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## The Influence of Financial Distress, Audit Committee, Audit Quality, and Leverage on Voluntary Disclosure: A Study on Infrastructure Sector Companies Listed on the Indonesia Stock Exchange from 2020 to 2023

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### ARTICLE INFO

*Keywords:* Financial Distress, Audit, Leverage, Voluntary Disclosure.

*Received* : 8 July

*Revised* : 13 August

*Accepted* : 19 September

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### ABSTRACT

The purpose of this study is to explain the independent variables, namely financial distress, audit committee, audit quality, and leverage, to analyze their influence on the dependent variable, namely voluntary disclosure. The data analysis method in this study uses the regression analysis method, whose calculations use SPSS version 26. This study uses multiple linear regression because the independent variables used are more than one variable. The multiple regression analysis method used in this study includes descriptive statistics, classical assumption tests, hypothesis testing, and statistical tests. From the simultaneous test results, an F value of 19.455 is obtained, which is positive, and the significance test result of 0.000 is smaller than 0.05. Thus, financial distress, audit committee, audit quality, and leverage simultaneously affect voluntary disclosure. From the partial test obtained, the four independent variables, namely financial distress, audit committee, audit quality, and leverage, partially have an influence on voluntary disclosure

## INTRODUCTION

Mandatory disclosure and voluntary disclosure are two types of information that can be submitted in the annual report (Kartika et al., 2021). "Regulation of the Financial Services Authority (OJK) Number 29/POJK.04/2016 concerning annual reports of issuers or public companies" regulates what matters must be submitted by companies in their annual reports. Meanwhile, disclosures made outside the scope of these rules are voluntary disclosures (Gunawan, 2019).

Agency theory suggests that conflicts of interest between a company's principal and agent can be reduced by including extra information in the annual report, particularly through voluntary disclosure (Allegrini & Greco, 2013). Voluntary disclosure refers to information that goes beyond the minimum requirements of existing reporting standards and is not compulsory. Companies usually weigh the potential benefits and costs related to providing this voluntary information (Vernando & Halmawati, 2016).

The issue of voluntary disclosure was discussed in May 2023, published in IDX Channel, written by (Ramalan, 2023). PT Waskita Karya (Persero) Tbk (WSKT) has recorded a temporary suspension of its shares in the capital market due to the issuer delaying the payment of interest on its Sustainable Bonds IV Phase I of 2020. The interest on the bonds has not yet been paid because the company is still in a standstill period. The Corporate Secretary of Waskita Karya, Ermy Puspa Yunita, stated that the standstill is an optimal form of equal treatment for creditors and non-secured bondholders, thus providing time for Waskita to preserve cash for operational activities in line with the Master Restructuring Agreement. (MRA). The Indonesia Stock Exchange (IDX) has officially suspended WSKT shares temporarily. The shares of the state-owned construction company are suspended at a price of Rp202. Even though it has been halted, Ermy ensures that the completion of the projects currently underway will not be hindered or disrupted. According to him, Waskita continues to implement all programs and strategies in accordance with the established targets (Ramalan, 2023). Nyoman Yetna, as the director of company evaluation at the IDX, stated that the stock exchange authority has requested Waskita Karya to provide public information regarding the ongoing

and future improvement efforts, including the latest developments related to operational conditions, the MRA review process, and the debt restructuring plans undertaken by WSKT. (Hafiyyan & Timorria lim F., 2023).

One factor expected to affect the level of voluntary disclosure is financial distress. Kuncoro & Agustina (2017) define financial distress as the preliminary phase before bankruptcy or liquidity issues arise, caused by a deterioration in financial conditions. Gantjowati & Nugraheni (2014) in Pratiwi & Afriyenti (2023) state that a company that has positive news will usually make more disclosures to attract investor interest. However, contrary to this, if the organization experiences financial distress, the organization will tend to limit data disclosure.

The audit committee is the next factor predicted to influence voluntary disclosure. The audit committee itself is a very important element because its main task is to oversee the activities of the managers. The role of the audit committee in an organization is to help maximize the duties or principles and functions of the board of commissioners, such as implementing elements of openness and transparency, applied adequately and consistently (Suyono, 2018).

Audit quality refers to the likelihood that an auditor, during the examination of a client, will identify violations in the client's financial system and report them in the audited report. In performing this duty, the auditor follows applicable auditing standards and the ethical code for public accountants (Yohana et al., 2020).

Marbun (2022) suggests that leverage is one of the variables that can impact voluntary disclosure. Kasmir (2019) explains that the leverage ratio measures the extent to which a company's assets are funded by debt. In other words, it indicates the amount of debt the company carries relative to its assets. A higher leverage ratio signifies greater reliance on debt in relation to the company's total assets or equity.

Previous research related to voluntary disclosure has been widely conducted and has

shown varying results. Research by Serly (2021) and Pratiwi & Afriyenti (2023) It is stated that financial distress significantly affects voluntary disclosure. However, this contradicts the findings of Kartika et al. (2021), who concluded that financial distress does not have a significant positive impact on the extent of voluntary disclosure. Additionally, Nicko et al. (2022) discovered that the characteristics of the audit committee, the internal audit function, and audit quality positively influence voluntary disclosure. Pontoh et al. (2021) discovered that profitability and the frequency of meeting held by the audit committee significantly affect voluntary disclosure, while leverage, liquidity, independent audit committees, and the size of KAP do not have an impact on voluntary disclosure.

Based on several studies that have been conducted, this research is carried out to re-examine the research variables due to the inconsistencies found in the research results. Therefore, the researcher will reevaluate the influence of financial distress, audit committee, audit quality, and leverage on voluntary disclosure in infrastructure sector companies listed on the Indonesia Stock Exchange from 2020 to 2023.

## METHODS

This research is a causal study with a quantitative approach. Causal research is research that aims to find the causes of one or more existing problems, or more precisely, to question the issues of cause and effect (Sekaran, 2016). Causality research is also a study that shows the direction of the relationship between independent and dependent variables (M. Kuncoro, 2013). The purpose of this research is to study the independent variables, namely financial difficulties, audit committee, audit quality, and leverage, and to analyze how voluntary disclosure as the dependent variable is influenced by them.

Grover's measurement method is a measurement tool used to measure financial distress, as researched in (Esfandiatri, 2023). In 2001, Jeffrey Grover made adjustments to the Altman Z Score model. So that the following is the equation in the Grover Model:

$$G\text{-Score} = 1,650 X_1 + 3,404 X_2 - 0,016 \text{ ROA} + 0,057$$

Description:

$$X_1 : \frac{\text{Working Capital}}{\text{Total Assets}}$$

$$X_2 : \frac{\text{EBIT}}{\text{Total Assets}}$$

$$\text{ROA} : \frac{\text{Net Profit}}{\text{Total Assets}}$$

The lower the G-score of an issuer, the greater the likelihood of experiencing financial problems. The threshold value of the Grover model is -0.02. If the value of  $G \leq -0.02$ , it falls within companies facing financial distress or in the red zone. Meanwhile, if the value of  $G \geq 0.01$ , it falls within companies that are not facing financial distress or in the green zone.

The audit committee is assessed using proxies based on previous research Pontoh et al., 2021; Mulianingsih & Darsono, 2021; Astuti & Yopie, 2020, namely the frequency of audit committee meeting. The audit committee meeting is a gathering that serves as a coordination medium among the members of the audit committee to carry out their duties effectively. The purpose of this audit committee meeting is to plan the oversight strategy for the company's management performance and evaluate the policies that have been implemented, as well as those that are forthcoming.

The frequency of audit committee meeting is measured based on the total number of meeting held by the audit committee in a year. Data related to the number of audit committee meeting is presented in the form of a nominal scale symbolized by RKA (Pontoh et al., 2021). From the presentation, the audit committee can be formulated as follows:

$$\text{RKA} = \text{Number of audit committee meetings}$$

The quality of the audit will be measured using the proxy of audit fees. Audit fees are the costs of the audit or the amount charged for audit services by the service provider (auditor) to the service recipient (client), as a responsibility of the service recipient for the work results of the service provider (auditor) (Yohana et al., 2020). In this study, audit quality is measured using the audit fees found in the annual report, which will then be calculated using the natural logarithm, formulated as follows:

$$\text{Fee Audit} = \text{Ln Fee Audit}$$

Leverage is a ratio applied to see the extent to which the company's assets are financed with debt. Based on previous research by Yoga et al., (2019); Marbun, (2022), the indicator that will be used in this study is DER. (Debt to Equity Ratio). According to Fahmi (2015), debt to equity ratio is defined as a measure used in evaluating financial statements to see the amount of collateral available to lenders. The DER can be formulated as follows:

$$\text{DER} = \frac{\text{Total Liabilities}}{\text{Total Equity}} \times 100\%$$

In this study, the variable designated as the dependent variable is voluntary disclosure. (VD). Voluntary disclosure is information provided voluntarily by management, beyond mandatory disclosures, aimed at supplying additional information that is expected to be beneficial for the decision-making process of financial report users.

The voluntary disclosure index is an indicator to measure how much voluntary disclosure is in the company's annual report, calculated as a ratio between the total disclosed information items. The higher the voluntary disclosure index value, the more extensive the voluntary disclosure is.

Based on previous research by Sari & Juliarto (2016), this study serves as a foundation for the researchers in utilizing the list of voluntary disclosure items that are disclosed. In this study, each disclosure item was evaluated using a dichotomous score, with 1 for items that were

disclosed and 0 for those that were not. The disclosure index for each company is divided into ten categories. The score for each item in each category is summed and then divided by the maximum value of the items in that category. This index is calculated for each company. The overall index for all companies is calculated by dividing the total disclosure index score from the ten categories of voluntary disclosure. The formula for calculating the Voluntary Disclosure Index (IPS) is as follows:

$$\text{IPS}_i = \frac{\sum Q}{n}$$

Description:

$\text{IPS}_i$  : Index of voluntary disclosure in companies.

$\sum Q$  : The total number of voluntary disclosure index items disclosed.

$n$  : Total number of items in voluntary disclosure

This study uses the purposive sampling technique, which means taking samples based on certain criteria to obtain the number of research samples. The sampling criteria in this study are as follows:

1. Infrastructure sector companies that are listed and still active on the Indonesia Stock Exchange.
2. Infrastructure sector companies that publish their annual reports from 2020 to 2023 on the official website of the Indonesia Stock Exchange or through the company's official website.
3. In the annual report, the company publishes the amount of audit fees paid to the public accounting firm in the audit year.

Based on the purposive sampling method, the number of infrastructure sector companies listed on the Indonesia Stock Exchange is 69, with a 4-year observation period, resulting in a total of 276 annual reports that constitute the population of this study. According to the sampling criteria, there are 166 annual reports from companies in the infrastructure sector.

In testing the hypothesis, this study applies the

**Table 1 Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
FINANCIAL DISTRESS	166	-8,85	1,56	,0670	1,21820
KOMITE AUDIT	166	0	54	9,69	9,806
KUALITAS AUDIT	166	17,91	25,01	20,4764	1,40653
LEVERAGE	166	-34,93	9,21	1,3007	3,62915
VD	166	,26	,80	,5557	,11104
Valid N (listwise)	166				

use of multiple regression models. In general, in evaluating independent variables that are more than two variables and are measured using an interval or ratio scale in a linear equation, the regression model used is a multiple regression model. The multiple linear regression equation used in this study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

The multiple regression analysis method employed in this study encompasses descriptive

Source: Processed Data (SPSS 26 Output), 2024

The table above presents the results of descriptive statistics from the collected data, indicating that

1. The dependent variable, which is voluntary disclosure (VD), has a minimum value of 0.26 obtained from Fimperkasa Utama Tbk in 2020, while the maximum value is 0.80 obtained from Jasa Marga (Persero) Tbk in 2020 and XL Axiata Tbk in 2022. The average value of voluntary disclosure is 0.5557, indicating that the average infrastructure company discloses 26 items out of a possible 46 items. The standard deviation is 0.11104.
2. The financial distress variable, projected using the Grover model, has a minimum value of -8.85 obtained from Leyand International Tbk in 2021. Meanwhile, the maximum value of 1.56 was obtained from Maharaksa Biru Energi Tbk in 2020 and LCK Global Kedaton Tbk in 2023. with an average achievement of 0.0670, and a standard deviation of 1.21820.
3. The second variable is audit committee meetings have a minimum value of 0, obtained from Visi Telekomunikasi Infrastruktur and Fimperkasa Utama in 2020, as well as in 2021 from Visi Telekomunikasi Infrastruktur and Arkora

statistics, classical assumption tests, hypothesis test, and statistical tests.

## RESULTS

### Descriptive Statistics

Descriptive statistical tests illustrate or describe data based on the mean, standard deviation, variance, maximum and minimum values of independent variables, namely financial difficulties, audit committee, audit quality, leverage, and the dependent variable, which is voluntary disclosure.

Hydro. The maximum value is 54, achieved by Adhi Karya (Persero) Tbk. The average value for this variable is 9.69, with a standard deviation of 9.806.

4. The third variable is audit quality, measured using the natural logarithm of audit fees, obtained a minimum value of 17.91 from Leyand International Tbk in 2020 and 2021 with an audit fee of Rp. 60,000,000.00. The maximum value was 25.01, obtained from Telkom Indonesia (Persero) Tbk, with an audit fee of Rp. 73,000,000,000.00, with an average reaching 20.4764 and a standard deviation of 1.40653.
5. And the last is leverage, which is proxied using the debt to equity ratio. It obtained a minimum value of -34.93 from Centratama Telekomunikasi Indonesia Tbk in 2022, and a maximum value of 9.21 from Maharaksa Biru Energi Tbk in 2021. With an average reaching 1.3007 and a standard deviation of 3.62915.

### Normality Test

The normality test applied in this research is the one-sample Kolmogorov-Smirnov test. Residual is considered normally distributed if the Asymp. Sig (2-tailed) value from this test exceeds  $\alpha = 0.05$ .

**Table 2 One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		166
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	,09116747
	Absolute	,044
Most Extreme Differences	Positive	,021
	Negative	-,044
Test Statistic		,044
Asymp. Sig. (2-tailed)		,200 <sup>c,d</sup>

a. Test distribution is Normal.  
b. Calculated from data.  
c. Lilliefors Significance Correction.  
d. This is a lower bound of the true significance.

Source: Processed Data (SPSS 26 Output), 2024

The table above shows the results of the calculation using the One-Sample Kolmogorov-Smirnov Test, which has a significance level probability above the confidence level of  $\alpha = 0.05$ ,

Specifically 0.200 exceeds the threshold of 0.05. This means it can be concluded that the data in this study has a normal distribution.

**Multicollinearity**

**Test**

**Table 3 Multicollinearity Test Coefficients<sup>a</sup>**

Model	Collinearity Statistics	
	Tolerance	VIF
1 FINANSIAL DISTRESS	,979	1,021
KOMITE AUDIT	,780	1,282
KUALITAS AUDIT	,810	1,234
LEVERAGE	,947	1,056

a. Dependent Variable: VD

Source: Processed Data (SPSS 26 Output), 2024

Based on table 3, it can be observed that there is not a single variable X that has a tolerance value lower than the threshold of 0.10, It shows that no significant correlation (exceeding 95%) was found among the variables. The evaluation of the VIF

values also indicates that there are no variables with a VIF score exceeding 10. Therefore, it can be concluded that there is no multicollinearity among the variables in the applied regression model.

**Heteroscedasticity**

**Test**

Source: Processed Data (SPSS 26 Output), 2024

**Table 4 Heteroscedasticity Test Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	(Constant)	,008	,067		
FINANCIAL DISTRESS	-,003	,004	-,060	-,768	,444
KOMITE AUDIT	-,001	,000	-,099	-1,122	,263
KUALITAS AUDIT	,003	,003	,085	,988	,325
LEVERAGE	,002	,001	,120	1,497	,136

a. Dependent Variable: ABRESID

The heteroscedasticity test using the Glejser test, as presented in Table 4, shows that the independent variables of financial distress, audit committee, audit quality, and leverage have

significance values above 5%. Therefore, it can be concluded that the applied regression does not indicate the presence of heteroscedasticity.

**Autocorrelation Test**

Source: Processed Data (SPSS 26 Output), 2024

From Table 5, it is clear that the Durbin- DW value is greater than the DU value (2.084 >

**Table 5 Autocorrelation Test**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	,571 <sup>a</sup>	,326	,309	,09229	2,084

a. Predictors: (Constant), DER, G-SCORE, FEE AUDIT, RKA  
b. Dependent Variable: VD

Watson score is 2.084. This value will be compared with the Durbin-Watson table using a significance level of 5%. According to the table, the value of DU is 1.7957, while the DW value is 2.084. Since the

1.7957) and less than 4 minus DU (2.084 < 2.2043), this result indicates that there is no correlation, either positive or negative.

**The Coefficient of Determination (R<sup>2</sup>)**

**Table 6 The Coefficient of Determination (R<sup>2</sup>)**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,571 <sup>a</sup>	,326	,309	,09229

a. Predictors: (Constant), DER, G-SCORE, FEE AUDIT, RKA  
b. Dependent Variable: VD

Source: Processed Data (SPSS 26 Output), 2024

The regression results show an Adjusted R Square value of 0.309 or 30.9%. The dependent variable of voluntary disclosure (VD) can be significantly explained by variations in the independent variables. These independent variables

are financial distress, audit committee, audit quality, and leverage, while the remaining 69.1% is explained by other unobserved variables in this study.

**Multiple Linear Regression Test**

**Table 7 Multiple Linear Regression Test**

Model	Unstandardized		Standardized		Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta	t	
(Constant)	,048	,113		,423	,673
FINANCIAL DISTRESS	,021	,006	,230	3,511	,001
KOMITE AUDIT	,002	,001	,207	2,823	,005
KUALITAS AUDIT	,023	,006	,295	4,098	,000
LEVERAGE	,006	,002	,188	2,832	,005

a. Dependent Variable: VD

Source: Processed Data (SPSS Output 26), 2024

From table 7, the multiple linear regression equation in this study can be explained. The formula for the regression equation in this research is as follows:

$$Y = 0,048 + 0,021 X_1 + 0,002 X_2 + 0,023 X_3 + 0,006 X_4$$

As for the regression equation above, the values of the multiple linear regression coefficients can be interpreted as follows:

1. The value of the regression constant is 0.048, which indicates that if the independent variables, namely financial distress, audit committee, audit quality, and leverage, are valued at 0 (constant), then the dependent variable, which is voluntary disclosure, will be valued at 0.048, or 4.8%.
2. The regression coefficient for the financial difficulty variable ( $X_1$ ) is positively valued at 0.021 in relation to voluntary disclosure, indicating that if  $X_1$  or financial difficulty increases by 1 unit, then voluntary disclosure will increase by 0.021, or 2.1%, and vice versa, provided that the other variables remain constant.

3. The value of the regression coefficient for the audit committee variable ( $X_2$ ) is positive at 0.002 regarding voluntary disclosure, which means that if the  $X_2$  variable, or the number of audit committee meetings, increases by one meeting, the Y variable will increase by 0.002 or 2%, and vice versa, provided that the other variables remain constant.
4. The value of the regression coefficient for the audit quality variable ( $X_3$ ) shows a positive value of 0.023 towards voluntary disclosure. This means that if the audit quality ( $X_3$ ) increases by 1 unit, the Y variable (voluntary disclosure) is expected to increase by 0.023, or 2.3%, and vice versa, provided that the other variables remain constant.
5. The regression coefficient value for the leverage variable ( $X_4$ ) is positive at 0.006 concerning voluntary disclosure, which means that if the  $X_4$  variable or leverage increases by 1 unit, the Y variable will increase by 0.006 or 6%, and vice versa, provided that the other variables remain constant.

**Hypothesis Testing Simultaneous Significance Test (F-test)**

**Table 8 F-test  
ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,663	4	,166	19,455	,000 <sup>b</sup>
	Residual	1,371	161	,009		
	Total	2,034	165			

a. Dependent Variable: VD  
b. Predictors: (Constant), DER, G-SCORE, FEE AUDIT, RKA

Source: Processed Data (SPSS 26 Output), 2024

Based on table 8, the calculated F value is 19.455, which is greater than the table F value (2.43), and the significance test result is  $0.000 < 0.05$ . Thus,  $H_1$  is accepted, meaning that financial distress, the audit committee, audit quality, and

leverage simultaneously have a significant effect on voluntary disclosure.

### Testing the Significance of Individual Parameters (T-Test)

Source: Processed Data (SPSS 26 Output), 2024

**Table 9 t-test  
Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,048	,113		,423	,673
FINANCIAL DISTRESS	,021	,006	,230	3,511	,001
KOMITE AUDIT	,002	,001	,207	2,823	,005
KUALITAS AUDIT	,023	,006	,295	4,098	,000
LEVERAGE	,006	,002	,188	2,832	,005

a. Dependent Variable: VD

In the table above, it can be observed that there are 4 independent variables, namely financial difficulties, audit committee, audit quality, and leverage, which have significance values lower than 5% or 0.05, with respective significance levels of 0.001, 0.005, 0.000, and 0.005. Thus, all of these variables have a significant partial effect on voluntary disclosure.

## DISCUSSIONS

### The Influence of Financial Distress, Audit Committee, Audit Quality, and Leverage Simultaneously on Voluntary Disclosure

Based on the data analysis presented in Table 4.9, the calculated F value obtained is 19.455. This value is statistically significant because it exceeds

the F table value of 2.66 at a significance level of 0.05. These results indicate that financial distress, audit committee, audit quality, and leverage simultaneously affect the voluntary disclosure of companies. In addition, the significance value of 0.000 indicates that the p-value is smaller than  $\alpha=0.05$ . Thus, the first hypothesis ( $H_1$ ) is accepted. This confirms that the combination of these variables has a significant impact on voluntary disclosure.

### The Partial Effect of Financial Distress on Voluntary Disclosure

Table 9 displays the findings of the second hypothesis test. Financial distress, as measured by the G-Score, has a t-value of 3.511 at a significance level of 0.001. Given that the significance threshold

is less than 0.05, the second hypothesis,  $H_2$ , which holds that financial distress has a partial impact on voluntary disclosure, is accepted. The findings of this study are consistent with those of Serly (2021); Pratiwi & Afriyenti (2023), which discovered that financial difficulty influences voluntary disclosure to some extent.

This research shows that financial distress have a significant impact on voluntary disclosure. This means that companies in financial distress will disclose less information to conceal their actual situation. Companies facing financial distress are reluctant to share further information due to concerns that it will undermine the trust of investors and other stakeholders. By reducing disclosures, the company hopes to conceal its poor financial condition and avoid a decline in stock prices or the company's reputation.

Based on agency theory, in situations of financial distress, agency problems can be exacerbated. Management tends to reduce voluntary disclosures to protect their own interests or to conceal the company's actual financial condition. This is done to avoid closer scrutiny from owners or other stakeholders or to maintain their position within the company. Thus, the findings of this research indicate that companies facing financial distress tend to provide less non-mandatory information. Management chooses to conceal unfavorable information to reduce the potential for intervention from owners or shareholders, which could exacerbate agency problems.

The findings of this study contradict those of Purwaningsih & Wibowo (2020); Vernando & Halmawati (2016), who discovered no relationship between financial distress and voluntary disclosure. According to their research, the degree of voluntary disclosure is independent of financial difficulties. This suggests that voluntary disclosure is unaffected by a company's financial or non-financial difficulty.

#### **The Partial Influence of the Audit Committee on Voluntary Disclosure**

The audit committee, as represented by the audit committee meeting, has a computed t value of 2.823 with a significance level of 0.005, as shown

in Table 9's results for the third hypothesis test. Given that the significance threshold is less than 0.05, the third hypothesis,  $H_3$ , is accepted, indicating that voluntary disclosure is influenced by the audit committee. The present study's findings are consistent with the investigations conducted by Nicko et al. (2022); Pontoh et al. (2021); and (Mulianingsih & Darsono, 2021), which discovered a noteworthy impact of the audit committee on voluntary disclosure.

The study's findings suggest that voluntary disclosure is influenced by the audit committee. This implies that the corporation will provide more transparent information than what is necessary if the audit committee, as shown by the frequency of its meetings, holds more sessions. The audit committee has more chances to discuss and assess the financial data of the organization when it meets more frequently. This increases openness by enabling the committee to identify areas that call for further information more quickly.

The audit committee, based on agency theory, is considered an internal oversight mechanism that can help reduce agency conflicts between management and shareholders. By increasing the frequency of meetings, the audit committee can mitigate agency issues by tightening oversight of management, thereby encouraging management to be more transparent in information disclosure.

This research is not in line with Astuti & Yopie (2020), who proved that the total number of meetings has no impact on voluntary disclosure. According to him, the number of audit committee meetings is an obligation, so the frequency of the meetings held cannot guarantee that oversight can be carried out effectively and that the annual report can reflect the company. This is also supported by research from Sjahputra (2019), It was found that voluntary disclosure is not influenced by the audit committee. He explained that the audit committee only performs its duties related to matters mandated by regulations and laws, and pays less attention to voluntary aspects aimed at improving the company's performance.

### **The Influence of Audit Quality on Voluntary Disclosure in a Partial Context**

The results of the fourth hypothesis test can be seen in table 9, where the audit quality calculated using audit fees has a t-value of 4.098 with a significance level of 0.000. This significance level is less than 0.05, which means that the fourth hypothesis  $H_4$  is accepted, indicating that the audit committee has a partial effect on voluntary disclosure. The results of this study are in line with the research by Nicko et al. (2022); Itan & Siahaan (2021), which also found that audit quality affects voluntary disclosure.

The findings indicate that voluntary disclosure is significantly influenced by audit quality, which is proxied by audit fees. This means that an increase in audit quality will also affect the level of voluntary disclosure. Auditors who charge higher fees typically have stricter audit standards and are more meticulous in their examinations. This forces management to be more cautious and transparent in disclosing information, including voluntary information that can help avoid potential issues in the future.

According to agency theory, high audit quality can enhance shareholder confidence and reduce agency conflicts between management and shareholders. Better audit quality (proxied by higher audit fees) can help mitigate agency problems between management and company owners by strengthening oversight of financial reporting. This encourages management to be more open in disclosing information, including voluntary disclosures.

This research is not in line with (Yohana et al., 2020), who found that audit quality does not have a significant effect and has a positive direction on the level of voluntary disclosure.

### **The Partial Influence of Leverage on Voluntary Disclosure**

Based on the calculations in Table 9 from the results of the fifth hypothesis test, the audit committee indicated by the audit committee meeting shows a t-value of 2.823 and a significance level of 0.005. This significance value is lower than

5% ( $<0.05$ ), which indicates that the fifth hypothesis ( $H_5$ ) is accepted. Thus, it can be concluded that voluntary disclosure is influenced by the audit committee. This finding is consistent with the research conducted by (Marfu'ah & Sulistiyowati, 2023).

The findings from this research indicate that leverage has an impact on voluntary disclosure. This means that the higher the level of leverage, the more information will be provided, which affects the level of voluntary disclosure. Companies with high leverage are under stricter scrutiny from creditors, such as banks and bond investors. Creditors tend to request more detailed information to assess a company's ability to meet its debt obligations. Therefore, companies tend to provide more information voluntarily to meet creditors' information needs and build trust. High leverage can raise concerns among investors and other stakeholders regarding the risks of bankruptcy or the inability to repay debt. To reduce this uncertainty, companies tend to disclose more information to demonstrate that they are capable of managing financial risks effectively.

Leverage in agency theory, with a high leverage value, can increase conflicts of interest between management and shareholders. More voluntary disclosures can help reduce agency problems by providing more transparent information about how management manages the company's debt and risks. This result aligns with agency theory, which states that companies with high leverage tend to provide more information to stakeholders to reduce information asymmetry. Companies with high leverage will be more proactive in disclosing information related to their obligations, allowing creditors and investors to understand them better (Marfu'ah and Sulistiyowati, 2023).

However, this research is not in line with Yoga et al. (2019), who found that leverage does not affect the extent of voluntary disclosure.

## CONCLUSION

This research aims to prove the influence of financial distress, audit committees, audit quality, and leverage on voluntary disclosure in infrastructure sector companies listed on the Indonesia Stock Exchange during the period of 2020-2023. Based on the results of the tests conducted, the following conclusions can be drawn:

1. The results of the first hypothesis test found that financial distress, audit committee, audit quality, and leverage have a simultaneous effect on voluntary disclosure. This is supported by a positive and significant F value.
2. Financial distress has a significant impact on voluntary disclosure. This means that companies experiencing financial difficulties tend to be more transparent in their information disclosure to build trust with stakeholders, in line with agency theory.
3. The audit committee has a significant influence on voluntary disclosure. An increase in the frequency of audit committee meetings will enhance the transparency of the company's information regarding voluntary disclosures.
4. Audit quality has a significant impact on voluntary disclosure. Good audit quality enhances shareholder confidence and reduces agency conflicts.
5. Leverage has an impact on voluntary disclosure. Companies with high debt tend to provide more information related to their debt to reduce information asymmetry.

The researchers acknowledge that there are still many shortcomings in this study. This is due to the limitations faced by the researchers in conducting the research. Furthermore, the researchers suggest that future researchers should investigate several other variables that are believed to influence voluntary disclosure, such as audit

opinions, the reputation of public accounting firms, and so on.

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