

# **The Effect of Audit Committee Effectiveness on the Timeliness of Financial Reporting**

**Gerald Lanjuto Andika Sagala and Judith T.**

**Gallena**

Universitas Advent Indonesia, Bandung Barat

**Abstract:** The purpose of this study was to examine the impact of audit committee effectiveness which consists of audit committee expertise, audit committee size, and the frequency of audit committee meetings to timeliness of financial reporting on companies listed on the Indonesia Stock Exchange. This research using financial reporting lead time as dependent variable and as the independent variables were audit committee effectiveness which consists of audit committee expertise, audit committee size, and audit committee meet. The population in this study were the manufacturing companies listed on the Indonesia Stock Exchange in 2014. The sampling method used was purposive sampling and the sample of this research was 101 manufacturing companies. The result were analyzed through descriptive statistical analysis, classical assumption test, multiple regression analysis, and hypothesis test using the F test and t test with  $\alpha = 0,05$ . Based on the hypothesis test results, significant values were obtained for audit committee expertise (ACEXP) with 0,005, and audit committee meet (ACMEET) with 0,001 it showed both variables was negatively related significantly to the financial reporting lead time. While the audit committee size (ACSIZE) variable has a significant values of 0,201 and showed that the variable negatively related but not significant to the financial reporting lead time. The F test result showed that the three independent variables simultaneously affect the dependent variable.

**Keywords:** Audit committee expertise, audit committee size, frequency of meetings, manufacturing companies timeliness, financial reporting lead time