

Do Independent Commissioners, Board Size, and Audit Committees Matter for ROA? Evidence from IDX Basic & Chemical, 2019–2023

*Determinants of
ROA in Chemical
Manufacturing*

Sutarti

Department of Accounting, Institut Bisnis dan Informatika Kesatuan, Bogor, Indonesia
EMail: sutarti@ibik.ac.id

Lisa Silvia

Department of Accounting, Institut Bisnis dan Informatika Kesatuan, Bogor, Indonesia
EMail: lisa.silvia@ibik.ac.id

Bambang Pamungkas

Department of Accounting, Institut Bisnis dan Informatika Kesatuan, Bogor, Indonesia
EMail: bambang.pamungkas@ibik.ac.id

1083

Submitted:
AUGUST 2025

Accepted:
OCTOBER 2025

ABSTRACT

*This study examines the effects of **independent commissioners, board of directors, and audit committee** on **financial performance**, proxied by return on assets (ROA), among manufacturing firms in the **basic & chemical** subsector listed on the Indonesia Stock Exchange during **2019–2023**. Secondary data were collected from published annual and financial reports. Using a quantitative approach, the analysis employs **linear regression** with classical assumption tests and **t** and **F** statistics. The results reveal that **board size has a positive and significant effect** on ROA, whereas the **proportion of independent commissioners and the size of the audit committee** show negative but **insignificant** effects. **Jointly**, the three governance mechanisms significantly influence financial performance. These findings suggest that board configuration—particularly an adequate board size—plays a more salient role in enhancing accounting performance in the chemical-based industry than the other two mechanisms. The study provides practical implications for firms and regulators to align board composition with operational complexity and contributes updated evidence from Indonesia's **basic & chemical** context.*

Keywords: corporate governance, independent commissioners, board of directors, audit committee, ROA, basic & chemical manufacturing.

ABSTRAK

Penelitian ini menguji pengaruh **komisaris independen, dewan direksi, dan komite audit** terhadap **kinerja keuangan** yang diproksikan dengan *return on assets* (ROA) pada perusahaan manufaktur subsektor **basic & chemical** yang terdaftar di BEI periode **2019–2023**. Data sekunder diperoleh dari laporan tahunan dan laporan keuangan yang dipublikasikan. Metode penelitian bersifat kuantitatif dengan analisis **regresi linier** disertai uji asumsi klasik serta uji **t** dan **F**. Hasil penelitian menunjukkan bahwa **ukuran dewan direksi berpengaruh positif dan signifikan** terhadap ROA. Sementara itu, **proporsi komisaris independen dan ukuran komite audit** berpengaruh negatif namun **tidak signifikan** terhadap ROA. Secara **simultan**, ketiga mekanisme tata kelola tersebut berpengaruh signifikan terhadap kinerja keuangan. Temuan ini mengindikasikan bahwa konfigurasi dewan—khususnya kecukupan ukuran dewan direksi—lebih relevan dalam mendorong kinerja akuntansi pada industri berbasis kimia dibandingkan dua mekanisme lainnya. Implikasi praktisnya, perusahaan dan pemangku kebijakan perlu meninjau komposisi dewan agar selaras dengan kompleksitas operasi subsektor. Penelitian ini

JIAKES

Jurnal Ilmiah Akuntansi
Kesatuan
Vol. 13 No. 5, 2025
pg. 1083 - 1094
IBI Kesatuan
ISSN 2337 - 7852
E-ISSN 2721 - 3048
DOI: 10.37641/jiakes.v13i4.4383

berkontribusi dengan menyediakan bukti terkini pada konteks subsektor **basic & chemical** di Indonesia.

Kata kunci: tata kelola perusahaan, komisaris independen, dewan direksi, komite audit, ROA, manufaktur basic & chemical.

INTRODUCTION

Manufacturing companies in Indonesia are constantly striving to increase their competitiveness, both in domestic and international markets, by creating superior products with efficient production costs. In an era of globalization characterized by intense competition, companies are required to have a strong competitive advantage to survive and grow sustainably. One strategy that can... implemented For reach objective the is implementation principle *Good Corporate Governance* (GCG). GCG principles are believed to encourage optimal resource management, increase operational efficiency, and strengthen corporate transparency and accountability (Khoirunnisa & Karina, 2021).

The push for GCG implementation in Indonesia is also in line with the Financial Services Authority (OJK)'s directive, which assesses that good corporate governance practices still lag behind other ASEAN countries (CNNIndonesia, 2017). However, the Covid-19 pandemic has presented significant challenges for all industrial sectors, including the basic and chemical industries. One concrete example of the pandemic's impact on a company's financial performance can be seen in PT Chandra Asri Petrochemical Tbk, which recorded a significant decline in revenue and EBITDA during the first quarter of 2020.

Table 1 Financial Performance Data of PT. Chandra Asri Petrochemical Tbk 2019 and 2020

US\$ million, unless otherwise stated	2020	2019	% Change
Total Assets	\$3,403.7	\$3,451.2	\$ -1.4
Liabilities	\$1,665.3	\$1,690.2	\$ -1.5
Equity	\$1,738.4	\$1,761.0	\$ -1.3
Income Clean	\$476.8	\$552.2	\$ -13.7
Gross profit	\$ -16.6	\$61.9	\$ -126.8
Net profit	\$ -17.5	\$17.6	\$ -199.3
EBITDA	\$ -13.5	\$66.1	\$ -120.4

Source: TPIA Consolidated Financial Report Q1 2020

Based on TPIA Financial data for Q1 2020, the company's losses stemmed from plummeting revenue and EBITDA. Revenue in Q1 2020 fell 13.7% to US\$476.8 million, compared to US\$552.2 million in the same period in 2019. EBITDA plummeted, dropping 120.4% to -US\$13.5 million in Q1 2020, compared to US\$66.1 million in the same quarter of the previous year.

Looking further at PT Chandra Asri Petrochemical TBK, there is a weakening demand, especially in the Chinese domestic market due to the Covid-19 pandemic. In addition, due to lower average selling prices of products, there are losses on financial instruments. The decline in TPIA's net revenue was caused by lower average selling prices of products, especially for olefins and polyolefins, a decrease in average selling prices (ASP), where the price of *Ethylene and Polyethylene* compacts decreased to US\$ 713 per ton and US\$ 874 per ton, respectively (from US\$ 948 per ton and US\$ 1,180 per ton in the first quarter of 2019). TPIA's EBITDA decreased to -US\$ 13.5 million (from US\$ 66.1 million in the first quarter of 2019) due to lower petrochemical margins due to increased global supply and raw material volatility. The decline in EBITDA was also due to

weakening demand for polymers due to trade war sentiment and contracted economic activity due to the Covid-19 pandemic, which weakened market demand.

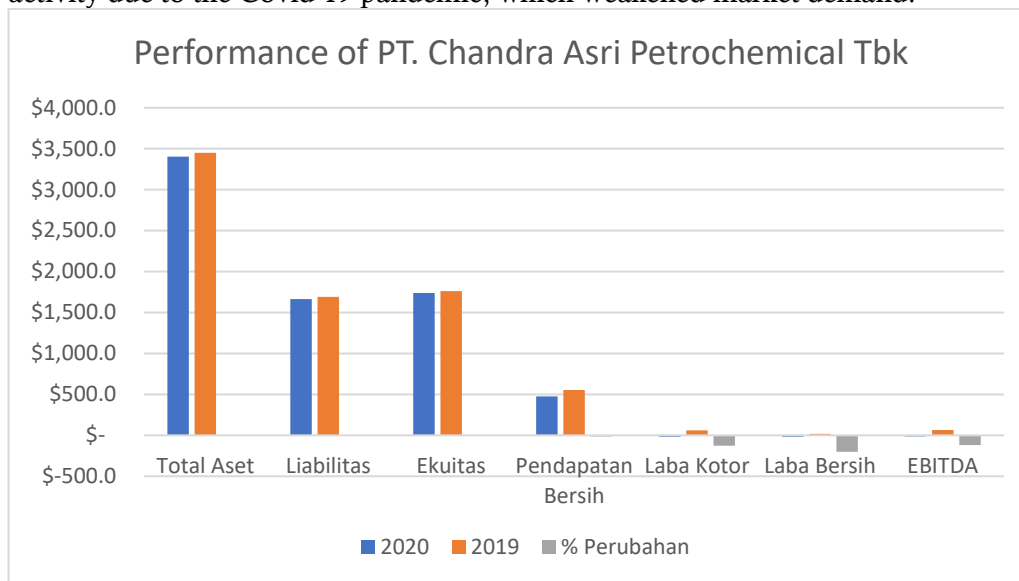


Figure 1

PT Chandra Asri Petrochemical Tbk Financial Performance Data for the First Quarter

Source: Processed data, 2024

Furthermore, this decline was caused by weak GCG implementation in several companies, which also opened up opportunities for financial statement manipulation. This is reflected in the case of PT Envy Technologies Indonesia Tbk, which allegedly presented inaccurate financial reports by integrating data from subsidiaries that did not prepare financial statements. Christian et al. (2024) noted indications of revenue manipulation and expense shifting aimed at influencing investor perceptions.

Within the GCG framework, the existence of an independent board of commissioners, a board of directors, and an audit committee are essential pillars of a company's internal oversight. These three elements are believed to minimize agency conflicts, improve decision-making quality, and maintain the integrity of financial reporting (Rahmawati et al., 2017). However, previous research has shown conflicting findings. Research by Yuliyanti and Cahyonowati (2023) and Kyere and Ausloos (2021) found that independent commissioners have a positive effect on financial performance. Conversely, research by Adistra and Nelli (2020) found no significant effect. Similarly, inconsistent research findings are found for the board of directors and audit committee variables (Febrina & Sri, 2022; Irma, 2019).

The discrepancies in previous research findings highlight a research gap that requires further study. Furthermore, the basic and chemical industry subsector is a strategic sector, contributing 19.9% to national economic growth, making it a crucial sector after the food and beverage industry (Bappenas.go.id). However, few studies have specifically examined the impact of GCG on financial performance in this sector, particularly during periods of crisis such as the Covid-19 pandemic.

Based on this background, this study aims to examine the influence of the independent board of commissioners, board of directors, and audit committee on financial performance in manufacturing companies in the basic and chemical industry sub-sectors listed on the Indonesia Stock Exchange (IDX) for the 2019–2023 period.

LITERATURE REVIEW

Agency Theory

Agency theory explains the relationship between owners (principals) and managers (agents), who act on behalf of the owners to manage the company. According to Jensen

and Meckling (1976), conflict can arise due to differences in interests and information between the two. Agents tend to act in their own self-interest, so oversight is necessary to ensure their decisions align with the owners' goals (Ghozali, 2020:86).

One of the main causes of this conflict is information asymmetry, where management has more information than owners. To address this, transparent and accurate financial reporting is needed (Arizky & Purwanto, 2019).

In context This, *Good Corporate Governance* (GCG) becomes mechanism important For reduce conflict agency. GCG creates system regulatory oversight not quite enough responsibility and authority in a way clear, so that increased investor confidence and performance company can improved (Sarafina & Saifi, 2017; Manossoh, 2016).

GOOD CORPORATE GOVERNANCE

Good Corporate Governance (GCG) is system management company that guarantees creation balanced relationship between holder shares, management, creditors, government, employees, and stakeholders interest others (Effendi, 2016:3). GCG plays a role important in push transparent, professional and responsible management answer, so that capable increase performance company as well as interesting investor confidence (Kusmayadi et al., 2015).

According to Regulation of the Minister of State-Owned Enterprises No. PER-01/MBU/2011, GCG is based on regulations legislation and principles applicable ethics. Effective implementation of GCG create balance between internal and external interests company, as well as ensure smoothness activity contributing operations to improvement performance finance (Manossoh, 2016).

PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Effendi (2016:11) stated that that GCG principles consist of on five elements the main known with acronym TARIF, namely:

- a. Transparency: Companies must disclose relevant and accurate information time For support taking decision stakeholders interests. Disclosures are made honestly and openly to increase public trust.
- b. Accountability: Management is responsible for its performance and is required to account for it to shareholders and the supervisory board through an adequate internal control system.
- c. Responsibility: Companies are required to comply with the law and carry out social responsibilities towards the environment and surrounding communities as a form of ethical accountability.
- d. Independence: Every element in the company must be free from the influence of any party in decision-making to prevent conflicts of interest.
- e. Fairness and Equality: All stakeholders, including minority shareholders, must be treated fairly and have equal rights to access company information.

INDEPENDENT BOARD OF COMMISSIONERS

An independent commissioner is a member of the board of commissioners who does not have an affiliated relationship with the controlling shareholder, directors, or other commissioners, in accordance with Article 120 paragraph (2) of the UUPT and POJK No. 33/POJK.04/2014. The number of independent commissioners is at least 30% of the total board members if there are more than two people.

Independent commissioners play a role in overseeing management, primarily through the audit committee, to prevent fraud and maintain the integrity of financial reporting. Their effective oversight is key to implementing good corporate governance (Effendi, 2016).

$$DKI = \frac{\sum \text{Dewan Komisaris Independen}}{\sum \text{Dewan Komisaris Perusahaan}} \times 100\%$$

BOARD OF DIRECTORS

Board of Directors is a company organ that has authority and responsibility answer full in manage company in accordance with interests and objectives listed in budget basis (UUPT No. 40 of 2007 Article 1). According to POJK No. 33/POJK.04/2014, the board

of directors of a company public must consisting of at least two people, with one person in office as director main.

Board of Directors responsible answer on implementation management , retrieval decision strategic , as well as holding a GMS in accordance with provision law. The board of directors also plays a role important in reduce conflict agency between holder shares and management as well as can form committee For support effectiveness implementation his duties (Melgarejo, 2019; Al Farooque et al., 2020).

$$Direction Board = \sum Direction Board Member$$

AUDIT COMMITTEE

Audit committee is committee independent body formed by the board of commissioners to assist implementation function supervision to reporting finance , management risk , audit, and governance implementation company (Effendi, 2016:48). Committee This responsible answer For review reliability report finance , evaluating effectiveness internal control , as well as monitor implementation of internal and external audits (Azis et al., 2017).

According to KNKG (2006), the audit committee consists of from selected individuals , including commissioner independent , in charge guard auditor independence and provide recommendation to the board of commissioners. In the context of BUMN, Article 70 of Law No. 19 of 2003 requires formation audit committee with chairman from element independent. The role of the audit committee includes supervision to action carry on audit and assessment results on system internal control (PBI No. 8/4/PBI/2006).

$$Audite Committe = \sum Audit Committe Member$$

FINANCIAL PERFORMANCE

Financial performance is indicator important For evaluate to what extent the company operate activity his finances in a way effective and appropriate applicable provisions (Fahmi, 2014:239). Evaluation This reflect ability management in manage source power , attract investors, and guard growth mark company through report appropriate finances with standard accounting. One of the tool relevant measurement in evaluate performance finance is ratio profitability , especially Return on Assets (ROA), because show efficiency company in utilise all over asset For produce profit (Fahmi, 2016:137; Kasmir, 2015). High ROA signify performance good finance and effectiveness managerial in create mark plus for company.

$$ROA = \frac{Net Profit After Tax}{Total Assets}$$

HYPOTHESIS DEVELOPMENT

The Influence of the Independent Board of Commissioners on the Company's Financial Performance

Commissioner independent play a role mediate interest between management , auditors, and stakeholders interests , as well as ensure harmony between interest majority and minority. They also contribute in planning strategic and supervisory performance company. Based on theory agency (Jensen & Meckling, 1976), the existence of party independent in the board of commissioners can reduce asymmetry information between management and owners , so that increase performance finance. Some research , such as Yuliyanti and Cahyonowati (2023), Agatha et al. (2020), and Kyere & Ausloos (2021), show influence positive commissioner independent to performance company. However, the results different found by Khoirunnisa and Karina (2021) who stated No there is influence significant. H_1 : The Independent Board of Commissioners has a significant positive effect on the company's financial performance.

The Influence of the Board of Directors on the Company's Financial Performance

The Board of Directors plays a crucial role in corporate governance, including formulating strategic plans and allocating resources (Sukandar & Rahardja, 2014). The Board of Directors also holds full responsibility for the company's operations. The

strength and effectiveness of the Board of Directors can improve internal coordination and positively impact financial performance. Research by Renyaan & Sofian (2023), Khoirunnisa & Karina (2021), and Kyere & Ausloos (2021) demonstrates a positive influence of the board of directors on financial performance, although Prayanthi & Laurens (2020) found conflicting results. H₂ : The Board of Directors has a significant positive influence on the company's financial performance.

The Influence of the Audit Committee on the Company's Financial Performance

Audit committee plays a role important in supervise report financial , independent audit , and internal control of the company (Pardede & Annisa, 2023). The number adequate members can increase supervision , prevention manipulation information , as well as support improvement performance financial. Research by Febrina & Sri (2022), Nisrina et al. (2022), and Irma (2019) shows influence positive significant audit committee on performance finance , although there is results different in research other. H₃ : The Audit Committee has a significant positive effect on the Company's Financial Performance.

The Influence of the Independent Board of Commissioners, Board of Directors, and Audit Committee on the Company's Financial Performance

In addition to the three previous hypotheses, this study also examines the simultaneous influence of the independent board of commissioners, board of directors, and audit committee on financial performance. Prayanthi's (2020) research shows that these three variables jointly influence financial performance. Therefore, all variables in this study are assumed to have a simultaneous influence on a company's financial performance.

H₄ : The Independent Board of Commissioners, Board of Directors, and Audit Committee have a significant positive effect on the Company's Financial Performance. The following is the framework of thought in this research:

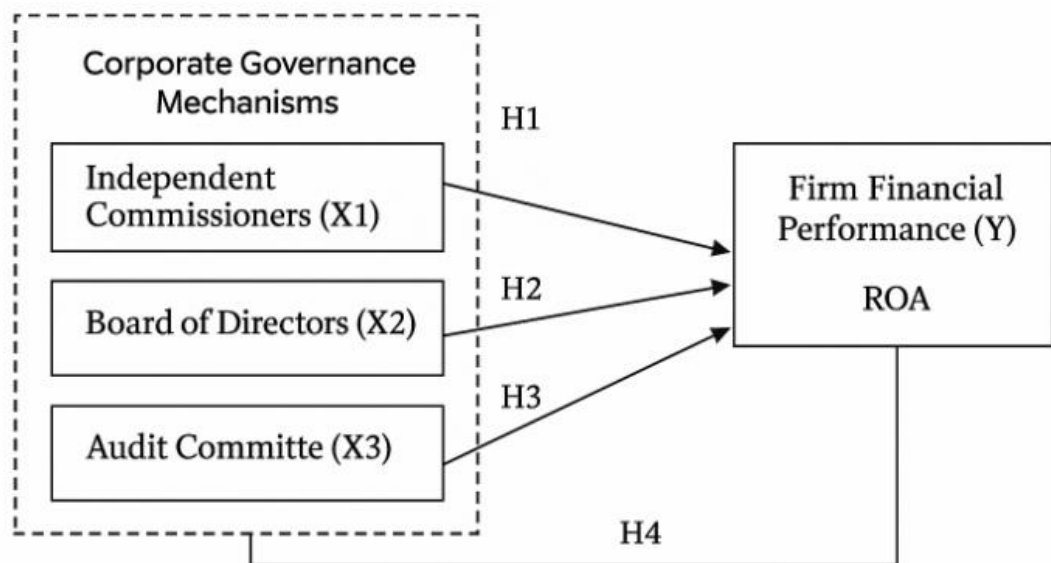


Figure 1 Framework Conceptual Thinking

METHODS

Study This use method quantitative , namely approach research based on empirical data and objective measurements. Data collected through instrument research and analysis in a way statistics For test hypothesis that has been determined (Sugiyono , 2023:21). Focus study This is on the board of commissioners independent , board of directors , and audit committee at the company manufacturing sub- sector industry basic and chemical products listed on the Indonesia Stock Exchange (IDX) for the 2019–2023 period. The variables used is performance finance , which aims For measure level success company in get profit as well as evaluate potential growth and development company.

RESULTS

Analysis Statistics Descriptive

Amount of data, average value (*mean*), *maximum & minimum* , and *standard deviation* from each variable in study shown through table under This :

Tabel 3 Descriptive Statistical Analysis Results (*After Outlier*)

Descriptive Statistics					
Variable	N	Minimum	Maximum	Mean	Std. Deviation
Independent Commissioners (X1)	180	0.2500	0.7500	0.4142	0.0956
Board of Directors (X2)	180	2.0000	9.0000	4.5600	1.6890
Audit Committee (X3)	180	2.0000	5.0000	3.0300	0.2220
Audit Committee Meetings	180	1.0000	13.0000	4.8800	1.6470
Financial Performance (ROA)	180	-0.0733	0.1994	0.0381	0.0456
Valid N (listwise):	180				

Source: SPSS *Output* , 2025

1. Number of data (N) used in study This is 180 data.
2. Board of Commissioners Variables Independent own minimum value of 0.2500 and value maximum 0.7500 with an average of 0.4142 and standard deviation of 0.0956.
3. Board of Directors Variables own minimum value 2 and value maximum 9 with an average of 4.56 and standard deviation of 1.6890.
4. The Audit Committee variable has a minimum value of 2 and a maximum value of 5 with an average of 3.03 and a standard deviation of 0.2220.
5. The Financial Performance (ROA) variable has a minimum value of -0.0733 and a maximum value of 0.1994 with an average of 0.0381 and a standard deviation of 0.0456.

Assumption Test Classic

For get accurate , unbiased , and efficient information is necessary done testing to assumptions a must -have classic filled in analysis between other :

1. Normality Test

Following is results from the Normality test with using SPSS software version 30 as following :

Tabel 4 Normality Test Results (Test After Outlier)

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		180
Normal Parameters ^{a,b}	Mean	0.0000000
	Std. Deviation	0.04405758
Most Extreme Differences	Absolute	0.059
	Positive	0.059
	Negative	-0.057
Test Statistic		0.059
Asymp. Sig. (2-tailed)		0.200 ^{c,d}

Source: SPSS Output , 2025

Based on table above , the results from the normality test with One Sample Kolmogorov-Smirnov approach shows that mark *Asymp.Sig. (2-tailed)* is 0.200. Test results show that mark *Asymp.Sig. (2-tailed)* more big from 0.05 to can concluded that the data used in study normally distributed. Therefore, the data in this study meets the requirements for normality testing and can be tested further.

2. Multicollinearity Test

Following is results from the Multicollinearity test with using SPSS software version 30 as following :

Table 5 Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.	Collinearity Statistics
	B	Std. Error	Beta		
(Constant)	.067	.047	-	1.417	0.036
Independent Commissioners	-.037	.035	-.077	-1.049	.295
Board of Directors	.004	.002	.160	2.121	.235
Audit Committe	-.018	.016	-.090	-1.185	.238
Audit Committee Meetings	.005	.002	.169	2.304	.990

a. Dependent Variable: Financial Performance.

Source: SPSS Output , 2025

Based on table above , all variables independent that exists in study own *tolerance value* > 0.1, and VIF value for all variables independent < 10. Thus, it can be concluded that the regression model in this study does not show any symptoms of multicollinearity.

3. Heteroscedasticity Test

Heteroscedasticity test results with use chart *scatterplot* is as following.

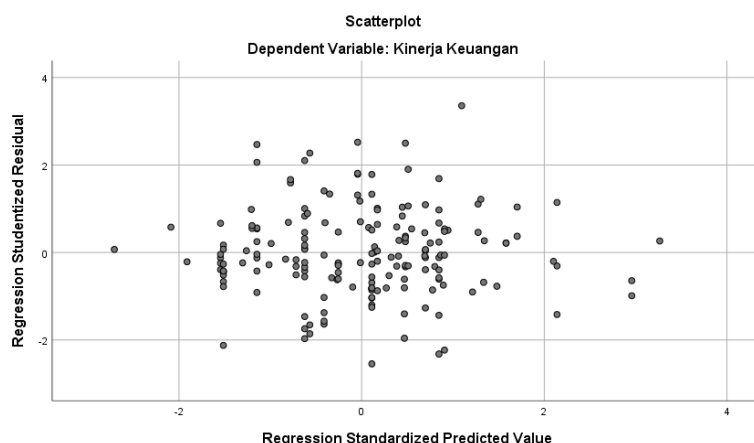


Fig 2. Chart Scatterplot

Based on scatterplot graph in Figure, the dots spread in a way random without pattern certain above or below zero, so that can be concluded that no symptom of heteroscedasticity and regression models worthy used. In addition, the results of the Glejser test show that all over mark significance > 0.05 , which means the regression model free from heteroscedasticity.

Based on testing heteroscedasticity with using the Glejser test, can be seen that mark significance from each variables independent in study more big of 0.05. This can be seen from the significant value of the independent board of commissioners variable of 0.113, the board of directors 0.051, the audit committee 0.115 and the audit committee meeting control variable 0.829. Based on the results of the heteroscedasticity test using the scatterplot graph and the Glejser test, it can be concluded that the regression model in this study is free from symptoms of heteroscedasticity.

Table 5 Heteroscedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.056	.030	.119	1.873	.063
Independent Commissioners	.036	.022	.159	1.592	.113
Board of Directors	.003	.001	.151	1.967	.051
Audit Committee	-.016	.010	-.122	-1.585	.115
Audit Committee Meetings	.000	.001	-.016	-.217	.829

a. Dependent Variable: Abs_Res

Source: SPSS Output, 2025

4. Autocorrelation Test

Following is results from the Autocorrelation test with using SPSS software version 26 as following:

Table 6 Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.253 ^a	.064	.043	.04028	1.986

Source: SPSS Output, 2025

Based on table above, results from the autocorrelation test show that mark Durbin-Watson's (DW) is amounting to 1,986 with significance $\alpha = 0.05$ or 5%, K value = 4, N value = 180 then obtained dL value = 1.7109 value dU = 1.8017 and the value of 4-dU = 2.1983. These results indicate that the regression model in the study meets

the criteria of $dU < DW < 4dU$ so that it can obtain a value of $1.8017 < 1.986 < 2.1983$. Therefore, it can be concluded that in this study, the regression model does not experience autocorrelation.

Analysis Regression

Under This is results from the Analysis test Multiple Linear Regression in this research :
Table 7. Analysis Test Multiple Linear Regression

Coefficients						
Jel	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics VIF
	B	Std.	Beta			
(Constant)	.067	.047	-.077	1.417	.158	
Independent Commissioners	.037	.035	-.077	2.121	.295	
Board of Directors	.004	.002	.160	2.035	.035	.979
Audit Committee	-.018	.016	-.090	-1.185	.238	.931
Audit Committee	.005	.002	.169	2.304	.022	.990
Audit Committee Meetings	.005	.002	.169	2.30	.022	1.010
Dependent Variable: Financial Performance						

Source: SPSS Output , 2025

Based on the table above , the equation multiple linear regression study This can arranged as following :

$$ROA = 0.067 - 0.037 X_1 + 0.004 X_2 - 0.018$$

Information:

- Y = Financial Performance
- X1 = Independent Board of Commissioners
- X2 = Board of Directors
- X3 = Audit Committee
- RKA = Audit Committee Meeting (Control Variable)
- e = Error

Hypothesis Testing

1. T-Test (Partial Test)

Following is results from the T-Test with using SPSS software version 26 as following
Table 8 T-Test Results

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.067	.047		.158
	Independent Commissioners	.037	.035	-.077	-1.049
	Board of Directors	.004	.002	.160	2.121
	Audit Committee	-.018	.016	-.090	-1.185
	Meetings	.005	.002	.234	2.304
a. Dependent Variable: Financial Performance					

Source: SPSS Output , 2025

Based on the individual significance test in table 4.8 with SPSS 26, it was obtained conclusion as following :

1. board of Commissioners Independent has a t count of -1.049 < t table 1.653 and a significance of 0.295 > 0.05 with coefficient negative. So, H1 is rejected , has an effect negative and no significant to performance finance.
2. Board of Directors has a t count of 2.121 > t table 1.653 and a significance of 0.035 < 0.05 with coefficient positive. So, H2 is accepted , it has an effect positive and significant to performance finance.
3. Audit Committee has a t count of -1.185 < t table 1.653 and a significance of 0.238 > 0.05 with coefficient negative. So, H3 is rejected , has an effect negative and no significant to performance finance.

2. F Test (Simultaneous Test)

Following is results from the F Test with using SPSS software version 26 as following

Tabel 9 F Test Results
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.025	4	.006	3.124	.016 ^b
	Residual	.347	175	.002		
	Total	.372	179			

a. Dependent Variable: Kinerja Keuangan

b. Predictors: (Constant), Rapat Komite Audit, Komisaris Independen, Dewan Direksi, Komite Audit

Source: SPSS *Output* , 2025

Based on the table above, it can be seen that the calculated F value is 3.124 and the significant value is smaller than 0.016 with an α level of 0.05 (5%), this indicates that the significant value is smaller than 0.05. Because the results of the f test have a significant value of $0.016 < 0.05$, then H₄ is accepted, which means that the independent board of commissioners, board of directors, audit committee, and audit committee meetings simultaneously have a significant effect on financial performance.

3. Coefficient Test Determination (R²)

Following is results from the Coefficient test Determination with using SPSS software version 26 as following :

Table 10. The Determination Coefficient Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.258 ^a	.067	.045	.0445583

a. Predictors: (Constant), Rapat Komite Audit, Komisaris Independen, Dewan Direksi, Komite Audit

Source: SPSS *Output* , 2025

Based on the table above , can concluded that testing coefficient determination produce mark of 0.067 which shows connection all over variables independent (X) of variables dependent (Y) in this model. The coefficient value determination of 0.067 can interpreted that 6.7% of variables dependent influenced by variables independent , whereas the remaining 93.3% is influenced by other factors outside research that is not including in the regression model This.

DISCUSSION

The Influence of the Independent Board of Commissioners (X₁) on Financial Performance

Significance test results partial (t-test) shows that the Board of Commissioners Independent No influential significant to performance finance. Coefficient value of 0.035 with a t- count of -1.049 and a significance of $0.295 > 0.05$ indicating that hypothesis H₁ is rejected. This is show that existence commissioner independent Not yet capable increase the company's Return on Assets (ROA) manufacturing sector industry basics and chemistry 2019–2023 period.

Proportion commissioner high independence precisely can lower effectiveness supervision consequence constraint communication , coordination , and decision making decision (Oktaviani , 2020). In practice , the appointment commissioner independent

often only for fulfilment of regulation, not as an effort for effective implementation of GCG (Supatminingsih & Wicaksono, 2020). Several commissioners also do not fully operate their supervisory function because of time limitations and lack of independence (Adnyana Mahaputra et al., 2023).

This result is in line with findings by Khoirunnisa & Karina (2021) and Adistra & Nelli (2020), who stated that an independent commissioner has no influential significance on performance finances. Absence in meetings, lack of competence, and dominance by the majority shareholder become the main constraints.

According to agency theory (Jensen & Meckling, 1976), an independent commissioner should function as a control mechanism to reduce conflicts of interest between management and shareholders. However, if this role is only a formality and not actively executed, then supervision becomes ineffective and conflicts of interest remain high, which in the end has a negative impact on company performance.

The Influence of the Board of Directors (X2) on Financial Performance

Based on the t-test results, the board of directors variable shows a coefficient value of 0.002, a t-test of 2.121, and a significance level of $0.035 < 0.05$, thus accepting hypothesis H2. This means that the number of board directors has a positive and significant effect on the financial performance of companies in the basic and chemical industry sectors for the 2019–2023 period. This indicates that the effectiveness of the board of directors plays a significant role in monitoring and increasing Return on Assets (ROA).

The board of directors plays a key role in formulating the company's operational policies. A sufficient board size allows for the division of tasks based on expertise, resulting in more focused decision-making and optimal performance (Alshirah et al., 2020). This finding aligns with research by Renyaan & Sofian (2023) and Kyere & Ausloos (2021), which found that the board of directors positively impacts financial performance. According to Sutisna (2020), a large board size can benefit companies in managing resources through a *resource dependence approach*.

From an agency theory perspective (Jensen & Meckling, 1976), the board of directors serves as a monitoring mechanism to mitigate conflicts of interest between management (agent) and shareholders (principals). An active and competent board of directors can minimize opportunistic behavior, increase operational efficiency, and strengthen corporate governance, which positively impacts financial performance.

The Influence of the Audit Committee (X3) on Financial Performance

Based on the t-test, the audit committee has a coefficient of 0.016, a t-count of -1.185, and a significance level of $0.238 > 0.05$, thus rejecting hypothesis H3. This means that the number of audit committees does not significantly influence the financial performance of companies in the basic and chemical industry sectors for the 2019–2023 period, as measured by ROA.

These results align with the findings of Prayanthi (2020), Yuliyanti and Cahyonowati (2023), and Rimardhani et al. (2016), who stated that audit committee effectiveness is suboptimal because they are often formed solely to comply with regulations. Bara (2016) added that the size of the audit committee needs to be adjusted to the company's complexity to avoid inefficiencies. Putra (2024) also noted that excessive membership can lead to coordination problems and agency costs.

Based on agency theory (Jensen & Meckling, 1976), an audit committee ideally serves as a monitoring tool to mitigate conflict between management and owners. However, if it is not balanced by quality work, independence, and active involvement from its members, its existence will not significantly impact financial performance.

The Influence of the Number of Independent Commissioners, Board of Directors and Audit Committee on Financial Performance

Based on the F test, the calculated F value was 3.124 with a significance level of $0.016 < 0.05$, thus H4 was accepted. This means that the independent board of commissioners, board of directors, and audit committee simultaneously have a significant effect on the financial performance of manufacturing companies in the basic and chemical industries listed on the IDX for the 2019–2023 period.

These results are in line with research by Ika & Christine (2020), and Nelli & Adistra (2020), which stated that the implementation of *Good Corporate Governance* through these three components can increase accountability, efficiency, and trust in corporate decision-making.

From the perspective of agency theory (Jensen & Meckling, 1976), this finding emphasizes the importance of a strong monitoring mechanism to minimize conflicts of interest between management and shareholders, and to encourage the achievement of company goals more optimally.

CONCLUSION

This study aims to analyze the influence of Independent Commissioners, the Board of Directors, and the Audit Committee on financial performance, as proxied by ROA (*Return on Assets*).

Independent Commissioners do not have a significant influence on financial performance, which indicates that their presence does not necessarily encourage increased company performance. The Board of Directors has a significant positive influence on financial performance, meaning that the more board members there are, the more effective internal supervision is, thus having an impact on improving performance.

The Audit Committee does not have a significant influence on financial performance, indicating that its existence has not been able to directly encourage performance improvements. Simultaneously, Independent Commissioners, the Board of Directors, and the Audit Committee significantly influence financial performance. This underscores the importance of synergy between these three elements in improving the financial stability and performance of companies in the basic and chemical industries.

Based on the conclusions outlined above, the limitations and suggestions that the researcher will convey are:

- a. This research is limited to manufacturing companies in the basic and chemical industry sectors, so it does not represent other sectors. Furthermore recommended covers sector services, finance, and mining so that the results more general.
- b. Research upcoming recommended expand period observation and adding indicator performance other financial indicators such as ROE, EPS, and Tobin's Q in order to obtain a clearer picture comprehensive.
- c. Research results This expected can become reference in development knowledge accounting, in particular related *Good Corporate Governance* (GCG), as well as can used in compilation material academic and governance improvements company.
- d. For investors, it is recommended consider non-financial information, including internal corporate governance mechanisms, as material consideration in taking decision investment.

REFERENCE

- [1] Adistra, T., & Nelli, N. (2020). The Influence Implementation *Good Corporate Governance* and Company Size on Financial Performance in Listed State-Owned Public Companies On the Indonesian Stock Exchange 2015-2018 Period. *S1 Accounting*, 1–23.
- [2] Adnyana Mahaputra, INK, Sudiartana, IM, Bagiana, IK, Primadona, IAL, & Ari Murti, NPM (2024). *The Influence of Corporate Governance on Risk Management Disclosure: The Moderating Role of the Risk Monitoring Committee*. *Journal of Business Economics, Management and Accounting*, 4(3), 1281–1291.
- [3] Alshirah, M.H., Al-Zeaud, H.A., & Al-Kilani, M.H. (2020). The impact of board of directors' characteristics on firm performance: Evidence from Jordan. *Academy of Accounting and Financial Studies Journal*, 24 (5), 1–10.
- [4] Agatha, BR, Nurlaela, S., & Samrotun, YC (2020). Managerial and institutional ownership, independent board of commissioners, audit committees, and financial performance of food and beverage companies. *E-Journal of Accounting*, 30(7), 1811.

- [5] Al Farooque, O., Buachoom, W., & Sun, L. (2020). Board, audit committee, ownership and financial performance—emerging trends from Thailand. *Pacific Accounting Review*, 32 (1), 54–81.
- [6] Alodat, AY, Salleh, Z., Hashim, H.A., & Sulong, F. (2022). Corporate governance and firm performance: empirical evidence from Jordan. *Journal of Financial Reporting and Accounting*, 20 (5), 866–896. <https://doi.org/10.1108/JFRA-12-2020-0361>
- [7] Arizky, AD, & Purwanto, A. (2019). The Influence Audit Quality, Corporate Governance Characteristics, Public Ownership, Company Size and Profitability On Audit Report Lag (Empirical Study on Listed Non- Financial Companies) On the Indonesian Stock Exchange in 2016-2017). *Diponegoro Journal of Accounting*, 7 (4).
- [8] Azis, A., Hartono, U., & SE, M. (2017). The Influence of Good Corporate Governance, Capital Structure, and Leverage on the Financial Performance of Companies in the Mining Sector Listed on the Indonesia Stock Exchange in 2011-2015. *Journal of Management Science*, 5 (3), 1–13.
- [9] Indonesia Stock Exchange. (nd). Financial report of PT Envy Technologies Tbk. www.idx.id
- [10] Indonesia Stock Exchange. (nd). Report PT. Chandra Asri Petrochemical's finances Tbk. www.idx.id
- [11] CNBC Indonesia, & Sandria.F.(2021).<https://www.cnbcindonesia.com/market/20210725191827-17-263478/astaga-there-is-a-scandal-alleged-manipulation-of-issuer-financial-reports>.
- [12] Christian, N., Ong, CM, & Wisely, JV (2024). Analysis of Cash Flow Manipulation Shenanigans at PT Envy Technologies Indonesia Tbk. *Journal of History Education and Social Humanities Research*, 4 (2), 35–45.
- [13] Effendi, Muh. Arief. 2016. *The Power of Corporate Governance: Theory and Implementation*. Jakarta: Salemba Empat.
- [14] Fahmi, Irham. (2014). *Financial Statement Analysis. Fourth Edition*. Bandung: Alfabeta.
- [15] Febrina, V., & Sri, D. (nd). *The Influence of the Board of Commissioners, Board of Directors, Audit Committee, and Managerial Ownership on Financial Performance*.
- [16] F Putra, Z Zulbahridar. Journal of Economics 23 (1), 2015. 1, 2015. *Good corporate governance, firm performance and COVID-19*. F Putra. Asian Journal of Accounting
- [17] Ghozali, IMC (2020) 25 *Grand Theories, Big Theories of Science Management, Accounting and Business For Theoretical Basis for Theses, Dissertations, and Theses*. Semarang: Yoga Pratama.
- [18] Ghozali, Imam. 2016. *Multivariate Analysis Application with IBM SPSS 23 Program (8th Edition)*. 8th Edition. Semarang: Diponegoro University Publishing Agency.
- [19] Hanafi, Mamduh. M., Halim, Abdul. 2016. *Financial Report Analysis 5th Edition*. Yogyakarta: UPP STIM YKPN.
- [20] Hariadi, S., Putri, DR, & Sugiono, D. (2022). The Influence of Good Corporate Governance
- [21] Governance & Corporate Social Responsibility on Financial Performance (The Influence of GCG and CSR on Financial Performance). *Accounting, Business & Management (ABM)*, 29(1), 29.
- [22] Hery, SE (2023). *Accounting research study reviews various recent research results in the field of accounting and finance*. Gramedia Widiasarana Indonesia.
- [23] Irma, ADA (2019). The influence of commissioners, audit committees, ownership structure, size, and leverage on the financial performance of property, housing, and construction companies 2013-2017. *Journal of Management Science*, 7 (3), 697–712.
- [24] Julastari, J., & Dewi, AS (2019). Causal Relationship Between Managerial Ownership and Board of Directors on Financial Performance in Manufacturing

- Companies Listed on the Indonesia Stock Exchange. *Academic Conference for Management 1*.
- [25] Kasmir. 2015. Analysis of Sharia Financial Reports. Jakarta: PT. Rajagrafindo Persada.
- [26] Khoirunnisa, K., & Karina, A. (2021a). The Influence of Institutional Ownership, Independent Board of Commissioners, Audit Committee and Board of Directors on Company Financial Performance (Empirical Study on State-Owned Enterprises listed on the Indonesia Stock Exchange in 2017-2019). *AkunNas* , 18 (2).
- [27] Khoirunnisa, K., & Karina, A. (2021b). The Influence of Institutional Ownership, Independent Board of Commissioners, Audit Committee and Board of Directors on Company Financial Performance (Empirical Study on State-Owned Enterprises listed on the Indonesia Stock Exchange in 2017-2019). *AkunNas* , 18 (2).
- [28] Kusdiyanto, K., & Kusumaningrum, DD (2016). The Effect of *Good Corporate Governance* and Leverage on Financial Performance (A Study of Manufacturing Companies Listed on the Indonesian Stock Exchange in 2013-2014). *Benefit: Jurnal Management and Business (This Journal Has Migrated)* , 19 (2), 161–167.
- [29] Kusmayadi , D., Rudiana , D., & Badruzaman , J. (2015). Good corporate governance. *Reviewer Results* , 1–158.
- [30] Kyere, M., & Ausloos, M. (2021). *Corporate governance* and firm financial performance in the United Kingdom. *International Journal of Finance & Economics* , 26 (2), 1871–1885.
- [31] Manossoh , H. (2016). *Good Corporate Governance for increase quality report Finance*. PT. Norlive Kharisma Indonesia.
- [32] Meckling, W. H., & Jensen, M. C. (1976). Theory of the Firm. *Managerial Behavior , Agency Costs and Ownership Structure*.
- [33] Melgarejo, M. (2019). The impact of *corporate governance* on earnings quality: evidence from Peru. *Journal of Accounting in Emerging Economies* , 9 (4), 527–541. <https://doi.org/10.1108/JAEE-12-2018-0138>
- [34] Nisrina, S., Tyas, IW, & Wiwaha, A. (ND). *The Effect Of Good Corporate Governance And Ownership Structure On The Financial Performance Of Manufacturing Companies In The Food And Beverage Sub-Sector*.
- [35] Paramitha, MD, & Setyadi, EJ (2022). The Influence of the Board of Commissioners, Independent Commissioners, Audit Committee, and Company Complexity on Audit Fees. *Ratio: A Review of Contemporary Indonesian Accounting* , 3 (1), 11–24.
- [36] Pardede, HA, & Annisa, D. (2023). The Influence of Independent Commissioners, Audit Committees, and *Corporate Governance* on the Integrity of Financial Reports: (An Empirical Study of Manufacturing Companies in Various Industrial Sectors Listed on the Indonesian Stock Exchange in 2018-2020). *AKUA: Jurnal Accounting and Finance* , 2 (3), 213–225.
- [37] Prayanthi , I. (2020). Effect Of Board Of Directors, Independent Commissioners, And Committee Audits On Financial Performance In The Food And Beverage Sector. In *Laurens Klabat Journal Of Management* | (Vol. 1, Issue 1).
- [38] Prayanthi , I., & Laurens, CN (2020). The influence of the board of directors, independent commissioners, and audit committee on financial performance in the food and beverage sector. *Klabat Journal of Management* , 1 (1), 66–89.
- [39] Purnomo, RA (2016). *Economic and business statistical analysis with SPSS*. CV. Wade Group in collaboration with UNMUH Ponorogo Press.
- [40] Putra, F. (2024). Good corporate governance, firm performance and COVID-19. *Asian Journal of Accounting Research* , 9 (4), 399–421. <https://doi.org/10.1108/AJAR-07-2023-0227>
- [41] Rahmawati, IA, Rikumahu, B., & Dillak , VJ (2017). The influence of the board of directors , board of commissioners , audit committee and corporate social

- responsibility on performance finance company. *Journal Accounting and Economics* , 2 (2), 54–70.
- [42] Ramadani, NA, & Muslih, M. (2020). The Influence of Independent Board of Commissioners, Audit Committee, Leverage and Earnings Management on Company Financial Performance (Study on Banking Sub-Sectors Listed on the Indonesia Stock Exchange for the Period 2015–2018). *EProceedings of Management* , 7(2).
- [43] Renyaan , RM, & Sofian, S. (2023). The Influence Mechanism The Impact of *Corporate Governance* on Financial Performance. *Journal Scientific Accounting Student* , 12 (2), 134–145. <https://doi.org/10.33508/Jima.V12i2.5354>
- [44] Saifi, M. (2019). The influence of *corporate governance* and ownership structure on company financial performance. *Profit: Journal of Business Administration* , 13 (2), 1–11.
- [45] Sarafina, S., & Saifi, M. (2017). The Effect of *Good Corporate Governance* on Financial Performance and Company Value (A Study of State-Owned Enterprises (SOEs) Listed on the Indonesia Stock Exchange for the Period 2012-2015). In *Jurnal Administration Business (Jab) | Vol. 50, Issue 3*. www.Bumn.Go.Id
- [46] Sari, EP, Handajani, L., & Saiful, AM (2016). *Corporate governance* and relevance mark from avoidance tax : proof empirical from the Indonesian capital market. *Journal of Accounting and Business Dynamics* , 3 (2), 33–48.
- [47] Sibuea, PI, & Setiawati, LW (2021). Analysis of the Influence of the Audit Committee, Independent Board of Commissioners, and Biological Asset Intensity on Financial Performance in Agriculture Companies Listed on the Indonesia Stock Exchange in 2015–2019. *Proceedings of the Working Papers Series in Management* , 13 (2), 298–318.
- [48] Syofyan , E. (2021). *Good Corporate Governance (GCG)* (Hayat (Ed.)). Unisma Press.
- [49] Sugiyono. 2023. Quantitative, Qualitative, and R&D Research Methods. Bandung Alfabeta.
- [50] Sukandar, PP, & Rahardja, R. (2014). The influence of board of directors and board of commissioners size and company size on company financial performance (an empirical study of consumer goods manufacturing companies listed on the IDX in 2010-2012). *Diponegoro Journal of Accounting* , 689–695.
- [51] Supatminingsih , S., & Wicaksono , M. (2020). *The Influence of Good Corporate Governance, Company Size , and Intellectual Capital on Earnings Management in Manufacturing Companies Listed on the IDX* (Vol. 04, Issue 01).
- [52] Triastuty, S., & Riduwan, A. (2017). The influence of intellectual capital and *corporate governance mechanisms* on financial performance. *Journal of Accounting Science and Research (JIRA)* , 6 (2).
- [53] Winarni, AD, & Novitasari, M. (2022). Financial Performance Analysis Before and During the Covid-19 Pandemic (Study of Listed Manufacturing Companies in the Consumer Goods Sector) At the Indonesia Stock Exchange). *SIMBA : Seminar on Management, Business, and Accounting Innovation* , 4.
- [54] Yuliyanti, A., & Cahyonowati, N. (2023). The Influence of the Board of Directors, Board of Commissioners, Independent Commissioners, Audit Committee, Managerial Ownership, and Institutional Ownership on Financial Performance. *Diponegoro Journal of Accounting* , 12 (3).