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THE INFLUENCE OF AUDIT COMMITTEE AND INTELLECTUAL CAPITAL ON COMPANY VALUE: THE ROLE OF COMPANY PERFORMANCE

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Abstrak

Globalisasi terbukti memicu percepatan pertumbuhan ekonomi dan bisnis seluruh dunia. Globalisasi juga terbukti menyebabkan persaingan antar perusahaan dan antar negara menjadi semakin meningkat. Kondisi ini memicu perusahaan untuk terus bersaing agar memperoleh nilai dan persepsi yang baik dari para pemegang saham. Penelitian ini bertujuan untuk membuktikan secara empiris pengaruh Komite Audit dan *Intellectual Capital* terhadap Nilai Perusahaan. Kebaruan dari penelitian ini adalah menguji apakah Kinerja Keuangan dapat memediasi pengaruh Komite Audit dan *Intellectual Capital* terhadap Nilai Perusahaan. Data yang digunakan pada penelitian ini adalah 80 perusahaan sektor industri barang konsumsi yang terdaftar di Bursa Efek Indonesia selama periode 2017-2021. Pengolahan data dilakukan dengan SPSS Versi 26. Hasil penelitian menunjukkan bahwa Komite Audit tidak berpengaruh signifikan terhadap Kinerja Keuangan, *Intellectual Capital* berpengaruh positif signifikan terhadap Kinerja Keuangan, Kinerja Keuangan berpengaruh langsung terhadap Nilai Perusahaan, Komite Audit tidak berpengaruh langsung terhadap Nilai Perusahaan, *Intellectual Capital* berpengaruh langsung terhadap Nilai Perusahaan, Komite Audit tidak berpengaruh tidak langsung terhadap Nilai Perusahaan melalui Kinerja Keuangan, dan *Intellectual Capital* berpengaruh tidak langsung terhadap Nilai Perusahaan melalui Kinerja Keuangan. Hasil penelitian ini berimplikasi kepada perlunya bagi perusahaan untuk terus memperhatikan penerapan *Intellectual Capital* dan agar lebih meningkatkan lagi efektivitas tata kelola perusahaan melalui kinerja Komite Audit.

Kata Kunci: Komite Audit; *Intellectual Capital*; Nilai Perusahaan; Kinerja Keuangan
JEL Code: M20, M40, M41

Abstract

The era of globalization has greatly influenced the development of the business world because it has proven to increase competition. This condition triggers the company to be able to continue to compete in order to obtain good value and perceptions from shareholders. This study aims to empirically prove the influence of audit committees and intellectual Capital on firm value. The novelty of this study is to test whether financial performance can mediate the influence of audit committees and intellectual Capital on firm value. The data used in this study are 80 companies in the consumer goods industry sector listed on the Indonesia Stock Exchange during the 2017-2021 period. Data processing was carried out using SPSS Version 26. The results showed that the Audit Committee had no significant effect on Financial Performance, Intellectual Capital had a significant positive effect on Financial Performance, Financial Performance had a direct effect on Firm Value, Audit Committee had no direct effect on Firm Value, Intellectual Capital had an effect directly on Firm Value, the Audit Committee has no indirect effect on Firm Value through Financial Performance, and Intellectual Capital has an indirect effect on Firm Value through Financial Performance. The results of this study have implications for companies to pay attention to the application of Intellectual Capital and to further improve the effectiveness of corporate governance through the performance of the Audit Committee.

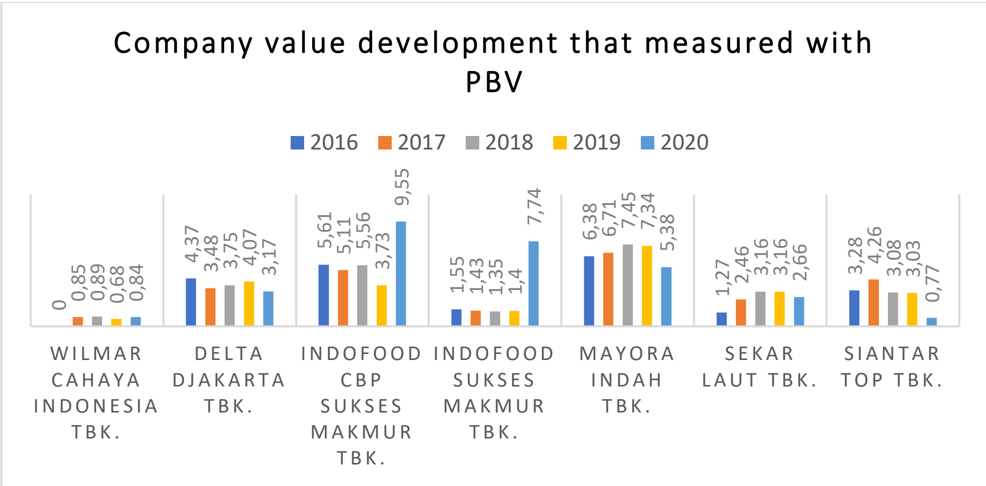
Keywords: *Audit Committee; Intellectual Capital; Firm Value; Financial Performance*
JEL Code: M20, M40, M41

INTRODUCTION

Firm value is a crucial factor that reflects a company's performance level (Candradewi, 2019). The value of a company can be measured in several dimensions, one of which is its stock price. The share price reflects the investor's assessment of each share owned in the company. The higher the stock market price, the more valuable the company is and the more confidence investors have in the company's current position and future growth. Price Book Value (PBV) is the primary determinant of a stock's intrinsic value. Price Book Value or price per book value ratio is the link between the stock market price and the book value per share.

The stock price of a company, especially a manufacturing company, does not always increase every year, as shown in the graph above (Kartika & Payana, 2021).

Graph 1. Development of Company Value Measured by PBV



Source: *www.idx.co.id* (Author's on work, 2023)

Based on the data graph above, the PBV ratio for manufacturing companies listed on the Indonesia Stock Exchange in 2016-2020 has fluctuated. The value of the company that uses the highest PBV ratio was obtained by Indofood CBP Sukses Makmur Tbk. in 2020, and the lowest company value was obtained by Wilmar Cahaya Indonesia Tbk. in 2016. The rise and fall of the company's value shows a phenomenon that continues to be interesting to be further investigated what are the causative factors.

Corporate value is influenced by several factors, with Good Corporate Governance being one of the most significant. All companies today must have a good Good Corporate Governance (GCG) program as part of their business strategy because it affects investors' assessment of the company. GCG is said to be able to create added value because through the implementation of good corporate governance, a company can perform better, create value, increase corporate value, and benefit shareholders and company owners (Rohmaniyah & Nahar, 2019). The implementation of governance that can affect company value apart from managerial ownership, institutional ownership, independent commissioners, and the board of directors is the existence of an audit committee (Meini & Chotimah, 2022).

The audit committee is a committee formed by the board of commissioners whose job is to oversee the activities and management of the company. The role of the audit committee is also needed to improve the quality of the information contained in the company's financial reports according to their responsibilities (Meini & Istikharoh, 2022). In carrying out these supervisory activities, the audit committee is expected to be able to perform effectively (Prasetyo, 2016). An effective audit committee can increase control over the company so that the company's performance will be even better. Increasing financial performance will have an impact on increasing demand for shares which will cause company value to increase (Meini & Siregar, 2014; Pambudi & Meini, 2023). Research conducted by Tjahjono & Chaeriyah (2017) and Utami & Muslih (2018) found that audit committees have a positive effect on firm value through performance. This positive influence indicates that the existence of an audit committee can be a good corporate governance mechanism that can provide added value to the company. However, research by Arini & Musdholifah (2018) states that the audit committee has no effect on firm value and cannot be mediated by financial performance because supervision by the audit committee is not carried out optimally. Therefore, this can reduce the company's financial performance and have no effect on increasing the value of the company.

Companies implementing GCG to gain competitive advantage must utilize intangible assets rather than relying only on tangible assets. The emergence of the digital era has had a major impact on the world of business and the economy. Intellectual Capital plays a key role in the success of a company. Business people need to understand that in the information age it is not physical assets that are superior, but rather intangible assets, especially knowledge and information. The intangible assets referred to are intellectual Capital or intellectual Capital (Pamungkas & Meini, 2023; Rosiana & Mahardhika, 2020).

Intellectual Capital is part of a company in the form of intangible assets such as knowledge and information intended to help competing companies. The research of Arini & Musdholifah (2018) and Kurniawan & Muslichah (2019) stated that intellectual Capital has a positive effect on company value which is mediated by financial performance. This increase in company profits is due to the efficiency of the company's capital management. This means that the profits generated by the company, combined with the effective management of intellectual Capital, create value for the company. However, research conducted by Septiawan & Hermawan (2022) states that intellectual Capital has no effect on company value and cannot be mediated by financial performance. This negative influence is caused by companies that have not been able to utilize the knowledge and technology they have so they cannot improve financial performance and company value in the eyes of investors.

Table 1. *Research* Gap

Research Gap	Findings	Researcher
There are differences in the research findings on the impact of an audit committee on firm value through firm performance.	Performance can mediate the influence of the Audit Committee on firm value.	Tjahjono & Chaeriyah (2017) dan Utami & Muslih (2018)
	Performance cannot mediate the influence of the Audit Committee on company value.	Arini & Musdholifah (2018)
There are differences in the results of intellectual capital research on firm value through company performance.	Performance cannot mediate the effect of Intellectual Capital on firm value.	Septiawan & Hermawan (2022)
	Performance can mediate the effect of Intellectual Capital on firm value.	Arini & Musdholifah (2018) and Kurniawan & Muslichah (2019)

Source : (Author's on work, 2023)

Based on the description above, there are still inconsistencies in research results and there is still little research exploring how audit committees and intellectual capital influence firm value and how performance can mediate firm value. Therefore, research on audit committees, intellectual Capital, and firm value is interesting to re-examine. In contrast to previous research, this research contributes by comprehensively examining whether financial performance can mediate the effect of audit committees and intellectual Capital on firm value. Performance is suspected to be able to mediate both with the consideration that the existence of good corporate governance and intellectual capital investment may not be directly captured and influence investor opinion.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Resource Based Theory (RBT)

Resource Based Theory (RBT) or resource-based theory was developed by Penrose (1959), which argues that company resources are heterogeneous and have specific and unique characteristics in each company. This theory states that it is the possession of resources that provides a competitive advantage and leads to achieving superior long-term performance. If a company can manage all of its resources by implementing the right company management system, namely good corporate governance, one of which is an audit committee and intellectual Capital, it will definitely increase the value of the company. High corporate value can give investors confidence in the companies they choose to invest in, which in turn benefits the company in the form of increased financial performance (Ulum, 2017).

Signaling Theory

Signal theory primarily focuses on the behavior of insiders who deliberately convey positive information. During signaling, the signaler must benefit from the receiver's actions that the receiver would not take (i.e., the signal must have a strategic effect). Corporate governance can be used as one of the signals that have been determined from the company's point of view to outsiders that the company has practiced good corporate governance in such a way that all the company or things the company does are only for the survival of the company. In addition, disclosure of information about intellectual Capital is also very important to influence company profits because profits can reflect company performance. The better the company's performance, the more investors can make investment decisions and add value to the company (Arini & Musdholifah, 2018). So, based on this theory, the company's better performance will be a signal for investors to make investment decisions and can then provide added value to the company (Meini et al., 2018; Meini & Siregar, 2014).

The Influence of the Audit Committee on Financial Performance

Disclosure of information about the audit committee, which is a component of good governance, will be an important factor in influencing company profits due to monitoring of company performance (Meini & Wulandari, 2022). The audit committee consists of at least three members, consisting of the chairman of the audit committee and two independent outside members. The number of audit committee members is used to measure the effectiveness of the audit committee in relation to the company's financial performance. According to Resource Based Theory, resources must be managed to increase the company's competitiveness, so that the existence of an audit committee can help companies increase corporate value through more comprehensive information disclosure. This is supported by research conducted by Mangatas et al. (2018) and Shanti (2020) which state that the audit committee has a direct effect on financial performance. Based on this description, the hypothesis proposed is:

H1: Audit Committee has a positive effect on Financial Performance

The Effect of Intellectual Capital on Financial Performance

Intellectual Capital or intellectual Capital plays a crucial role in improving financial performance. Proper intellectual capital management will increase the company's ability to generate returns on assets owned by shareholders and funds invested by shareholders. This is in accordance with the Resource Based Theory that intellectual Capital, which includes company resources can increase company competitiveness, and good and effective company performance, including generating profits. Resources with good intellectual Capital improve the company's financial performance. Research conducted by Hadiwijaya & Rohman (2013), Badawi (2018), and Fitriani et al. (2022) support the statement that intellectual Capital has a positive effect on financial performance. Based on this description, the hypothesis proposed is:

H2: Intellectual Capital has a positive effect on Financial Performance

Effect of Company Performance on Firm Value

Financial performance measures the company's performance in generating profits and market value. One of the good performance can be seen from the company's high income situation. High profit margins also provide information to the public that companies will not go bankrupt easily. The higher the income, the more profits will be distributed to shareholders. According to signal theory, good financial reports are a signal or a sign that a company is doing well and this also applies in terms of performance ratios. In other words, when a company achieves a high level of financial performance, issuing annual financial reports or annual reports can send positive signals to investors and the public. This is supported by research conducted by Fiadicha & Hanny (2016), Malaya & Jiwa (2017), Kurniawan & Muslichah (2019), and Pamungkas & Meini (2023) which shows that company performance has a positive effect on company value. Based on this description, the hypothesis proposed is:

H3: Company Performance has a direct effect on Firm Value

The Influence of the Audit Committee on Company Value

The existence of an audit committee is expected to further increase transparency in company management to strengthen the confidence of capital market players. In addition, the audit committee is tasked with protecting the interests of minority shareholders in order to persuade them to invest in the company. The presence of an audit committee is necessary for good corporate governance practices as a form of oversight, thus the existence of an audit committee will provide additional confidence to investors, thereby facilitating an increase in firm value. Research conducted by Fiadicha & Hanny (2016), Tjahjono & Chaeriyah (2017), Mangatas et al. (2018), and Ramadhani & Sulistyowati (2021) support the statement that audit committees have a positive effect on firm value. Based on this description, the hypothesis proposed is:

H4: The Audit Committee has a direct effect on Firm Value

The Effect of Intellectual Capital on Firm Value

Through the management of intellectual Capital, the company can increase the value of the company properly. The added value created from the value creation process in a company creates a competitive advantage for the company. Competitive advantage indicates that companies with competitive advantages can be assumed to survive and compete in the business environment, thereby increasing market perceptions of firm value. According to Resource Based Theory, a company can gain profit if it can control all of its fundamental assets, both tangible and intangible. In this case, intellectual Capital supports the theory because human resources use all the company's assets and with the help of superior people, it is easier for companies to have good shareholder value. This is supported by research conducted by Auliyah & Asyik (2016), Rahmadi & Mutasowifin (2021), and Pamungkas & Meini (2023) which states that intellectual Capital has a positive effect on firm value. Based on this description, the hypothesis proposed is:

H5: Intellectual Capital has a direct effect on Firm Value

The Influence of the Audit Committee on Corporate Value through Financial Performance

The existence of an audit committee is part of good governance. The implementation of good corporate governance has helped companies to increase their business value and have been able to improve company performance. This then attracts the attention of shareholders because companies have tried to minimize risk in their decision-making. Apart from that, this can also affect the increase in company value (Fauziah, 2022). The better the company's performance, the more investors can make investment decisions and add value to the company (Pambudi & Meini, 2023). According to signal theory, good financial reports are a signal or a sign that a company is doing well, which also applies in terms of performance ratios. In other words, when a company achieves a high level of financial performance, issuing annual financial reports or annual reports can send positive signals to investors and the public. This is in line with research conducted by Tjahjono & Chaeriyah (2017) and Utami & Muslih (2018) that audit committees have a positive effect on firm value and can be mediated by financial performance. The presence of an audit committee has been successful in influencing company profitability because more effective oversight of the audit committee optimizes company performance and increases company profitability. An increase in profitability causes an increase in the demand for shares, thereby increasing the value of the company. Based on this description, the hypothesis proposed is:

H6: The Audit Committee has an indirect effect on Company Value through Financial Performance

The Effect of Intellectual Capital on Firm Value through Financial Performance

If there is no intellectual capital, the company cannot run its business, even though it has many assets because human Capital can control and exploit all of the company's assets. If a company succeeds in optimizing and balancing tangible assets and intangible assets, it will indirectly attract investors to invest their funds in the company which can improve financial performance and obtain good corporate value. According to signal theory, good financial reports are a signal or a sign that a company is doing well and this also applies in terms of performance ratios. In other words, when a company achieves a high level of financial performance, issuing annual financial reports or annual reports can send positive signals to investors and the public. This is supported by research conducted by Hadiwijaya & Rohman (2013), Arini & Musdholifah (2018), and Kurniawan & Muslichah (2019) that intellectual Capital has a positive effect on company value through the company's financial performance. Intellectual resources that enable companies to gain competitive advantage and create added value. Investors will provide added value to companies that are able to provide added value on an ongoing basis. Based on this description, the hypothesis proposed is:

H7: Intellectual Capital has an indirect effect on Firm Value through Financial Performance

RESEARCH METHODS

The type of data in this study uses secondary data. The data in this research were taken from all manufacturing companies in the consumer goods industry sector that are on the Indonesian Stock Exchange website and the websites of each company. The population in this study are all manufacturing companies in the consumer goods industry sector which publish audit committees and intellectual Capital listed on the Indonesia Stock Exchange for the 2017-2021 period. The sampling technique used was purposive sampling technique which was targeted based on specific criteria.

Table 2. Research Sample Criteria

Information	Total
Companies in the consumer goods industry sector listed on the Indonesia Stock Exchange during the 2017-2021 period.	80
Companies in the consumer goods industry sector that do not report financial reports on the Indonesia Stock Exchange consecutively during the 2017-2021 period.	(34)
Companies in the consumer goods industry sector that did not profit consecutively during the 2017-2021 period.	(14)

The required information and research data are not available in the financial reports of manufacturing companies in the consumer goods industry sector during the 2017-2021 period.	(2)
Number of companies	30
Number of Years of Research Observation	5
Number of Sample Companies x 5 years	150

Source: (Author's on work, 2023)

The data collection method used in this study is a non-participant observation method, namely observing the data only as an independent observer without direct involvement. The data obtained is secondary data and can be seen on www.idx.co.id and the company's official website.

Variable Operational Formulas

Table 3. Variable Operational Formulas

Variable	Indicator	Scale
Company Value (Y) (Arini & Musdholifah, 2018) and (Dewi & Isynuwardhana, 2014)	PBV= $\frac{\text{Market Price Per Share}}{\text{Book Value Per Share}}$	Ratio
Financial Performance (Z) (Khairuni et al., 2019) and (Rahmasari & Trisnaningsih, 2021)	ROA= $\frac{\text{Net Income After Tax}}{\text{Total Asset}}$	Ratio
Audit Committee (KA) (Maryanto, 2017) and (Arini & Musdholifah, 2018)	Number of audit committee members	Nominal
Intellectual Capital (IC) Nunki et al. (2014) and Ristiani & Wahidahwati (2021)	VAIC™ = VACA + VAHU + STVA	Ratio

Source: (Author's on work, 2023)

Methods of Analysis and Hypothesis Testing

The analytical method used in this study will use multiple regression analysis. This analysis will be processed using Microsoft Excel and SPSS version 26 software. Hypothesis testing is done by analyzing the following equation model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 \hat{Z} + e$$
$$\hat{Z} = a + b_1 X_1 + b_2 X_2 + e$$

Keterangan:
Y : Company Value
α : Constant Value
$\hat{Z}$: Financial Performance
β1, β2 : Regression Coefficient for respectively for X_1, X_2
X_1 : Audit Committe

X_2 : Intellectual Capital
e : Error

Hypotheses 1, 2, 3, 4, 5 are accepted if the coefficient b1 is statistically significant; b_2; β_1; β_2 ; $\beta_3 \neq 0$. Hypotheses 6 and 7 are accepted if they are statistically significant in passing the Sobel test.

Sobel test

The mediation hypothesis was developed by Sobel (1982) and can be tested using a method known as the Sobel test. Data analysis using the Sobel Test was used to confirm that the mediating variable affects the relationship between the independent variable (independent variable) and the dependent variable (dependent variable). The Sobel test further ascertains the direct and indirect relationship between the independent and dependent variables through mediating variables. This indirect effect is calculated using the following way:

$$Sab = \sqrt{b2\ Sa2 + a2\ Sb2 + Sa2\ Sb2}$$

Information:
a : coefficient a
b : coefficient b
Sa : Standard error coefficient a
Sb : Standard error coefficient b

To test the significance of the indirect effect, calculate the t value of the ab coefficient with the following formula:

$$t = \frac{ab}{\sqrt{(b^2 \ .\ SEa)^2 + (a^2\ .\ SEb^2)}}$$

Information:
a : Regression coefficient of the independent variable on the mediating variable.
B : Regression coefficient of the independent variable on the mediating variable.
SEa : Standard error of estimation from the influence of the independent variable on the mediating variable.
SEb : Standard error of estimation from the effect of the mediating variable on the dependent variable.

The results of the analysis will compare the value of t count, if t count is greater than t table with a significance of 0.05 which is equal to 1.96 then it can be said that these additional variables can mediate the relationship between the independent variable and the dependent variable.

RESULTS AND DISCUSSION

Research result

Descriptive statistics

Table 5. Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Audit Committee	150	3	4	3,06	,238
Intellectual Capital	150	1,3300	29,8100	10,617600	5,4601735
Company Value	150	,1100	292,3100	11,281133	36,5088772
Financial Performance	150	,0005	,9210	,116474	,1146956
Valid N (*listwise*)	150				

Sumber: *Output* SPSS 26

In Table 3, it can be seen that the audit committee variable has the lowest value of 3.00 and the highest value of 4.00, with an average value of 3.06 and a standard deviation value of 0.24. The intellectual capital variable has the lowest value of 1.33 and the highest value of 29.81, with an average value of 10.62 and a standard deviation value of 5.46. The firm value variable has the lowest value of 0.11 and the highest value of 292.31 with an average value of 11.28 and a standard deviation value of 36.51. The financial performance variable has the lowest value of 0.00 and the highest value of 0.92 with an average value of 0.12 and a standard deviation value of 0.11.

Regression Analysis Results

Table 6. Statistical Test Results for Hypotheses 1 and 2

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	*Std. Error*	*Beta*	T	*Sig.*
1	(Constant)	,090	,063		1,429	,155
	Audit Committe	-,006	,020	-,020	-,274	,784
	Intellectual Capital	,001	,000	,442	5,976	,000

a. Dependent Variable: Financial Performance

Source: Output SPSS 26

Table 7. Statistical Test Results for Hypotheses 3, 4 and 5

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	*Std. Error*	*Beta*	T	*Sig.*
1	(Constant)	-,269	2,027		-,133	,895
	Audit Committe	,055	,652	,004	,085	,932
	Intellectual Capital	,092	,008	,552	11,308	,000
	Financial Performance	23,920	2,625	,445	9,114	,000

a. Dependent Variable: Company Value

Source: *Output* SPSS 26

Results of Statistical Test of Hypotheses 6 and 7

Hypothesis testing 6 and 7 uses the Sobel test. Based on the calculation of the Sobel test using the SPSS version 26 program, it was found that the t value was -0.56455 <1.96. Based on the test results using the PROCESS feature for SPSS, the result is that the Mediation Coefficient is -0.4916 with a p value of 0.52257. Therefore, H6 which states that the Audit Committee (X1) has no indirect effect through Financial Performance is rejected. The type of mediation model according to Zhao et al. (2010) is No-effect non-mediation. Because the direct effect of X1 on Y has no effect, and the indirect effect axb has no effect.

Based on the calculation of the Sobel test using the SPSS version 26 program, it was found that the t value was 11.59063 > 1.96. Based on the test results using the PROCESS feature for SPSS, the result is that the Mediation Coefficient is 0.328 with a p value of 0.000. Therefore, H7 which states that Intellectual Capital (X2) has an indirect effect through Financial Performance is accepted. The type of mediation model according to Zhao et al. (2010) is Complementary Mediation. Because the direct effect of X2 to Y has an effect, and the indirect effect (axb) has an effect. The direction of direct and indirect influence is the same.

Table 8. Sobel Test, Significance, Mediation Coefficient, Type of Mediation

Influence	Sobel Test	Sig	Mediation Coefficient	Type of Mediation	Reason
X_1-Z-Y	-0,56455	0,5257	-0,49	No-effect non mediation	Because the direct effect of X1 on Y has no effect, and the indirect effect axb has no effect.
X_2-Z-Y	11,59063	0.000	0,0328	Complementary Mediation	Because the direct effect of X2 to Y has an effect, and the indirect effect (axb) has an effect. The direction of direct and indirect influence is the same.

Source: (Author's on work, 2023)

Discussion

1. **The Influence of the Audit Committee on Financial Performance**

Based on the results of hypothesis testing 1 using SPSS version 26 in table 4 above it is known that the Audit Committee (X1) value of Sig. of 0.784 > 0.05 and therefore, H1 is rejected so that it can be concluded that the Audit Committee has no significant effect on Financial Performance (rejected). The size of the audit committee has no effect on financial performance.

The audit committee is a group of individuals selected by the company's Board of Directors whose role is to assist the auditor in maintaining the independence of audit activities. In addition, the responsibility of the audit committee to protect the interests of minority shareholders can make investors have confidence in their investment in the company (Sukma Perdana & Raharja, 2014). When the Audit Committee has no effect on financial performance, this can mean that the audit committee is less effective in making decisions. In addition, the establishment of an audit committee within a company based only on fulfilling regulatory requirements can lead to a less effective role for Financial Performance. This causes the company's financial performance is not affected by the existence of many or few audit committees in the company.

The results of this study are in line with Widyatama & Wibowo (2015) and Kusumawardhany & Shanti (2021) which state that the Audit Committee has no significant influence on Financial Performance.

2. **The Effect of Intellectual Capital on Financial Performance**

Based on the results of hypothesis testing 2 using SPSS version 26 in table 4 on the variable Intellectual Capital (X2) it is known that the value of Sig. of 0.000 <0.05 with a coefficient value of 0.001. Therefore, H2 is accepted so that it can be concluded that Intellectual Capital (X2) has a significant positive effect on financial performance. So the higher the Intellectual Capital (X2), the better the company's financial performance. Intellectual Capital plays a key role in improving financial performance. With the right management of intellectual Capital or intellectual Capital increases the company's ability to generate returns on assets owned by shareholders and funds invested by shareholders. This is in accordance with the Resource Based Theory that Intellectual Capital which includes company resources can increase company competitiveness and company performance is good and effective, including generating profits.

This result is in line with the findings by Wijaya & Amanah (2017), Badawi (2018), and Diorzanora (2018) who found that Intellectual Capital has a positive and significant effect on Financial Performance. However, it is different from the findings of Ristiani & Wahidawati (2021) stating that Intellectual Capital has no effect on Financial Performance.

3. Effect of Financial Performance on Firm Value

Based on the results of hypothesis testing 3 using SPSS version 26 in table 5 on the Financial Performance variable it is known that the value of Sig. of 0.000 <0.05 with a coefficient value of 23.920. Therefore, H3 is accepted so that it can be concluded that financial performance has a direct effect on firm value, where the higher the financial performance, the greater the firm value.

Company performance is what has been achieved by a company in a certain period of time with reference to predetermined standards. Measurement of a company's performance activities is intended to evaluate the performance of its activities and how the final results are achieved (Kurniawan & Muslichah, 2019). The higher the financial performance, which is usually reflected in financial metrics, the more valuable the company is. This financial measure reflects the success of company management in managing assets and Capital to maximize shareholder value (Afief et al., 2020). Financial performance determines the high and low stock prices in the capital market. When a company is doing well, investors want its stock and its price to go up. The value of the company in the eyes of investors will increase when stock prices rise (Suhartanti & Fun, 2015).

These results are in line with the research of Arini & Musdholifah (2018) and Kurniawan & Muslichah (2019) which state that financial performance has a positive effect on company value. However, it is different from Sholikhah & Hermawan (2022) who found that financial performance has no significant effect on company value.

4. Influence of the Audit Committee on Company Value

Based on the results of hypothesis testing 4 using SPSS version 26 in table 5 on the Audit Committee variable (X1) it is known that the value of Sig. of 0.932 > 0.05 with a coefficient value of 0.055. Therefore, H4 is rejected so that it can be concluded that the Audit Committee (X1) has no significant effect on Firm Value. The fourth hypothesis, namely the audit committee has a positive effect on financial performance, is rejected.

This can happen because the effectiveness of the audit committee's performance and supervision is not only determined by the quantity, but also depends on the values, norms, and beliefs in the organization. In addition, the establishment of an independent commissioner also needs to pay attention to its composition, integrity and ability so that it can direct managers to carry out supervisory activities in order to further increase the value of the company.

The results of this study are in line with Safitri et al. (2018), Prasetyo et al. (2020), Mirnayanti & Ramhawati (2022) which state that the Audit Committee has no significant influence on Company Value.

5. The Effect of Intellectual Capital on Firm Value

Based on the results of hypothesis testing 5 using SPSS version 26 in table 5 on the variable Intellectual Capital (X2) it is known that the value of Sig. of 0.000 <0.05 with a coefficient value of 0.092. Therefore, H5 is accepted so that it can be concluded that Intellectual Capital (X2) has a significant positive effect on financial performance.

Intellectual Capital or intellectual Capital is an intangible asset in the form of information and knowledge resources that can be used to increase competitiveness and improve company performance (Alfinur, 2016). According to Resource Based Theory (RBT), when intellectual resources can be used optimally, it will create superior intellectual Capital for the company. Capital market investors appreciate the advantages of a company's intellectual Capital, which is manifested through an increase in demand for its shares, thereby increasing the value of the company. If a business institution has a greater intellectual capital value, it will have a competitive advantage and be able to outperform the intense competition which causes the company's value to continue to increase.

This research is in line with Wijaya & Amanah (2017), Kurniawan & Muslichah (2019), and Arini & Musdholifah (2018) but differs from the findings of Fauziah (2022a) and Josephine et al. (2019) which states that intellectual Capital is not significant to company value.

6. Influence of the Audit Committee on Corporate Value through Financial Performance

Based on the calculation of the Sobel test using the SPSS version 26 program, it was found that the t value was -0.56455 <1.96. Based on the test results using the PROCESS feature for SPSS, the result is that the Mediation Coefficient is -0.4916 with a p value of 0.52257. Therefore, H6 which states that the Audit Committee (X1) has an indirect effect on Company Value through Financial Performance is rejected. The type of mediation model according to Zhao et al. (2010) is No-effect non-mediation. This is because the direct effect of X1 on Y has no effect, and the indirect effect axb has no effect.

The audit committee has no effect on firm value and cannot be mediated by financial performance because supervision by the audit committee is not carried out optimally. Therefore, this can reduce the company's financial performance and cannot affect the increase in company value.

The results of this study are in line with Safitri et al. (2018) and Nurhidayah & Maryanti (2021) who found that the Audit Committee has no indirect effect through Financial Performance. This result is different from Utami & Muslih (2018) who found that the Audit Committee has an indirect effect through Financial Performance.

7. The Influence of Intellectual Capital on Corporate Value through Financial Performance

Based on the calculation of the Sobel test using the SPSS version 26 program, it was found that the t value was 11.59063 > 1.96. Based on the test results using the PROCESS feature for SPSS, the result is that the Mediation Coefficient is 0.328 with a p value of 0.000. Therefore, H7 which states that Intellectual Capital (X2) has an indirect effect through Financial Performance is accepted. The type of mediation model according to Zhao et al. (2010) is Complementary Mediation. This is because the direct effect of X2 to Y has an effect and an indirect effect (axb) has an effect. The direction of direct and indirect influence is the same.

According to signal theory, good financial reports are a signal or a sign that a company is doing well and this also applies in terms of performance ratios. In other words, when a company achieves a high level of financial performance, issuing annual financial reports or annual reports can send positive signals to investors and the public. When a company's financial statements show satisfactory results, it means that the company is performing well and providing good value for shareholders. This shows that investors can see the prospects for a company's intellectual Capital. According to Resource Based Theory, the higher the intellectual capital value, the more efficient the company's Capital is used so as to create added value for the company. This positive influence indicates that companies that have intellectual Capital gain a competitive advantage, thereby increasing added value for the company. Investors view the company as having good performance prospects, so as to increase the value of the company. According to signal theory, a company that performs well and has good intellectual Capital is a good signal for investors towards the company.

The results of this study are in line with Arini & Musdholifah (2018) who found that Intellectual Capital has an indirect effect through Financial Performance. This result is different from Sholikhah & Hermawan (2022) who found that the Audit Committee has an indirect effect through Financial Performance.

CONCLUSION

Based on the results of the research and discussion that has been done, it can be concluded that the Audit Committee has no significant effect on Financial Performance. This can happen because the effectiveness of the audit committee's performance and supervision is determined by the quantity, but also depends on the organization's values, norms, and beliefs. Intellectual Capital has a significant positive effect on Financial Performance. With the right management of intellectual Capital or intellectual Capital increases the company's ability to generate returns on assets owned by shareholders and funds invested by shareholders. Financial Performance has a direct effect on Firm Value. When a company achieves a high level of financial performance, issuing annual financial reports or annual reports can send positive signals to investors and the public. The Audit Committee has no direct influence on Company Value. This can happen because the effectiveness of the audit committee's performance and supervision is only determined by the quantity, but also depends on the values, norms, and beliefs in the organization. Intellectual Capital has a direct effect on Firm Value. If a business institution has a greater intellectual capital value, it will have a competitive advantage and be able to outperform the intense competition which causes the company's value to continue to increase.

Furthermore, the Audit Committee does not indirectly influence Company Value through Financial Performance. The audit committee has no effect on firm value and cannot be mediated by financial performance because supervision by the audit committee is not carried out optimally. Therefore, this can reduce the company's financial performance and cannot affect the increase in company value. Intellectual Capital has an indirect effect on Firm Value through Financial Performance. This positive influence indicates that companies that have intellectual Capital gain a competitive advantage, thereby increasing added value for the company. Investors view the company as having good performance prospects, so as to increase the value of the company. According to signal theory, a company that performs well and has good intellectual Capital becomes a good signal for investors towards the company.

The results of the research provide implications for companies to pay more attention to the application of intellectual Capital and good corporate governance which will have an impact on improving financial performance and investor interest. Thus, it will be easier for companies to obtain assets from investments without having to wait for the results of their operational activities.

The limitation of this research is that this research only examines manufacturing companies in the consumer goods industry sector and only uses one element of good corporate governance. The next step is suggested to research all companies, so as to get more accurate results. It is hoped that further research can expand other variables related to firm value and financial performance. Future researchers can also expand the research population area or use sectors outside manufacturing companies to provide more accurate results.

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