

ABSTRACT

In the era of globalization, intellectual capital is a concern to academics and practitioners because it can be a tool to determine the value of the company. Intellectual capital is regarded as the hidden value which is located between the book value and market value. The more priceless intellectual capital as an asset of the company has been a particular challenge for accountants to be able to identify, measure, and disclose in the financial statements of the company.

This study aimed to analyze the the audit committee characteristics and intellectual capital performance on the disclosure of intellectual capital. Characteristics of the audit committee that is used in this research are size of the audit committee, number of audit committee meetings, and financial expertise of audit committees.

The population in this study is a state-owned company went public listed on the Stock Exchange the period 2011-2014. The sample selection technique using purposive sampling and acquired 20 companies that were included with the period of 4 years in order to get 60 samples were observed. This research analyzed the annual reports of companies using content analysis. Methods of data analysis in this study is panel data regression using software Eviews 8.0.

The results showed that the variable size of the audit committee, number of audit committee meetings, and financial expertise of audit committees simultaneously significant effect on intellectual capital disclosure while partially intellectual capital performance does no effect on intellectual capital disclosure. The size of audit committee, number of audit committee meetings, and financial expertise of audit committees have significant influence with a positive direction on intellectual capital disclosure.

Companies are advised to be able to give sufficient attention in the management of its IC and express it adequately in the annual report. For investors are advised to elements of intellectual capital in the annual report the company to determine the actual value of the company which can be used as a basis for decision making in order to provide benefits as expected by investors.

Keywords: Characteristics of the Audit Committee, Intellectual Capital Performance, Intellectual Capital Disclosure.