND AND HYPOYHESIS DEVELOPMENT

Stakeholder Theory

The stakeholder theory was first introduced by Freeman, (1984) who explained that stakeholders are those who are influenced by choices and actions made by policymakers and those who have the power to influence those choices. The theory of stakeholders uses a forward-looking perspective and seeks to understand how managers can deal with stakeholder claims to enhance the company's ability to create value (Olsen, 2017).

Integrated Reporting

(Jensen & Berg, 2012) revealed, that there is an increased demand for merging financial and non-financial information into one report. Integrated Reporting or commonly abbreviated I.R. is an integrated report that contains brief communication about how an organization's strategy, governance, performance, and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term. (IIRC, 2013). I.R. has now been used by companies in both the public and private sectors (Macnab, 2015). Based on the I.R. framework, the main goal of I.R. is to explain to capital providers, how the organization creates value over time. Therefore, I.R. provides relevant information in both financial and non-financial information. I.R. positively affects content and balance on continuous disclosure, so it can be concluded that I.R. is a useful accounting technology (Broadbent, 2016). One of the major changes brought by I.R. is the emphasis on materiality (Montecalvo et al., 2018). IIRC improves I.R. by presenting a framework. This framework contains seven guiding principles and nine content elements.

Public Accountant Firms Size

The size of the public accountant firm can be defined as the size of a big or small of the public accountant firm. The size of the public accountant firm can be divided into two, namely the big-four and the non big-four (Saemargani & Mustikawati, 2016). The big four consists of KPMG, Ernst & Young, Pricewaterhouse Copers, and Deloitte Touche Tohmatsu. Big public accountant firm usually care about their reputation because they are more willing to work with companies that disclose more information in their financial statements and they have experience in dealing with companies from different regions and cultures (Ghani et al., 2018).

Stakeholder Pressure

Stakeholder pressure is the "pressure" of a company's stakeholders on the management of the company to present financial and non-financial information Kurniawan & Wahyuni, (2018). These stakeholder pressures can arise from various groups against companies, such as shareholders, creditors, governments, and groups with specific interests (Lu & Abeysekera, 2014). Furthermore, according to Helmig et al., (2016), stakeholder pressure can be defined as the ability and capacity of stakeholders to influence companies in decision making. Stakeholder pressure is considered to be a stable set of pressures. Pressure from these stakeholders will affect the company's decision-making in a variety of contexts, depending on where the stakeholder is positioned.

These stakeholder pressures can arise from various groups against companies, such as shareholders, creditors, governments, and groups with specific interests (Lu & Abeysekera, 2014). In their research, Hamudiana & Achmad, (2017) used an approach model developed by Fernandez-Feijoo et al., (2014) an approach that describes the pressure of stakeholders into four categories of industries based on four main stakeholder groups, namely the environment, consumers, investors, and workers.

Audit Committee Meeting

The audit committee, authorized as the regulator of corporate governance and structure, is a special committee formed by the principal with the responsibility to ensure that the financial statements made by the management of the company have provided an overview of the actual financial conditions Marsha & Ghozali, (2017). In carrying out its tasks, the audit committee should formulate and evaluate a set of actions to be taken during the monitoring of the company's activities. In the process of carrying out these matters, the audit committee must face-to-face and hold meetings. The number of meetings of the audit committees indicates that they have a desire to fulfill their duties as an audit committee (Abbott et al., 2000). According to the Regulation of the Financial Services Authority (POJK) No. 55 of 2015, audit committee meetings are held periodically at least once in three months, or four times a year.

Audit Committee Authority

Audit committee authority is an audit committee mandate that is clearly articulated in the duties of a particular organization Bédard et al., (2004). Conventionally, the duties of the audit committee have been determined in the form of responsibility for the financial reporting process, *internal control* issues, and has also been involved in the appointment of independent auditors. Along with the basic development of the company's operations and stakeholder focus, the role of the audit committee began to expand, just as the issue of corporate risk management and non-financial reporting also became the scope of the audit committee's duties (Haji & Anifowose, 2016).

Along with the development of the audit committee's expanding duties, the company began to consider disclosing the authority of the audit committee, which is not only dealing with financial reporting and *internal control issues.* With such trends, coupled with the tendency of various companies to disclose non-financial information, audit committee authority is now beginning to be considered as a component of reporting.

Size of Public Accountant for *Integrated Reporting*

Independent auditors used by companies, judging from their size, can be one of the references to how the company needs professionals who are able to deal with the complexity of company problems in terms of financial – and non-financial reporting. The larger the company and of course the greater the complexity of the company's operations, of course, the company needs independent auditors who are very professional. This can also be an indication that companies with such a level of need, will certainly need public accountant firms' services with a large size. Companies that have demands for reporting using I.R., will need a competent and capable public accountant firm in supporting these efforts. This is because the complexity of the information owned by the company is at a different level from other companies. The consideration of public accountant firms such as the *big-four* may be an important point in supporting the company's efforts towards I.R. implementation, and, public accountant firms with qualified capabilities is expected to make I.R. quality better. Research by Ghani et al., (2018) provides results that there is a significant influence between the size of public accountant firms and I.R. The research shows that companies that use independent audit services with large *firms' size audits* tend to have good I.R. quality.

H_1: The size of public accountant firms has a positive and significant influence on *Integrated Reporting.*

Stakeholder Pressure on *Integrated Reporting*

Interesting parties that are an important component for the company, must have an influence – whether significant or not – on the operation of the company. There is a possibility for them to demand and urge companies to realize their interests in the company. If the stakeholder has a specific claim, it is not unlikely that it should be in the company's report. Therefore, the pressure of stakeholders may be a determinant of how much I.R. will be treated.

Research conducted by Kurniawan & Wahyuni, (2018) shows that stakeholder pressure has a negative and significant impact on I.R. Research using this government pressure proxy explains that when stakeholder pressure increases, companies will tend to not disclose financial and non-financial information to the I.R., or it can be concluded that the company has less capacity in doing I.R.

H_2: Stakeholder pressure has a negative and significant influence on *Integrated Reporting.*

Audit Committee Meeting on *Integrated Reporting*

Audit committees are such an important element in the course of the company's operations. The audit committee, which during the performance of its duties holds several meetings to carry out its responsibilities, may be considered as a determining factor in the company's efforts to disclose financial and non-financial information.

Research conducted by Haji & Anifowose, (2016) showed that audit committee meetings had a significant positive impact on I.R. This explains that the high frequency of audit committee meetings will influence the company to make more disclosures, especially in relation to I.R. This study was supported by Chariri & Januarti, (2017) which showed similar research results.

In carrying out its tasks, the Audit Committee requires a series of meetings to monitor the performance of the audit committee's tasks. Logically, an intense meeting will bring about an increasingly broad discussion. The audit committee meeting becomes one of the determining factors for I.R. Since one of the main tasks of the audit committee is to control the course of annual audit, which is also intended to maximize the quality of the annual report, then at this point the auditor committee has a considerable role in the implementation of I.R. Whether it's close to a certain intensity, or even high-intensity, will bring the language about I.R. deeper or not, so the quality of I.R. can be maximized.

H_3: Audit committee meetings have a positive and significant influence on *Integrated Reporting.*

Audit Committee Authority on *Integrated Reporting*

The Audit Committee has the fundamental tasks of supervising the execution of financial statements, supervision of internal controls, and is also involved in the appointment of independent auditors in the framework of the annual audit. In its journey, the audit committee has actually undergone a fairly broad development. Currently, the scope of the audit committee's authority can cover efforts that require a more complex level of observation.

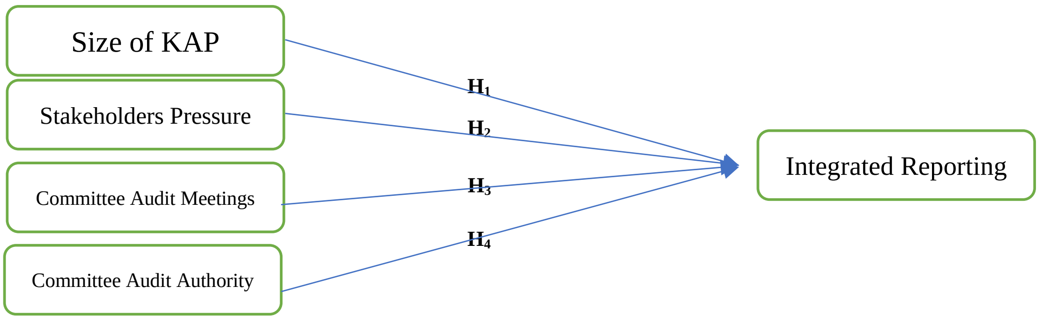
Haji & Anifowose, (2016) research shows that the audit committee authority has a significant positive influence on I.R. It explains that companies that disclose information about the audit committee authority have a good level of I.R. application. It can also be concluded that an audit committee which has certain duties and powers will support the disclosure of financial and non-financial information.

Expanding the authority of the audit committee is able to create different outcomes from merely conducting annual audits to meet annual reporting needs. Non-financial information that is not too highlighted in annual audits may be touched in the context of the extension of the audit committee's authorization. The exposure to non-financial information could potentially enhance wider surveillance, so the I.R. can be maximized well. In short, if the audit committee has the authority to support the implementation of I.R., then improvements in I.R. quality are expected to occur.

H_4: Audit committee authority has a positive and significant influence on *Integrated Reporting.*

Conceptual Framework

Picture 1. Research Conceptual Framework



METHODS

The objects and scope studied in this study are integrated reporting of companies in the property, real estate, and construction sectors listed on the Indonesian Stock Exchange period 2018 – 2019. Companies in this sector were chosen because the authors evaluated the information they own. Companies operating in this sector are very complex.

The method chosen in this study is a quantitative method with regression analysis. The double variable used in predicting variations of the variable is bound by more regression. of a free variable. The population selected in this study is the property sector companies, real estate, and construction listed on the Indonesian Stock Exchange during the period 2018-2019. The sample in this study is selected based on purposive sampling technique, in which the sample is selected based on the following criteria:

1. Property, real estate, and construction companies listed on the Indonesian Stock Exchange during 2018-2019 and published annual reports during the observation year.
2. Companies that do not have bias information about research variables

The variables used in this study consist of dependent variables, that is, integrated reporting and independent variables that are the size of the public accountant firm, the pressure of stakeholders, audit committee meetings and audit committee authority Here is the measurement of each variable: Integrated Reporting is a brief communication about how an organization's strategy, governance, performance, and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term (IIRC, 2013). This research uses the I.R. index as a research instrument (proxy) to determine the level of application of integrated reporting as used in previous research (e.g. **Chariri & Januarti, 2017**, **Haji & Anifowose, 2016**, Ghani et al., 2018, **Kurniawan & Wahyuni, 2018)**. This index is adopt a checklist context that is aligned with the content of the elements presented in the I.R. framework. According to the I.R. framework, there are nine elements of content: (1) an overview of the organization and external environment, (2) governance, (3) business models, (4) risks and opportunities, (5) strategy and allocation resources, (6) performance, (7) outlook, (8) preparation and presentation based, (9) general reporting guidelines. The total of items to be disclosed is 42 items. Each item will be rated "1" when the item is disclosed by the company, while "0" when the company did not disclose the items.

$$IR\ Value = \frac{Total\ items\ disclosed\ on\ the\ totals\ report}{IR\ Framework\ compliant\ items} \quad \text{......} \quad (1)$$

Audit Firms is an organization that performs professional services covered by the Professional Standards of Public Accountants and includes partners, and professional staff. The size of the public accountant firm can be defined as the size to determine the size of a public accountant firm **Firyana & Septiani, (2014)**. The size of the public accountant firm is divided into two: the big 4 audit firms and non-the big 4 audit firms. To measure it, a dummy variable is used, in which the value "1" is given to the big 4, while a value "0" is provided to the non-big 4. This is according to research conducted by Ghani et al., (2018)

According to **Kurniawan & Wahyuni, (2018),** the pressure of stakeholders is the "pressure" of corporate stakeholders to the management of the company to present financial information and non-financial (comprehensive information). Proxy for stakeholder's pressure variables in thhis study uses models developed by **Kurniawan & Wahyuni, (2018).** The measurement is done with dummy against stakeholder's pressure represented by the government's pressure. The value "1" is given when there is government ownership in the stock, "0" is given when there is no government ownership.

Audit meetings may be defined as the number of meetings held by the audit committee in order to perform their duties as mandatory shareholders. To calculate these variables, the researchers looked at the total meetings conducted by the audit committee in one reporting period, as revealed in the company's annual report. This model of calculation is consistent with the research carried out by **Chariri & Januarti, (2017),** as well as **Haji & Anifowose, (2016)**.

Bédard et al., (2004) stated that the Audit Committee Authority is a mandate of an audit committee that is clearly articulated in a particular organization's tasks. Although, in principle, the audit committee has the authority to supervise the preparation of annual reports, internal controls, or a series of other supervisory procedures, it does not exclude the possibility that the audit Committee has specific tasks other than these. Such a tendency, makes it necessary for the company to disclose to what extent the level of audit committee authorization. The dummy variable is used to calculate the audit committee authority. The value "1" is used when there is a clear statement in the annual report that the audit committee ensures the integrity of the I.R. disclosure, while "0" is otherwise used. This model is in line with the research carried out by **Haji & Anifowose, (2016)**. The linear equation of multiple regression in this study is:

$$IR = \alpha + \beta 1ASIZE + \beta 2PRESS + \beta 3ACMEET + \beta 4CAUTH + \varepsilon \quad \text{......} \quad (2)$$

Described:

I.R.	is integrated reporting
ASIZE	is Public Accountant Firm Size
PRESS	is Stakeholder Pressure
ACMEET	is Audit Committee Meeting
CAUTH	is Audit Committee Authority

RESULT AND DISCUSSION

Of the 69 companies in the property, real estate, and construction sectors listed in the BEI as of December 31, 2019, only 59 companies consistently published annual reports. Next, there is one company that has information bias on one research variable in its annual report. Only 58 of these companies met the data criteria.

Descriptive Statistical Analysis

This study uses descriptive statistical analysis to find information related to the picture and the spread of the data being studied. The descriptive statistical analysis used in this study consists of average, maximum, minimum, and standard deviation values.

Table 1. Results of Descriptive Statistical Analysis

	IR	ASIZE	PRESS	ACMEET	ACAUTH
Average	0.6186	0.2241	21.4431	5.8017	0.6983
Maximum	0.8571	1	24.4137	29	1
Minimum	0.3095	0	17.3120	0	0
Dev. Std	0.1447	0.4188	1.5072	4.6648	0.4611
Observation	116	116	116	116	116

Source: Processed data, 2020

Multiple Linear Regression Analysis

After going through the classical assumption testing, the next step is to perform a multiple linear regression test. The result of this multiple linear regression test is intended to prove the research hypothesis. The results of the multiple linear regression test can be seen in the following table 2.

Table 2: Multiple Linear Regression Test Results Variable

Variable	Coefficient	Std. Error	T_{stat}	Prob.
C	0.164992	0.158982	1.037783	0.3017
ASIZE	-0.048804	0.027366	-1.783345	0.0772
PRESS	0.014197	0.007453	1.904816	0.0593
ACMEET	0.015566	0.002432	6.399932	0.0000
ACAUTH	0.099982	0.024710	4.045812	0.0001
R^2	0.428427	Mean dependent variable		0.618635
Adj. R^2	0.407831	St. Dev. Dependent variable		0.144706
S.E. of regression	0.111355	Akaike info criterion		-1.510013
Sum of squared resid	1.376425	Schwarz criterion		-1.391323
Log likelihood	92.58082	Hannan-Quinn criterion		-1.461830
F_{stat}	20.80027	Durbin-Watson stat		1.662635
Prob (F_{stat})	0.000000			

Source: Processed data, 2020

The multiple linear regression equation as a test result is as follows:
$IR = 0.164992 - 0.048804ASIZE + 0.0141197PRESS + 0.015566CMEET + 0.099982ACAUTH$

Statistical Test F
Based on the results of the statistical test, the probability of 0.00000 is less than the probability value 0.05. From these results it can be concluded that regression models are feasible to use in research and can be used to estimate actual values statistically.

Test Coefficient of Determination (R^2)
Based on the results of Table 2, it can be seen that the *adjusted R^2* is obtained at 0.407831. The figure shows that the independent variable is able to explain the dependent variable by 0.407831 or 40.78%. While the remaining numbers, indicate the dependent variable can be influenced by other variables besides the independent variable.

Statistical Test t
From the results of statistical t_{test} in table 2, it can be known the results of hypotheses that are formed partially between the variables of Public Accountant Firm Size, Stakeholder Pressure, Audit Committee Meetings, and Audit Committee Authority on I.R. as follows:
H_1: not accepted because of probability value 0.0772 > 0.05
H_2: not accepted because probability value 0.0593 > 0.05
H_3: accepted because probability value 0.0000 < 0.05.
H_4: accepted because of probability values of 0.0001 < 0.05.

The impact of Public Accountant Firm size on integrated reporting
The test results of the hypothesis are not able to prove that the size of the Public Accountant Firm can influence the I.R. This shows that the big Public Accountant Firms are not capable of guaranteeing the quality of I.R. licensing. Otherwise, the small Public Accountant Firm, does not mean it can not accommodate the needs of more complex clients than most companies.

This result is not impactful can be due to the fact that the big Public Accountant Firm has had its own standard operation procedure that is not able to accommodate the existence of the desire of the client that demands the implementation of I.R. It could also be an indication that a big Public Accountant Firm assesses I.R. practices is not yet time to be applied to related companies.

The requirement for integrated and more complex disclosure of information may be particular consideration of why big Public Accountant Firm are unable to streamline I.R. practices. This is reinforced by the implementation of I.R. practices in Indonesia that have not yet received special attention from various parties, including Public Accountant Firm as an assessment service provider to the company.

Results of research conducted by Soliman, (2013) and Agyei-Mensah, (2012) that tested the influence between Public Accountant Firm size variables on voluntary disclosure. Both studies failed to prove the hypothesis they developed about the impact of Public Accountant Firm size on voluntary disclosure, so no evidence was found that Public Accountant Firm size could affect dependent variables.

Impact of Stakeholder Pressure on Integrated Reporting
The test results of the hypothesis cannot prove the existence of an influence between the stakeholder pressure and the I.R. This proves that the stakeholders pressure is unable to influence management in improving I.R. quality.

The results of this study are not influential because the stakeholders pressure is not able to accommodate by the management of the company. On the other hand, stakeholders also have not yet had an adequate understanding of I.R., so the stakeholder has not yet been able to provide a strategic claim that is truly capable of being understood by the management of the company and capable of moving I.R. practices on the company.

This unproven influence between stakeholder pressures is inconsistent with the theory of stakeholders that states that the company's policies can be influenced by stakeholders. Interested parties who have a certain capacity against the company have not been shown to be able to improve the disclosure of financial and non-financial information expected when I.R. is applied. It can be understood that in the context of I.R. practices, the company considers stakeholders as having no strategic role capable of influencing them in the implementation of such practices.

Research conducted by Rudyanto & Siregar, (2018) which tested the impact on sustainable reporting. From the results of the study, there was no influence of stakeholders who are shareholders on continuous reporting. The results provide an answer that the quality of sustainable reporting cannot be improved when there is pressure from stakeholders who are shareholders.

Impact of Audit Committee Meetings on Integrated Reporting

The results of the test of the hypothesis showed a positive and significant influence between auditing committee meetings on I.R. This shows that a high frequency of audit committee meetings can improve I.R. quality. With a high frequency of meetings, discussions can be wider and more comprehensive, so points about I.R. will be touchable and disclosure of financial and non-financial information will be well supported.

Audit committees, which have an intensive frequency of meetings, are able to accommodate wider disclosure of information. The disclosure of such information can satisfy the wishes of the management or the principal who wishes it to be implemented in their company reports. In addition, with its high frequency, the audit committee is also able to guarantee the quality of I.R. disclosure due to the in-depth evaluations carried out during such meetings.

The results of this study are in line with the research carried out by Haji and Anifowose (2016), as well as Chariri & Januarti, (2017). Both studies showed a positive and significant impact between audit committee meetings and I.R. High frequency gatherings can actually bring the disclosure of information to be better so that I.R. practice can be done to the maximum.

The Impact of Audit Committees on Integrated Reporting

The results of the test of the hypothesis demonstrated a positive and significant influence between the audit committee authority and the I.R. This means that an extensive audit committee authority, not just focused on monitoring annual audits and financial information, is able to add value to company reporting.

The expansion of authority capable of capturing non-financial information can bring I.R. practices in the company to be better. So the information disclosed is in line with the I.R. framework and can provide more integrated information. The availability of integrated information, in accordance with the theory of stakeholders, is a result that is influenced by the demands of interested parties who want to improve the quality of reporting, in particular the maximum implementation of I.R. This expansion could provide a more comprehensive for the audit committee to perform its functions in the framework of overseeing the company's reporting, so that the I.R. becomes a critical point within the authority of the auditing committee.

The results of this study are consistent with the research carried out by (Haji & Anifowose, 2016) The research showed a positive and signaling influence between the audit committee authority and the I.R.

CONCLUSION

The research was conducted to respond to the formulation of the problems and objectives of the research that have been previously raised, namely to demonstrate whether the variables of the size of the CAP, the pressures of stakeholders, the meetings of the audit committees, and the authorities of the auditing committee have an impact on integrated reporting. The data used in this research is secondary data that comes from the annual reports of companies in the property, real estate and construction sectors listed on the Indonesian Stock Exchange in 2016-2017 with a total of observations surveyed of 99.

Then this study can draw the following conclusions:

1. The size of the Public Accountansi Firm has not been shown to have an effect on I.R. This shows that a big Public Accountansi Firm is unable to support the implementation of I.R. practices on companies.
2. Stakeholder pressure has not been shown to have an influence on I.R. This shows that excessive pressure stakeholders cannot improve the quality of I.R. practices in the company.
3. Audit committee meetings have a positive and significant impact. This shows that audit committees with increasing frequency of meetings are able to provide improvements to the implementation of I.R. in the company.
4. The audit committee authority has a positive and significant influence on I.R. This explains the extended audit committee authority, able to provide improved impact on the company's I.R. practices.

Suggestion

1. It is necessary to study more deeply and find a strong foundation on integrated reporting more comprehensively.
2. It is necessary to expand the industry sectors used as samples in research so that the results obtained can provide a broader explanation.
3. It is necessary to consider testing other independent variables in order to find out the I.R. influence factors more broadly.
4. It is necessary to consider operationalization of other variables on CAP size variables such as number of partners, total revenue, and number of auditors.
5. It is necessary to consider the operationalization of other variables on stakeholder pressure variables such as the number of media publications related to the company's conflict with society, court rulings, pressure on corporate financial efficiency, and restructuring or executive change.
6. It is worth considering how to measure the I.R. that not only uses the checklist of items so that the measurement is not limited to the item revealed, but the quality of the I.R. itself.

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