

Influence of Independent Commissioners and Audit Committee on the Performance of State-Owned Enterprises in Indonesia Moderated by Dual Positions of the Commissioner

Dwi Setyo Aji¹, Lenggogeni²

^{1,2}Faculty of Economics and Business, Universitas Trisakti, Indonesia

Abstract

This study aims to examine the effect of the Independent Board of Commissioners and the Audit Committee on the Performance of State-Owned Enterprises in Indonesia. This study also examines the effect of concurrent positions of commissioners as a moderating variable which is thought to have an effect on the performance of state-owned enterprises. The dual position of the Commissioner is suspected to affect the role of the independent variable on the dependent variable. The Financial Performance of State-Owned Enterprises is proxied using Return on Assets (RoA), the Independent Board of Commissioners uses a proxy for the number of independent commissioners in the company, and the Audit Committee uses a proxy for the number of audit committee members in a company. The sample of this research is 20 State-Owned Enterprises that are listed on the Indonesia Stock Exchange (IDX) during the period 2016 to 2019, so that a total of 80 research samples are obtained. The analytical method used to test the hypothesis in this study is moderated regression analysis (MRA) and uses statistical tools in the form of the Eviews version 12 application. The results of this study indicate that the independent board of commissioners variable has no effect on the performance of State-Owned Enterprises, the Audit Committee variable has an effect on the Performance of State-Owned Enterprises, and Concurrent Positions of Commissioners have no effect and do not moderate the influence of independent commissioners and audit committees on the financial performance of State-Owned Enterprises.

Keywords

independent commissioner; audit committee; financial performance; BUMN; multiple



I. Introduction

State-Owned Enterprises (BUMN) are business entities whose entire or most of the company's capital is owned by the state through direct investment originating from separated state assets. The background for the establishment of BUMN is to realize the mandate of the 1945 Constitution Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia, which states that the earth, water and natural resources contained therein are controlled by the state and used for the greatest prosperity of the people. Indonesian SOEs are engaged in almost all lines of the country's economy, such as energy and minerals, banking finance, transportation, to the tourism industry.

The data for the last five years illustrates the magnitude of the influence of SOEs in the country's economy. During the period 2015 to 2019, the company's asset value, liability value and average equity value increased as shown in the following figure.



The above conditions indicate that the cumulative financial performance of SOEs has increased and ultimately provides benefits to the state. However, apart from this encouraging information, there is also news about several SOEs experiencing poor financial conditions, as mentioned below.

- a. Garuda Indonesia airline, which is in debt up to Rp. 70 trillion and is estimated to continue to increase to Rp. 1 trillion every month. This has forced Garuda to return its borrowed planes and make early retirement of employees. This is the result of a case of intentional incorrect revenue recognition in the airline's financial statements and financial mismanagement.
- b. Mismanagement of investments in the company made Jiwasraya, who often put funds in underperforming stocks. The situation got worse because Jiwasraya sponsored the world football club, Manchester City, in 2014. In 2015, Jiwasraya launched the JS Saving Plan product with a very high cost of funds above deposit and bond interest. Unfortunately, these funds are then invested in low-quality stocks and mutual funds.
- c. PT Asabri, which is experiencing corruption problems, is estimated to reach Rp. 23.7 trillion. The corruption is related to the manipulation of the sale and purchase of shares by directors and parties outside the company for their own personal gain and detrimental to the company

In the management of state companies in Indonesia, the phenomenon of commissioners who also holds concurrent positions as directors in other companies or concurrently as ASN of ministries and institutions is also found. Things like this are not in accordance with good corporate and GCG mechanisms and have the potential to provide financial waste in BUMN and in the end can affect the financial performance of BUMN. Several studies related to these dual positions include Prihandoko (2018) which explains that interlocking directorates have a positive effect on company performance and market performance in manufacturing companies in Indonesia. Efendi (2021) explains that the selection of commissioners with military or police backgrounds has the potential to weaken the supervision of commissioners because of the difficulty in realizing the independence of the board of commissioners. The same result by Wahyudi (2021) also shows that concurrent positions occur because there are no explicit provisions prohibiting but if there is a violation, the position must be terminated, so as not to worsen the financial condition of the BUMN.

Some of the company's loss conditions in the end also harm the state. To overcome this, and prevent similar incidents, it is actually required to implement Good Corporate Governance (GCG) in the company. Elements of CG can be applied to oversee so that the

company does not fall into problems such as the events above. Several studies, among others, by Bhat et. al (2018) explained that the implementation of GCG will have an impact on state-owned companies and companies wholly owned by the public/private sector. The elements of GCG that affect the value of state-owned companies include board independence, while board size and board meetings have no significant effect on company value. Ilya Avianti (2017) explains that the dominance of government ownership can make GCG enforcement not optimal which results in unprofitable decision making. Suggestions to improve this is to optimize the role of the audit committee and independent commissioners. In addition, Sarafina and Saifi (2017) explain that the board of commissioners and the audit committee have an effect on financial performance. Chermian Eforis (2017) also explains that state ownership in companies has no effect on performance, while public ownership has an effect on company performance.

The Audit Committee in a company is an element of CG that can be applied to assist company supervision. The Audit Committee is a supporting organ for commissioners in a company. The Audit Committee is formed by and is responsible to the Board of Commissioners in assisting in carrying out the duties and functions of the Board of Commissioners. The audit committee as well as independent commissioners are expected to support the successful performance and effectiveness of the company's operations. According to Vafeas (2005) the ideal number of audit committees is 3-4 people. Research by Nuresa and Hadiprajitno (2013) shows that audit committees that frequently hold meetings and are capable have a negative effect on the financial distress of a company. Which means the existence of an audit committee will prevent the company's financial deterioration. The audit committee also has a positive and significant effect on the company's financial performance (Hermiyetti, Katlanis 2014). Different results occur in several studies conducted by Dillak et al (2017), Widyati (2013), Prayanthi and Laurens (2020) showing that the audit committee has no significant effect on the company's financial performance. The same applies to property sector companies (Ratna, 2019).

The formulation of the problem in this study are:

1. Does the Independent Commissioner affect the performance of state-owned companies?
2. Does the Audit Committee affect the performance of state-owned companies?
3. Does the dual position of the commissioner affect the performance of state-owned companies?
4. Does the Concurrent Position of Commissioner strengthen the influence of the Independent Commissioner on the performance of state-owned companies?
5. Does the Concurrent Position of Commissioner strengthen the influence of the Audit Committee on the performance of state-owned companies?

The purpose of this study was to test whether:

- a) Independent Commissioners influence the performance of state-owned companies;
- b) The Audit Committee has an effect on the performance of BUMN companies;
- c) Concurrent positions of commissioners affect the performance of state-owned companies;
- d) Concurrent positions of Commissioners strengthen the influence of Independent Commissioners on the performance of BUMN companies;
- e) Concurrent positions of Commissioners strengthen the influence of the Audit Committee on the performance of state-owned companies.

The contributions of this research include:

- 1) For researchers, it is hoped that they can provide an understanding of how GCG factors affect the performance of state-owned companies. In addition, researchers also hope that this research will help explain the influence of CG on the performance of state-owned companies that have been listed on the stock exchange;
- 2) For capital market practitioners and/or government agencies, it is hoped that they can contribute to improvements in the field of supervision of SOEs in the future;
- 3) For academics, it can add insight and knowledge to the academic world regarding the value of BUMN companies on the stock exchange based on the factors that influence it. In addition, it can be used as an additional reference for further researchers.

The novelty of this research is the use of the variable concurrent position of the Commissioner and its use as a moderating variable. In addition, this research focuses on SOEs, which are the corporate sector that is heavily influenced by the strategic decisions of the state, including the placement of personnel.

II. Review of Literature

2.1 Agency Theory

An agency relationship occurs when one or more individuals referred to as principals hire other individuals or organizations, referred to as agents, to perform a number of services and delegate decision-making authority to the agent (Brigham and Houston, 2006:26). Agency problems arise from the existence of information asymmetry problems (Fama and Jensen, 1983). Managers as company insiders have an information advantage compared to investors who are outsiders. Managers can exploit these advantages through managing the information that is conveyed to investors. This condition is known as adverse selection. Another type of information asymmetry is moral hazard. The separation between ownership and control of the company encourages managers not to maximize their efforts (Jensen and Meckling, 1976). In the context of the company, agency problems faced by investors refer to the difficulty of investors to ensure that their funds are not misused by company management to fund unprofitable activities (Wulandari, 2011). According to Jensen and Meckling (1976), the causes of conflict between managers and shareholders include making decisions related to fundraising activities and how the funds obtained are invested.

2.2 Resource Based Theory

Resource based theory explains that companies can achieve competitive advantage by developing and analyzing their resources, which highlight the advantages of knowledge or an economy that relies on intangible assets. Wernerfelt (1984) explains that according to the view of Resource-Based Theory, companies will be increasingly superior in business competition and obtain good financial performance by owning, controlling, and utilizing important strategic assets (tangible and intangible assets). Belkaoui (2003) states that a potential strategy to improve company performance is to unite tangible assets and intangible assets. Pulic (1998) in Wahyu Widardo (2011) argues that the main goal of a knowledge-based economy is to create added value. To be able to create this added value, it is necessary to have the right measure of physical capital in the form of financial funds and intellectual potential represented by employees with all the potential and abilities attached to them. Based on the Resource-Based Theory approach, it can be concluded that the resources owned by the company affect the company's performance which in turn will

increase the value of the company. One of the resources owned by the company from the disclosed intangible assets is *intellectual capital*.

2.3 Independent Commissioner

Independent commissioners are members of the board of commissioners who are not affiliated with management, other members of the board of commissioners and controlling shareholders, and are free from business relationships or other relationships that may affect their ability to act independently or act solely in the interests of the company (National Committee on Governance, 2006). The existence of independent commissioners has been regulated by the Jakarta Stock Exchange through the JSE regulation dated July 1, 2000. It is stated that companies listed on the stock exchange must have independent commissioners who are professionally equal to the number of shares owned by minority shareholders (not controlling shareholders). In this regulation, the minimum number of independent commissioners is 30% of all members of the board of commissioners.

2.4 Audit Committee

The Indonesian Audit Committee Association (IKAI) defines the audit committee as a committee that works professionally and independently which is formed by the board of commissioners and implementation of corporate governance in companies. Bapepam through Circular No. 03/PM/2000 which is addressed to every director of issuers and public companies requires the establishment of an audit committee. The regulation regarding the number of audit committees for issuers and public companies is regulated in Bapepam-LK Regulation No.IX.I.5 concerning the Establishment of Guidelines for the Work Implementation of the Audit Committee. In this regulation, issuers and public companies are required to form an audit committee of at least three people, one of which is an independent commissioner of the company and acts as chairman of the audit committee.

2.5 Concurrent Position of Commissioner

One of the main functions of the Ministry of SOEs as the GMS is the appointment and dismissal of the Board of Directors and the Board of Commissioners/Supervisory Board of SOEs. As a form of carrying out the main tasks and functions, the Ministry of SOEs has guidelines and SOPs regarding this matter. These regulations and guidelines, among others, regulate the following provisions:

- a. Members of the Board of Commissioners/Supervisory Board are prohibited from holding concurrent positions as Members of the Board of Commissioners and/or Supervisory Board of BUMN/Companies, as regulated in the Regulation of the Minister of State-Owned Enterprises Number PER-02/MBU/02/2015;
- b. The ban on concurrent positions by members of the Dekomwas is exempted if the appointment of members of the Board of Commissioners/Supervisory Board is carried out in the context of supervising BUMN/Companies in the restructuring program based on special assignments from the Minister;
- c. Positions that are prohibited from being held by Members of the Board of Directors include:
 1. Directors in a) BUMN, b) regionally-owned enterprises, c) privately-owned enterprises;
 2. Board of Commissioners/Supervisory Board of BUMN;

In addition, concurrent positions as administrators of BUMN are also not allowed for ASN of Ministries/Agencies or Regional Governments. This is regulated in Law Number 25 of 2009 concerning Public Services that as executor of public services, ASN is prohibited from holding concurrent positions as commissioners or administrators of organizations, BUMN, and BUMD.

2.6 Company Financial Performance

Jumingan (2006:240) defines financial performance as a critical assessment process of company finances, namely reviewing data, calculating, measuring, interpreting, and providing solutions to company finances in a certain period. Performance measures can be used to suppress inappropriate behavior and to stimulate and enforce desirable behavior. All of this is expected to provide motivation and stimulation for each part to work more effectively and efficiently (Mulyadi, 2001:420). Motivation comes from the Latin word *move* which means drive or driving force. Motivation in management is only aimed at human resources in general and in particular subordinates (Purba and Sudibjo, 2020).

2.7 Company Age

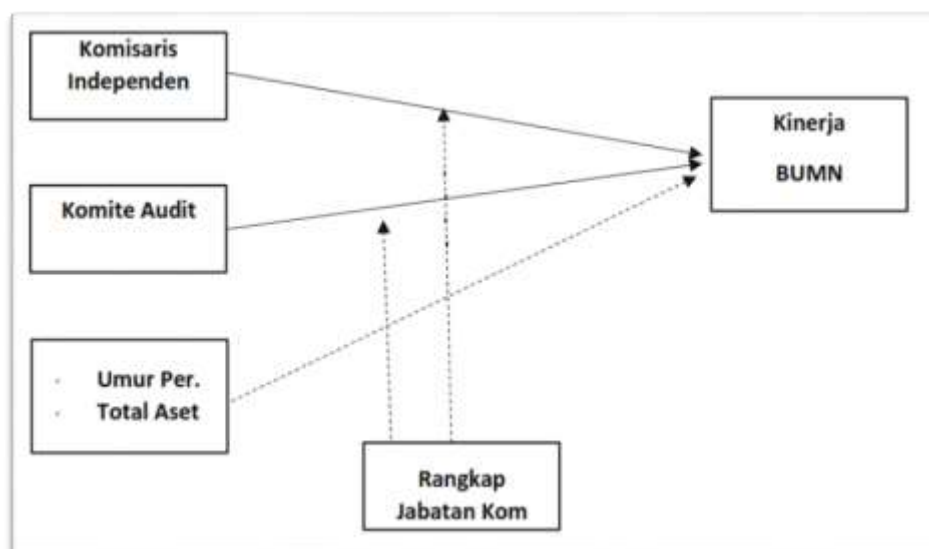
Company age is the number of years that have elapsed since a company was founded. The establishment of the company uses the period in which it is officially recognized as having been established by the state.

2.8 Total Assets

Total Assets in terms of asset accounting known as assets refers to the total amount of assets/wealth owned by a company. Assets are goods that have economic value, which are developed over time to generate benefits for the company. In business, these assets are usually recorded in the accounting records and appear on the balance sheet. Categories included in the assets include Current Assets: Cash (cash), Securities, Receivables, Prepaid Expenses, Inventory of Goods, Equipment. Fixed Assets. Intangible Fixed Assets: Such as intellectual property rights (property rights), Patents, Copyrights, etc., and Long Term Investments.

2.9 Conceptual Framework

The conceptual framework of this research is presented as follows.



Description:

Independent Variable 1 (X1) : Independent Commissioner

Independent Variable 2 (X2) : Audit Committee

Moderating Variable (Z) : Concurrent Position of Commissioner

Control Variable (X3) : Company Age

Control Variable (X4) : Total Assets

III. Research Method

3.1 Research Design

Research design is a plan of research structure that directs research processes and results as far as possible to be valid, objective, efficient, and effective. The type of research in this study is hypothesis testing. The nature of the test being tested is a causal hypothesis, the time dimension for the data studied is time series. This research has involved many objects in the real environment so that it is generalization. The unit of analysis is BUMN listed on the stock exchange so that the type of data is secondary data. Sources of data in the form of annual reports and financial reports from websites and other supporting sources.

3.2 Variable Operational Definition

This study uses 6 variables consisting of independent variables, dependent variables, and moderating variables. The independent variable is the variable that affects the dependent variable which is indicated by the arrows that come from the independent variable to the dependent variable as shown in the model. The dependent variable is the variable that is influenced by the independent variable which is indicated by the arrow that points to the dependent variable from the independent variable as shown in the model. Moderating variables are variables that are suspected to strengthen the influence of the independent variable on the dependent variable. The independent variables in this study consisted of the independent commissioner (X1) and the audit committee (X2). The dependent variable in this study is company performance (Y). The moderating variable in this study is Multiple Positions (Z). There are control variables to make the research model better, namely Company Age (X3) and Total Assets (X4).

3.3 Independent Commissioner

Independent Commissioners are members of the Board of Commissioners who are not affiliated with the Board of Directors, other members of the Board of Commissioners and controlling shareholders, and are free from business relationships or other relationships that may affect their ability to act independently. The existence of independent commissioners will encourage and create a more independent, objective climate and increase fairness as one of the main principles in paying attention to the interests of minority shareholders and other stakeholders. According to Tita Djuitaningsih (2012), the measurement of the proportion of independent commissioners is as follows: "The proportion of independent commissioners is measured by the ratio or (%) between the number of independent commissioners compared to the total number of members of the board of commissioners".

3.4 Audit Committee

The Indonesian Audit Committee Association (IKAI) defines the audit committee as a committee that works professionally and independently which is formed by the board of commissioners and implementation of corporate governance in companies. The audit committee is measured by using the number of audit committee personnel (Widyati: 2013).

3.5 Company Age

Company Age is the number of years since the first state-owned company was founded. The age of the company is obtained by subtracting the year of research with the year the company was founded. Sources of company age data are obtained from related company profiles and annual reports and other relevant sources.

3.6 Total Assets

Total Assets in terms of asset accounting known as assets refers to the total amount of assets/wealth owned by a company. Assets are goods that have economic value, which are developed over time to generate benefits for the company. In this study, total assets are measured in terms of the natural logarithm value of the related total assets.

3.7 Company Performance

Financial Performance can be measured through financial ratio analysis. According to Hanafi and Halim (2009), basically ratio analysis is grouped into five categories, namely liquidity ratios, activity ratios, solvency ratios, profitability ratios, and market ratios. The ratio used in this study is the profitability ratio where this ratio measures the company's ability to generate profits. There are three profitability ratios, namely profit margin, return on assets (ROA), and return on equity (ROE). However, the ratio used in this study is return on assets. ROA is a profitability ratio used to measure the company's ability to generate net income based on certain asset levels. A high ratio indicates the efficiency of asset management, which means management efficiency. ROA is measured by dividing net income by total assets (Hanafi and Halim, 2009).

3.8 Concurrent Position of Commissioner

Multiple Positions of a BUMN Commissioner is a concurrent position that occurs when a BUMN commissioner also serves as a commissioner in another BUMN. Or a BUMN Commissioner who also serves as an ASN in a Ministry/Agency or is an active member of the TNI/Polri. The variable of concurrent positions of commissioners is measured using a dummy variable, where SOEs with multiple commissioners are rated 1 and SOEs that do not have concurrent commissioners are rated 0.

3.9 Unit of Analysis

The unit of analysis in this study is the Financial Statements and Annual Reports of State-Owned Enterprises listed on the IDX. The unit of analysis is the thing or person to be studied.

3.10 Data Type

The type of data used in this research is secondary data. That is data obtained indirectly through intermediary media, in the form of ready-made data and recorded by other parties or in the form of publications.

3.11 Sampling Method

This study uses secondary data with archival data collection strategies. The data collection technique used is archive database analysis. Sources of data can come from the relevant BUMN website, IDX website, related ministry websites and other relevant and valid sources. The population in this study is BUMN which is owned by 51% or more of its shares by the Government of the Republic of Indonesia, which has been listed on the Indonesia Stock Exchange (IDX). The number of BUMN registered until 2019 is 20 BUMN as follows.

No	SOE
1	PT Krakatau Steel (Persero) Tbk
2	PT Semen Baturaja (Persero) Tbk
3	PT Semen Indonesia (Persero) Tbk
4	PT Telekomunikasi Indonesia (Persero) Tbk
5	PT Bank Negara Indonesia (Persero) Tbk
6	PT Bank Rakyat Indonesia (Persero) Tbk
7	PT Bank Tabungan Negara (Persero) Tbk
8	PT Bank Mandiri (Persero) Tbk
9	PT Adhi Karya (Persero) Tbk
10	PT Pembangunan Perumahan (Persero) Tbk
11	PT Waskita Karya (Persero) Tbk
12	PT Wijaya Karya (Persero) Tbk
13	PT Garuda Indonesia (Persero) Tbk
14	PT Jasamarga (Persero) Tbk
15	PT Perusahaan Gas Negara (Persero) Tbk
16	PT Bukit Asam (Persero) Tbk
17	PT Timah (Persero) Tbk
18	PT Aneka Tambang (Persero) Tbk
19	PT Indofarma (Persero) Tbk
20	PT Kimia Farma (Persero) Tbk

IV. Results and Discussion

4.1 Description of Research Object

This study examines the analysis of the influence of the Independent Commissioner and the Audit Committee on the Performance of State-Owned Enterprises and the moderating effect of multiple positions on the Independent Commissioner and the Audit Committee on the Company's Performance. This research is assisted by two control variables, namely the age of the company and the total assets of the company which are expected to make the research model better. Based on the number of BUMN companies listed on the Indonesia Stock Exchange in 2016-2019, this study uses data from 20 BUMN companies so that the total sample used in this study is 80 data.

4.2 Descriptive Analysis

The results of the descriptive statistical test of the variables used in this study are as follows:

	X1KI	X2KA	X3AGE	X4 ASSET	X5RKP
mean	4099,247	42164.51	568701.3	316431.6	3376,623
median	400,000	40000.00	560000.0	315796.0	0.000000
Maximum	6667,000	70000.00	990000.0	348871.0	10000.00
Minimum	200.000	20000.00	180000.0	248047.0	0.000000
Std. Dev.	1080,723	12643.37	168728.6	18771.70	4760.139
Skewness	0.584102	0.606086	0.371045	-0.531022	0.686544
Kurtosis	2.643997	2.675685	3.941003	4.238153	1.471342
Jarque-Bera	4.785028	5.051652	4.607755	8.537243	13.54611
Probability	0.091400	0.079992	0.099871	0.014001	0.001144
Sum	315642.0	3246667.	43790000	24365235	260000.0
Sum Sq. Dev.	88765198	1.21E+10	2.16E+12	2.68E+10	1.72E+09

Based on the table above, it is known that the variables (X1) Independent Commissioner, (X2) Audit Committee, Company Age (X3), Total Assets (X4), Concurrent Positions of Commissioners (X5), and Company Performance (Y) have an average value (*mean*) are 4099,247, 42164.51, 568701.3, 316431.6, 3376,623. The highest maximum value is the variable (X3) of 990000.0.

4.3 Model Test

a. Chow test

Effects Test	Statistics	df	Prob.
Cross-section F	9.598657	(19.52)	0.0000
Cross-section Chi-square	115.937091	19	0.0000

If the probability value < 0.05 then fixed effect is selected. Because the above number is smaller than 0.05, the better model is the *fixed effect model*.

b. Hausman Test

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	5.732764	5	0.3331

If the probability value < 0.05 then the fixed effect is selected, if > 0.05 it chooses random effect. Because the probability value is above 0.05, the better model is the *random effect model*.

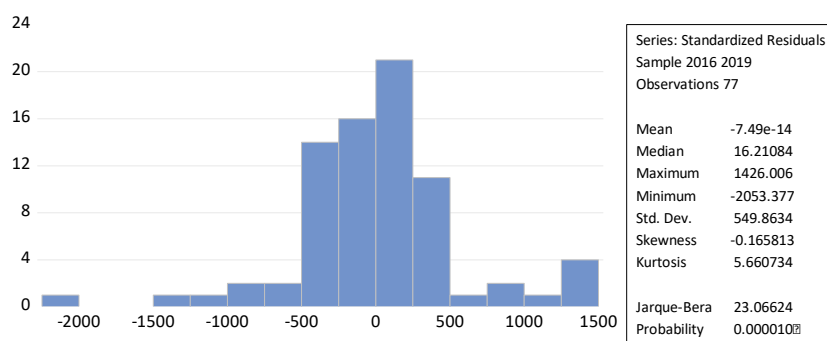
c. Lagrange Multiplier Test

	Hypothesis Test		
	Cross-section	time	Both
Breusch-Pagan	38.33388 (0.0000)	0.805389 (0.3695)	39.13927 (0.0000)
Honda	6.191436 (0.0000)	-0.897435 (0.8153)	3.743424 (0.0001)
King-Wu	6.191436 (0.0000)	-0.897435 (0.8153)	1.460225 (0.0721)
Standardized Honda	7.266761 (0.0000)	-0.651752 (0.7427)	0.907962 (0.1819)
Standardized King-Wu	7.266761 (0.0000)	-0.651752 (0.7427)	-0.830328 (0.7968)
Gourieroux, et al.	--	--	38.33388 (0.0000)

Using the Brausch-Pagan value, if the probability value > 0.05 then use the *common effect model*, otherwise it is better to use the *random effect model*. Because the p value is below 0.05, which is 0.0000, a *random effect model is chosen*.

4.4 Classic Assumption Test

a. Normality Test



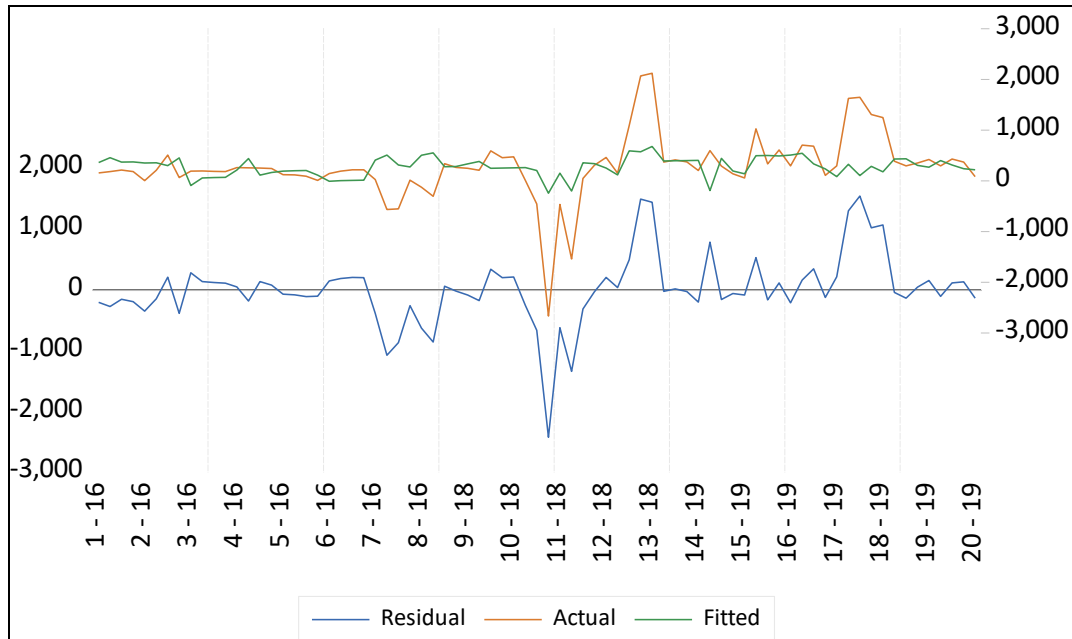
Based on the probability value of 0.000010 which is smaller than 0.05 so it can be concluded that the data is not normal, but because the number of secondary data is more than 30 units, the normality test can be ruled out because the distribution of the *sampling error term* has approached normal, this is according to Ajija's research, Shochrul Rohmatul et al (2011).

b. Autocorrelation Test

MSE root	257,3136	R-squared	0.831188
Mean dependent var	279.5325	Adjusted R-squared	0.753275
SD dependent var	630.3764	SE of regression	313.1169
Akaike info criterion	14.58782	Sum squared resid	5098193.
Schwarz criterion	15.34879	Likelihood logs	-536,6310
Hannan-Quinn Criter.	14,89220	F-statistics	10.66814
Durbin-Watson stat	3.196458	Prob(F-statistic)	0.000000

Autocorrelation was tested using the Durbin-Watson statistic value. If the value is above 0.05, then there is no autocorrelation. Because the value of the Durbin-Watson prob is above 0.05, there is no autocorrelation.

c. Heterocedastic Test



There is no heteroscedasticity because the graph is random.

d. Multicollinearity Test

	Y	X1KI	X2KA	X3AGE	X4 ASSET	X5RKP
Y	1.0000000	-0.288238	0.142429	0.174067	0.005791	-0.277123
X1KI	-0.288238	1.0000000	0.379116	-0.028978	0.418537	0.331188
X2KA	0.142429	0.379116	1.0000000	-0.153478	0.384167	0.224945
X3AGE	0.174067	-0.028978	-0.153478	1.0000000	0.032030	-0.245119
X4						
ASSET	0.005791	0.418537	0.384167	0.032030	1.0000000	0.249496
X5RKP	-0.277123	0.331188	0.224945	-0.245119	0.249496	1.0000000

Autocorrelation occurs when the value between X variables is above 0.9. Because none of the above values are greater than 0.9, then there is no multicollinearity.

4.5 Regression Analysis Test (t test)

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	464.8277	1125,770	0.412898	0.6809
X1KI	-0.158395	0.053503	-2.960507	0.0042
X2KA	0.004604	0.005108	0.901388	0.3704
X3AGE	0.000458	0.000685	0.668477	0.5060
X4 ASSET	8.89E-05	0.003248	0.027364	0.9782
X5RKP	-0.006431	0.019316	-0.332910	0.7402

Based on the results of the regression test, it is known that The Independent Commissioner variable (X1) becomes a variable that has a significant effect because the prob value is 0.0042 or below 0.05. While the Audit Committee variable (X2) has a probability value of 0.3704 or above 0.050 so it can be concluded that the Audit Committee variable has no effect on RoA.

4.6 Coefficient of Determination Test (Simultaneous F Test)

MSE root	303.4489	R-squared	0.114759
Mean dependent var	82.26515	Adjusted R-squared	0.052418
SD dependent var	324.8778	SE of regression	316.0107
Sum squared resid	7090254.	F-statistics	1.840828
Durbin-Watson stat	2.323352	Prob(F-statistic)	0.115868

Based on the coefficient of determination test, it is known that the R-squared value is 0.114 or 11%. Based on this, it can be concluded that the independent variable in this research model has an effect of 11% on the dependent variable. While the other 89% were determined in the model outside of this study.

4.7 Moderation Test

a. M1 (X5 moderates X1)

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	801.6441	330.9838	2.422004	0.0178
X1KI	-0.123141	0.072455	-1.699562	0.0933
X5RKP	0.019418	0.049392	0.393139	0.6953
M1	-5.17E-06	9.94E-06	-0.52100	0.6045

b. M2 (X5 moderates X2)

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	244.5281	313.6023	0.779739	0.4380
X2KA	0.001434	0.007302	0.196438	0.8448
X5RKP	-0.007407	0.041016	-0.180600	0.8572
M2	3.89E-08	9.77E-07	0.039822	0.9683

Based on the results of the regression test of the moderating variable, it is known that the probability value of M1 is 0.6045 and the probability value of M2 is 0.9683 both of which are greater than 0.05. So it can be concluded that the variable concurrent position of the Commissioner (X5) does not moderate the relationship between the independent variables of the Independent Commissioner (X1) and the Audit Committee (X2) on Company Performance (Y).

V. Conclusion

The objectives to be achieved in this research are to test, analyze, and obtain empirical evidence on the role of the Independent Commissioner and the Audit Committee on the Company's Performance and the influence of Multiple Positions in moderating the influence of the Independent Commissioner and the Audit Committee on the Company's Performance. The results of the study can be concluded as follows:

1. Independent Commissioners influence the company's performance. This happens because the independence of a company commissioner will make him work according to his optimal ability in influencing the company's achievements. Independent commissioners will be less affected by company conditions and conditions outside the company because they only work according to their goals. This is different from the condition of other commissioners who are not external to the company.
2. The number of audit committees has no effect on the company's performance. This is because the audit committee that really influences the company's performance is the chairman and members of the committee who have the competence and capability to supervise the company. And not just because of the number alone. Although there are many members of the audit committee, if they do not have the required competencies and capabilities, they will not be able to optimize the supervisory performance of the company.
3. This may be due to the concurrent positions of commissioners who may come from other SOEs or government agencies that do not influence the selection of independent commissioners and do not influence the determination of the number of the company's audit committee. So that the existence of commissioners who hold concurrent positions has no effect on these two variables.

Suggestion

1. The government, in this case the Ministry of SOEs, can monitor the implementation of the obligation to fulfill independent commissioners in BUMN because it affects the company's operations and performance.
2. Audit committees in state-owned companies do not need to be too many, but their competence and capabilities need to be considered.

3. Multiple positions should be avoided to prevent commissioners from being focused on working for SOEs. In addition, multiple positions also do not have an effect on the company's performance.

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