American Journal of Sciences and Engineering Research

E-ISSN -2348 – 703X, Volume 6, Issue 2, 2023

The Impact of CG Attributes and Lag Financial Statements on Company Performance

Chantika Dyah Pratiwi [1], Zulfikar [2]

[1]*Muhammadiyah University of Surakarta*
[2]*Muhammadiyah University of Surakarta*

ABSTRACT: This study aims to analyze the effect of Financial Report Lag, Board Size, Board Independence, Board Gender Diversity, and Audit Committee on Firm Performance as measured by ROE and ROA. Firm size leverage and liquidity are control variables. The population in this study is manufacturing companies listed on the Indonesia Stock Exchange from the period 2019 to 2020. The results showed that Financial Report Lag, Board Size, Board Independence, Board Gender Diversity, and Audit Committee did not affect ROA and ROE, Firm Size did not affect ROA, but Firm Size did affect ROE, Leverage and Liquidity did affect ROA, but liquidity did not affectROE.

Keywords: *CG Attributes; Financial Report Lag; Firm Performance*

I. INTRODUCTION

Company performance is the main thing that needs to be obtained by a company, because it represents the company's ability to run and distribute its assets. In addition, company performance is an important indicator for company owners to assess the effectiveness of Management in carrying out its responsibilities as a company manager and as one of the considerations for investors in investing. One of the factors that affect the increase or decrease in the performance of a company is corporate governance (Khosfyanti, K., & Hendi, 2014).

Corporate governance is a concept that describes the relationship between participants in a company that shows the ability of the company. According to the Indonesia Intitute for Corporate Governance in, corporate governance is the process used in managing a company to add value to stockholders by considering the interests of stakeholders for a long period of time. The implementation of effective governance is inseparable from the important role of the board of directors, independent directors and the audit committee in improving the performance of companies responsible for monitoring and controlling management functions (Hussain, S., Ahmad, T., & Hassan, 2019).

Based on the conceptual framework, financial statements have several qualitative characteristics, namely fundamental qualities and enhancing qualities. Enhancing qualities consist of comparability, verifiability, timeliness, and understandability. Timeliness is one of the factors that influence decision making. The meaning of timeliness is that an information must be provided before it loses capacity for interested parties to influence decision-making. With the timeliness in providing financial reports, it can certainly prove the fairness, transparency, and efficiency in a company and can protect investors and reduce risk and even improve the quality of financial reporting.

The International Accounting Standards Framework (IASB, 2010) for the preparation and presentation of Financial Statements states that there are several qualitative characteristics that make the information

 Received-01-03-2023, Accepted- 10-03-2023

provided in the financial statements useful to users. These qualitative characteristics are relevance, precise representation, comparability and intelligibility. According to (IASB, 2010) relevance and faithful representation are fundamental qualities, while comparability and understanding are enhancing qualities.

The timeliness of financial reporting is also a factor that can affect the performance of a company. The size of the benefits of information presented in the financial statements depends on the time of reporting. The faster the reporting time, the more useful it will be, especially for decision makers. An information is said to have no value for future action when it is not available at the time of need (IASB, 2010). The delay in providing information about the company's performance has an impact on stakeholders, especially investors who will make decisions in investing. The delay may cause a negative response from investors. This can indirectly affect the performance of a company (Khan,N. I., & Abd Rahim, 2016).

Previous research used as a reference or reference source in this study is a study entitled "Impact of corporate governance attributes and financial reporting lag on corporate financial performance" by (Agyei-Mensah, 2018), with the results of regression analysis showed financial reporting lag has a statistically significant negative relationship with the company. For the next research reference, namely in the study entitled" analysis of the effect of Corporate Governance and financial reporting delays on corporate performance in companies listed on the Indonesia Stock Exchange " the results showed that the size of the board only had a significant negative effect on ROE, while audit delays had a significant negative effect on ROE and ROA. Board independence and block ownership concentration had a significant positive effect on ROE and ROA but gender diversity, audit committee and institutionalownership had no effect on ROE and ROA.

II. MATERIAL AND METHODS

Agency Theory

Agency theory is a relationship based on a contract that occurs between parties in the company, namely between the owner (principal) and the agent (agent) as the main actor (Jensen & Meckling, 1976). Agency Theory shows that a greater proportion of outside directors can monitor any personal interests by managers and minimize agency costs. According to (Kelton, A.S. and Yang, 2008), the high percentage of independent directors on the board can intensify the monitoring of managerial opportunism. Thus, they manage to reduce the chances of management to withhold information (at the right time). As a result, a board dominated by independent non-executive directors free from management interests is likely to improve a company's compliance with disclosure requirements, whichcan lead to timely reporting.

Firm Performance

According to (Antony and Bhattacharyya, 2010), company performance is a measurement used to assess the success of the company which is then prepared and submitted to various parties. The company's performance is determined by the extent to which its seriousness in implementing good corporate governance. Companies listed in the corporate governance rating score conducted by IICG have implemented good corporate governance well and directly increased the value of their shares. The performance of a company is most often measured using ratios. The financial ratios commonly used are ROE and ROA (Ahmadi et al., 2018). ROE measures how much return a company generates based on capital invested by shareholders (Amin & Hamdan, 2018). ROA is used to assess the company's ability to generate profit with all available assets. Better company performance is characterized by higher ROE and ROA values.

Financial Report Lag

(Aljifri, K. and Khasharmeh, 2022) revealed that the delay in financial reporting is considered an important and significant determinant on the usefulness of financial information available to external users of accounting information. Timely financial reporting of the enterprise is an important qualitative element and an important component of financial accounting. This is because it determines the relevance of information and influences decisions made by users of financial statements. Timeliness is of great concern to stakeholders because the usefulness of reports may be negatively associated with reporting delays. Information will be useful if the

company publishes its annual report in a short time. Therefore, the timeliness of annual report reporting is considered as an importantaspect in utilizing relevant information for external users, and influencing their decision making process (Alkhatib & Marji, 2012). (Bijalwan, J.G. and Madan, 2021) observed that CG policies and practices, transparency (timeliness) and disclosure are positively related to company performance. On the other hand, (Hasan et al., 2008) saw that there was no relationship between transparency (especially on timely reporting and disclosure levels) and corporate performance for Malaysian companies.

H1: *Financial Report Lag* affect the *Firm Performance*

Board Size

Board Size is the most discussed CG attribute in the literature. The board of directors plays an important role in the corporate governance of a company. Base d on agency theory, agency problems tend to be easier to overcome with large board sizes because more people will assess and monitor management actions. This is because larger boards incorporate a wide range of business expertise leading to more effective board monitoring roles resulting in better corporate accountability and disclosure. The statement is supported by (Tayseer Alshaboul & Ahmad Abu Zraiq, 2020) who found evidence that company size affects ROA and ROE as indicators measuring company performance in Jordan significantly positively. Innovation or solutions to a problem will be easier to find with a larger number of directors so as to improve the company's performance. In addition, (Ezat & El-Masry, 2008), report that a large board of directors improves the timeliness of financial statements. Planning, coordination of work is less effective, and decision-making is difficult to do with a large number of directors but there are a number of researchers did not find any significant influence (Saha et al., 2018) dan (Jamal & Mahmoood, 2018).

H2: *Board Size* affect the *Firm Performance using ROA and ROE*

Board Independence

Non-executive directors or independent directors are members of the company's board who are not employed by the company. (Supriatna & Ermond, 2019) suggests that non-executive or independent directors are members of the board of directors who have no relationship or relationship with shareholders, members of the board of directors or with other members of the board of Commissioners. Non-executive directors act as a control mechanism over the Managing Board. (Sarpong-Danquah et al., 2018) found a positive and significant relationship between the independence of the council with ROE and ROA. However, research conducted by (Pham et al., 2011) reported that independent directors have no significant effect on the performance of the company.

H3: *Board Independence* affect the *Firm Performance using ROA and ROE*

Board Gender Diversity

Gender diversity in top management has a positive impact if applied, in addition to improving the quality of corporate governance, gender diversity can also have a positive impact on company performance, and with this gender diversity can minimize agency problems that occur within the company. Several studies provide results that support this argument, where gender diversity provides several advantages that can prosper companies. The gender diversity literature is based on the idea that women bring different characteristics to the board which in turn makes them better at monitoring management decision making. On the other hand, gender diversity in the management team is also likely to bring disadvantages to the organization. (Darmadi, 2013) found that representation of female top executives was negatively related to ROA and Tobin's Q, suggesting that female representation was not associated with increased levels of corporate performance. However, (Carter et al., 2005) in their study of 797 Fortune 1000 companies found that companies with at least two female board members performed better on Tobin's Q and ROA when compared to companies with all male board members.

H4: *Board Gender Diversity* affect the *Firm Performance using ROA and ROE*

Audit Committee

The audit committee is the most dominant governance mechanism aimed at protecting the rights of investors by reducing information asymmetry and providing reliable information about the company. The audit committee is seen as one of the important organs of the company in achieving good corporate governance because with the existence of an independent audit committee, irregularities committed by managers can be minimized (Bansal & Sharma, 2016). Audit committees can play an important role in reducing information asymmetry between company managers and financial providers because financial reporting is the most important way to communicate a company's financial performance to stakeholders. Meanwhile, the characteristics of the audit Committee emerged as an important factor to consider in contemporary corporate governance research and practice. This characteristic is associated with the effective implementation of tasks. Positive and significant results found (Arslan et al., 2010), and (Ansari, B., Gul, K., & Ahmad, 2017) between the audit Committee and the company's performance. (Rofiqoh, 2020) also concluded that ROE and ROA values can be increased by the size of the audit committee with more than 4 people.

The increasing number of audit committee members who act as an important mechanism to reduce costs arising from agency relationships will improve the company's performance.

H5: *Audit Committee* affect the *Firm Performance using ROA and ROE*

Firm Size

Firm size is the total capitalization or number of assets owned by the company. The size of the company shows how capable the company is in making a profit, the larger the company, the higher the profit generated. Company managers want high corporate profits, because high profits illustrate that the company's performance is good. Therefore, managers of large companies and small companies carry out profit management with the aim of making high corporate profits. Profit management actions result in conflicts of interest between managers andowners. The larger the size of the company will add to the agency conflict and the increased burden of a large company size.Large companies show better profitability while small companies do not have the ability to compete with large companies. The firm size variable was chosen because of the difference in results between (Megawati & Dermawan, 2019) and (Ula et al., 2018) research stating that company size has a positive effect on company performance, and research from (Sari, 2018) and (Rousilita Suhendah, 2020) which states that company size has no effect on company performance.

H6: *Firm Size* affect the *Firm Performance using ROA and ROE*

Leverage

Leverage refers to a company's ability to meet all of its obligations when the company is liquidated. Leverage reflects the proportion of debt to assets as well as equity. The higher the leverage ratio, the higher the risk of the company's inability to pay its obligations. Therefore leverage relates to the funding made by the company. The higher the value of leverage in the ratio of financial statements, the greater the risk faced by creditors. In research (Wahyuningtyas, 2014), variable leverage has a significant influence on the company's financial performance. Companies that obtain sources of funds by going into debt can find out the effect of loans taken by the company on the performance of the company. (Forte & Tavares, 2018) proved that the rate of purchase of debt-financed assets has a positive effect on the company's performance. This is strengthened if there is efficiency in the legal system and credit regulation. This result was also obtained in the (Iqbal & Usman Study, 2018). (KALASH, 2017) summed up different results, which revealed that Leverage negatively affects Firm Performance because if the company's debt level is high, then the company prefers internal financing and focuses on actions to increase revenue with the funding held to pay their obligations, so the company's performance decreases due to lack of funding. This means that if the leverage increases, it will decrease the company's performance, otherwise if the leverage decreases, it will increase the company's performance

.**H7: *Leverage* affect the *Firm Performance using ROA and ROE***

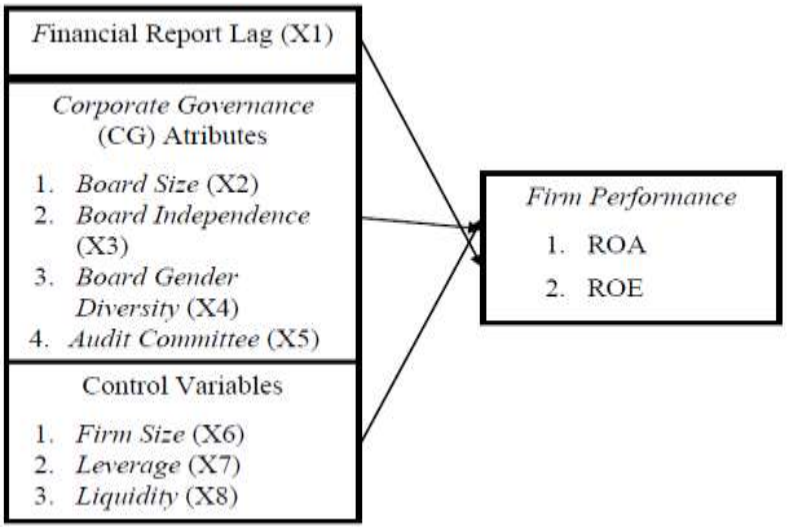
Liquidity

Liquidity is the potential of a company to pay off short-term debt or current debt of the company through the comparison of current assets. In addition, liquidity is the ability of a company to settle short-term debt of the companyto maintain the continuity of the company. When the company is able to pay off debts that are due soon, then the interest expense will not reduce the profit of the company. This means that the higher the liquidity ratio, thecompany's performance will also increase, because the company is able to cover its current debt well. (Utami Budi W & Pardanawati Laksmi S, 2016) stated that liquidity has a positive effect on financial performance. This means that if the current ratio is higher, the company is more liquid, and the company's financial performance (ROA) is higher.

H8: *Liquidity* affect the *Firm Performance using ROA and ROE*

III. Conceptual Framework

Based on the analysis in the theoretical study above on the impact of CG Attributes and Financial Report Lag on Firm Performance. Then it can be described schematic framework as follows:



IV. Research Method

The population in this study is obtained from data on manufacturing companies that publish financial reports on the Indonesia Stock Exchange (IDX) for the period 2019-2020. The sample used in this study is a manufacturing company that published financial statements during the year 2019-2020. The Data was obtained through direct accesson the website of Indonesia Stock Exchange (IDX) (www.idx.com) and through the company's website access. The sampling method uses purposive sampling, which is a research method used to obtain data with specific purposes and(Sugiyono, 2012). The criteria for research sampling as follows:

a. Manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2019-2020 respectively.
b. Publishes annual reports and financial data from the Indonesia Stock Exchange (IDX) during 2019-2020 in a row.
c. Companies that did not make a loss or profit during the Research year.
d. Companies that use Rupiah units in their financial reporting.

Data Analyst

Regression models used in this study are as follows:

a. $Y_1ROE = \alpha + \beta_1ARL + \beta_2BDS + \beta_3PNED + \beta_4BGD + \beta_5AUDCTEE + \beta_6FMS + \beta_7LEV + \beta_8LIQ + \varepsilon$
b. $Y_2ROA = \alpha + \beta_1ARL + \beta_2BDS + \beta_3PNED + \beta_4BGD + \beta_5AUDCTEE + \beta_6FMS + \beta_7LEV + \beta_8LIQ + \varepsilon$

Description:

Y_1	: Variables with measurement ROE
Y_2	: Variables with measurement ROA
α	: Konstanta
ARL	: *Financial Report Lag*
BDS	: Board Size
PNED	: Board Independence
BGD	: Board Gender DiversityAUDCTEE: Audit Committee
FMS	: Firm Size
LEV	: Leverage
LIQ	: Liquidity
ε	: Error

Control Variable

Financial Report Lag

Delay in financial reporting in this study refers to the ARL, which is the length of time between the end of a company'sfiscal year and the date of the auditor's report. So it can be formulated as follows:

Financial Report Lag = The difference between the company's year-end and the date of the Auditor's report

Board Size

Board size is the total number of directors in a company. A larger board has a greater likelihood of addressing a problem because more people will assess and monitor decisions. According to (Agyei-Mensah, 2018),Firm Size can be calculated by the formula*:*

BDS= Number of directors

Board Independence

An Independence Board is a board member of a company that is not employed by the company. They are there to act as a control mechanism because they perform independent monitoring functions. The influence of independent directors on corporate performance has produced mixed results. According to (Agyei-Mensah, 2018), board independence can be calculated by the formula:

$$\textbf{PNED} = \frac{Direktur\ non\ eksekutif}{Number\ of\ directors}$$

Board Gender Diversity

Board gender diversity is based on the idea that women bring different characteristics to the board that make them better at monitoring management decision making. On the other hand, gender diversity in the management team tends to bring disadvantages to the organization. According to (Agyei-Mensah, 2018),board genderdiversity can be calculated by the formula:

$$\textbf{BDS} = \frac{total\ number\ of\ female\ directors}{Number\ of\ directors}$$

Audit Committee

Audit committee is a committee established by the board of Commissioners with the aim to assist the Independent Commissioner in carrying out the duties and responsibilities of supervision in financial reporting. The audit committee is tasked to monitor the planning and implementation and then they evaluate the audit results to assess the feasibility and capability of internal control including the process of preparing financial statements. According to (Agyei-Mensah, 2018), the audit committee can be calculated by the formula:

AUDCTEE= Number of audit committees

***Firm Size* (Ukuran Perusahaan)**

The size of the company in this study is measured by the logarithm of total natural assets owned by the company (Ciftci et al., 2019) that can be formulated:

FMS= Ln (Total Assets)

Leverage

Leverage is an indicator that measures the portion of each rupiah of its own capital that is used as long-term debt security. The use of debt in the right amount will have a good impact on the company. According to (Agyei-Mensah, 2018) leverage can be formulated as follows:

$$\textbf{LEV}= \frac{Non\text{-}current\ liabilities}{Equity}$$

***Liquidity* (Likuiditas)**

Liquidity is a ratio that describes the company's ability to meet short-term obligations. Companies whose operations obtain optimal profits, the smoother the financing and funding of the company, and vice versa. According to (Agyei-Mensah, 2018), liquidity can be calculated by the formula:

$$\textbf{LIQ}=\frac{Current\ assets}{current\ liabilities}$$

Firm Performance

Company performance is measured using two accounting ratios, ROE and ROA. ROE measures how much return is being generated by a company on the money invested by shareholders. According to (Agyei-Mensah, 2018) ROE can be formulated as follows:

$$\textbf{ROE}= \frac{Net\ income}{Total\ Equity}$$

According to (Agyei-Mensah, 2018) ROE can be formulated as follows:

$$\textbf{ROA}=\frac{Net\ income}{Total\ Assets}$$

V. Result and Discussion

1. Descriptive Statistics

***Return on Asset* (ROA)**

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
ROA	185	0	0.21	0.0584	0.0500
Financial Reporting Lag	185	34	182	91.1892	27.4066
Board Size	185	1	11	4.6162	1.9860
Board Independence	185	0	0.50	0.0947	0.1416
Board Gender Diversity	185	0	1	0.1557	0.2030
Audit Committe	185	1	4	2.9892	0.2947
Firm Size	185	25.05	33.45	28.5956	1.7225
Leverage	185	0.00	10.09	0.6881	1.0582
Liquidity	185	0.33	11274.40	113.2604	943.0689

[1] Return On Assets (ROA)

The highest value (maximum) of the ROA variable is 0.2100 in the PT SMSM company in 2019. The lowest value (minimum) was 0.00 in 16 out of 185 company data as a sample in 2019-2020. The ROA variable has an average (mean) of 0.058432 and a standard deviation of 0.0500459, which means that it shows less varied research data because the value of the standard deviation is smaller than the average value (mean).

[2] Financial Reporting Lag

The highest value (maximum) of the Financial Reporting Lag variable was 185 in the PT Indofarma Tbk company in 2019. The lowest value (minimum) is 34 at PT Arwana Citramulia Tbk in 2019. The financial Reporting Lag variable has an average (mean) of 91.189189 and a standard deviation of 27.4065981, which means that it shows less varied research data because the value of the standard deviation is smaller than the average value (mean).

[3] Board Size

Nthe highest ilai (maximum) board Size variable was 11 at PT Astra Internasional in 2019. The lowest value (minimum) is 1 at PT Phapros Tbk in 2020. The Board Size variable has an average (mean) of 4.6162 and a standard deviation of 1.9860, which means that it shows less varied research data because the value of the standard deviation is smaller than the average value (mean).

[4] Board Independence

The highest value (maximum) of the Board Independence variable was 0.5 in 8 out of 185 company samples in 2019-2020. The lowest value (minimum) amounted to 0 in 117 out of 185 samples of companies in 2019-2020. The Board Independence variable has an average (mean) of 0.0947 and a standard deviation of 0.1416, which means that it shows varied research data because the standard deviation value is greater than the average value (mean).

[5] Board Gender Diversity

The highest value (maximum) of the Gender Diversity Board variable is 1 at PT Yanaprima Hastapersada Tbk in 2019 and PT Sido Muncul in 2019. The lowest value (minimum) was 0 in 96 companies from 185 company samples in 2019-2020. The board gender Diversity variable has an average (mean) of 0.1557 and a standard deviation of 0.2030, which means that it shows varied research data because the standard deviation value is greater than the average value (*mean*).

[6] Audit Committee

The highest value (maximum) of the Audit Committee variable was 4 at PT Pyridam Farma in 2019, PT Semen Indonesia in 2019 and 2020, and PT Aneka Gas Industri in 2019 and 2020. The lowest value (minimum) of 1 in the company PT Sinergi Inti Plastindo Tbk in 2019 and 2020. The Audit Committee variable has an average (mean) of 2.9892 and a standard deviation of 0.2947, which means that it shows less varied research data because the value of the standard deviation is smaller than the average value (*mean*).

[7] Firm Size

The highest value (maximum) of the Firm Size variable was 33.35 in PT Astra Internasional Tbk 2019 and 2020 . The lowest value (minimum) was 25.05 at PT Sinergi Inti Plastindo Tbk 2019 and 2020. The firm size variable has an average (mean) of 28.5959 and a standard deviation of 1.7225, which means that it shows less varied research data because the value of the standard deviation is smaller than the average value (*mean*).

[8] Leverage

The highest value (maximum) of the Leverage variable is 10.09 at the PT Baja Karya Perkasa company in 2019. The lowest value (minimum) is 0.00 at PT Duta Pertiwi Nusantara in 2020 and PT Star Indonesia in 2020. The Leverage variable has an average (mean) of 0.6881 and a standard deviation of 1.0582, which means that it shows varied research data because the standard deviation value is greater than the average value (*mean*).

[9] Liquidity

The highest value (maximum) of the Liquidity variable is 11274.40 at PT Star Indonesia in 2019. The lowestvalue (minimum) of 0.33 at PT Solusi Bangun Indonesia. Liquidity variables have an average (mean) of 113.2604and a standard deviation of 943.0689, meaning that the research data shows that varies because the

value of the standard deviation is greater than the average value (*mean*).

***Return on Equity* (ROE)**

	NMinimum	Maximum	Mean	Std. Deviation
ROE	186	-,0400	,2800	,093925	,0703364
Financial Report Lag	186	34	182	90,435484	27,6862465
Board Size	186	1	11	4,634409	1,9743487
Board Independence	186	0	0,50	,096612	,1440265
Board Gender Diversity	186	0	1	,155001	,2035231
Audit Committee	186	1	4	2,989247	,2938881
Firm Size	186	25,05	33,45	28,616559	1,7113775
Leverage	186	0,00	10,09	,664892	1,0123092
Liquidity	186	0,33	11274,40	112,854462	940,5341261

[1] Return On Equity (ROE)

The lowest value (minimum) Variable Return on Equity (ROE) amounted to -0.0400 at PT Indofarma Tbk in 2019. The highest value (maximum) of 0.2800 in the company PT H. M. Sampoerna Tbk in 2020. Variable Return On Equity (ROE) has an average (mean) of 0.093925 and a standard deviation of 0.0703364, meaning that the research data is less varied because the value of the standard deviation is smaller than the average value (*mean*).

[2] *Financial Report Lag* (ARL)

The lowest value (minimum) of the financial Report Lag (ARL) variable was 34 at PT Arowana Citramulia Tbk in 2019. The highest value (maximum) was 182 at PT Indofarma Tbk in 2019. Variable Financial Report Lag (ARL) has an average (mean) of 90.435484 and a standard deviation of 27.6862465, meaning that the research datais less varied because the value of the standard deviation is smaller than the average value (*mean*).

[3] Dewan Direksi

The lowest value (minimum) of the Board Size variable is 1 in the PT Pharos Tbk company in 2020. The highest value (maximum) of 11 at PT Astra Internasional Tbk in 2019. The Board Size variable has an average (mean) of 4.634409 and a standard deviation of 1.9743487, which means that it shows less varied research data because the value of the standard deviation is smaller than the average value (*mean*).

[4] Board Independence

The lowest value (minimum) of the Board Size variable is 0 in 117 out of 186 companies 2019, 2020. The highest value (maximum) was 0.50 at PT Akasha Wira Internasional Tbk in 2019 & 2020, PT Industri Jamu dan Pharma Sido Muncul Tbk in 2019 & 2020, PT Star Petrochem Tbk in 2019 & 2020, PT Yanaprima Hastapersada Tbk in 2019 & 2020, PT Integra Indocabinet Tbk in 2020. The Board Independence variable has an average (mean) of 0.096612 and a standard deviation of 0.1440265, which means that it shows varied research data because the value of the standard deviation is greater than the average value (*mean*).

[5] Board Gender Diversity

The lowest value (minimum) of the board gender Diversity variable is 0 in 97 out of 186 companies 2019, 2020. The highest value (maximum) of 1 at PT Pharos Tbk in 2019, PT Integra Indocabinet Tbk in 2019. The board gender Diversity variable has an average (mean) of 0.155001 and a standard deviation of 0.2035231, which means that it shows varied research data because the value of the standard deviation is greater than the average value (*mean*).

[6] Audit Committee

The lowest (minimum) value of the Audit Committee variable is 1 at PT Sinergi Inti Plastindo Tbk in 2019, 2020. The highest value (maximum) is 4 at PT Aneka Gas Industri Tbk in 2019 & 2020, PT Pyridam Farma Tbkin 2019, PT Semen Indonesia Tbk in 2019 & 2020. The Board Audit Committee variable has an average (mean) of 2.989247 and a standard deviation of 0.2938881, which means that it shows less varied research data because the value of the standard deviation is smaller than the average value (*mean*).

[7] Firm Size

The lowest value (minimum) of the Firm Size variable was 25.05 at PT Sinergi Inti Plastindo Tbk in 2019, 2020. The highest value (maximum) was 33.45 at PT Astra Internasional Tbk in 2019 & 2020. The firm size variable has an average (mean) of 28.616559 and a standard deviation of 1.7113775, which means that it shows less varied research data because the value of the standard deviation is smaller than the average value (*mean*).

[8] Leverage

The lowest value (minimum) variable Leverage of 0 at PT Duta Pertiwi Nusantara Tbk in 2020, PT Star Petrochem Tbk in 2020. The highest value (maximum) was 10.09 at PT Saranacentral Bajatama Tbk in 2019. The Leverage variable has an average (mean) of 0.664892 and a standard deviation of 1.0123092, meaning that it shows varied research data because the value of the standard deviation is greater than the average value (*mean*).

[9] Liquidity

The lowest value (minimum) of variable Leverage is 0.33 at PT Holcim Indonesia Tbk in 2019 . The highest value (maximum) was 11274.40 at PT Star Petrochem Tbk in 2019. Liquidity variables have an average (mean) of 112.854462 and a standard deviation of 940.5341261, meaning that the research data shows that varies because the value of the standard deviation is greater than the average value (*mean*).

2. Hypothesis Testing

a. Multiple linear regression test

Return on Asset (ROA)

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-0.096	0.084		-1.145	0.254
Financial Reporting Lag	0.00545	0.000	0.030	0.401	0.689
Board Size	-0.002	0.002	-0.079	-0.827	0.410
Board Independence	0.039	0.027	0.111	1.440	0.152
Board Gender Diversity	-0.016	0.018	-0.066	-0.890	0.375
Audit Committe	0.001	0.013	0.004	0.051	0.959
Firm Size	0.006	0.003	0.197	1.965	0.051
Leverage	-0.010	0.003	-0.202	-2.785	0.006
Liquidity	-8.0063	0.000	-0.151	-1.990	0.048

Based on the results of multiple linear regression test above, can be made regression equationmodel as follows:

ROA = -0,096 + 0,00545ARL – 0,002BDS + 0,039PNED – 0,016BDG + 0,001AUDCTEE –0,006FMS – 0,010LEV – 8,0063LIQ + ε

Return on Equity (ROE)

Variable	UnstandardizedCoefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-0,243	0,116		-2,087	0,038
Financial Report Lag	0,000	0,000	-0,044	-0,607	0,545
Board Size	-0,002	0,003	-0,069	-0,740	0,460
Board Independence	0,063	0,037	0,129	1,698	0,091

Board Gender Diversity	-0,027	0,025	-0,078	-1,061	0,290
Audit Committee	0,004	0,018	0,016	0,220	0,826
Firm Size	0,012	0,004	0,297	3,043	0,003
Leverage	-0,006	0,005	-0,081	-1,135	0,258
Liquidity	-0,001	0,000	-0,145	-1,955	0,052

Based on the results of multiple linear regression test above, can be made regression equationmodel as follows:

ROE = -0,243 + 0,000ARL - 0,002BDS + 0,063PNED – 0,027BGD + 0,004AUDCTEE + 0,012FMS – 0,006LEV – 0,001LIQ + ε

b. Statistical test (t test)Return On Aset (ROA)

Variable	Thitung	Ttabel	Sig.	Desription
Financial Reporting Lag	0.401	1,973	0.689	H1 rejected
Board Size	-0.827	1,973	0.410	H2 rejected
Board Independence	1.440	1,973	0.152	H3 rejected
Board Gender Diversity	-0.890	1,973	0.375	H4 rejected
Audit Committe	0.051	1,973	0.959	H5 rejected
Firm Size	1.965	1,973	0.051	H6 rejected
Leverage	-2.785	1,973	0.006	H7 accepted
Liquidity	-1.990	1,973	0.048	H8 accepted

Based on the results of the t test presented above, then each variable can be interpreted as follows:

[1] Variable Financial Reporting Lag variable has a value thitung smaller than ttable (0.401<1.973) with a significant value greater than 5% (0.689>0.05). So H1 is rejected which means Financial Reporting Lag has no effect on ROA.

[2] The Board Size variable has a count that is smaller than the table (-0.827<1.973) with a significant value greater than 5% (0.410>0.05). So H2 is rejected which means that the Board Size does not affect the ROA.

[3] The Board Independence variable has a value greater than the table (1,440>1,973) with a significant value greater than 5% (0,152>0,05). So that H3 is rejected which means Board Independence has no effect on ROA.

[4] Variable board Gender Diversity has a value thitung smaller than ttable (-0.890<1.973) with a significant value greater than 5% (0.375>0.05). So H4 was rejected which means that the Gender Diversity Board has no effect on ROA.

[5] The Board Independence variable has a value greater than the table (1,440>1,973) with a significant value greater than 5% (0,152>0,05). So H5 is rejected which means Board Independence has no effect on ROA.

[6] Audit Committe variable has a value greater than ttable (0.051>1.973) with a significant value greater than5% (0.959>0.05). So that H6 is rejected which means the Audit Committe has no effect on the ROA.

[7] The Firm Size variable has a count that is greater than the table (1.965>1.973) with a significant value greater than 5% (0.051>0.05). So H7 rejected which means Firm Size does not affect the ROA.

[8] Variable Leverage has a value thitung smaller than ttable (-2.785<1.973) with a value significantly smaller than 5% (0.006<0.05). So that H8 accepted which means Leverage effect on ROA.

[9] Liquidity variables have a value thitung smaller than ttable (-1.990<1.973) with a significant value smaller than 5% (0.048<0.05). So that H9 is accepted which means that Liquidity affects the ROA.

Return on Equity (ROE)

Variable	Thitung	Ttabel	Sig.	Description
Financial Reporting Lag	-0.607	1,973	0.545	H1 rejected
Board Size	-0.740	1,973	0.460	H2 rejected
Board Independence	1.698	1,973	0.091	H3 rejected
Board Gender Diversity	-1.061	1,973	0.290	H4 rejected
Audit Committe	0.220	1,973	0.826	H5 rejected
Firm Size	3.043	1,973	0.003	H6 accepted
Leverage	-1.135	1,973	0.258	H7 rejected
Liquidity	-1.955	1,973	0.052	H8 rejected

Based on the results of the t test presented above, then each variable can be interpreted as follows:

[1] Variable Financial Reporting Lag variable has a value thitung smaller than ttable (-0.607<1.973) with a significant value greater than 5% (0.545>0.05). So H1 is rejected which means Financial Reporting Lag has no effect on ROE.

[2] The Board Size variable has a count that is smaller than the table (-0.740<1.973) with a significant value greater than 5% (0.460>0.05). So H2 is rejected which means Board Size has no effect on ROE.

[3] The Board Independence variable has a count that is smaller than the table (1.698<1.973) with a significant value greater than 5% (0.091>0.05). So H3 is rejected which means Board Independence has noeffect on ROE.

[4] Variable board Gender Diversity has a value thitung smaller than ttable (-1.061<1.973) with a significant value greater than 5% (0.290>0.05). So H4 was rejected which means that the Gender Diversity Board has no effect on ROE.

[5] Audit Committe variable has a value thitung smaller than ttable (0.220<1.973) with a value significantly smaller than 5% (0.826>0.05). So that H6 is rejected which means the Audit Committe has no effect on ROE.

[6] The Firm Size variable has a value greater than ttable (3,043>1,973) with a value significantly smaller than5% (0.003<0.05). So that H7 is accepted which means that Firm size affects ROE.

[7] The Leverage variable has a smaller value than the table (-1.135<1.973) with a significant value greaterthan 5% (0.258>0.05). So H8 is rejected which means Leverage has no effect on ROE.

[8] Liquidity variables have a value thitung smaller than ttable (-1.955<1.973) with a significant value greaterthan 5% (0.052<0.05). So H9 is rejected which means Liquidity has no effect on ROE.

c. F test

Return on Asseet (ROA)

Variable	Fhitung	Ftabel	Sig.	Description
ARL, BDS, PNED, BGD, AUDCTEE, FMS, LEV,LIQ, ROA	2,386	1,991	0,018	accepted

From the results of the F test above, it can be interpreted that the calculation value is greater than the table (2.386 > 1.991) and the significance value is smaller than 5% (0.018 < 0.05) proves that simultaneously variables Financial Reporting Lag, Board Size, Board Independence, Board Gender Diversity,

Audit Committee, Firm Size, Leverage and Liquidity affect the ROA. It can be concluded that the regression model is declared fit of goodness.

Return on Equity (ROE)

Variable	Fhitung	Ftabel	Sig.	Description
ARL, BDS, PNED, BGD, AUDCTEE, FMS, LEV, LIQ, ROE	3.097	1,99	0,003	accepted

From the results of the F test above, it can be interpreted that the calculation value is greater than the table (3.097 > 1.991) and the significance value is smaller than 5% (0.003 < 0.05) proves that simultaneously variables Financial Reporting Lag, Board Size, Board Independence, board Gender Diversity, Audit Committee, Firm Size, Leverage and Liquidity affect ROE. It can be concluded that the regression model is declared fit of goodness.

d. Coefficient of Determination (R Square)

Return on Asseet (ROA)

Model	R	R Square	Adjusted R Square	Std. Error of theEstimate
1	.313[a]	0,098	0,057	0,0486033

Based on the results of the above data, obtained adjusted R2 value of 0.057 or 5.7%. It can be concluded that the ROA variable can be explained by the variables of Financial Reporting Lag, Board Size, Board Independence, Board Gender Diversity, Audit Committee, Firm Size, Leverage and Liquidity of 5.7%. While the remaining 94.3% can be explained by other variables outside this research model.

Return on Equity (ROE)

Model	R	R Square	Adjusted R Square	Std. Error of theEstimate
1	.350[a]	0,123	0,083	1,884

Based on the results of the above data, obtained adjusted R2 value of 0.083 or 8.3%. It can be concluded that Roe variables can be explained by the variables of Financial Report Lag, Board Size, Board Independence, Board Gender Diversity, Audit Committee, Firm Size, Leverage, Liquidity of 8.3%. While the remaining 91.7% can be explained by other variables outside this research model.

VI. Conclusion

Conclusion

This study aims to determine the impact of CG Attributes and Financial Report Lag on Firm Performance as measured by ROA and ROE. On manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2019-2020, respectively. In accordance with the discussion in the fourth chapter, the conclusions of this study are as follows:

1. Financial Report Lag has no influence on ROA and ROE as proxies of Firm Performance.
2. Board Size has no influence on ROA and ROE as proxies of Firm Performance.
3. Board Independence has no influence on ROA and ROE as proxies of Firm Performance.
4. The Gender Diversity Board has no influence on ROA and ROE as proxies of Firm Performance.
5. The Audit Committee has no influence on ROA and ROE as proxies of Firm Performance.
6. Firm Size does not affect ROA, but Firm Size affects ROE as a proxy of Firm Performance.
7. Leverage affects ROA, but leverage does not affect ROE as a proxy of Firm Performance.
8. Liquidity affects ROA, but liquidity does not affect ROE as a proxy of Firm Performance.

Limitations of Research

Based on this research, researchers have limited research that needs to be considered by researchers in the future, namely:

1. The number of samples for 2 years is still lacking to provide a comprehensive overview of the conditions of existing companies in Indonesia, so that researchers should further add to the research sample with the scope of existing companies in.
2. This study only examines the impact of CG Attributes and Financial Report Lag on Firm Performance, so further research needs to be developed to examine other factors that have not been studied on Firm Performance.

Suggestions

On the basis of the conclusions and limitations in this study, the authors have some recommendations for future researchers as follows:

1. The next study is expected to expand the sample by using data from all companies listed on the Indonesia StockExchange and add years of observation.
2. For the next researcher, with this study in order to dig up more information related to the relevant variables tobe tested so as to obtain more valid results.

VII. REFERENCES

1. Agyei-Mensah, B. K. (2018). Impact of corporate governance attributes and financial reporting lag on corporate financial performance. *African Journal of Economic and Management Studies*, *9*(3), 349–366. https://doi.org/10.1108/AJEMS-08-2017-0205.
2. Aljifri, K. and Khasharmeh, H. (2022). The timeliness of annual reports in Bahrain and United Arab Emirates: anempirical comparative study. *The International Journal of Business and Finance Research*, *4*(1), 57–71. https://doi.org/10.1515/9781685856953-017.
3. Alkhatib, K., & Marji, Q. (2012). Audit Reports Timeliness: Empirical Evidence from Jordan. *Procedia - Social andBehavioral Sciences*, *62*, 1342–1349. https://doi.org/10.1016/j.sbspro.2012.09.229.
4. Amin, A. A., & Hamdan, A. M. (2018). Evaluating the effect of ownership structure on firm performance: evidencefrom Saudi Arabian listed companies. *Journal of Economic Cooperation and Development*, *39*(3), 65–92.
5. Ansari, B., Gul, K., & Ahmad, N. (2017). Corporate Governance and Firm Performance: Automobile Assemblers Listedin Pakistan Stock Exchange. *Journal of Business Strategies*, *11*(2), 125–140.
6. Bansal, N., & Sharma, A. K. (2016). Audit Committee, Corporate Governance and Firm Performance: Empirical Evidence from India. *International Journal of Economics and Finance*, *8*(3), 103. https://doi.org/10.5539/ijef.v8n3p103.
7. Bijalwan, J.G. and Madan, P. (2021). Board composition, ownership structure and firm performance: New Indian evidence. *Research Journal of Economics and Business Studies*, *2*(6), 86–101. https://doi.org/10.1057/s41310-021-00113-5.
8. Carter, D. A., Simkins, B. J., & Simpson, W. G. (2005). Corporate Governance, Board Diversity, and Firm Performance.
9. *SSRN Electronic Journal*, *March*. https://doi.org/10.2139/ssrn.304499.

10. Ciftci, I., Tatoglu, E., Wood, G., Demirbag, M., & Zaim, S. (2019). Corporate governance and firm performance in emerging markets: Evidence from Turkey. *International Business Review*, *28*(1), 90–103. https://doi.org/10.1016/j.ibusrev.2018.08.004.
11. Darmadi, S. (2013). Board members' education and firm performance: evidence from a developing economy.
12. *International Journal of Commerce and Management*, *23*(2), 113–135. https://doi.org/10.1108/10569211311324911.
13. Ezat, A., & El-Masry, A. (2008). The impact of corporate governance on the timeliness of corporate internet reporting by Egyptian listed companies. *Managerial Finance*, *34*(12), 848–867. https://doi.org/10.1108/03074350810915815.
14. Hussain, S., Ahmad, T., & Hassan, S. (2019). Corporate Governance and Firm Performance Using GMM. International Journal of Information, Business, and Management. *Accounting*, *11*(2), 66–79. https://doi.org/10.5267/j.ac.2020.10.019
15. IASB. (2010). *Corporate Governance and Firm Performance Using GMM. International Journal of Information, Business,and Management*.
16. Jamal, S., & Mahmoood, W. (2018). Impact of Corporate Governance & Capital Structure on Firm Financial Performance: Evidence from Listed Cement Sector of Pakistan. *Journal of Resources Development and Management*, *44*(July 2019), 24–34.
17. Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial Behavior, Agency Costs and OwnershipStructure. *Human Relations*, *72*(10), 56. https://doi.org/10.1177/0018726718812602.
18. KALASH, İ. (2017). Firm leverage, agency costs and firm performance: An empirical research on service firms in Turkey.
19. *İnsan ve Toplum Bilimleri Araştırmaları Dergisi*, *8*(1), 625–636.
20. Kelton, A.S. and Yang, Y. (2008). The impact of corporate governance on internet financial reporting. *Journal ofAccounting and Public Policy*, *27*, 62–87.
21. Khan, N. I., & Abd Rahim, N. H. (2016). Firm performance: An empirical study on timeliness of financial reporting and financial voluntary disclosure. E-Academia Journal. *Revista CENIC. Ciencias Biológicas*, *55*(1). file:///Users/andreataquez/Downloads/guia-plan-de-mejora institucional.pdf%0Ahttp://salud.tabasco.gob.mx/content/revista%0Ahttp://www.revistaalad.com/pdfs/Guias_ALAD_11_Nov_2013.pdf%0Ahttp://dx.doi.org/10.15446/revfacmed.v66n3.60060.%0Ahttp://www.cenetec.
22. Khosfyanti, K., & Hendi, H. (2014). Analisis Pengaruh Tata Kelola Perusahaan Terhadap Manajemen Laba dan Kinerja Perusahaan yang Terdaftar di Bursa Efek Indonesia. *Ournal of Accounting & Management Research*.
23. Pham, P. K., Suchard, J. A., & Zein, J. (2011). Corporate governance and alternative performance measures: Evidence from Australian firms. *Australian Journal of Management*, *36*(3), 371–386. https://doi.org/10.1177/0312896211413035.
24. Rousilita Suhendah, A. M. K. C. (2020). Pengaruh Leverage, Firm Size, Firm Age Dan Sales Growth Terhadap KinerjaKeuangan. *Jurnal Paradigma Akuntansi*, *2*(4), 1791. https://doi.org/10.24912/jpa.v2i4.9375.
25. Saha, N. K., Moutushi, R. H., & Salauddin, M. (2018). Corporate Governance and Firm Performance: The Role of the Board and Audit Committee. *Asian Journal of Finance & Accounting*, *10*(1), 210. https://doi.org/10.5296/ajfa.v10i1.12933
26. Sari, E. F. (2018). Pengaruh Corporate Governance, Firm Size, Leverage, dan Sales Growth terhadap Kinerja Perusahaan Sektor Industri Barang Konsumsi yang listing di Bursa Efek Indonesia tahun 2016. *Jurnal Ilmu Manajemen*, *6*(4), 435–444.
27. Sarpong-Danquah, B., Gyimah, P., Afriyie, R. O., & Asiama, A. (2018). Corporate Governance and Firm Performance: An Empirical Analysis of Manufacturing Listed Firms in Ghana. *Accounting and Finance Research*, *7*(3), 111. https://doi.org/10.5430/afr.v7n3p111
28. Sugiyono. (2012). *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Bandung : Alfabeta.

29. Supriatna, A., & Ermond, B. (2019). Peran Direktur Independen Mewujudkan Good Corporate Governance. *JurnalYuridis*, *6*(1), 67–93.
30. Tayseer Alshaboul, M., & Ahmad Abu Zraiq, M. (2020). Investigating the Relationship Between Board of Directors and Corporate Financial in Jordan. *Journal of Finance and Accounting*, *8*(2), 59. https://doi.org/10.11648/j.jfa.20200802.11.
31. Ula, F., Sochib, S., & Ermawati, E. (2018). Pengaruh Ukuran Perusahaan Dan Stuktur Kepemilikan Publik Terhadap Kinerja Keuangan Pada Perusahaan Manufaktur Sektor Industri Barang Konsumsi Yang …. *Proceedings …*, *1*(1), 670–680. http://proceedings.stiewidyagamalumajang.ac.id/index.php/progress/article/view/94%0Ahttp://proceedings.sti ewidyagamalumajang.ac.id/index.php/progress/article/download/94/87
32. Utami Budi W, & Pardanawati Laksmi S. (2016). Pengaruhlikuiditas,Solvabilitas,Danmanajemenasetterhadapkinerjakeuanganpadaperusahaangopublikyang terda ftardalamkompas100Diindonesia. Jurnal Akuntansi Dan Pajak, 17(1), 1–63.