Analysis of the Influence of Governance, Audit Opinions and KAP Audits on the Performance of Companies Listed on the Indonesian Stock Exchange in 2017-2021

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Abstract
This research is able to provide a foundation for the purpose of analyzing the influence of corporate governance, audit opinions and KAP audits on company performance. Corporate governance assessment variables include board size, audit committee, meeting frequency, and managerial ownership. The company's performance variable is measured by earnings per share (EPS).

The population formed in this study is a company listed on the Indonesia Stock Exchange (IDX) for the period 2017 to 2021 with the number referring to the sample with a score of 2,152 data. Financial and annual reports published on www.idx.co.id are mined for information. Purposive sampling was used, in which a representative sample was selected at random considering a number of factors. Overall, data from 777 different businesses were collected. SPSS and Eviews will be used to perform panel regression data analysis on the available data.

The results obtained from the research interpret that there is a significant positive influence on the variables of the board of directors, meeting frequency, managerial ownership, audit opinion and KAP size on other performance as well as on audit committee variables that do not have a significant effect on performance.

Keywords: corporate governance, audit opinion, audit size, firm performance
1. Introduction

Currently, one way to measure the success of an economy that is based globally and nationally is to look at the capital market period. Investments made in a country's capital market, especially on the Indonesian Stock Exchange (BEI), are considered to have experienced a period of accelerated growth in line with the current acceleration of economic activity growth in Indonesia (Nugroho & Widiasmara, 2019). The development of business in the world is increasingly rapid and the concept of corporate governance is increasingly needed by companies to prevent things from happening that could be detrimental to company owners (shareholders).

Corporate governance is able to provide the goal of increasing the commitment of the company board to its role and safeguarding the assets of shareholders(Yopie & Erika, 2021). Corporate governance produces guidelines that are implemented by the company board and monitors so that the company board does not make mistakes in their respective roles.(Chandra & Junita, 2021). Apart from the board of directors, managerial ownership also has a role in implementing corporate governance. With share ownership, agency problems can be reduced by the company, making it possible for cooperation between company managers and shareholders to increase company value and performance (Maulana, 2020). The audit committee plays an important role in maintaining the credibility of the financial report preparation process by implementing Good Corporate Governance and maintaining an adequate company supervision system. The audit committee is tasked with interpreting supervision to increase efficiency in realizing transparency and quality financial reporting. Effective audit committee operations will increase the influence of the company, thereby minimizing agency problems caused by management's desire to improve their own welfare so that management can issue reliable and high-quality financial reports(Hendi & Sitorus, 2023).

Abdollahi et al. (2020) stated that audit reports are a communication medium between auditors and users, so they must be objective and acceptable to users. Based on the contents of the audit report, literature from Robu and Robu (2015) emphasizes that there are a number of elements that determine the value of a company's shares, and here are three ways an auditor's report can change the value of shares. For starters, investors can utilize the information in audit reports to better predict and mitigate the risks associated with future cash flows. Investors' choices are influenced by any data that changes this section. Second, the information in the audit report is related to the company's survival. Investors who understand auditors' access to internal company
information view this information as a motivating factor. As a result, investors use audit opinions as collateral. Third, in relation to the psychological effect of the type of auditor's opinion on investors' share price evaluation decisions.

The argument states that the main motivator and audit quality factor is the scale of the KAP and the entity's financial statements, which indicates that large KAPs are more dependent on their clients because of their higher income. Therefore, large audit firms are better equipped to withstand client pressure in managing audit profits and issue unqualified opinions (Abdollahi et al., 2020). When compared with audited financial reports issued by other audit firms, the reports produced by large audit firms are comprehensive and the information is error-free. Consequently, investors' share price considerations are assisted by the availability of financial reports that have been audited by large KAPs. This means that key KAP audits of a company's financial accounts can be used to increase share prices by influencing investor judgment (Robu & Robu, 2015).

The link between corporate governance and company performance has been widely studied and debated in many countries, including industrialized countries (Arora & Sharma, 2016). In recent years, corporate governance has become a major topic of discussion in developing countries. Many businesses fail due to inadequate GCG implementation within the organization. Bankruptcy erodes investors' confidence in the management of newly created funds. Investors who want to cash out their investments will also be affected. When corporate governance is improved, company performance increases, and when weak corporate governance is implemented, company performance decreases. Many companies fail due to poor management practices that do not meet industry standards (Tornyeva & Wereko, 2012).

2. Literature review

Company performance is a consequence of all company activities or activities that are a benchmark for the success of a company. Financial reports provide insight into the performance of a company. This information is very important for many consumers of financial reports, including company management in making decisions and establishing policies. Consequently, company performance must continue to improve from year to year. Apart from being useful for managers, this information is also useful for investors to monitor company performance so that investors can trust managers to maximize their wealth through investment returns (Masithoh & Dewayanto, 2020).

Information related to company performance is one of the important objectives
of financial reports so that it can meet decision-making needs. According to (Demsetz & Lehn, 1985), company performance has the connotation of measuring a company’s financial policies such as return on investment, return on assets, added value and so on. Company performance is a measurement of the value of an entity which can be interpreted in two broad ways, namely accounting measures and market performance measures (Tang & Fiorentina, 2021). Understanding the overall performance of an entity requires precise and accurate financial report analysis. According to (Mirza & Javed, 2013) company performance is a process of evaluating the relationship between components of the financial report to gain a better understanding of the entity's financial position and performance as well as the relevance of the company's shares in the market.

For investors, company analysis is information that is considered fundamental and valuable for describing the company's future performance prospects (Tandelilin, 2017). Therefore, company performance evaluation provides information to investors to make investment decisions. Earnings per share, also known as earnings per share (EPS), is an element to pay attention to when analyzing a company.

Board size is part of corporate governance which provides motivation and compensation to board members with the aim of minimizing problems that occur (Antwi & Binfor, 2013). Board size can be measured by looking at the number of boards in the company. In a study conducted by Ansari and Ahmad (2017) which examined the relationship between governance and the performance of companies listed on the Pakistan Stock Exchange. The sample was obtained from 2010 to 2016. The aim of this research is to use multiple regression and t-test analysis to the question of whether there is a correlation between corporate governance and financial success in Pakistani businesses. Because the board size variable indicates an increase in the number of members of the board of directors, the results of this study indicate that board size, audit committee, and meeting frequency have a significant positive influence on company performance.

The audit committee is a group that discusses accounting, financial reports and their interpretation, internal control mechanisms, and external auditors. (Katutari et al., 2019). The audit committee functions as a supervisor to improve internal control, efficiency, profitability and investor confidence in the company. In addition, independent and expert advice on the reliability of financial reporting is what the audit committee must provide to the commissioners (Raihan et al., 2019). A company's financial performance improves as audit committee membership increases, because more committee
members mean more oversight and security for the company's accounting and financial operations.

The frequency of organizational board meetings held by the director is good for discussing operational issues and making appropriate decisions based on the agreement and agreement of the members (Ronen & Yaari, 2008). According to (Lorsch & Maclver, 1989), holding board meetings will increase the possibility that the board of directors interprets its duties well to protect the interests of shareholders. In companies, members of the board of directors are required to hold meetings at least once a month in accordance with OJK regulation no. 33/POJK.04/2014.

Managerial ownership is managerial share ownership that can help combine the interests of shareholders and managers if the manager is an investor and member of the company's decision-making body (usually the board of commissioners and board of directors; Widyati, 2013). As more top-level executives acquired shares in the company, the business grew rapidly. Unlike in businesses without management ownership, where managers can only look out for themselves, in businesses with managerial ownership, managers' interests as managers will naturally align with their interests as shareholders.

According to (Muslih & Amin, 2018) an audit opinion is an auditor's statement or opinion about whether the company's financial statements are presented fairly or not. An auditor's opinion on the financial statements of an organization, often a corporation, is known as an "audit opinion." The main benefit of an audit opinion is that it gives customers more confidence in the accuracy of the audited financial accounts. The company's financials, as verified by an audit, will be more trustworthy than management's claims.

According to OECD (2004) the financial performance and financial health of a company can be obtained from the balance sheet, profit and loss statement, cash flow statement and notes to financial statements, all of which have been audited. However, when a case of corporate fraud was uncovered, an external auditor was brought in to investigate. As a result, Public Accounting Firm (KAP) auditors from outside the organization are required to interpret audits of a corporation (Arens et al., 2014). PricewaterhouseCoopers (PwC), Deloitte, Ernst & Young (EY), and KPMG are four leading international public accounting firms. Financial accounts auditing is a specialized area in which these four accounting firms are widely acknowledged to have exceptional expertise and knowledge.

Through an explanation of theoretical views and knowledge, the researcher
formulated the following hypothesis:
H1: The size of the board of directors has a significant positive influence on company performance
H2: The audit committee has a significant positive influence on company performance
H3: The frequency of board meetings has a significant positive influence on company performance
H4: Managerial ownership has a significant positive influence on company performance
H5: Audit opinion has a significant positive influence on company performance
H6: KAP audits have a significant positive influence on company performance

3. Research methodology
The researcher designed this research by dividing the variables into 2 parts, namely the dependent variable and the independent variable. Company performance is the main variable for the dependent variable. The independent variables are the size of the board of directors, audit committee, frequency of board meetings, managerial ownership, audit opinion and KAP audit. This was done with the aim of developing and evaluating a theoretical framework by testing to prove the hypothesis that the independent variables from this research have a significant impact on the dependent variable. Therefore, this research can also be categorized as basic research. This researcher used annual reports of companies listed on the Indonesia Stock Exchange (BEI) from 2017 to 2021. Specifically, 777 companies listed from 2017 to 2021 on the BEI were selected using purposive sampling based on data availability because they are required to publish their financial reports to the public. The data analysis method used in this research is to test the relationship between the dependent variable and the independent variable. The next step after obtaining secondary data is to process the data using Eviews 9 software. The aim is to test whether the assumed hypothesis is proven correct. The data analysis method in this research is panel regression analysis. The first thing to do is carry out descriptive statistical analysis. Next, carry out the Chow test and Hausman test to select the best model and followed by the F test, t test and R test using Eviews 9. The objects of this research are companies listed on the Indonesia Stock Exchange (BEI) collected from the 2017-2021 period.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Formula</th>
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</thead>
<tbody>
<tr>
<td>Variable 1</td>
<td>Definition 1</td>
<td>Formula 1</td>
</tr>
<tr>
<td>Variable 2</td>
<td>Definition 2</td>
<td>Formula 2</td>
</tr>
</tbody>
</table>

Table 1. Dependent and Independent Variable Formulas
<table>
<thead>
<tr>
<th><strong>EPS (Earnings Per Share)</strong></th>
<th>The value shows the profit obtained on one common share owned by an investor or shareholder.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board Size</strong></td>
<td>A group of individuals elected by a company's shareholders who represent the interests of the company.</td>
</tr>
<tr>
<td><strong>Audit Committee (AC)</strong></td>
<td>The body that has the responsibility and duty is to carry out internal supervision and control of a company.</td>
</tr>
<tr>
<td><strong>Frequency of Board of Directors Meetings</strong></td>
<td>Meetings held by the board of directors related to their duties and functions.</td>
</tr>
<tr>
<td><strong>Managerial Ownership (KM)</strong></td>
<td>Shareholders from management such as the board of commissioners or directors in the company.</td>
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</tbody>
</table>
Audit Opinion

An opinion issued by the auditor regarding the fairness of the audited financial statements, in all material respects, which is based on the suitability of the preparation of the financial statements with accounting principles.

“1” if you get an unqualified opinion, “0” if you get another opinion.

KAP size

Business entities that have obtained permission from the Minister as a forum for Public Accountants to provide their services.

Dummy Variable 0=Non big four, 1=Big four

The types of data analysis carried out include descriptive statistical analysis, outlier tests, selecting the best model using the Chow test and Hausman test, F test, t test, and Adjusted R Square (R2) test. Descriptive statistical analysis aims to provide a description or description of data that can be seen from the average, maximum, minimum and standard deviation values (Ghozali, 2006). The outlier test functions to remove deviant data because it can affect the results of the analysis. The outlier test was carried out using Studentized Deleted Residual (SDR). Outlier data is data with an SDR value greater than +1.96 or smaller than -1.96 (Santoso, 2011).

The selection of the best model is carried out to select the appropriate estimation technique that suits the data conditions. Selection of the best model between pooled least squares, fixed effect model, and random effect model...
using the Chow test and Hausman test. The Chow test was used first to
determine the most appropriate model between the pooled least squares and
the fixed effect model. The Hausman test then needs to be carried out if the
results of the Chow test show the results of the fixed effect model. The
Hausman test is used to determine the most appropriate model between the
fixed effect model and the random effect model (Ariefianto, 2012).

The Chow test is used to choose between the pooled least squares method or
the fixed effect model. Selection of a panel regression model with pooled least
squares if the probability value in the chi-square cross-section is more than or
equal to 0.05. However, if the probability value in the cross-section chi-square
shows a value of less than 0.05, then the panel regression model with fixed
effect model will be selected (Ariefianto, 2012).

The Hausman test is defined as a statistical test to choose the most appropriate
use between a fixed effect model or a random effect model. The fixed effect
model is selected if the probability value in the random cross-section is less
than 0.05. However, if the probability value in the random cross-section is more
than 0.05, then the random effect model will be selected (Ariefianto, 2012).

The F test functions to find out whether the research model used is able to
predict the dependent variable in the research. The independent variable
research model will be significant in predicting the dependent variable if the
significant value is smaller than 0.05. However, if the significant value is greater
than 0.05, it means that the independent variable research model is not
significant in predicting the dependent variable (Ariefianto, 2012).

The purpose of the t test is to test the influence of each independent variable
on the dependent variable in a research model (Ariefianto, 2012). If the t test
value is smaller than 0.05 then the independent variable has a significant effect
on the dependent variable. However, if the t test value is greater than or equal
to 0.05 then the independent variable has no significant effect on the
independent variable (Sugiyono, 2009).

The Adjusted R Square test or coefficient of determination (R2) is a measure
of model suitability that shows how well the estimated relationship reflects the
actual data pattern. The coefficient of determination test provides information
regarding the proportion of variation in the dependent variable that can be
explained by variations in the independent variable and the presence of other
factors that influence the relationship. The coefficient of determination test
value ranges from 0 to 1 (Ariefianto, 2012).
4. Analysis and Discussion

The results of descriptive statistical tests show the total number of companies listed on the Indonesian Stock Exchange in the 2017-2021 period as many as 777 companies are listed on the Indonesia Stock Exchange (BEI). There are 264 entities that do not meet the requirements because they did not have adequate data due to incomplete annual reports and financial reports so they were not used as research samples. After going through the sampling process, 513 companies were obtained which were certainly capable of being used as samples for research. The research year is based on the time period 2017 to 2021, a total of 5 years so that the number of data observed is 2565 samples. Through the outlier test which will be tested using the SPSS application, it can be seen that there are 413 deviant data, after eliminating outlier data, the amount of data observed is 2152 data.

<table>
<thead>
<tr>
<th>Table 2. List of Number of Companies Presented in the Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information</strong></td>
</tr>
<tr>
<td>Companies listed on the IDX</td>
</tr>
<tr>
<td>Companies that do not meet the requirements</td>
</tr>
<tr>
<td>Companies that can be used as samples</td>
</tr>
<tr>
<td>Year of research</td>
</tr>
<tr>
<td>Total research data</td>
</tr>
<tr>
<td>Outlier data</td>
</tr>
<tr>
<td>Observation data</td>
</tr>
</tbody>
</table>

Source: Secondary data processed (2022)

<table>
<thead>
<tr>
<th>Table 3. Descriptive Statistical Test Results for Research Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings Per Share</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Board Size</td>
</tr>
<tr>
<td>Audit Committee</td>
</tr>
<tr>
<td>Meeting Frequency</td>
</tr>
<tr>
<td>Managerial ownership</td>
</tr>
</tbody>
</table>

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The average EPS score indicates a score of 52.56247, where this score is categorized as high. Thus, we can conclude that the level of earnings per share in Indonesia during the 2017-2021 period is quite good. However, the factors that influence the EPS score have not been observed so further investigation is needed. Corporate governance variables (size of the board of directors, audit committee, board of directors meetings, managerial ownership) audit opinion and KAP size are independent research variables that will be studied for their influence on earnings per share (EPS).

The average of the board size variable is 4.7030 with a minimum score of 2 members and a maximum score of 14 members. able to conclude that the results of the board size variable are quite good. This is because a company that has a large number of board of directors members will certainly not make the company interpret the preparation of reports more efficiently. The test results of the meeting frequency variable indicate that the average score is 17,997 with a minimum score of 0 and a maximum score of 105 meetings. This can conclude that the frequency of meetings in companies in Indonesia is quite good, but there are also companies that do not hold meetings throughout the year, this results in a lack of cooperation and cohesiveness to discuss the duties and functions of each member.

The average score for the number of audit committees (KA) is 3.1255. This means that most issuers in Indonesia appoint three internal audit committee members organizational body. This score is considered good because it meets the regulations as stipulated in POJK No. 55/POJK.04/2015 where the minimum number of audit committee members in a company is three people.

The average managerial ownership (KM) score is 0.1171 or 1.171%. This figure illustrates that most companies in Indonesia have a small share of shareholders from management so they are categorized as bad. The existence of managerial shareholders is expected to reduce the occurrence of conflicts of interest that influence company decision making in order to increase share profits in the company.

**Table 4. Descriptive Statistical Test Results for Audit Opinion Dummy Variables**
The test results refer to descriptive statistics of dummy variables, referring to Table 4, there is a total sample of 2565 company data, it is shown that there are 2515 data indicating an unqualified opinion on companies listed on the IDX referring to 2017 to 2021. able to conclude that Indonesian companies are classified as quite good because the financial reports have been prepared in accordance with generally accepted accounting standards and are fair, in all important respects. Referring to Table 5, there is a total sample of 2565 company data, it shows that there are 888 data coming from big four companies. able to conclude that Indonesian companies that implement the big four are quite good but there is also 1677 data on companies that have not implemented the big four, with company reports audited by the big four can help companies present financial reports that are more accurate and trustworthy for the benefit of outside parties such as shareholders ,

Source: Secondary data processed (2022)

**Table 5. Descriptive Statistical Test Results for KAP Size Dummy Variables**

<table>
<thead>
<tr>
<th>Research variable</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>KAP size</td>
<td>Auditors are not part of the Big Four companies</td>
<td>1677</td>
<td>65.4</td>
</tr>
<tr>
<td></td>
<td>Auditors are part of the Big Four companies</td>
<td>888</td>
<td>34.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2565</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Secondary data processed (2022)
government, and others. Apart from that, avoid fraud or actions that could harm the company's finances.

**Table 6. t test results**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Prob.</th>
<th>Conclusion</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-173.0964</td>
<td>0.0002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board Size</td>
<td>16.72421</td>
<td>0.0000</td>
<td>Significant (+)</td>
<td>H1 Proven</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>-5.458327</td>
<td>0.5741</td>
<td>Not significant</td>
<td>H2 Not Proven</td>
</tr>
<tr>
<td>Meeting Frequency</td>
<td>1.238579</td>
<td>0.0062</td>
<td>Significant (+)</td>
<td>H3 Proven</td>
</tr>
<tr>
<td>Managerial ownership</td>
<td>6.216138</td>
<td>0.0001</td>
<td>Significant (+)</td>
<td>H4 Proven</td>
</tr>
<tr>
<td>Audit Opinion</td>
<td>129.8105</td>
<td>0.0002</td>
<td>Significant (+)</td>
<td>H5 Proven</td>
</tr>
<tr>
<td>KAP size</td>
<td>35.94991</td>
<td>0.0124</td>
<td>Significant (+)</td>
<td>H6 Proven</td>
</tr>
</tbody>
</table>

Source: Secondary data processed (2022)

The t test results show that the value in the first hypothesis or the size of the board of directors has a positive influence on company performance. Referring to Table 6, the first hypothesis for the independent variable, namely board size, produces a coefficient of 16.72421 with a probability of 0.0000. With positive coefficient results and a minimum probability of 0.05, we can conclude that the variable size of the board of directors has a significant positive influence on company performance. The results in this study have the same results as researchers from Ansari & Ahmad (2017) and al Farooque et al. (2020), states that there is a positive correlation between the size of a company’s board of directors and company performance. Al-Saidi (2021), states that with the large size of the board of directors in the company, it is considered better and can monitor management actions.

Based on the formulation of the hypothesis in the research. The second hypothesis or the audit committee has a positive influence on company performance. referring to Table 6, the second hypothesis for the independent variable, namely the audit committee, gets a coefficient of -5.458327 with a probability of 0.5741. With the negative coefficient results and a probability of
more than 0.05, we can conclude that the audit committee variable has an
insignificant negative influence on company performance so that the second
hypothesis is not proven. This occurs as a result of the absence of effective
supervision from the audit committee. Audit committee members only disclose
information to other parties, despite the company’s large audit committee and
efforts to control the company’s internal parties. The audit committee’s
interpretation of standards and controls related to company performance is not
paid attention to, therefore resulting in weak company performance (Rachmad,
2013).

Based on the formulation of the hypothesis in the research. The third
hypothesis or meeting frequency has a positive influence on company
performance. referring to Table 6, the third hypothesis of the independent
variable, namely meeting frequency, gets a coefficient of 1.238579 with a
probability of 0.0062. With positive coefficient results and a minimum
probability of 0.05, we can conclude that the variable frequency of board of
directors' meetings has a significant positive influence on company
performance. The results in this study have the same results as researchers
from Felix Eluyela et al. (2018), states that at least every month, the board of
directors and board of commissioners must gather to discuss the company's
progress in accordance with their responsibilities. and holding meetings can
improve company performance. Dharmawan Buchdadi et al. (2019), stated
that the better the control interpreted by the board of directors, the better and
more controlled the company's performance will be and (Mishra & Kapil, 2018)
stated that holding regular board meetings can improve company performance
by reducing agency problems. Based on the conclusions from the results of the
analysis above, we can conclude that the third hypothesis is proven.

Based on the formulation of the hypothesis in the research. The fourth
hypothesis or managerial ownership has a positive influence on company
performance. referring to Table 6, the fourth hypothesis of the independent
variable, namely managerial ownership, gets a coefficient of 6.216138 with a
probability of 0.0001. With positive coefficient results and a minimum
probability of 0.05, we can conclude that the managerial ownership variable
has a significant positive influence on company performance. The results in this
study have the same results as researchers from (Puni & Anlesinya, 2020),
stating that due to their increased motivation as shareholders, managers' efforts to grow the company's wealth are strengthened when they have a hand
in its success. Alabdullah (2018) and Kanakriyah (2021), stated that share
ownership by managers is willing to motivate the distribution of dividends so
that the resulting dividend profits can improve company performance. The
above analytical findings lead us to the conclusion that the fourth hypothesis

is correct. So, the level of management ownership is positively correlated with a company's performance.

Based on the formulation of the hypothesis in the research. The fifth hypothesis or audit opinion has a positive influence on company performance. Referring to Table 6, the fifth hypothesis of the independent variable, namely audit opinion, obtained a coefficient of 129.8105 with a probability of 0.0002. With positive coefficient results and a minimum probability of 0.05, we can conclude that the audit opinion variable has a significant positive influence on company performance. The results in this study have the same results as researchers from Muslih & Amin (2018), stating that with audit activities the company's finances will be more trusted than the statements or opinions conveyed by management. Abdollahi et al. (2020), stated that Given the importance of evaluating the fairness of a company's financial accounts, it is very important for companies to have access to audit opinions. The better the audit opinion a company receives, the better its performance, claim Masdiantini and Erawati (2018). Considering the above, it is reasonable to conclude that the fifth hypothesis is correct.

Based on the formulation of the hypothesis in the research. The sixth hypothesis or KAP size has a positive influence on company performance. Referring to Table 6, the sixth hypothesis of the independent variable, namely KAP size, produces a coefficient of 35.94991 with a probability of 0.0124. The fairly large positive influence of the KAP size variable on company performance is concluded from the positive coefficient score and the probability is smaller than 0.05. The findings of this study are consistent with (Bulimo Eshtemi & Omwenga, 2017) that a company's financial reports and its ability to detect fraud and other potentially damaging acts increase with increasing levels of auditor independence. The reports of larger audit firms are more likely to represent unbiased information and assist investors in making better judgments regarding stock market prices, as stated by Abdollahi et al. (2020). Therefore, it seems that the audit services provided by the big four are superior and more trustworthy. Conclusions drawn from previous research indicate that the sixth hypothesis is correct.

5. Conclusion
This research was conducted with the aim of finding out the factors that influence company performance as measured by earnings per share (EPS). The independent variables used in this research are the size of the board of directors, audit committee, frequency of board meetings, managerial
ownership, audit opinion and KAP audit.

Based on the test and analysis results, a conclusion was obtained which shows that the size of the board of directors, frequency of board meetings, managerial ownership, audit opinion and KAP audit have a significant positive effect on company performance, while the audit committee variable has no significant effect on company performance.

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