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THE CHARACTERISTICS OF COMMISSIONER BOARD, INDUSTRY SPECIALIZE AUDIT FIRM, EARNINGS MANAGEMENT AND VOLUNTARY DISCLOSURE

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Field of Research : Corporate Governance
ABSTRACT

The background phenomena of this study is the fact that high of earnings management and low of disclosure practice on the financial reporting. The objectives of the research are to find out empirical evidence of the effect of corporate governance mechanisms on earnings management and its impact towards voluntary disclosure. The corporate governance mechanism of this research are independence of board of commissioner, board size, competence of board of commissioner, and audit quality. The target population was listed companies in the manufacturing sector at the Indonesia Stock Exchange. The sample determined based on purposive sampling method, and in conformity with the following criteria: (a) the annual report ended in December 2008; (b) book value of equity is positive. There were 80 companies meeting the criteria. The research hypothesis were tested using multiple regression analysis.

The result of this research show that: (1) independence of board had no significantly positive influence on earnings management, and it had no significantly positive influence on voluntary disclosure; (2) board size had significantly negative influence on earnings management, and it had no significantly positive influence on voluntary disclosure; (3) competence of board of commissioner had significantly negative influence on earnings management, and it had significantly positive influence on voluntary disclosure; (4) audit quality with measured by proxy industry specialize audit firm had no influence on earnings management, but it had significantly positive influence on voluntary disclosure.

The conclusions of the research were: (1) size of board of commissioner can be corporate governance mechanisms toward earnings management (2) competence of board of commissioner can be corporate governance mechanisms toward earnings management and voluntary disclosure (3) audit quality can be corporate governance toward voluntary disclosure practices.

Keywords: corporate governance mechanisms, independence of board of commissioner, board size, competence of board of commissioner, audit quality, earnings management, and voluntary disclosure.
INTRODUCTION

Determining transaction decision in stock market, investors will use various information they have, such as financial information. Information on financial reports vitally helps investors in making accurate investment decision; especially earnings information is often used as a parameter. Earnings information is needed to measure the potential changes of economy recourses which may be able to be controlled in the future, to produce the cash flow from the available resources and to formulate the consideration of the company effectiveness in exploiting additive resources (PSAKeo/PSAI, 2004).

Earnings information is the part of financial report which can be managed by opportunistic management to maximize satisfaction, but it can impact a financial loss of the stockholders and investors. The opportunistic actions are done by choosing certain accounting policies, so the companies' earnings can be managed by increasing or reducing in accordance with their expectation. The managerial behavior to manage the earnings in accordance with the expectation is known as "earnings management". The opportunistic action of earnings management lead to inflict the stockholder loss and earnings information stated can lead to wrong investment decision.

U-Thai (2006) has carried out an international comparative study related to the earnings management and investors’ protection in 33 countries as the sample, including Indonesia, for research period from 1993 to 2003. Based on the result of this research, Indonesia is categorized as the country with high earnings management and relatively low investor protection level. The average earnings management by proxy with abnormal accrual in 2008, revolves 13.4% from sale or Rp. 8,776 millions, the number was relatively high (Nuryaman, 2008).
For the outside parties of managerial company, financial report is an information media to recognize the company condition. Further acquired information depends on the fairness of information and disclosure on the emitter’s financial report. In the year period of 2005, 44 cases of stock market at Indonesian Stock Exchange, and during this period 60% related to interest collision, fairness of information, and financial reporting (Bapepam, 2005). Nuryaman (2008) based on his survey in BEI, reported that the level of information disclosure in the report was categorized low, that was 43.70%. The disclosure on financial report will give stimulus for economy growth as the effect of efficiency in stock market. Several results of research have concluded that voluntary disclosure is useful to decrease unfair information among the stock market subjects, so the investors trust that stock transaction in stock market occurs at the fair price. The investors’ trust will be followed by the increment of stock liquidity (Jianzhiluo, 1999), the decrease of capital cost (Botosan, 1997), and in the end create efficient stock exchange market (Healy, 1999 and Bailey, 2002).

The disclosure of insufficient information and high earnings management lead to inflict the shareholder loss and earnings information stated can lead to wrong investment decision, in order that it needs to recognize influence factors. Earnings management appears as the result of agency problematic impact, that is, inharmonic interests between the owners and the management (Beneish, 2001). According to agency theory, this problem can be solved by good corporate governance (GCG). Corporate governance is a mechanism which can be applied by stockholders and creditors of the company to control managerial actions (Dallas, 2004). The objectives of the research are to find out the effect corporate governance mechanisms on earnings management and voluntary disclosure. In this case,
the corporate governance mechanisms are characteristics of Commissioners Board and audit quality by the proxy of industry specialize audit firm (KAP). Baridwan (2001) investigated mandatory disclosure of financial statement of companies at Bursa Efek Indonesia, the result of research show that companies had applied mandatory disclosure, so it is the argument to investigate voluntary disclosure.

Nuryaman (2008) has carried out research at BEI, the result showed that the composition of commissioners board had low relationship with earnings’ management. Predicted that as the implementation of rule of Bapermin concerning to the obligation of the existence of independent commissioner in Indonesia is relatively new, so that, it needs advance research.

The measure of Commissioner Board can play an important role for effective supervising function of the board. Klein (2002) notes that giving an assignment to board is influenced by the number of board. On the other hand, other result of research shows that the number of commissioner members has negative relationship with the capability of board to run/ supervising function, including supervising the financial report, based on the reason that the more members of board, the more difficult to run the supervising function of the board, Lipton (1992).

Competence is one of important characteristics which has to be owned by Commissioner Board members. One of the competences which must be owned by Board members is accounting and / or finance competence. The investigation of relationship between earnings management still needs to be examined, considering that there is still limited investigation, mainly in Indonesia.
There are two proxies that are often applied in the research of audit quality: the size of Public Audit Firm (Kantor Akuntan Publik, KAP) and audit service KAP specialized on certain industrial sectors (hereinafter referred to as industry specialize audit firm). Indonesian researchers, as far as the writer sees, use the size of KAP as the proxy of audit quality with inconsistent result of research. Therefore, the research of audit quality by using other proxies is expected to be able to give valuable contribution for accounting and auditing researches.

Specifically, the problem formulated in this research is: whether the characteristics of Board, and quality of audit influence earning management and voluntary disclosure. The results of this research are expected to give contribution in the development of corporate governance model.

LITERATURE REVIEW AND RESEARCH HYPOTHESES

Phenomenon of earnings management and disclosure practices are one of moral hazards management as the result of conflict between principal and agent. Earning management as management interferences in process of arranging financial (Scott, 1978). Earnings management practices can be explained by positive accounting theory from Watt and Zimmerman (1978) as relevant theory in this research. The research of positive accounting theory focuses on rational factors influencing toward selecting accounting method, classification of accounting system, and arrangement of transaction time. Positive approach tries to develop hypotheses concerning to factors influencing accounting practices, and then empirical investigation is carried out.
Characteristics of Commissioner Board, Earnings Management and Voluntary Disclosure

Commissioner Board is crucial part of corporate organization, connecting between owner party or stockholder and management party. Activities of Commissioner Board consist of giving directions and supervisions. According to Egon Zehnder in FCGI (2001), Commissioner Board is the central of corporate governance who have duty to assure the performance strategy of company, supervise management in managing the company, and oblige the performance of accountability. The functions of Commissioner Board are to perform the mechanism of supervision and to advice the management in running the good corporate governance, including supervising the financial reporting of the company, so the interests of all stock holders are protected.

Independency of Commissioner Board, Earnings Management and Voluntary Disclosure

In the manual guidelines of Good Corporate Governance Ref. 4.1 arranged by National Committee of Corporate Governance Policy (FCGI, 2001), stating that the composition of Commissioner Board has to be arranged in order to take effective, accurate, and quick decisions, and to act independently. Independent means ‘has no interests which can disturb the capability to perform its duty independently in connecting each other and toward management.

Independency of the board is important characteristics in order to protect all stockholder and other stakeholders. Independent attitudes are the attitudes which are not easy to be influenced, not take side to ones’ interests, as he/she performs his/her function
professionally for the interests of company, all stockholders, and other stakeholders (SPAP 220.01 paragraph 02).

The composition of Commissioner Board members can represent the independency of Commissioner Board. Barnhart and Rosenstein (1998) prove that the higher representative from outside director (independent Commissioners), the higher independency and effectiveness of board of director in performing their role, furthermore, independent commissioner can harmonize the interests of stockholders in order to protect the rights of minor stockholders. Kao and Chen (2004) state that outside directors are more independent toward management than inside directors, so that, they can be more effective to perform supervising roles toward management. Whereas, Russell V. et al (2001) states that outside directors possess bigger motivation to perform supervising function toward management, as they work to defend their reputation as independent commissioners.

Characteristics of Commissioner Board especially the board composition can be mechanism determining the level of earnings management. By the board’s roles in performing supervising function toward company operation, composition of Commissioner Board can give effective contribution in process of arranging financial report, in order to avoid deceitful financial report. Composition of Commissioner Board consisting of members from outside of company tends to influence earnings management.

**Hypothesis 1a**: Independency of Commissioner Board has negative influence toward earnings management.

The composition of Commissioner Board is one of board’s characteristics that can influence voluntary disclosure on annual report. By its role to perform supervising function, board composition can influence management party to give disclosure of
sufficient information on financial report. Independent commissioner will act more independent, as free from business and other interests at the company. Cheng and Courteny (2004) suggest that outside director reflects the independency of real Commissioner Board, so that, the existence of independent commissioner will motivate the effectiveness of board function to monitor financial reporting more transparent. Thus, the increment portion numbers of independent commissioner will increase the effectiveness of supervising function of board to provide financial reporting, that influence the increment of disclosure quality on financial reporting.

Hypothesis 1b: Independency of Commissioner Board has positive influence toward Voluntary disclosure.

The Size of Commissioner Board, Earnings Management, and Voluntary Disclosure

There are two points of view toward the relationship between the size of Commissioner Board toward earnings management. Lipton and Lorsh (1992) clarify that as the difficulty of organizing and coordinating great number of Commissioner Board member, so the size of Commissioner Board has negative relationship toward the capability of board to perform supervising function. If the number of board is excessive, it is difficult to communicate effectively among board members, so that it can reduce the function of board to supervise the management (Kao, 2004). Furthermore, Fuerst (2000) points out that Board size has negative relationship with Firm Value.

On the other hand, the second opinion states that board size has positive relationship with capability and effectiveness of supervising Commissioner Board. The research result of Chaganti, Mahajan, Sharma (1996) show that the commissioner Board size has positive
relationship with monitoring effectiveness. The more size of Commissioner Board, the capability of the board to perform supervision service toward management is more effective. Chaganti (1985) proposes that the board’s assignment is influenced by the numbers of board. If the number of board member is great, it is easier to distribute the Board members to various commission needed. By sufficient number of board members, it enables to perform their supervising function effectively. His research shows that Commissioner Board size has negative relationship toward the size of earnings management.

**Hypothesis 2a**: The size of Commissioner Board influences toward Earnings Management.

The research result of John and Senber (1998), shows that monitoring capability of Commissioner Board increases along with increasing the number of Commissioner Board members. The result shows that the number of Commissioner Board members has positive relationship with voluntary disclosure.

Contrary opinion is stated by Yemack (1996) who states that the great numbers of Commissioner Board members can be difficult to perform coordination and communication so it can influence the less effectiveness of controlling function run by the Board.

**Hypothesis 2b**: The size of Commissioner Board influences toward the voluntary disclosure

**Competence of Commissioner Board, Earnings Management, and Voluntary Disclosure**
Possessing the responsibility to supervise company, including supervising internal control and finance reporting, the practical corporate governance attaches string that there must be one of the Commissioner Board members who possesses competence in the field of accounting and/or finance (Marrakechi, 2001). Competence means that it can be measure by possessing educational background and/or experience in the field of accounting and/or finance. Concerning to perform good Corporate Governance, the Director of BEng no Kep.315/BEJ/06.2000, stipulation of Board Governance mainly the members of independent Commissioner Board, at least, one of the independent commissioner members should possess competence in accounting and/or finance field.

Sarkar (2006) concludes that the evidences show that independent commissioner, who has competence in the field of accounting and/or finance field, can limit earnings management. It proves that competence of Commissioner Board can be corporate governance model to control management including the control toward the practices of financial reporting disclosure. By its competences, Commissioner Board can motivate and direct the management to apply more transparent financial report.

**Hypothesis 3a**: The competence of Commissioner Board has negative influences toward Earnings Management

**Hypothesis 3b**: The competence of Commissioner Board has positive influences toward Voluntary disclosure

**Industry specialize Audit Firm, Earning Management, and Voluntary Disclosure**

The role of external auditor is professionally giving independent judgment on the reliability and naturalness of the company’s financial report performance. External auditor
can be as control mechanism on the management in order the company performs reliable financial information and free from deceitful accounting practices. This role can be gained if the external auditors give qualified auditing services. There are two proxies which can be applied to describe the quality of audit variable, those are the size of Audit Firm (KAP: Kantor Akuntan Publik) and the industry specialize KAP.

Zou and Elder (2001) state that the industry specialize audit firm is the dimension of audit quality, as the industrial knowledge and experience of the auditors are some elements of auditors’ competences. Their research on analyzing companies’ data from 1996 to 1998 in USA, concludes that: (1) the quantities of companies’ earnings management audited by Big six audit firms are lower than the companies audited by non-Big six audit firms; (2) the quantities of companies’ earnings management audited by the industry specialize audit firm are lower than the companies audited by the non-industry specialize audit firm. The result of Carcello’s et al research (2004) from 1990 to 2001 in USA indicates that there is significantly negative relationship between the industry specialize audit firm and the deceitful on financial reporting, and the negative relationship is weaker for the bigger companies.

Former research in Indonesia concerning to audit quality as corporate governance mechanism, produced inconsistent results. Ardiati (2003) concludes the size of audit firm as the proxy of audit quality can moderate the relationship between the earnings management and the stock returns. Mayangsari (2003) examines the influence of the industry specialize audit firm on the integrity of financial report. The financial report integrity is measured by conservative index; the result indicates that the industry specialize audit firm gives positive influence on the financial report integrity. Whereas, Veronica’s

**Hypothesis 4a:** The industry specialize audit firm has negative influence on earnings management.

According to Dunn and Mayhew (2004), audit quality by using proxy of industry specialize KAP can influence the disclosure on financial report. Industry specialize authors can help client company to provide disclosure out of requirements by CRAP. Industry specialize auditor possessing knowledge and skill in certain industry can be used cost effectively by clients to help clients in developing industry specialize disclosure strategy. The selection of specialize auditor is as signal toward investors, that the company intends to provide the disclosure of qualified information. Nuryaman (2009) investigate the relationship between audit quality and voluntary disclosure, the result reveals that audit quality has positive influence toward voluntary disclosure.

**Hypothesis 4b:** Industry Specialize Audit Firm has positive influence toward voluntary disclosure.

**RESEARCH METHODOLOGY**

**Research Population and Sample**

The target population of the research is the active public corporation of manufacturing sector in 2008; there are 137 corporations (www.Bapepam.com). From the population above, the sample of listed public company is obtained based on four certain
criteria, as follows; (1) having annual book closed on 31 December 2008; (2) having positive equity for 2008; (3) having annual financial report in 2008 at BEI; and (4) having minimum 30 companies in every manufacturing industry group.

Definition and Operational Variable Research

1) Independence of Commissioner Board

Independence of Commissioner board is measured by Composition of Commissioner Board. Composition of Commissioner Board is the organization of members consisting of external commissioners (independent commissioners) and internal commissioners in a company. This Variable is counted by dividing the number of independent commissioners to the total numbers of commissioner members.

2) Competence of Commissioner Board

Competence of Commissioner Board is the capability of Commissioner Board in the field of accounting and / or finance. This variable is measured by dummy variable that has 1 point if there is minimum one member of Commissioner Board possesses education background and / or experience of accounting and / or finance, on the contrary 0 point if there is none.

3) Size of Commissioner Board

Size of Commissioner Board is the total numbers of Commissioner Board. Numbers of Commissioner Board members will influence effectiveness and efficiency of controlling function of the board toward management. The measurement of this variable uses the number of members of Company Commissioner Board.

4) The industry Specialize Audit Firm

Organized by:
Department of Accounting FEUI
Center For Accounting Development FEUI
Post Graduate Program In Accounting FEUI
Master In Accounting Program FEUI
Profession Education Program In Accounting FEUI
The industry specialize Audit Firm (KAP, Kantor Akuntan Publik) (AUDIT) describes the auditors’ competence and experience on certain industrial sector. The industry specialize audit firm in this research is with the % client volume on audit firm (Neal and Riley, 2004).

5) Earnings Management

Earnings Management (ML) is the condition when management interferes in the process of writing financial report for external party in order to increase or reduce earnings report. Management can apply loosen accounting method, discretionary policies to accelerate or postpone the costs and incomes, in order that the company’s earnings can be managed in accordance with their expectation.

Dechow at al (1995) stated that modified Jones’ model has better ability to detect earnings management than the model of Heath, De Angelo’s, Jones’ and Decow’s and Sloan’s model. This research applies modified Jones’ model to determine earnings management by cross-section approach developed by Peasnell et al (2000). This approach is applied to determine the abnormal accruals value, focusing on the components of working capital accruals. Abnormal accruals are calculated, as follows:

\[ AA_i = WC_i \left( \hat{w}_0 + \hat{w}_1 (\Delta REV_i - \Delta REC_i) \right) \]

Note:

AA : abnormal accruals, discretionary accruals
\( \hat{w}_0, \hat{w}_1 \) : regression estimation from \( \hat{w}_0, \hat{w}_1 \) at the equation of working capital accruals estimation
\( \Delta REC_i \) : account receivable changes in one year
\( \Delta REV_i \) : sales changes in one year

The parameter estimation \( \hat{w}_0 \) and \( \hat{w}_1 \) is gained from the following equation:

\[ WC_i = \hat{w}_0 + \hat{w}_1 \Delta REV_i + v_i \]
Note:
WCi : Company’s working capital accruals, as the proxy of total accruals
\( \Delta \text{REV} i \) : Sales changes
\( \hat{w}_0 + \hat{w}_1 \) : Regression coefficient
\( \hat{v}_i \) : Error (residual regression)

Working capital accruals (WCi) is defined as non-cash current asset changes reduced by current liabilities changes, thus:

\[
WCi = (\Delta AL - \Delta Kas) - \Delta HL
\]

Note:
WCi : company’s working capital. As the proxy of total accruals at t-period.
\( \Delta AL \) : current assets changes at t-period
\( \Delta HL \) : current liabilities changes at t-period
\( \Delta Kas \) : cash current assets changes and cash equivalent at t-period

As the size of company is varied at BEI (Bursa Efek Indonesia), so the discretionary accruals value (AAi) is matched with the sale value, modified Friedlan’s model. Based on Utani’s research (2005), it is advised to apply modified Friedlan’s model to measure the earnings management at BEI, because this model contribute the best explanatory power. The measurement of earnings management variable on this research is, as follows:

\[
\text{Earnings management} = \frac{\text{abnormal accruals (AAi)}}{\text{sales}}
\]

Considering that this research is not to investigate earnings managerial type (positive or negative), so abnormal accruals value which is used, is absolute discretionary accruals value.

6) Voluntary Disclosure

Voluntary Disclosure (PS) is the disclosure on the financial report which is not obliged by Indonesia financial accounting standard and Bapepam, only advices and the practices are fully given over the emiten, in this case the disclosures which are not obliged
by: (1) circular letter No. 02/PM/2002, (2) Regulation No. VIII.G.2 Anual Report, (3) PSAK.

The measurement of Voluntary Disclosure (PS) is performed based on completeness aspects of voluntary disclosure (PS) on the emiten’s annual report, consisting of 80 disclosure items. Voluntary disclosure instruments are managed based on: (a) Bapepam (2006); (b) Chau and Gray, (c) Utami, (d) Suripto, (e) Botosan referring to SK. Bapepam No.Kep-06 /PM/ 2000. Voluntary disclosure instruments are arranged by using the disclosure instruments of Nuryaman’s (2009).

The computation of the index of completeness of voluntary disclosure (IKPS) is as follows:

\[
IKPS = \frac{\sum Q}{\sum S} \times 100\%
\]

Note:
IKPS = the index of completeness of voluntary disclosure
Q = completeness item of voluntary disclosure
S = all completeness items of voluntary disclosure which are expected exist on the Instrument

7) Company Size

This analytic model includes the control variable of company size (LOGPNJ). Based on previous research, company size has negative relationship on the earnings management (Nuryaman 2008, Veronica 2003, Marrachi 2001), and has positive relationship with voluntary disclosure (Nuryaman, 2009).

Data Collecting Method
The data used in this research is quantitative data gained from Capital Market Reference Centre at BEI in the form of 2008 financial reports of industrial company manufacturing sector provided there.

**Analytical Model Design**

Analytical Model Design 1:

$$ML_i = a_1 + b_1 \text{IDK} + b_2 \text{UDK}_i + b_3 \text{KDK}_23 + b_4 \text{AUDIT}_i + b_5 \text{LOGPNJ}_i + \epsilon_{ii}$$

Analytical Model Design 2:

$$PS_i = a_1 + b_1 \text{IDK} + b_2 \text{UDK}_i + b_3 \text{KDK}_23 + b_4 \text{AUDIT}_i + b_5 \text{LOGPNJ}_i + \epsilon_{ii}$$

Note:

- **ML** : Ratio between absolute abnormal accruals and sales. Applying absolute value because the focus of this research is the quantity of earnings management, no direction (positive or negative).
- **PS** : Index of voluntary disclosure
- **a** and **b** : Constant of analysis model 1 (**a_1**), and analysis model 2 (**a_2**)
- **b_{1,2,3,4}** : Variable coefficient of analysis model 1
- **b_{1,2,3,4}** : Variable coefficient of analysis model 2
- **IDK** : Independence of Commissioner Board, the proportion of independent commissioner from the total number of Commissioner Board members
- **UDK** : Size of Commissioner Board by using the size of Commissioner Board Members
- **KDK** : Competence of Commissioner Board measured by dummy Variable that has 1 point if there is minimum one member of Commissioner Board possesses education background and / or experience of accounting and / or finance, on the contrary 0 point if there is none.
- **AUDIT** : if a company audited by specialization KAP, that is, KAPI that has minimum 15% from the total clients in industrial group in the ‘i’ order, and 0 for other.
- **LOG PNJ** : Log of total sales value that is the proxy of company size
The 3rd Accounting & The 2nd Doctoral Colloquium
Bridging the Gap between Theory, Research, and Practice:
IFRS Convergence and Application
Faculty of Economics Universitas Indonesia
Bali-Indonesia, 27 - 28 October 2010

$e_i$: residual of error
$i$: the 'i' order of the company

RESEARCH RESULT AND DISCUSSION

Descriptive Statistics

As presented on Appendix 1, the sample of this research is 80 companies or 58.7% from 137 manufacturing emitters of target population of this research. This number is determined in accordance with annual report gained by the writer and fulfilled certain sample criteria.

On appendix 2, it is seen that average value of abnormal accruals (ML) is 0.1394 or 13.94% from sales. The value of standard deviation of earnings management is 33.3%, the value is relatively high reflecting various earnings management at the company. Voluntary disclosure (PS) shows that average disclosure is only 70.17%, it means that voluntary disclosure on the financial report is about 70.17% from total expected disclosure items. The voluntary disclosure seems better than before, that is only 48 % (Nuryaman, 2008). Minimum composition is 0% and maximum composition is 100%. Research of Budiwijaksono (2003) reports that the average composition of Commissioner Board in the year 2001 and 2002, each are 35.03% and 37.35%. If those compositions are compared, it seems that composition of commissioner board at emitter of manufacturing industry has no significant changes. The size of Commissioner Board (UDK), average number of Commissioner Board members is 4 persons, minimum 2 persons and maximum 10 persons.

Competence of Commissioner Board (KDK), nearly 70% companies possess minimum 1 member of Commissioner Board with competence in accounting and finance field. Size of
company show various total log sale with average 6.07 at standard deviation 0.75. Size of company shows total log sale with average 5.79 at standard deviation 0.61.

Appendix 3 shows the percentage of market segment governance of auditing service by Audit Firm (Kantor Akuntan Publik, KAP) on the industry manufacturing sector. KAP Purwanto, Sarwoko and Co. governances the highest market segment with 18.29 %, followed by the second greatest governance with 12.19 % KAP Osman Beng Satrio and co. and the rests are just 5 % or less. Table 4 shows that the average value of abnormal accruals (ML) is 0.1376 or 13.76 % from sale with the minimum value 0.00043 or 1.0034 % and the maximum 2.05 or 203% from sale. The standard deviation rate of earnings management is 33.3%, this rate is relatively high reflecting that the earnings management at the companies is varied.

Hypotheses Testing

To get efficient and accurate regression result, the data must be free of classic assumption violations. Based on data tested of analytical models design on the three rules underlying classic assumption: (a) the result is that the tolerance value is higher than 0.10 (TOL > 0.10) and the value of variance inflation factor (VIF) is less than 10 (VIF < 10). It can be concluded that by analytical model, there is no multi-collinear; (b) heteroscedastic data testing by Glejser test (Gujarati, 2003). All regression coefficient of independent variable are not significant, as the value of SIG > 0.05, thus it can be concluded that there is no heteroscedastic: (c) next, normality testing by Kolmogolov-Smirnov test. On normality testing, its shows that the value of SIG > 0.05, so that, the disturbance error of earnings management and voluntary disclosure have normal distribution, thus, its can be
concluded that the research data has relatively normal distribution. Appendix 4 shows that:
(a) adjusted square R of analytical model 1 is 0.360 with significan level is 0.01, (b) adjusted square R of analytical model 2 is 0.074 with significan level is 0.057, so the analysis can be continued.

Characteristics of Commisioner Board, Industry Specialize Audit Firm, and Earnings Management.

It is the result of regression of analytical model design 1 that is:

---------Tabel 1 (appendix 5)---------

The Influence of indeppendency of Commissioner Board on Earnings Management

The regression coefficient of indeppendency of Commissioner Board variable (Table 1, appendix 5) is 0.0001 with significan level at 0.895. The coefficient has positive sign that point out variable indeppendency proxies with composition of Commissioner Board has positive relationship with earnings management is not in accordance with the hypothesized theory. Thus, hypothesis 1 which states that Indepdendency of Commissioner Board has negative influence toward earnings management is rejected at significance level 0.1. Some reason why composition of Commissioner Board has no influence on earnings management is empirical evidences indicate that the average number of composition of Commissioner Board nowadays is relatively low that is 38%, collectively independent commissioners have no power to influence the decisions of Commissioner Board.
The Influence of Size of Commissioner Board on Earnings Management

The regression coefficient of size of Commissioner Board (Table 1, appendix 5) points out 0.046 with significance level at 0.014. It indicates that the size of Commissioner Board has positive relationship with earnings management. Concerned to significance level, hypothesis 2a which states that the size of Commissioner Board influences toward Earnings Management is accepted at significance level 0.05. The result supports the points of view of Lipton and Lorsh (1992) and Fuerst (2000) who state if the number of board is excessive, it is difficult to organize and coordinate Commissioner Board, so that it can reduce the function of board to supervise the management; however, the less size is more effective in supervision roles toward management.

The Influence of Competence of Commissioner Board on Earnings Management

The regression coefficient of competence of Commissioner Board (KDK) (Table 1, appendix 5) points out 0.243 with significance level at 0.001. It indicates that the competence of Commissioner Board has negative relationship with earnings management. Concerned to significance level, hypothesis 3a which states that the competence of Commissioner Board has negative influences toward Earnings Management is accepted at significance level 0.01. It means that the present of commissioner member who possesses competence in accounting and/or finance field will improve the effectiveness of Commissioner Board roles in performing controlling function toward management, mainly controlling earnings management practices.
The Influence of Audit Quality with Proxy Industry Specialize Audit firm on Earnings Management

Regression coefficient of industry specialization audit firm (Table 1, Appendix 5) is 0.001 with significance level at 0.783. The coefficient has positive sign, it indicates that industry specialize audit firm has low influence on earnings management; it does not meet the theory. Concerning to its significance level, it indicates that industry specialize audit firm does not influence earnings management. Thus, hypothesis 4a that states industry specialization audit firm has negative impact on earnings management is rejected at the significance level 0.1. It proves that audit quality with proxy of industry specialize audit firm is unable to limit the quantity of earnings management. It describes that audited by big Audit firm (KAP) or Audit Firm (KAP) with big market segment does not guarantee higher audit quality, because it is unable to reduce earnings management significantly.

Some reasons why there is no negative influence between industry specialize audit firm and earnings management are: (1) perhaps industry specialize audit firm is not good proxy for audit quality in Indonesia; (2) Director of Auditor Training and Appraisal Development, Department of Finance (2005), based on inspection result of audit firm and Public Auditor (AP) 2003 and 2004 period reports that (a) Public Auditor is unable to comprehend Financial Statement Presentation Standard (PSAK); (b) Public Auditor is unable to perform sufficient examination on transaction and balance; (c) Public Auditor is unable to perform compatible review between financial report and PSAK. Those disabilities can demotivate KAP to reveal and limit earnings management practices at company.
Regression coefficient of company size (Table 1) is -0.244 with significance standard 0.000. Concerned to significance level, the size of company has strong influence on earnings management at significance level 0.01. The Coefficient has negative sign indicating the bigger size of company, the lower earnings management is. It meets the theory.

**Characteristics of Commissioner Board, Industry Specialties, Audit Firm, and Disclosure**

The table 2 is the result of regression of analytical model design 2, that is:

\[ \text{--------Table 2 (appedix 6)--------} \]

**The Influence of Independency of Commissioner Board on Voluntary Disclosure**

As described on Table 2 (appendix 6), coefficient regression of independency of Commissioner Board points out 0.099 with significance level at 0.429. Coefficient regression has positive sign, it indicates that the composition of Commissioner Board has positive relationship with voluntary disclosure, it meets the theory. However, based on significance level, it means that composition of Commissioner Board has no influences toward earnings management. Thus, **hypothesis 1b** which states that the composition of Commissioner Board has positive influence toward voluntary disclosure is rejected.

The research results which indicate weak relationship between composition of Commissioner Board and voluntary disclosure can be caused by low composition of Commissioner Board, statistical data indicates that the average number of independent commissioner is 38% from the total number of Commissioner Board members. It causes weak position of independent commissioner.
The Influence of Size of Commissioner Board on Voluntary Disclosure

As described on Table 2 (appendix 6), coefficient regression of size of Commissioner Board points out 0.605 with significance level at 0.617. Coefficient regression has positive sign, it indicates that the size of Commissioner Board has positive relationship with voluntary disclosure, it meets the theory. However, based on significance level, it means that composition of Commissioner Board has no influence toward earnings management. Thus, hypothesis 2b which states that the composition of Commissioner Board has positive influence toward voluntary disclosure is rejected.

The Influence of Competence of Commissioner Board on Voluntary Disclosure

As described on Table 2 (appendix 6), coefficient regression of competence of Commissioner Board points out 12.750 with significance level at 0.006. Coefficient regression has positive sign, it indicates that the competence of Commissioner Board has positive relationship with voluntary disclosure, it meets the theory. Thus, hypothesis 3b which states that the competence of Commissioner Board has positive influence toward voluntary disclosure is accepted on significance level of 0.01. It means that the existence of competent commissioner member possessing competence on accounting and / or finance field can improve the control role of Commissioner Board toward management in transparent and voluntary disclosure practices on the financial reporting.

The Influence of Audit Quality with Proxy Industry Specialize Audit firm on Voluntary Disclosure
As described on Table 2 (appendix 6), industry specialize audit firm has positive influence toward voluntary disclosure, it meets theory. In accordance to significance level it means that industry specialize audit firm has positive influence toward voluntary disclosure on significance level of 0.1. Thus, hypothesis 4b which states that the audit quality with proxy industry specialize KAP has positive influence toward voluntary disclosure is accepted. It means that the usage of industry specialize KAP on company financial auditing can improve voluntary disclosure. It indicates that the experience along with knowledge of industry specialize audit firm and policies of writing financial report of industrial Company, have been used by client in order to develop disclosure policies at the company; (b) reputation protection; litigation avoidance, and audit failure, industry specialize audit firm motivate the client to provide extra disclosure.

Based on the review toward previous research, the result of this research supports the research result of Dunn and Mathew (2001), and Schaier (2004), Nuryaman (2009) who state that industry specialize audit firm has positive influence toward voluntary disclosure. The finding on the research in BEI has no supports on the research results of Peters et al (2005) who conclude that industry specialize audit firm has no influence toward voluntary disclosure.

The different results of this research from Peter et al (2005), are caused by the differences in measuring voluntary disclosure. Peters in his research applies instrument to measure the disclosure practices concerning to product and derivative product with various aspects, such the disclosure of grouping derivative product, influences of fluctuated price of derivative products, derivative earnings and loss, value of derivative product, and so on. Thus, the research instruments of Peter are incompatible to measure the practices of
voluntary disclosure on financial reporting. Whereas, the instruments of disclosure on this research are the instruments to measure general disclosure practices on financial reporting, so the disclosure instrument applied in this research is more valid than the research instrument of Peters (2005), as instruments developed in this research are intended to measure various aspects of information which is fairly disclosed on financial reporting.

Described on Table 2, the regression coefficient of size of company points out 0.788 with significance level 0.800. Concerning to significance level, the size of company has no significant influence toward voluntary disclosure at significance level of 0.1. The finding on this research is inconsistent with Haniffa and Cooke (2002), Reung et al (2005) and Nuryaman (2009) who state that the size of company has positive influence with voluntary disclosure. Concerning to voluntary disclosure nowadays, with average disclosure index 70% indicating that the disclosure is relatively better than before with only 48% (Nuryaman (2008). The awareness of importance of transparency and disclosure of information at company (both big and small companies) has grown.

CONCLUSION AND RECOMMENDATIONS

Conclusion

Based on the research result and discussion, it can be concluded into the following points:

1) Composition of Commissioner Board has no influence toward earning management and voluntary disclosure. It can be caused by low composition of Commissioner Board or insignificant numbers of independent commissioner members in structure organization of Commissioner Board, collectively independent commissioner have no power to
influence various policies issued by Commissioner Board, including policies in
controlling toward earnings management and disclosure practices.

2) The size of Commissioner Board can be model of corporate governance to control
earnings management practices, although the size of Commissioner Board is unable to
have significant role in disclosure practices in company. The smaller size of the board,
the more effective to perform supervising function.

3) The existence of competent member of board in accounting and or finance, can be
corporate governance model to control earnings management and voluntary disclosure
practices on financial report. The competence of commissioner board members has
positive impact to reduce earnings management practice and to improve transparency /
disclosure in financial reporting.

4) Audit quality with proxy of industry specialize audit firm has negative and
insignificant influence on earnings management but has positive and significant
influence toward voluntary disclosure. It describes that audited by big Audit firm
(KAP) or Audit firm with big market segment does not guarantee higher audit
quality, although on the other side, big KAP has positive influence on performing more
transparent financial report, it indicates that: (a) experience along with knowledge of
industry specialize audit firm and policies of writing financial report of industrial
Company, have been used by client in order to develop disclosure policies at the
company; (b) reputation protection, litigation avoidance, and audit failure, industry
specialize audit firm motivate the client to provide extra disclosure, (c) in improving
transparency and controlling disclosure policies on financial report, the audit quality
can be corporate governance mechanism at company.
Recommendations

1) For Next Researchers

   a) The next researchers are recommended to add research sample with different period or other type of industries so hopefully the number of emitter data with more dominant composition of commissioner broad.

   b) To examine the correlation between audit quality and earnings management, the next researchers are advised to use other proxies of audit quality such as; proxy of failure audit.

2) For Operational Interests

   Designing corporate governance mainly concerning on the formation and appointment of Commissioner Board members, ought to consider their competences on accounting and finance field, with sufficient numbers, not too big in order to avoid problem in coordination and communication among them. The qualified auditing performance can be mechanism model of corporate governance.

Research Limitation

1) This research is not intended to investigate the measurement model of earning management. If the earnings management is measured by other proxies or models, it may give different result.

2) The collected data is limited to 80 emitters with relatively small data of Competence of Commissioner board variable. If the sample is added by involving other industrial sectors with more data of Competence of Commissioner board variable, it may give different conclusion.
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Appendix 1.
The Percentage of Sample Company Based on Industrial Type

<table>
<thead>
<tr>
<th>NO</th>
<th>Group and Sub Manufacturing Industry</th>
<th>Number of Company</th>
<th>Number of Sample</th>
<th>Percentage of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Basic and Chemical Industry</td>
<td>53</td>
<td>26</td>
<td>49</td>
</tr>
<tr>
<td>2</td>
<td>Various Industry</td>
<td>45</td>
<td>23</td>
<td>51</td>
</tr>
<tr>
<td>3</td>
<td>Consumption Goods Industry</td>
<td>39</td>
<td>31</td>
<td>79</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>137</td>
<td>88</td>
<td>58</td>
</tr>
</tbody>
</table>

Appendix 2.
Earnings Management, Voluntary Disclosure, Independence of Commissioner Board, Size of Commissioner Board, Competence of Commissioner Board, Audit Quality with Industry specialize audit firm, and Company Size

Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>ML</th>
<th>PS</th>
<th>IDK</th>
<th>UDK</th>
<th>KDK</th>
<th>AUDIT</th>
<th>LOGPNJ</th>
<th>Valid N (N*Observation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.0</td>
<td>0.0</td>
<td>.00</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>8.33</td>
</tr>
<tr>
<td>Maximum</td>
<td>2.0</td>
<td>2.0</td>
<td>10.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>18.29</td>
</tr>
<tr>
<td>Mean</td>
<td>1394</td>
<td>75.1750</td>
<td>38.2663</td>
<td>4.1250</td>
<td>7.4401</td>
<td>6.0783</td>
<td>8.85</td>
<td>18.292668</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.33330</td>
<td>18.48819</td>
<td>16.67574</td>
<td>1.86490</td>
<td>.46115</td>
<td>.75362</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
ML = Earnings Management, PS = Voluntary Disclosure, IDK = Independence of Commissioner Board, UDK = Size of Commissioner Board, KDK = Competence of Commissioner Board, AUDIT = Audit Quality with Industry specialize audit firm, and LOGPNJ = Company Size

Appendix 3
Percentage of Client Volume according to KAP

<table>
<thead>
<tr>
<th>KAP's Name</th>
<th>Number of Client</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purmantono, Sarwoko &amp; Co.</td>
<td>15</td>
<td>18.292668</td>
</tr>
<tr>
<td>Osman Bing Satrio &amp; Co.</td>
<td>10</td>
<td>12.19512</td>
</tr>
<tr>
<td>Haryanto Sahara &amp; Co.</td>
<td>5</td>
<td>6.09512</td>
</tr>
<tr>
<td>Paul Hadiwinata, Hidajat, Arsono &amp; Co.</td>
<td>5</td>
<td>6.09512</td>
</tr>
<tr>
<td>Kosasi &amp; Nurdiyaman</td>
<td>5</td>
<td>6.09512</td>
</tr>
<tr>
<td>Haryanto Sahara &amp; Co.</td>
<td>5</td>
<td>6.09512</td>
</tr>
<tr>
<td>Aryanto Amir Yusuf &amp; Mawar</td>
<td>4</td>
<td>4.87805</td>
</tr>
<tr>
<td>Sidharta &amp; Sidharta Widjaya</td>
<td>4</td>
<td>4.87805</td>
</tr>
</tbody>
</table>
### Appendix 4
#### Summary of Simultaneous Test

<table>
<thead>
<tr>
<th>Regression Models</th>
<th>R</th>
<th>Adjusted R²</th>
<th>F</th>
<th>Signif.</th>
</tr>
</thead>
</table>
| **Analytical Model Design 1:**<br>
\[
ML_t = a_1 + b_1 IDK_t + b_2 UDK_t + b_3 KDK_t + b_4 AUDIT_t + b_5 \log Pnj_t + \epsilon_{1t},
\]
| 0.633 | 0.310 | 9.389 | 0.000 |
| **Analytical Model Design 2:**<br>
\[
PS_t = a_3 + d_1 IDK_t + d_2 UDK_t + d_3 KDK_t + d_4 AUDIT_t + d_5 \log Pnj_t + \epsilon_{2t},
\]
| 0.364 | 0.074 | 2.258 | 0.057 |

Coefficient Regression of Independence of Commissioner Board, Size of Commissioner Board, Competence of Commissioner Board, Audit Quality, size of Company toward earnings management.

### Coefficients*

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.584</td>
</tr>
<tr>
<td></td>
<td>IDK</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>UDK</td>
<td>.046</td>
</tr>
<tr>
<td></td>
<td>KDK</td>
<td>-.243</td>
</tr>
<tr>
<td></td>
<td>AUDIT</td>
<td>.001</td>
</tr>
<tr>
<td></td>
<td>LOGPNJ</td>
<td>-.244</td>
</tr>
</tbody>
</table>

*a Dependent Variable: ML

Notes:
ML = earnings management; IDK = Independence of Commissioner Board; UDK = Size of Commissioner Board; KDK = Competence of Commissioner Board; AUDIT = Audit Quality with proxy specialize industry audit firm; Log Pnj = size of Company.
Appendix 6
Table 2
Coefficient Regression of Independence of Commissioner Board, Size of Commissioner Board, Competence of Commissioner Board, Audit Quality, size of Company toward Voluntary Disclosure

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.54254</td>
<td>.17244</td>
<td>3.186</td>
</tr>
<tr>
<td></td>
<td>IDK</td>
<td>.099</td>
<td>.125</td>
<td>.090</td>
</tr>
<tr>
<td></td>
<td>UDK</td>
<td>.605</td>
<td>1.205</td>
<td>.561</td>
</tr>
<tr>
<td></td>
<td>KDK</td>
<td>12.750</td>
<td>4.502</td>
<td>.318</td>
</tr>
<tr>
<td></td>
<td>AUDIT</td>
<td>.522</td>
<td>.251</td>
<td>.441</td>
</tr>
<tr>
<td></td>
<td>LOGPNJ</td>
<td>.788</td>
<td>3.103</td>
<td>.583</td>
</tr>
</tbody>
</table>

a. Dependent Variable: PS

Notes:
PS=voluntary disclosure; IDK= Independence of Commissioner Board; UDK= Size of Commissioner Board; KDK= Competence of Commissioner Board; AUDIT= Audit Quality with proxy specialize industry audit firm; LOGPNJ= size of Company.

Appendix 7: Lists of Voluntary Disclosure

(P.1) Information of Brief History and Company Organization Structure
1. Brief history of company (a,b,c,d,e)
2. Company Organization Structure(a,b,c,d,e)
3. General Information of Company Business (d)

(P.2) Description of Company Strategy
4. Vision / Mission or Objectives of Company. (a,b,c,d)
5. General Strategy of Company. (a,b,c,d,e)
6. Specific Strategy for Production/Marketing/Finance Aspects of Company. (b,d)
7. Impacts of Strategy toward Present Results or Future Results. (b,d)

(P.3) Summary of Financial Aspects of Company
8. Report containing the Comparison of Loss and Profit Elements Minimum for the last 3 years. (a,b,c,d,e)
9. Report containing the Comparison of Balance Element Minimum for the last 3 years. (a,b,c,d,e)
10. Summary containing the Comparison of Balance Elements and profit-Loss Elements minimum in the last 5 years or more.(a,b,c,d,e)
11. Summary of the last eight quarters (three months) of sale and profit. (e)
12. Profitability Ratio (a,b,d)
13. Remunerative Ratio (a,b,d)
14. Liquidity Ratio (a,b,d)
15. Solavability Ratio (a,b,d)
16. Asset Rotation Ratio (a,b,d)
17. Qualitative and Quantitative Plus Value (b,d)
18. Company Earnings per Stock (a,b,d)
19. The statement concerning to Sharing Policies for last two book (a,b,d).
20. The Clarification of Inflation Impact toward present and future time (b,d)
21. The Clarification of Foreign Currency Exchanges ($) Fluctuation Impact toward Gained Results / Company Operation (b,d)
22. The number of Sale per Unit (e)
23. Price per Unit (e)
24. The Sale Growth in Unit minimum in the last 3 years (e)
25. Information of Stocks Price minimum in the last 2 years or since the Company was Founded (a)
26. Information of Stock Volume Sale in the last 2 years or the Company was Founded (a)
27. Details concerning to Investment Activities, Venture Capital and or Research / Development Performed by Company (a,b,d)

(P.4) Product Quality and Marketing Links
28. Description of Main Products of Company (b,c,d)
29. Description of Main Market of Company Product (b,c,d)
30. Assurance of Product Quality (b,c,d)
31. National or International Certification of Product/Process (a,c)
32. Description of Company Market Segments (b,c,d)
33. Description of Company Marketing Link (b,c,d)

(P.5) Information of Background of Commissioner and Management of Company
34. Names and Positions of Commissioners (a)
35. Educational and Occupational Background of Commissioners (a,c)
36. Names and Positions of Management (a)
37. Educational and Occupational Background of Managements (a,c)
38. Remunerations of Commissioners / Management (a,c)

(P.6) Analysis and Discussion of Management toward Company Activities
Analysis of Financial Activity covering the Comparison of present Financial Activity in the Relevant and Previous year and the Discussion concerning to:
39. Stocks/Supply (a,c)
40. Business Receivable Account (a,c)
41. Expediting Assets / Other Expediting Accounts of Assets (a,c)
42. Investment, Outcome Capital and or Developing Research (c)
43. Expediting Obligatory (a,c)
44. Unexpediting Obligatory (a,c) Are there changes of LK (y/n)
45. Equity. (a,c)
46. Sale. (a,c)
47. Main Sale Price. (a,c)
48. Administration and Marketing Burdens. (a,c)
49. Burden and Income of Interests. (a,c)
50. Gross Profit. (a,c)
51. Business Profit. (a,c)
52. Net Profit. (a,c)
53. Market Segment. (a,c)

The Discussion of Management concerning to:
54. The Change Price Impact toward Sale and Company Operational Profit. (c)
55. The Differences Between Gained Results and Target / Estimated results. (d)

(P.7) Information of Estimation and Prospect of Business
56. Qualitative and Quantitative Estimation of sales. (c,d)
57. Qualitative and Quantitative Estimation of profit. (c,d)
58. Qualitative and Quantitative Estimation of Cash Flow. (c,d)
59. Assumed Description as the basis of estimation provided by Company. (c,d)
60. Details of Investment Activity, Outcome Capital and or Research and Development Activity performed by Company. (a,b,c,d)
61. Qualitative and Quantitative Estimation of market segment. (a,b,c,d)

(P.8) Information of Employees.
62. Number of Employees. (a,b,c,d)
63. Details of Employees based on Occupational Field / Competence. (a,b,c,d,e)
64. Employee Training. (b,c,d)
65. Compensation and Minimum Wage of employees. (b,c,d,e)
66. Social Insurance Workers / Employee Pension Fund. (b,c,d)
67. Details of Health and Safety Condition in Working Environment. (b,d)
68. The changes number of employees, the clarification of the changes number of employees. (b,d)

(P.9) Social Policies and Responsibilities.
69. Qualitative and Quantitative Description of Pollution and Environmental Damage Control. (b,d)
70. Providing and Building Social Facilities around Company Environment. (b,c)
71. Supports for Government Programs in social sectors, social health / sport events. (b,c)
72. Scholarship for Education / research. (c)

(P.10) Information of Company Managerial Plan.
73. Description of assignment performances of Commissioner Board. (a)
74. Meeting Frequency and Attendance Level of Commissioners. (a)
75. Description of Assignment Performances of Audit Committee. (a,c)
76. Meeting Frequency and Attendance Level of Audit Committee. (a, c)
77. Description of the Existence and Assignment of Company Secretary. (a)
78. Description of the existence and assignment performance of internal supervisor unit. (a)
79. Details of Access of Information and Company Data for Public such as: website, mass media, mailing list, bulletin etc. (a)
80. Statement or description of the implementation of good managerial plan of company in company operation. (a, c)

Note:
References / Resources:
(a) Bapepam, (b) Chau and Gray, (c) Utami, (d) Suripto, (e) Botrusa