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Corporate Social Responsibility disclosure: A study on audit committee, audit quality, and company size

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ABSTRACT

This study aims to determine the effects of audit committees, audit quality, and company size on Corporate Social Responsibility (CSR) disclosure. The research population comprises ASEAN companies in the energy sector listed in Osiris between 2022 and 2023. Purposive sampling was used, resulting in 66 sample companies. Secondary data from Osiris were processed and analyzed using panel data regression. The selected data is the Random Effect Model (REM). The findings show that company size has a positive and significant effect on corporate social responsibility disclosure because large companies face higher pressure from stakeholders to increase transparency and accountability, including in terms of CSR disclosure. However, the audit committee and audit quality show no influence. The audit committee has no effect on CSR disclosure, possibly because the audit committee is only a formality to comply with regulations without really supervising and encouraging CSR disclosure. Audit quality has no effect on CSR disclosure because the main focus of the audit is likely still on financial statements, and high audit costs are required to verify the disclosure.

Introduction

The advancement of the business world is accompanied by an increase in stakeholders' demands on public companies. Stakeholders are becoming increasingly aware that companies must balance their focus while conducting business. The main focus should not only emphasize company performance to maximize revenues but also on the social and environmental aspects, which are known as the Triple Bottom Line. The elements of the Triple Bottom Line have become the key to the sustainability concept and its implementation. In addition, good financial statements cover not only information on financial position but also company accountability for the social, economic, and environmental welfare of the surrounding area where its business operates.

Over the past few years, attention to CSR has increased, especially in developing countries such as those in ASEAN. The Global Reporting Initiative (GRI) states that CSR disclosure in Southeast Asia shows a positive trend; however, a significant gap between quality and quantity persists (Erawati & Sari, 2021). In energy sector companies in ASEAN, the main challenges in implementing CSR are policy gaps, a lack of coordination between corporate and government efforts, and economic and regulatory pressures that prioritize short-term profits. This implies that although companies are aware of the importance of CSR, challenges remain in its implementation and transparency. One problem is the lack of effective monitoring of CSR disclosures. Research indicates that a strong audit committee plays an important role in enhancing CSR transparency and accountability (Sihombing et al., 2020). However, not all studies agree on the influence of audit committees on CSR disclosure. Some studies have demonstrated that audit committees have a positive effect on CSR disclosure, while others show that they have no effect (Rivandi & Putra, 2021; Sari & Handini, 2021). This ultimately raises the question of the factors influencing the effectiveness of the audit committee in the CSR context, because the main task of the audit committee related to CSR disclosure is to ensure the integrity and accuracy of the reported information and to communicate it to stakeholders. The audit committee also ensures that the company's CSR activities are in accordance with the principles of good corporate governance.

Company size is another important variable in CSR disclosure. Previous research indicates that larger corporations are likely to have more resources to conduct and report their CSR activities (Widianingsih, 2018). Nevertheless, company size is not always aligned with the quality of CSR disclosure, as some studies have revealed that larger companies sometimes only meet the minimum requirements for disclosing their CSR without providing substantial information (Salsabilla et al., 2022). Therefore, it is important to explore the interactions between CSR disclosure, company size, audit committees, and audit quality. Audit quality is an indispensable factor; thus, high-quality audits can

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promote stakeholders' trust in CSR reports because audits ensure the accuracy and reliability of the information presented in the report. A high-quality audit provides assurance that the CSR report complies with applicable standards and regulations and verifies that the reported CSR activities were indeed carried out and had an impact.

This study aims to fill the gap between the quality and quantity of CSR disclosure using a quantitative method, which is broader and more representative. Simultaneously, this study considers the role of the audit committee in the wider context, including how the audit committee can function as an effective mechanism of corporate governance to improve CSR disclosure (Rivandi & Putra, 2021). Furthermore, this study offers new insights into the relationships among the audit committee, audit quality, company size, and CSR disclosure. It provides practical recommendations for energy sector companies to strengthen their transparency and accountability. The main objective of this study is to reveal the influence of audit committees, audit quality, and company size on CSR disclosure in companies in the energy sector in ASEAN countries. This study is expected to give a significant contribution to the development of science related to accounting and corporate governance, as well as to demonstrate the practical benefits of improving CSR disclosure for companies.

Literature Review

Legitimacy Theory

Legitimacy theory focuses on the social interactions between organizations and society. The goal of an organization must be parallel to social values (Ilham et al., 2022). In this context, legitimacy means that a company strives to meet the expectations and positive perceptions of society to be accepted and respected by the public. When the community realizes that a company integrates social values and norms into its operations, its legitimacy is likely to increase. In contrast, the incompatibility between a company's actions and social expectations results in a lack of legitimacy that disrupts social support for the company. Oviliana et al. (2021) mentioned that the incongruity between company principles and local social norms may obstruct a company's sustainability.

Corporate Social Responsibility (CSR) Disclosure

Corporate Social Responsibility (CSR) is a process that communicates the social and environmental effects of an organization's economic activities to interested parties (Susanto & Joshua, 2019). This process will improve transparency and build trust between the organization and its stakeholders, which, in the long term, will strengthen their relations and support its business sustainability. The effective implementation of CSR has a significantly positive impact on companies and society. By integrating CSR into business strategies, companies can improve their financial performance and reputation and contribute to sustainable social and environmental development. The guidelines or standards of CSR activity sustainability reporting are published by the Global Reporting Initiative (GRI), which has applied new measurement standards since January 1, 2023, namely GRI 2021. The GRI 2021 emphasizes the importance of human rights activity disclosure, which is now obligatory for every organization. The main part of these standards includes *universal standards* comprising GRI 1 (foundations), GRI 2 (general disclosure), and GRI 3 (material topics); *sector standards; and topic standards* and indicators grouped into three key components: economics, social, and environment. In ASEAN countries, CSR disclosure regulations vary. Indonesia has a strong regulation in the form of a law that requires every company that goes public to di sclose CSR. In Malaysia, Thailand, and Vietnam, CSR disclosure is voluntary.

Audit Committee

An audit committee is a company's internal supervisory committee that bridges shareholders and the board of commissioners and is conducted by management, internal auditors, and external auditors (Widianingsih, 2018). This committee plays the role of an independent supervisor who ensures the integrity of financial statements and their compliance with regulations to enhance transparency and accountability, which influences CSR disclosure. The audit committee is inherently linked to the implementation of Enterprise Risk Management (ERM) within a company. This is explicitly and implicitly stated in the audit committee charters. The audit committee identifies specific events or circumstances that may affect the achievement of organizational objectives, enabling it to proactively identify and address risks and opportunities. Audit committees with members with the most accounting and finance backgrounds tend to be more effective in monitoring CSR disclosure (Yulianata, 2020; Salsabilla et al., 2022). As a corporate governance mechanism, an audit committee can reduce manipulation and fraud to uphold the principles of transparency, fairness, responsibility, and accountability (Widianingsih, 2018).

Audit Quality

Audit quality plays a crucial role in CSR disclosure, as high-quality auditors help ensure that CSR reports are accurate, reliable, and accountable. In general, audit quality refers to the systematic procedures used to gather and

objectively evaluate evidence and information for reporting purposes (Jonathan & Sinaga, 2022). A high-quality audit enhances investor and stakeholder confidence by verifying that financial statements are credible and free from material misstatements, thereby increasing the likelihood of a positive response from the market. This is supported by Dakhli (2022), who found that higher audit quality contributes to greater transparency in CSR disclosure.

Company Size

Company size is measured based on the number of employees (Yanti et al., 2021). According to Wedayanti and Wirajaya (2018), company size significantly influences CSR disclosure, with larger companies more likely to actively report their social and environmental activities. This tendency may be attributed to greater public visibility and stakeholder expectations, which encourage these companies to contribute more to society and the environment. In Indonesia, the classification of company size is regulated by Law of the Republic of Indonesia No. 20 of 2008 concerning Micro, Small, and Medium Enterprises. According to this law, a company is considered large-scale if it has assets exceeding IDR 10 billion and annual sales of more than IDR 50 billion. In contrast, small enterprises typically have assets between IDR 50 million and IDR 500 million, and sales between IDR 300 million and IDR 2.5 billion.

Effect of Audit Committee on CSR Disclosure

An audit committee is a key internal monitoring system in a company. Characteristics, including the number of members, skills, and independence, are important for determining the effectiveness of CSR practice monitoring. Audit committee members with accounting skills and relevant experience are more effective in guaranteeing CSR report accuracy and transparency. The audit committee also monitors the CSR information assurance process. It can reduce agency costs, enhance reputation, and maximize firm value through transparent CSR disclosures. According to Ilahi and Cheisviyanny (2024), the size of the audit committee influences the quality of company reporting, including CSR reporting. This is supported by previous studies (Salsabilla et al., 2022; Abidin & Lestari, 2020; Song, 2022), which find that the audit committee significantly affects CSR reporting. The financial or accounting expertise possessed by the audit committee indicates that the audit committee already has knowledge related to the preparation of financial statements and internal audits. Therefore, it is very likely to limit opportunistic actions taken by management. This implies that the audit committee can influence the quality of corporate reporting, including CSR disclosure reports. Thus, the first hypothesis is as follows:
H_1: Audit committee has a positive effect on corporate social responsibility disclosure.

Effect of Audit Quality on CSR Disclosure

High-quality auditors from the Big Four Accounting Firms have higher standards for assessing and reporting financial and non-financial information, including CSR (Surachman, 2020). Auditors play an important role in enhancing a company's overall reporting strategy. Companies audited by large public accounting firms (KAP) tend to present higher-quality financial statements in accordance with established regulations because of their superior quality, reputation, and credibility compared with smaller firms. Companies audited by high-quality auditors are more likely to disclose CSR information. A high-quality audit also examines CSR to help the company evaluate the CSR programs that have been implemented and verify their effectiveness, including the impact of CSR on the environment, society, and the economy. The better the audit quality, the more extensive the CSR disclosure in the annual report, because disclosing CSR information is one of the ways companies build and maintain a positive image in the public eye. Therefore, the second hypothesis is formulated as follows:
H_2: Audit quality has a positive effect on corporate social responsibility disclosure.

Effect of Company Size on CSR Disclosure

Large companies have more active stakeholders overseeing corporate activities. In addition, large companies have the potential to attract more public attention, thereby increasing the pressure to disclose information about their CSR activities. Larger companies have more resources, including financial and human resources, that enable them to implement and report CSR initiatives comprehensively. They also conduct CSR activities more frequently than smaller firms (Nurfitriana et al., 2024). Large companies have more available financial resources that can be allocated to the implementation of corporate social responsibility (CSR). Therefore, these companies are more likely to carry out CSR optimally, considering the benefits of its implementation. Consequently, companies become more well-known to the public and engage in business activities that have a greater impact on society and the environment, which can enhance the company's image in the eyes of the public. In addition, larger companies are under stricter public supervision. Research by Wali et al. (2023) and Ting (2021) states that company size affects CSR disclosure. The third hypothesis is as follows:
H_3: Company size has a positive effect on corporate social responsibility disclosure.

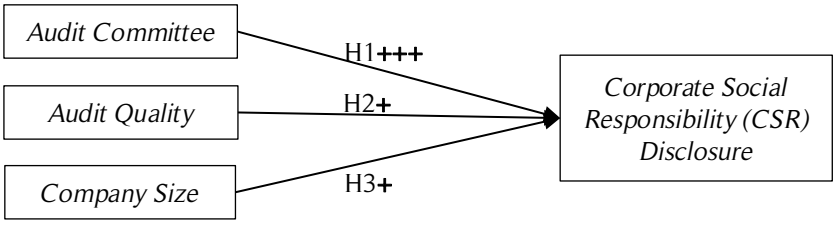

Figure 1. Research Framework

Research Method

The population and sample of this study are companies in the energy sector in ASEAN countries listed in Osiris from 2022 to 2023. The companies were selected using a purposive sampling method. This research employs carefully selected variables that capture essential dimensions of corporate governance and organizational characteristics influencing sustainability reporting practices. The measurement approaches follow established methodological frameworks while ensuring alignment with contemporary sustainability reporting standards.

Corporate Social Responsibility disclosure serves as the dependent variable, reflecting a company's commitment to stakeholder transparency and sustainable business practices. Following Tibiletti et al. (2021), CSR represents a company's responsibility to the community and environment where business operations occur, manifesting as voluntary interaction between the organization and its stakeholders. The measurement approach utilizes the comprehensive 2021 Global Reporting Initiative (GRI) indicators, which provide standardized frameworks for sustainability disclosure assessment.

The CSR disclosure index calculation compares actual company disclosures against the complete set of GRI 2021 indicators through systematic content analysis. Each disclosed indicator receives a score of one, while absent information receives zero, creating a binary scoring system that ensures objective measurement. Following Ilahi and Cheisviyanny's (2024) methodology, the Corporate Social Responsibility Disclosure Index (CSRDI) is calculated as the percentage of disclosed indicators relative to total applicable GRI standards, expressed mathematically as:

$$\text{CSRDI}_j = \frac{\Sigma x_{ij}}{nj} = 100\%$$

Audit committee size represents the first independent variable, reflecting internal governance mechanisms that bridge shareholders and board oversight responsibilities. According to Widianingsih (2018), audit committees perform crucial internal supervision functions, connecting shareholders with the board of commissioners while controlling management activities, internal auditor functions, and external auditor relationships. The committee's primary responsibilities encompass monitoring financial reporting processes, audit procedures, internal control systems, and regulatory compliance mechanisms (Rizvi et al., 2018). The audit committee size measurement employs a straightforward counting approach, quantifying the total number of committee members as indicated in corporate governance disclosures. This variable is operationalized as:

$$\text{KAUD} \sum \text{number of audit committee members}$$

Audit quality constitutes the second independent variable, representing external assurance mechanisms that influence financial reporting credibility and stakeholder confidence. Following Sarpong et al. (2024), audit quality encompasses the accuracy and reliability of audit reports published by external auditors, reflecting their professional ability to identify and report financial improprieties according to established auditing standards.

Given the inherent difficulty in directly measuring audit quality, this research employs an indirect proxy approach based on public accounting firm reputation and market positioning. The measurement utilizes a binary classification system distinguishing between Big Four and non-Big Four auditing firms. Financial statements audited by Big Four firms (Deloitte, PricewaterhouseCoopers, Ernst & Young, and KPMG) receive a classification of zero, while those audited by other firms receive a classification of one. This approach assumes that Big Four firms maintain superior audit quality standards due to their extensive resources, specialized expertise, and reputational considerations.

Company size represents the third independent variable, capturing organizational scale effects on sustainability reporting practices. According to Wang et al. (2018), company size constitutes a fundamental factor influencing organizational performance across sustainability dimensions and sustainable supply chain management practices. Larger organizations typically demonstrate more significant impacts on economic, social, and environmental performance outcomes, potentially driving enhanced disclosure practices to manage stakeholder expectations and regulatory requirements.

The size measurement employs the natural logarithm transformation of total assets, following established practice in corporate finance and accounting research (Wali et al., 2023). This logarithmic transformation addresses potential skewness in asset distributions while facilitating meaningful comparison across organizations of varying scales. The mathematical specification is:

$$\text{Size} = \text{Log natural (Total assets)}$$

Data Analysis

This research employs a comprehensive analytical framework designed to examine relationships between corporate governance mechanisms and Corporate Social Responsibility disclosure practices within the energy sector. The methodology integrates descriptive analysis, panel data regression techniques, and rigorous diagnostic testing to ensure robust and reliable findings.

To establish foundational insights into the dataset characteristics, this study employs comprehensive descriptive statistics examining three primary independent variables: audit committee composition, audit quality measures, and company size indicators. Corporate Social Responsibility disclosure serves as the dependent variable. Following established protocols (Ghozali, 2018), the analysis encompasses central tendency measures (mean), variability indicators (standard deviation), and range parameters (maximum and minimum values). This preliminary examination provides essential context for understanding the distributional properties and potential outliers within the sample.

Given the longitudinal nature of the dataset, this research implements a dual-model estimation strategy utilizing both Fixed Effect and Random Effect approaches. This methodology allows for robust analysis while accounting for unobserved heterogeneity across firms and time periods. Model selection follows a systematic testing protocol incorporating two key diagnostic procedures.

The Hausman specification test determines the optimal estimation approach through a rigorous hypothesis framework. The null hypothesis (H_0) assumes that the Random Effect Model appropriately captures the data structure when probability values exceed 0.05, while the alternative hypothesis (H_1) suggests that the Fixed Effect Model provides superior specification when probability values fall below this threshold. This test fundamentally examines whether unobserved individual effects correlate with explanatory variables, thereby informing the most appropriate estimation technique.

Additionally, this study conducts the Lagrange Multiplier test to validate the modeling choice through complementary statistical assessment. The null hypothesis (H_0) proposes that the Common Effect Model adequately represents the relationships when Chi-square critical values exceed 0.05, while the alternative hypothesis (H_1) suggests that the Random Effect Model demonstrates superior fit when values fall below this threshold. This dual-testing approach ensures methodological rigor and enhances confidence in model selection decisions.

In alignment with contemporary econometric practice, this research opts against conducting traditional normality tests. This decision reflects emerging scholarly consensus suggesting that normality assumptions do not constitute fundamental requirements for achieving Best Linear Unbiased Estimator (BLUE) properties (Napitupulu et al., 2021). Gujarati and Porter (2013) argue that Ordinary Least Squares parameter estimates maintain their BLUE characteristics regardless of residual distribution properties, particularly given the Central Limit Theorem's practical implications with sufficiently large sample sizes. Additionally, panel data structures inherently differ from pure time-series contexts, making traditional autocorrelation diagnostics less relevant (Napitupulu et al., 2021).

This study implements the Glejser test to detect potential heteroscedasticity within the regression framework. This diagnostic procedure identifies whether error term variance remains constant across observations, a crucial assumption for reliable statistical inference. Following Ghozali's (2016) interpretive guidelines, significance values exceeding 0.05 indicate homoscedastic conditions, while values below this threshold suggest heteroscedastic patterns requiring corrective measures.

To ensure regression model validity, this research examines potential correlations among independent variables using Variance Inflation Factor (VIF) analysis. Multicollinearity threatens model reliability by inflating standard errors and destabilizing coefficient estimates. The diagnostic approach identifies problematic correlations that could compromise interpretation of individual variable effects on CSR disclosure outcomes.

The analytical framework employs panel data regression to examine relationships between multiple independent variables and the dependent measure (Napitupulu et al., 2021). The foundational model takes the following form:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + e_{it}$$

Where:
Y_{it} represents Corporate Social Responsibility disclosure levels for firm i in period t
α denotes the intercept parameter
β_1, β_2, β_3 represent regression coefficients for respective independent variables
X_{1it} captures audit committee size for firm i in period t

X_{2it} measures audit quality indicators for firm i in period t
X_{3it} represents firm size metrics for firm i in period t
e_{it} represents the stochastic error term

This research conducts F-tests to evaluate overall model significance and determine whether the regression framework appropriately captures relationships between independent and dependent variables. This simultaneous coefficient testing employs a 5% significance threshold ($\alpha = 0.05$) to assess model adequacy for explaining CSR disclosure variation (Napitupulu et al., 2021).

The coefficient of determination quantifies the proportion of CSR disclosure variance explained by the three independent variables: audit committee characteristics, audit quality measures, and company size indicators. This metric provides crucial insight into model explanatory capacity and identifies remaining unexplained variance requiring future investigation.

Following Ghozali (2018) recommendations, this study employs t-tests to assess individual variable contributions to CSR disclosure outcomes. These tests isolate each independent variable's unique explanatory power by comparing calculated t-statistics against critical values at the 5% significance level. Variables demonstrating p-values below 0.05 exhibit statistically significant relationships with CSR disclosure, warranting substantive interpretation and theoretical consideration.

Results and Discussion

Sample Selection and Data Characteristics

The sample selection process employed purposive sampling to ensure data quality and research relevance. Table 1 presents the systematic filtering approach that yielded the final analytical sample.

Table 1. Results of Purposive Sampling

Description	Total
Companies in the energy sector listed consecutively in the Osiris from 2022 to 2023	250
Companies with incomplete data for the research	(184)
Total number of company samples to analyze	66
Total sample used: 66 x 2	132

The rigorous selection criteria ensured data completeness across all research variables, resulting in 132 firm-year observations spanning the two-year analysis period. This sample size provides sufficient statistical power for robust panel data analysis while maintaining data integrity.

Table 2 presents comprehensive descriptive statistics revealing the distributional characteristics of key research variables. The CSR disclosure variable demonstrates substantial variation across the sample, with scores ranging from complete non-disclosure (0.000) to full disclosure (1.000). The mean disclosure level of 0.589 suggests that energy sector companies typically achieve moderate CSR reporting standards, while the standard deviation of 0.269 indicates considerable heterogeneity in disclosure practices. Audit committee composition shows meaningful variation, with committee sizes ranging from one to seven members. The average committee size of 3.303 members aligns with contemporary corporate governance practices, though the standard deviation of 1.018 reveals notable differences in committee structures across firms. Company size exhibits the widest range among variables, spanning from 8.423 to 16.380 (logarithmic transformation). This substantial variation reflects the diverse nature of energy sector enterprises, from smaller regional operators to multinational corporations.

Table 2. Results of Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
Corporate Social Responsibility Disclosure	132	0.000	1.000	0.589	0.269
Audit Committee	132	1.000	7.000	3.303	1.018
Company Size	132	8.423	16.380	12.897	1.912

Given the binary nature of the audit quality variable, separate analysis was conducted to examine auditor choice patterns within the sample as shown in Table 3. The audit quality distribution reveals that approximately two-thirds of sample companies (65.14%) engage non-Big 4 auditing firms, while the remaining third (34.86%) retain Big 4 auditors. This pattern suggests diverse auditing preferences within the energy sector, potentially reflecting cost considerations or specialized industry expertise requirements.

Table 3. Results of the Descriptive Statistics for the Dummy Variable

Dummy Variable	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Big 4 Auditors	46	34.86%	34.86%	34.86%
Non-Big 4 Auditors	86	65.14%	65.14%	65.14%
Total	132	100%	100%	100%

Panel data analysis requires careful model selection to ensure appropriate estimation techniques. This research employed systematic testing protocols to determine optimal specification. Table 4 shows the results of the Hausman test. The Hausman test probability value of 0.933 substantially exceeds the conventional 5% significance threshold, providing strong evidence supporting the null hypothesis. This result indicates that the Random Effect Model (REM) represents the most appropriate estimation approach for the current dataset, as systematic differences between fixed and random effect estimators are statistically insignificant.

Table 4. Hausman Test

Test Summary	Chi-Sq Statistic	Chi-Sq. d.f	Probability
Cross-section F	0.138	2	0.933

The Lagrange Multiplier test on Table 5 yields a Breusch-Pagan probability value of 0.007, which falls below the 5% significance level. This result supports rejection of the null hypothesis, confirming that random effects are statistically significant and that the Random Effect Model provides superior specification compared to pooled ordinary least squares regression.

Table 5. Lagrange Multiplier Test

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	7.144 (0.007)	3.884	11.028

Comprehensive diagnostic testing verified key regression assumptions essential for reliable statistical inference. The heteroscedasticity assessment using the Glejser test revealed that all independent variables demonstrated significance values exceeding 0.05, confirming homoscedastic error variance across observations. Similarly, multicollinearity evaluation through Variance Inflation Factor analysis showed that all independent variables maintained VIF scores below 10, indicating absence of problematic correlations that might compromise coefficient interpretation.

Panel data regression results

Table 6 shows the findings from the panel data regression analysis conducted in this study. Table 6 presents the core regression findings examining relationships between corporate governance variables and CSR disclosure levels.

Table 6. Results of the Panel Data Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob
C	-0.269	0.186	-1.443	0.151
Audit Committee	-0.012	0.024	-0.513	0.608
Audit Quality	0.043	0.057	0.770	0.442
Company Size	0.067	0.014	4.792	0.000***

*** indicates significance at the 1% level

The Random Effect Model estimation on Table 6 yields the following empirical specification:

$$Y = -0{,}269 - 0{,}012*X1 \text{ (Audit Committee)} + 0{,}043*X2 \text{ (Audit Quality)} + 0{,}067*X3 \text{ (Company Size)}$$

These results reveal divergent patterns of statistical significance across explanatory variables. Company size emerges as the sole statistically significant predictor, demonstrating a strong positive relationship with CSR disclosure levels (coefficient = 0.067, $p < 0.001$). This finding suggests that larger energy sector firms systematically engage in more comprehensive CSR reporting practices.

Conversely, both audit committee size and audit quality fail to achieve statistical significance at conventional levels. The audit committee variable exhibits a slight negative coefficient (-0.012) with a probability

value of 0.608, indicating no meaningful relationship with disclosure practices. Similarly, audit quality shows a modest positive coefficient (0.043) but lacks statistical significance (p = 0.442).

The F-test results on Table 7 confirm overall model significance, with a probability value of 0.000 substantially below the 5% threshold. This outcome validates the regression framework's appropriateness for examining CSR disclosure determinants within the energy sector context.

Table 7. Results of the F-test

Weighted Statistics			
R-squared	0.213	Mean dependent var	0.411
Adjusted R-squared	0.195	S.D. dependent var	0.211
S.E. of regression	0.189	Sum squared resid	4.594
F-statistic	11.584	Durbin-Watson stat	2.003
Prob (F-statistic)	0.000		

The adjusted R-squared value of 0.195 as shown in Table 8 indicates that the three independent variables collectively explain 19.5% of the variation in CSR disclosure practices across sample firms. While this explanatory power appears modest, it aligns with expectations given the multifaceted nature of CSR disclosure decisions. The remaining 80.5% of variance reflects the influence of unmeasured factors, including regulatory environment, stakeholder pressure, strategic positioning, and firm-specific cultural considerations.

Table 8. Results of the Coefficient Determination Test

Weighted Statistics			
R-squared	0.213	Mean dependent var	0.411
Adjusted R-squared	0.195	S.D. dependent var	0.211
S.E. of regression	0.189	Sum squared resid	4.594
F-statistic	11.584	Durbin-Watson stat	2.003

The t-test analysis provides definitive evidence regarding individual variable contributions to CSR disclosure variation as shown in Table 9. Company size demonstrates exceptional statistical significance ($p < 0.001$), with its t-statistic of 4.792 far exceeding critical values at all conventional significance levels. This robust relationship suggests that firm scale represents a fundamental driver of CSR disclosure comprehensiveness within the energy sector. The audit committee size variable yields a negative but statistically insignificant coefficient (-0.012, p = 0.608), challenging theoretical expectations that larger audit committees would enhance oversight and reporting quality. Similarly, audit quality shows no significant impact on disclosure practices (coefficient = 0.043, p = 0.442), contradicting hypotheses that Big 4 auditor engagement would promote superior CSR reporting standards. These findings highlight the dominant role of organizational scale in determining CSR disclosure practices while questioning the effectiveness of traditional governance mechanisms in this specific context.

Table 9. Results of the T-test

Variable	Coefficient	Std. Error	t-Statistic	Prob
C	-0.269	0.186	-1.443	0.151
Audit Committee	-0.012	0.024	-0.513	0.608
Audit Quality	0.043	0.057	0.770	0.442
Company Size	0.067	0.014	4.792	0.000

The influence of audit committees, audit quality and company size on CSR disclosure

The first hypothesis, which stated that audit committees have a significant effect on CSR disclosure, was not supported by the findings of this study. The constant size of the audit committee that focuses on routine tasks and responsibilities, such as reviewing reports, selecting auditors, and not directly involving in checking the details for CSR disclosure, does not significantly encourage the management to broadly disclose CSR reporting. This is because the audit committee has the primary responsibility to ensure the quality of financial reports and compliance with regulations; therefore, even though CSR disclosure is important, it often does not become the main focus of their duties. In addition, CSR disclosure involves non-financial aspects, such as environmental, social, and ethical impacts; therefore, audit committees that focus on finance are needed. Auditors tend to focus more on aspects that can be measured and verified accurately in financial statements, thus paying less attention to CSR disclosures. CSR disclosure is often an initiative of a company's management. May lack the knowledge and experience to assess

the effectiveness of CSR disclosure. This finding is consistent with that of Ilahi and Cheisviyanny (2024), who found that audit committee size does not affect CSR disclosure.

Similarly, the second hypothesis, which assumes that audit quality has a positive effect on CSR disclosure, is not supported by the analysis results. Audit quality is not the key determinant of CSR disclosure because a company considers its reputation more important in responding to stakeholders' pressure. Auditors' tasks focus on financial reporting, thus lacking attention to non-financial matters such as CSR disclosure. This result corroborates the research findings of Jonathan and Sinaga (2022), proving that audit quality does not significantly affect CSR disclosure. Audit quality is more likely to be influenced by internal policies, stakeholder pressure, and management strategies. The results show that CSR audits do not significantly affect CSR disclosure. This is due to the low implementation of CSR audits in Indonesia, the main focus of the audit committee, which is more on financial audits, and regulations that are still voluntary. Companies tend to view CSR audits as administrative compliance, not as a strategy to increase transparency. This is in line with the research of Zheng and Ren (2019), which states that CSR audits do not have a significant effect on CSR disclosure.

The third hypothesis proposed in this study, which states that company size has a positive effect on CSR disclosure, is supported by the findings of this research. Large companies have more resources to perform and report their CSR activities because of stakeholder pressure and public monitoring. They use CSR to maintain their reputation and ensure operational sustainability. This finding agrees with the research results of Abidin and Lestari (2020), as well as Wali et al. (2023), that affirm that company size is a significant factor in promoting CSR disclosure. However, small firms may evoke perceptions of smaller profits, fewer resources, and smaller capabilities. As consumers tend to match new information against their preconceived notions (Cho and Baskin, 2018), when firm size is featured alongside CSR spending information, it may inadvertently bias consumer expectations and enhance or mitigate inequity perceptions. Large firms have more resources than small firms. Hence, a larger percentage of profits allocated to CSR may be more congruent with larger corporate size in consumers' minds and should be deemed more equitable than potential CSR payoffs. A large firm allocating a smaller percentage to CSR may exacerbate inequity perceptions by suggesting that a firm may gain a disproportionate amount of benefits from its CSR communication relative to how little it has given to good causes.

Conclusion

The results of this study conclude that company size has a positive and significant effect on CSR disclosures. However, the audit committee and audit quality did not significantly affect CSR disclosure. For the audit committee to influence CSR disclosure, the company must ensure that the audit committee has sufficient independence to make objective decisions that are not influenced by company management. In addition, the company must ensure that the audit committee has adequate competence in finance, auditing, and CSR. The audit committee must ensure that CSR reporting is accurate, complete, and in accordance with the applicable standards. This study suggests that companies should pay more attention to company size when improving CSR disclosure. The coefficient of determination in this study falls under the low category, which is only 0.195, meaning that the research model is only able to explain 19.5% of the corporate social responsibility disclosure through the factors used, while the remaining 80.5% is explained by other variables. This study was conducted using companies classified in the energy sector for 2022–2023. This research contributes to the literature by suggesting that companies consider company size to improve their CSR disclosure. In addition, future research can widen the research scope by adding other related variables that influence CSR disclosure and using different research methods to obtain more comprehensive results.

For companies, this research can be used as a reference to enhance awareness of the importance of protecting the environment and performing social responsibility, which will further affect the social and environmental aspects of their businesses. Moreover, the findings of this study are expected to provide information and a description of companies' social and environmental responsibilities that can be considered a part of the company vision. For academics, this study can be used as a reference to provide more knowledge and information on CSR, audit committees, audit quality, and company size. For researchers, this study provides answers and new knowledge on the influences of audit committees, audit quality, and company size on corporate social responsibility disclosure. For investors, this study provides information for making investment decisions.

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