The Dividend Policy Intermediary: A Linkage Corporate Governance and Firm's Value as Empirical Evidence from Metal Sub-Sectors Listed in IDX

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Abstract. This study purposed to explore the empirical evidence of corporate governance i.e. audit committee and audit quality to the firm's value, then with the dividend policy intermediary. The firm's value measure utilizes Tobin's Q proxy, and audit quality uses the big-4 public accounting firm category measurement. The source data consist of secondary data from annual reports of the firm's metal sub-sector registered on the Indonesian Stock Exchange for the 2013-2019 period, whereas as many as 18 firms. The sampling technique utilized was the purposive sampling method, i.e. the technique of specifying the sample upon spesific judgment. The data analysis used in this study is moderated regression analysis. The results inferred that the audit committee and audit quality do not influence the firms partially. Hereinafter, dividend policy intermediary cannot able a linkage corporate governance both of Audit Committee and Audit Quality towards the dividend policy. The firm size utilizes the dividend policy moderated function to use to become a control variable.

Key words: the firm's value, dividend policy intermediary, firm size.

Introduction

Background

The metal industry sector in the territory of the 34 cities selected in the CREDO Krajina project has vitality in the post-war rejuvenation of production and forwardness for the familiarization of new technologies. The quality of the workforce and knowledge in this field of production forms the basis for the assembly and manufacture of metal products which includes the revitalization of cutting, bending, pressing, welding, precision casting, mold casting, forming, and processing activities (Pucar, 2014: 7).

The metal value chain is quite complex in addition to equipment with front and back links plus integrated production systems (Andreoni et al., 2021: 54). In 2014, US exports of major metal products totaled $58.7 billion. Smelting and refining products of nonferrous metals (except aluminum) accounted for 43 percent of this export achievement. About a third of the total imports of the main metal products industry comes from Mexico and Canada (Diagne, 2015: 6). Based on report from the Shechman International Symposium, as of 2013, the iron industry in Ukraine is supported by the 20 largest corporations, namely companies in the metal goods category and have a highly developed infrastructure, thenemploys more than half a million people, which is an industrial category that is important to the economy by contributing 40% of the country's export earnings and 27% of industrial production in The iron and steel industry is important to the Ukrainian economy (Shatokha, 2014). According to the report from Greek Société Anonyme the base metal sub-segment industry directly occupies more than 20 thousand individuals, as a result, this sector contributes to the Greek economy in 2021

(KPMG Advisors Single Member SA, 2021: 7). The metal value chain is quite complex in addition to equipment with front and back links plus integrated production systems.

In Asian countries, India's base metals industry is one of many fast-growing industries with ferrous and non-ferrous metal-based industry categories with operations covering mining and refining of ore, foundry, alloying, sheeting, and rolling into foil using several methods. metal production using open furnaces, oxygen furnaces, blast furnaces, electric arc furnaces, etc (Mapping Digiworld Pvt Ltd, 2015). According to a release from VoI-News, said that the metal industry sector in Indonesia can penetrate the export market as evidenced by the increased productivity of the domestic steel industry, and the request in this sector is still arising and showing competitiveness notwithstanding the impact of COVID-19 (Voice of Indonesia, 2020). Hereinbefore, in ten-point cross-sectoral national initiatives in accelerating the implementation of *Making Indonesia 4.0*, one of which emphasizes improving the flow of goods and materials in the chemical, base metal, automotive, and electronics sectors. Indonesia will reinforce local production because it depends on imports and components of high-value raw materials (Indonesian Ministry of Industry, 2018).

COVID-19 is the prominent problem of 2020 and will impact all industries until 2021, mining and metals are no exception (EYGM Limited, 2021: 2). On the other hand, ESG issues in 2020 the most scrutiny from investors will face relating to the area of mining and metals can viewed the data follows:

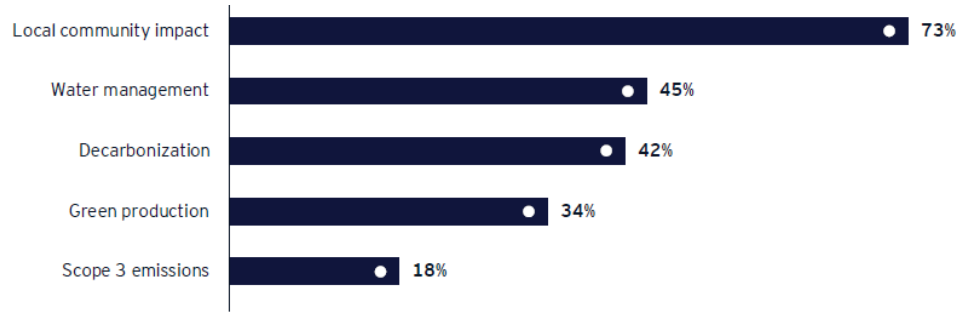

Fig. 1. What area of mining and metals will front the most monitoring from investors relating to ESG issues? (*Source*: EYG Survey, 2021)

The data from Fig. 1 above provides an overview of ESG performance based on a survey of institutional investors, 23 percent of respondents perceive the area of mining and metals companies to lag behind other sectors and 73 percent of them have an impact on companies in local communities which highlighted by investors (EYGM Limited, 2021: 8). Dividends can be used to counter these issues, as the firm's capital base decreases which force it to raise capital outside the firm and thus exposes it to scrutiny by outside investors (Lundgren & Lantz, 2016: 3). Lintner (1956) indicated that financial managers rather arrange dividend policy with an objective long-term payout ratio fervently in the mind of the user, that financial managers may "smooth" cash dividends consecutive to corporation earnings over time, and that cash dividends are more likely to be shell out by old firms with long-term probable earnings (Sayyar et al., 2015). Dividends are the main goal of investors in investing in shares, if the amount of dividends is not as expected by investors, investors are more likely not to buy shares or sell shares if they already have them (Stice & Stice, 2014).

Several prior studies include: (1) Hamed Sayyar et al. (2015) study aims to test the audit quality toward firm performance in Malaysia-listed companies, utilizing the Tobin's

Q proxy. Observation period during 2003-2012 with 542 data as final sample. Data analysis throughout multivariate regression. The study utters firm performance implied from audit quality, i.e. audit fee and audit firm rotation, which audit fee has a positive significance whereas audit firm rotation and ROA have no significance. (2) Nidhi Bansal and Anil K. Sharma (2016) study the roles of audit committee characteristics i.e. independence and frequency of meetings in improving firm performance, utilizing the ROA, ROE, Tobin's Q, and M Cap measurements. Observation period during 2004-2013 with 235 non-financial firms registered on National Stock Exchange (NSE). Data analysis throughout analysis of panel data. The study utters firm performance implied by the audit committee feature i.e. independence and frequency of meetings, which both the have no significant probability. (3) Rateb Mohammad Alqatamin's (2018) study aim to investigate the influence of audit committee characteristics on company performance, utilizing Return On Assets (ROA) proxy. Observation period during 2014-2016 with 165 non-financial companies listed on Amman Stock Exchange (ASE) as final sample. Data analysis throughout multiple regression. The study utters company performance implied from audit committee characteristics, i.e. audit committee size and independence have a positive significance whereas experience and frequency of meetings have no significant probability. (4) Zhou, Owusu-Ansah & Maggina's (2018) study purposes to inquire the influence of board of directors and audit committee features on firm performance, utilizing Return On Assets (ROA) proxy. Observation period during 2008-2012 with 268 companies listed on Athens Stock Exchange as final sample. Data analysis throughout the balanced panel. The study utters firm performance no implied from board independent of directors with negative relation, and audit committee features and firm performance insignificantly. (5) Omar Al Farooque, Wonlop Buachoom, and Lan Sun's (2020) study aim to affect of corporate board and audit committee characteristics and ownership structures on financial performance, utilizing Tobin's Q proxy. Observation period during 2000-2016 with 452 data firms registered on Thai Stock Exchange as final sample. Data analysis throughout ordinary least squares (OLS) and fixed effects towards robustness. The study utters financial performance implied from corporate board (size, independence; meeting and dual role); and audit committee have a positive significance whereas audit firm rotation and ownership concentration and family ownership have no significant effect. (6) Sarwani and T. Husain's (2021) study purposes to assign the intents of an empirical model of a firm's value, utilizing Tobin's Q proxy, then audit quality with Big-4 category measurement. Observation period during 2013-2019 with 77 data samples registered on the Indonesian Stock Exchange as final sample. Data analysis throughout multiple regression. The study utters the firm's value empirical model implied from that profitability and audit quality have positive significance, but leverage, intellectual capital, and dividend policy have insignificant implications.

Several prior studies with moderating aspect dividend policy include: (1) Tahu and Susilo's (2017) empirical analysis examined the assign the influence of liquidity, profitability, and leverage on the company's value by the dividend policy as a moderating variable in IDX-300 manufacturing listed companies utilizing data observation period is 2010 until 2014 from Indonesia Stock Exchange. Data analysis was processed with moderated regression analysis (MRA). Empirical yields show that profitability have positive significance, whereas liquidity and leverage have insignificant implications. Dividend policy is not proof to significantly moderate the effect of liquidity, profitability, and leverage to the firm value. (2) Fajarina and Isnalita's (2018) empirical investigation examined the impact of dividend policy as a moderator function to verify the firm's value

on specific factors utilizing data observation period is held from 2013-2016 and attain 108 final data with judgment sampling from the Indonesian Stock Exchange Corporation. Data analysis was processed with moderated regression analysis. Dividend policy, which moderator function able to the relationship liquidity, profitability, and leverage in a corporation which judgment with a level significant probability. (3) Kanta, Hermanto, and Surasni's (2021) empirical analysis examined to the effect of leverage and profitability on firm value with dividend policy as a moderating variable IDX-21 manufacturing listed companies utilizing data observation period is 2014 until 2018 from Indonesia Stock Exchange. Data analysis was processed with moderated regression analysis (MRA). Empirical results show that profitability have positive significance, whereas liquidity and leverage have insignificant implications. Dividend policy is not able to significantly moderate the effect of liquidity, leverage and profitability on the firm value. Dividend policy, which is pure moderator function to the relationship leverage, and profitability on firm's value.

This research gap is the dividend policy as proposed as a moderator variable, which (Tahu & Susilo, 2017; Fajaria & Isnalita, 2018; Kanta et al., 2021) is the same function as the dividend payout ratio (DPR) proxy, but this research utilizes corporate governance with audit quality and audit committee components. This research is also focused on metal sub-sectors, which prior study such as non-financial firms (Bansal & Sharma, 2016), and the automotive and components sub-sectors throughout the firm's value empirical model (Sarwani & Husain, 2021). Besides, differ this study utilizes a firm's size as a control variable for the period 2013 to 2019 when listed companies have consistently adopted International Financial Reporting Standard (IFRS).

Research Purposes

1. To find out and investigate the audit committee in influencing the dividend policy
2. To find out and investigate the audit quality in influencing the dividend policy
3. To find out and investigate the dividend policy as an intermediary function of audit committee and audit quality in influencing the dividend policy

Theoritical Review

Agency Theory

Michael C. Jensen and W.H. Meckling first proposed the agency theory (1976), to notify stakeholder interest issues that have agency conflicts due to the manager's tendency not to act following the principal's interests. The selection and transfer (appointment or dismissal) of agents in the management of the company are usually appointed professionally with the hope that they can carry out the business in the principal's best interests and achieve the company's business objectives. This process sometimes creates an agency conflict that can potentially harm the interests of the principal (performance is not achieved by the wishes of the principal) (Al Farooque et al., 2020). Managers have every incentive to consume company wealth because the costs of consumption are not borne alone. This gap raises agency costs to safeguard the principal's behalfs in the investment structure and the firm's value (Sarwani & Husain, 2021).

Dividend Signalling Theory

The dividend signaling theory was first proposed by Sudipto Bhattacharya (1979), by compiling a model of the equilibrium level of dividend payments with length as the planning surveillance of outside investors because they have limited company information. A company would signal in the financial statements, including investors who

aim to enhance shareholder value. This signal can be any information related to management's efforts to realize what was required of investors or other information that can show their company is better than other corporations (Fajaria & Isnalita, 2018). Therefore, the signal given is contained in the formulation of dividend policy as information and investor planning related to the company's financial performance

Corporate Governance

Corporate governance is an aggregate of rules that explain the relationship between shareholders, creditors, agents, personnel, government, internal and external stakeholders' focusing obligations and rights, and the system that immediately monitors the corporation (OECD, 2019). In internal structures, such as the audit committee is the reliance of the board of commissioners in operating the roles of good corporate governance. According to Financial Services Authority (called 'OJK' in Indonesia) Regulations, Number 55/POJK.04/2015 of the Formation and Work Guidelines for the Audit Committee and the Indonesia Stock Exchange, Clause 4 refers that the audit committee compiles at least three people from Independent Commissioners and parties from outside the corporations. While, from external structures, such as the audit quality is in line with the auditor's internal and audit committee in operating the functions of GCG. Investors and stakeholders expect the timeliness of audit reporting, and this is necessary to maintain audit quality in the context of mandatory audit functions to avoid future (Husain & Syniuta, 2020). Audit quality is an arranged confession state that increasing the standard of component reporting on the audit quality is an activity that is not builded by the earnings management to compensate for the auditor's propensity to going-concern opinions (Svanström, 2013). Thus, the reputation of the auditor or KAP is very important to make a good audit quality.

Dividend Policy

The shareholder's eagerness to obtain the corporation retained earnings on a view at the next period depicted by dividend policy. The dividend policy expects the time afore dividends the stockholder's eagerness to obtain from the number of firm earnings. The question is whether dividend policy influences the share, prices raise a question as to whether dividends shelled out to stockholders are several more "certain". Dividend policy calculation is rife using the dividend payout ratio (DPR). The dividend policy can sever the stock price and increases certainty concerning the shareholders' answers. Dividend policy measurement utilizes the dividend payout ratio (DPR) (Keown et al., 2017).

The Firm's Value

The firm's value model was proposed by Miller in 1974, with the assumption widely used by researchers: investors' wealth will be proportionate to distinct investors' investor belief in an agency that investors can transaction their demesne at market prices, swap for borrowing, and lending at a specific rate, and clearance of assets yielding from proceeds sales and trade activity (Sundaresan, 2013). Firm's value could also be illustrated as is the present worth of presuming free cash flow computed a balanced on the average cost of capital (Brigham & Houston, 2016: 589). This return rate is manifested in a dividend policy that is fully regulated by management, while the expected interest rate is the return promised in the agency contract (Sarwani & Husain, 2021).

Research *Model* and Development Hypothesis Proposed

Research models of reasoning have needed to disclose the thought of a researcher, so it needs a parameter, i.e., a model. Then, a statement is created on the research model which is a transient response to the study formulation has been stated in the shape of a

question independent clause (Sugiyono, 2018: 64). The research model proposed can be seen in Fig. 2 below:

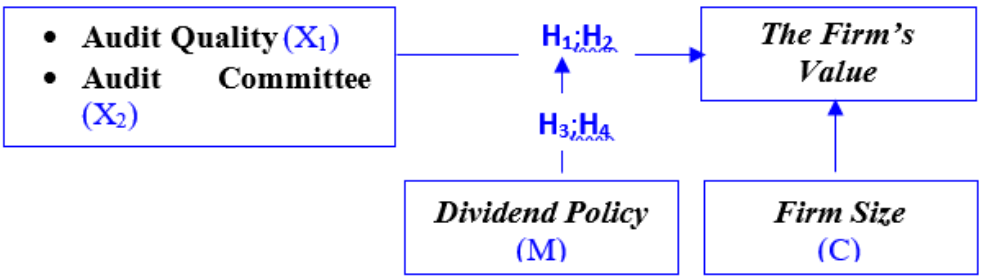

Fig. 2. Research Model Proposed

Prior research on the firm's value that is influenced by the audit committee of good corporate governance structure in-between, was carried out by (Bansal & Sharma, 2016); (Alqatamin, 2018) utilize ROA which resulted in a significance with a positive effect, then confirmed through research (Al Farooque et al., 2020) on firm performance utilize Tobin's Q proxy that positive effect on firm value. However, (Zhou et al., 2018) study which resulted in an audit committee has no significant impact. Therefore, based on the above findings regarding audit committee characteristics, namely board of audit committee, this study proposes a hypothesis to be studied in the context of metal sub-sector companies registered in Indonesia for the 2013-2019 period which is stated as follows:

H_1 : Audit Committee does influence towards The Firm's Value

Prior research on the firm's value that is influenced by the audit quality in-between, was carried out by (Sayyar et al., 2015) utilizing ROA proxy which resulted in an insignificance effect while utilizing Tobin's proxy resulted in a positive and significant effect; then confirmed through research (Sarwani & Husain, 2021) utilize Big-4 category proxy of audit quality which resulted in a positive effect. Therefore, based on the above findings regarding dividend policy as a moderator function, this study proposes a hypothesis to be studied in the context of metal sub-sector companies registered in Indonesia for the 2013-2019 period which is stated as follows:

H_2 : Audit Quality does imply influence The Firm's Value

Prior research on the firm's value that is influenced by the audit quality in-between, was carried out by (Sayyar et al., 2015) utilizing ROA proxy which resulted in an insignificance effect while utilizing Tobin's proxy resulted in a positive and significant effect; then confirmed through research (Sarwani & Husain, 2021) utilize Big-4 category proxy of audit quality which resulted in a positive effect. Therefore, based on the above findings regarding dividend policy as a moderator function, this study proposes a hypothesis to be studied in the context of metal sub-sector companies registered in Indonesia for the 2013-2019 period which is stated as follows:

H_3 : Dividend Policy moderate a linkage Audit Committee does influence towards The Firm's Value

H_4 : Dividend Policy moderate a linkage Audit Quality does influence towards The Firm's Value

Research Methods

This study employs the type of causal-comparative with a quantitative analysis approach. This study emphasizes propose data in the form of amounts and analysis using

statistics (Sugiyono, 2018: 7). The operationalization of the research variables, i.e. Financial Ratio's (Liquidity and Profitability dimensions), Audit Committee, and the Dividend Policy deployed using the following tabulation:

Tabel 1. Operationalization of Variables, Proxies and Research Measures

Variable	Proxies	Measures	Reference
Audit Committee	Audit Committee (AC) Members	Audit Committee: $\geq 3\ Members$	(OJK Indonesia, 2015: 3)
Audit Quality	Big-4 Category	If the enterprise is audited by public accounting firms Big-4 category "1" or otherwise "0"	(DeAngelo, 1981); (Svanström, 2013); (IIASB, 2014); (Sarwani & Husain, 2021)
Dividend Policy	Dividend Payout Ratio (DPR)	$\text{DPR} = \frac{\text{Cash Dividend per Share}}{\text{Earnings per Share}}$	(Gitman & Zutter, 2015: 630)
The Firm's Value	Tobin's Q	$\text{Tobins}'\text{Q} = \frac{\text{Market Value of Equity} + \text{DEBT}}{\text{Total Assets}}$	(Klapper & Love, 2004); (Sayyar, Basiruddin, Rasid, & Elhabib, 2015); (Sarwani & Husain, 2021)
Firm Size	LNTA	LNTA = LN_Total Assets	(Subramanyam, 2014)
Source: Research Proposed (2022)			

This study set up to the 'Ratio' scale type, which, represents all the characteristics of the nominal, ordinal, and interval scales plus the nature of the existence of an absolute zero value. The population is the firm's metal sub-sector registered at the Indonesian Stock Exchange from 2013 through 2019, whereas as many as eighteen firms. Taking into account the differences in criterion and characteristics that fulfill the requisite, the sampling technique was taken using the purposive sampling manner, i.e., the technique of specifying the sample upon a definite judgment (Sugiyono, 2018: 61). The samples obtained were firms that consistently had their shares listed on the stock exchange within the period of observation and had complete data and information on the object under study in the financial statements. The data analysis method uses moderated regression analysis (MRA). The proposed equation model is:

$$\text{Y} = \alpha + \beta X_1 + \beta X_2 + \beta \text{C} + \text{e} \ldots (1)$$
$$\text{Y} = \alpha + \beta X_1 M + \beta X_2 M + \beta \text{C} + \text{e} \ldots (2)$$

Results and Discussion

Sample Selection Yields

The data utilized for this study is a secondary source. The data was acquired do the recapitalizing annual reports covered good corporate governance about audit committee,

independent auditor's report covered audit quality, and calculation dividend payout ratio and market capitalization value from metal sub-sectors firm is who registered in Indonesia Stock Exchange period of 2013-2019 which book closed at December 31, and as many as 15 firm's, minus one corporation because it has extreme data, so 14 firm's stated as final sample (Appendix 1).

Yielding of Descriptive Analysis

The descriptive analysis yield outcomes from 98 data observations view as follows:

Tabel 2. Descriptive Statistics Test Results

	Min-score	Max-score	χ-score	Std. dev-score
Audit Committee	2	4	3.02	0.286
Audit Quality	0	1	0.28	0.449
Dividend Policy	0.000	0.870	0.1390	0.23564
The Firm's Value	-1.7257	10.7500	1.940048	2.4711551
Firm Size	11.126400	13.746180	12.03452295	0.640190715
Valid N (listwise)	98			
Source: *SPSS Ver23.00* (2022)				

View up on Table 2 of output processing data, the audit committee with the counting of corporation members measurement has a minimum score is 2 members and the maximum score is 4 members, which means the score is 3.02, it means that audit committee members in metal sub-sectors corporation become this data sample fulfilled the requirements determined by the Financial Services Authority are at least 3 (three) members of the audit committee. Audit quality with Big-4 category measurement has a score is 0.28, which means that audit quality in metal sub-sectors corporation become this data sample only use Big-4 category public accounting firms is 28 percent, the remnant is 72 percent beside of Big-4 category. The dividend policy with dividend payout ratio measurement has a mean of 0.1390 points, and which deviation score is 0.23564, which means that averages by deviation have a discrepancy quite large i.e. more than 50 percent. The firm's value with Tobin's Q proxy has a average of 1.940048 points, and which deviation score is 2.471151, which means that averages by deviation have a discrepancy quite large i.e. more than 50 percent. The firm size with log natural of total assets has a mean of 12.03452295 points, and which deviation score is 0.640190715, which means that averages by deviation have a discrepancy very small i.e. less than 30 percent.

Outcome: ClassicAssumption Test

Based on the yielding from processing data, data normalcy identified by observing the output in the spread of p-plots of the executes program as follows:

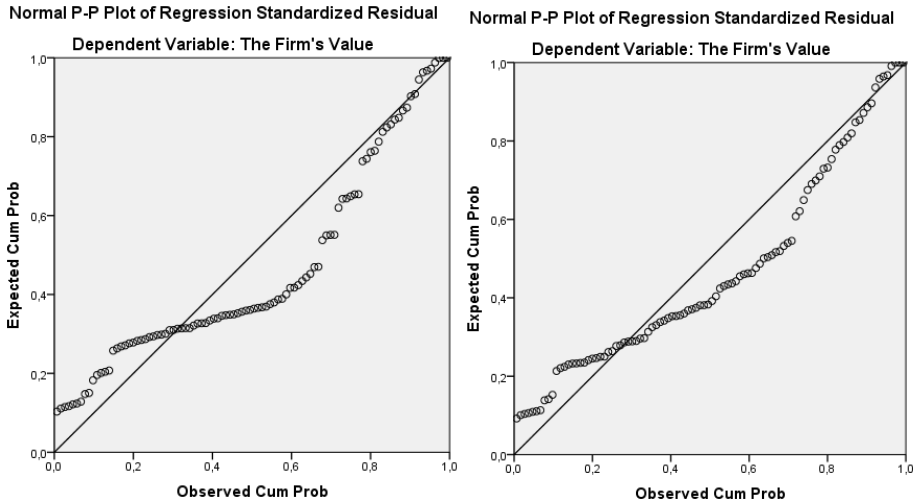

Fig. 3. The P-Plots of Data Normalcy from Processing Output (Before and After Moderated) *Source*: SPSS Ver23.00 (2022)

The results of the normalcy test by viewing the p-plots chart aloft (Fig. 3) exhibit that the residual values are spread out and follow the direction of the diagonal line, meaning that the proposed regression model has met the contention of data normalcy (before and after moderated). Data multicollinearity is recognized by noticing the output in the program with a variance inflation factors (VIF) and tolerance are complied, if greater than 0.1 and less than 10 (ten) as follows:

Tabel 3. Data Multicollinearity Tests

	Before Moderated		After Moderated	
	Tolerance	VIF Score	Tolerance	VIF Score
Audit Committee	0.873	1.146	0.503	1.986
Audit Quality	0.578	1.731	0.491	2.036
Firm Size	0.626	1.598	0.964	1.038
Source: Data Processing (2022)				

The results of the data multicollinearity test exhibit the tolerance point of the independent variable greater than 0.1, i.e. each of 0.993 points, whilst the VIF score is less than 10 (ten), i.e. each of 1.007 scores; thus, there is no multicollinearity postulate in the regression model midst variables up. Data heteroscedasticity was recognized by noticing the output in the program with a significant score of Glejser technique testing with the absolute residual value Y becoming a new equation. Further next, do the regression with a new value from the residual.

Tabel 4. Data Heteroscedasticity Tests

	Significant Score (before moderated)	Significant Score (after moderated)
Audit Committee	0.780	0.530
Audit Quality	0.630	0.161
Firm Size	0.350	0.216
Source: Data Processing (2022)		

The results of the data heteroscedasticity test exhibit a significant score from all variables i.e. each of 0.780, 0.630, and 0.350 points before moderated, each of 0.530, 0.161, and 0.216 points after moderated which have more than 0.05 scores. thus, there is no heteroscedasticity matter because the significant score is greater and no impact error is high. Data autocorrelations were identified by viewing the Durbin Watson (dW) from the output program regression aims to find out if in a linear model there is intercourse among the nuisance errors in period t and period t-1 in consorted as follows:

Tabel 5**.** Data Autocorelation Tests

(k = 3; α 5 percent) (Ghozali, 2018: 458)	dL	dU	dW (before moderated)	dW (after moderated)
Scoring	1.6086	1.7345	0.486	0.495
Source: Data Processing (2022)				

The results of the data autocorrelation tests (Table 5) exhibit the dL score is more higher than dW (durbin watson) score i.e. 0.486 (before moderated) and 0.495 (after moderated), this implies that there is a positive autocorrelation. The results of this test can be improved by the Cochrane Orcutt method, namely the transformation with the following equation:

$$Yt = \alpha + Xt\beta + \varepsilon t$$

whereas:

Yt : dependent variable following time - t

β: : estimated (beta) coefficient

εt : error term at time – t

Tabel 6. Data Autocorelation Tests (Cochrane Orcutt)

(k = 2; α 5 percent)	dL	dU	dW
Scoring	1.6086	1.7345	1.869
Source: Data Processing (2022)			

The results of the data autocorrelation tests (Table 6) exhibit the dW score is 1.869 among dU and 4-dU scores (2.2655), this means that there is no autocorrelation.

Multiple Linear Regression Analysis

Upon the results of the processing data, the multiple linear regression equations yielded in this delve are:

$$Y = -6.595 - 0.793X_1 + 0.547X_2 + 0.896\ C$$
$$Y = -11.801 - 0.041X_1 - 2.212X_2 + 1.153\ C$$

The constant value of minus 6.595 is before moderated, where the Audit Committee and Audit Quality (X_1; X_2) if it has a score similar to zero, the firm's value score is 6.595 points. These constants are constructs whose data worths are permanent and cannot be altered. Audit Committee (X_1) has a coefficient score of minus 0.793, this means that if the other independent variables have a fixed value and the members of the audit committee score increases, then the Firm's Value will decrease by 0.793 points. Audit Quality (X_2) has a coefficient score of 0.547, this implies that if the other independent

variables have a set value, and the audit quality increases, then the Firm's Value will increase by 0.547 points.

The constant value of minus 11.801 is after moderated dividend policy, where the Audit Committee and Audit Quality (X_1; X_2) if it has a score equal to zero, the firm's value score is 11.801 points. These constants are arranged whose data worths are persistent and cannot be altered. Audit Committee (X_1) has a coefficient score of minus 0.041, this implies that if the other independent variables have a set value and the members of the audit committee score increases, then the Firm's Value will decrease by 0.041 points. Audit Quality (X_2) has a coefficient value of minus 2.212, this means that if the other independent variables have a set value, and the audit quality increases, then the Firm's Value will decrease by 2.212 points.

Hypothesis Testing

Table 7 Hypothesis Tests

	Regression Coefficients		Before Moderated		After Moderated	
	Before Moderated	After Moderated	t-Stats	Sig	t-Stats	Sig
Constant	-6.595	-11.801	-1.056	0.294	-2.547	0.012
Audit Committee	-0.793	-0.041	-0.869	0.387	-0.090	0.929
Audit Quality	0.547	-2.212	0.765	0.446	-1.179	0.241
Firm Size	0.896	1.153	1.859	0.066	3.001	0.003
R	0.290	0.321				
R^2	0.084	0.103				
F Stats.	2.870	3.596		0.041		0.016
Source: Data Processing (2022)						

The score of R^2 when before moderated is 0.084, representing that the enormity of the coefficient of determination is 8.4 percent. These yields represent that the independent variables comprised in this research were capable to affect the discrepancy of alterations in the dependent variable by merely 8.4 percent, whilst the residual 91.6 percent was the aftermath of other variables not had in this research. The F-stats score is 2.870 and the t-test circumstances that the regression coefficient score of the Audit Committee is minus 0.869 by significance of 0.387, which is more than (>) 0.05. Thereupon H_1 is rejected, this means that Audit Committee does not imply towards The Firm's Value. The t-test circumstance that the regression coefficient scores of the Audit Quality is 0.765 by significance of 0.446, which is more than (>) 0.05. Thereupon H_2 is rejected, this means that Audit Quality does not imply towards The Firm's Value. The t-test states that the regression coefficient score of the Firm Size is 1.859 with a significance of 0.066, which is more than (>) 0.05; this means that Firm Size does not function as a control variable in describing The Firm's Value.

The score of R^2 when after moderated is 0.103, indicating that the magnitude of the coefficient of determination is 10.3 percent. These results indicate that the independent variables involved in this study were able to influence the divergence of changes in the dependent variable by only 10.3 percent, while the residual 89.7 percent was consequenced another variable not had in this study. The F-count value is 3.596 and the t-test states that the regression coefficient value of the Audit Committee is minus 2.793 with a significance of minus 0.090, which is more than (>) 0.05. Thereupon H_3 is rejected,

this means that Dividend Policy does not able to moderate a linkage among Audit Committee and The Firm's Value. The t-test circumstance that the regression coefficient scores of the Audit Quality is minus 1.179 with a significance of 0.241, which is more than (>) 0.05. Thereupon H_4 is rejected, this means that Dividend Policy does not able to moderate a linkage among Audit Quality and The Firm's Value. The t-test states that the regression coefficient value of the Firm Size is 3.001 with a significance of 0.003, which is less than (<) 0.05, this means that Firm Size does function as a control variable in describing The Firm's Value.

Discussion

The statistical proceeds of the independent variable i.e. audit committee with members is significantly larger than 0.05 by 0.387 score, which implies that the audit committee does not affect the firm's value with a negative mark of t-Stats is -0.869. These findings are out of tune with the agency theory, where the number of audit committee memberships owned by the company is only limited to complying with OJK regulations which require a minimum of 3 (three), this means that audit committee members give no guarantee in increasing firm value in functions of corporate governance. This study is also not in the same direction as previous research (Bansal & Sharma, 2016; Alqatamin, 2018; Al Farooque et al., 2020), where the audit committee influences a firm's value with a positive sign and significant probability. Therefore, the amount of audit committee members owned by the corporations is not a guarantee in escalating a firm's value.

The statistical proceeds of the independent variable i.e. audit quality with big-4 category proxy is significantly larger than 0.05 by 0.446 score, which implies that the audio quality does not influence the firm's value with a positive mark of t-Stats is 0.765. These findings are out of tune with the agency theory, where the appointment of an external auditor is also not necessarily in line with the interests of the principal, auditors within the Big-4 category or other than the Big-4 will of course carry out audits professionally based on audit standards to maintain the reputation and quality of the audit. This study is also not in the same direction as previous research (Sayyar et al., 2015), where the audit quality utilizing ROA proxy which resulted in an insignificance effect while utilizing Tobin's proxy resulted in a positive and significant effect. Hereinafter, these findings are in contrast to previous research (Sarwani & Husain, 2021), where the audit quality resulted in a positive effect and significantly. Therefore, the audit quality of both the Big-4 category and the non-big-4 category is also not a guarantee in increasing a firm's value.

The statistical proceeds of the control variable i.e. firm size with log natural total assets larger than 0.05 i.e. 0.066 score, which means that the firm size does not influence the firm's value with a positive mark of t-Stats is 1.859. Therefore, the firm size in this evidence does not become function as a control variable.

The statistical proceeds of the intermediary utilize the dividend policy in moderation among the linkages audit committee with the firm's value is significantly larger than 0.05 i.e. 0.929 score. Moreover, the intermediary utilizes the dividend policy in moderation among the linkages audit quality with the firm's value is significantly larger than 0.05 i.e. 0.241 score. Both audit committee and audit quality thorughtout that the dividend policy is not able to moderate linkage influences the firm's value. However, the firm size which utilizes the dividend policy moderated function being give the evidence that a firm size as a control variable.

The statistical proceeds for determination coefficients from multiple regression produces both before being moderated and after being moderated by dividend policy produces an increase in an R^2 score from 0.084 is 0.103. This indicates that an increase of 1.9 percent of the dividend policy moderating outcome is contributed by the audit committee and audit quality does which implication the firm's value.

Conclusion

Upon the yields and discussion stage, the inferences in this research are:

1. Audit Committee does not influence towards the Firm's Value in Metal Sub-Sectors Corporation Indonesian Stock Exchange registered in 2013-2019
2. Audit Quality does not influence towards the Firm's Value in Metal Sub-Sectors Corporation Indonesian Stock Exchange registered in 2013-2019
3. Dividend Policy intermediary can not able a linkage corporate governance both of Audit Committee and Audit Quality towards the Firm's Value

This study has some restrictions. The index score measurement of the firm's value put Tobin's Q proxy in this study, whereas the empirical results were insignificant. Current and prior studies only involve the sub-sector in metal, registered in the IDX, while this proxy has many take-ups from prior research. This research's amount of sample corporations is confined to only fourteen firms'.

Furthermore, studies can add other sectors in fabricating corporations by basic and chemical sector, various sector, and consumer goods sector, notably having a complex operation or the large scale of company assets. Future studies may involve another sample there out of corporations registered in developing economies, such as Africa and Southeast Asia. Suggestions for improvement in future research, the proxy for gauging the firm's value can change with another proxy, such as price/cash flow ratio (PCFR), return on assets (ROA), the price-to-book value (PBV) ratio, market book and a price-to-earnings ratio (PER). It is emphasized to identify other factors that were not involved in this study, such as other corporate governance structures and mechanisms, other financial ratios, macroeconomic factors, and otherwise.

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Appendix

Issuer Code	IPO Date	Corporation Name
ALKA	Jul 12th, 1990	PT Alakasa Industrindo Tbk
ALMI	Jan 2nd, 1997	PT Alumindo Light Metal Industry Tbk*
BAJA	Dec 21th, 2011	PT Sarana Central Bajatama Tbk
BTON	Jul 18th, 2001	PT Betonjaya Manunggal Tbk
CTBN	Nov 28th, 1989	PT Citra Turbindo Tbk
GDST	Dec 23th, 2009	PT Gunawan Dianjaya Steel Tbk
GGRP	Sep 19th, 2019	PT Gunung Raja Paksi Tbk*
INAI	Dec 5th, 1994	PT Indal Aluminium Industry Tbk
ISSP	Feb 22th, 2013	PT Steel Pipe Industry of Indonesia Tbk
JPRS	Aug 8th, 1989	PT Jaya Pari Steel Tbk
JKSW	Aug 6th, 1997	PT Jakarta Kyoei Steel Works Tbk*
KRAS	Nov 10th, 2010	PT Krakatau Steel (Persero) Tbk
LION	Aug 20th, 1993	PT Lion Metal Works Tbk
LMSH	Jun 4th, 1990	PT Lionmesh Prima Tbk
NIKL	Dec 14th, 2009	PT Pelat Timah Nusantara Tbk
PICO	Oct 30th, 1990	PT Pelangi Indah Canindo Tbk
PURE	Oct 9th, 2019	PT Trinitan Metals and Minerals Tbk*
TBMS	Sep 30th, 1993	PT Tembaga Mulia Semanan Tbk
*Removed from the sample		