NAVIGATING CORPORATE SUCCESS: UNRAVELING THE IMPACT OF INSTITUTIONAL AND MANAGERIAL OWNERSHIP, MODERATED BY CORPORATE SOCIAL RESPONSIBILITY

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Abstrak

Tujuan dari penelitian ini adalah untuk menentukan apakah kualitas audit dapat meredam dampak profitabilitas terhadap nilai bisnis dan apakah Laporan Keberlanjutan dan profitabilitas memiliki dampak terhadap nilai perusahaan. Profitabilitas dan laporan keberlanjutan adalah dua faktor yang digunakan untuk menentukan seberapa banyak nilai sebuah perusahaan. Untuk menjalin hubungan yang mungkin meningkatkan atau menurunkan hubungan antara karakteristik profitabilitas dan nilai perusahaan, kualitas audit digunakan dalam penelitian ini sebagai moderasi dan dukungan. Populasi untuk penelitian ini diambil dari data resmi yang disediakan oleh Bursa Efek Indonesia (BEI), yang mencakup semua bisnis yang terdaftar untuk tahun 2020 hingga 2022 kecuali industri perbankan. Pengambilan sampel secara purposif digunakan untuk menentukan sampel penelitian, menghasilkan 219 sampel penelitian. Metode analisis data penelitian ini menggunakan analisis regresi linear berganda. Temuan penelitian menunjukkan bahwa Laporan Keberlanjutan baik tidak memiliki efek atau memiliki dampak negatif terhadap nilai perusahaan. Sementara itu, nilai perusahaan dipengaruhi secara positif oleh profitabilitas. Dampak profitabilitas terhadap nilai perusahaan dapat diperkuat oleh kualitas audit sebagai komponen pengatur.

Kata kunci: Laporan Keberlanjutan, Profitabilitas, Nilai Perusahaan, Kualitas Audit

Abstract

The purpose of this study was to determine whether audit quality may mitigate the impact of profitability on business value and whether Sustainability Reports and profitability have an impact on company value. Profitability and the sustainability report are two factors that are used to determine how much a firm is worth. In order to establish a link that might either increase or decrease the relationship between profitability characteristics and firm value, audit quality is employed in this study as a moderation and support. The population for this study was drawn from official data provided by the Indonesia Stock Exchange (BEI), which included all listed businesses for the years 2020 to 2022 with the exception of the banking industry. Purposive sampling was used to determine the research sample, yielding 219 research samples. This study's data analysis method makes use of multiple linear regression analysis. The study's findings indicate that the Sustainability Report either has no effect or a negative impact on a company's worth. In the meanwhile, a company's value is positively impacted by profitability. Profitability's effect on a company's worth can be reinforced by audit quality as a moderating component.

Keywords: Sustainability Report, Profitability, Firm Value, Audit Quality

INTRODUCTION

Changes in environmental situations and conditions have become a public concern lately. As a result, business activity is growing more rapidly, which has an impact on increasing the company's production. This will definitely threaten the balance of the environment. (Sihombing &; Hastuti, 2020). Companies must consider the triple-P bottom line concept (profit, people, and planet) so that their actions can benefit others, especially society, and not only for the benefit of the company itself, the three components work together to form a single unity that cannot be ignored. (Leksono et al., 2022). The government must deal with social problems such as polluted environment, poverty, unemployment, and other problems. Therefore, they make regulations for companies to carry out corporate social responsibility (CSR) and require companies to make sustainability reports (SR). Companies that issue SR will be known by the public as companies that have social care and responsibility to the outside community, and will get recognition by the public as a business that has a positive image, which will have an impact on its profitability. Profitability is the company's benchmark in assessing its business condition. The company definitely wants to make a profit and expects its business to continue operating in the long run. Therefore, the business should conduct an assessment of profitability using analytical tools, namely profitability ratios. To find out how effective management is in generating profits from investment and sales, companies can use the Return On Asset (ROA) ratio, which shows the return on all assets used by the company to run its operations (Harita, 2021).

Companies that disclose and issue SR and financial statements must meet established standards and not commit fraud. SR and financial statements presented must be of high quality, and companies must strive to provide confidence to users of financial statements by conducting audits by external parties. With an audit by an external party, the company can determine whether the report meets the requirements set or not (Kristian, 2018). Research on SR and profitability is very important because it has an impact on increasing company value. Some previous studies have addressed the topic of SR and profitability to company value, but the findings of those studies have resulted in different opinions and results, leading to a dearth of research. SR disclosure increases the value of company transparency, thus paving the way for more research (Dwi, 2020). To get more accurate results, this study used the GRI 2016 standard and was conducted from 2020 to 2022 for all companies listed on the IDX, except the banking sector. By looking at the background explanation above, the problem in this study is formulated, namely, does the disclosure of *Sustainability Report* (SR) and profitability affect company value?, and does audit quality affect in moderating the effect of profitability on company value?. Along with the formulation of the problem above, this study aims to provide empirical evidence that disclosure of *Sustainability Report* and profitability affect the value of the Company and audit quality as a moderation variable can strengthen or weaken the impact of disclosure of profitability on company value.

1. LITERATURE REVIEW

2.1. Grand theory

1.1.1 Stakeholder Theory

The relationship between the company and stakeholders has a relationship that influences each other and is influenced, according to stakeholder theory in order for business operations to run smoothly, the company should consider disclosing information about its profitability to attract investors. Basically, stakeholders also have control in influencing business activities to be carried out by the company, such as limiting the use of capital and labor, and have total control over what is done by the company (Ganiem and Kurnia, 2019).

1.1.2 Signal Theory

According to expert Bhattacarya (1979), the higher the profitability of a business, the more opportunities available to the business, and investors will give a positive response, which can result in an increase in the company. This theory shows how important it is for companies to inform external parties about their financial statements. Thus, the company's management, the owner of the information, is obliged to disclose information about the issuance of financial statements to all parties involved. Often, people do not realize that company managers and external parties do not share information with each other. This leads to a difference, that is, managers often provide a lot of information about future prospects. Increased dividend payments also indicate better future prospects for the company, so this disclosure shows that companies that are willing to disclose high-quality information and deal with such information have a well-planned long-term view, which can increase the credibility of the company's future.

1.1.3   Sustainability Report *(SR)*

Every year, a continuous report (SR) is released by any entity that has sold its shares to the public or a company that has conducted an Initial Public Offering (IPO). The report contains information on company performance in three categories: economic, environmental, and social. In this study, SR is an independent variable measured through the calculation of the Sustainability Report Disclosure Index (SRDI). This calculation is done by analyzing each company using the GRI 2016 Standard, and if the company discloses an item in accordance with the provisions of GRI 2016, then a score of 1 is given and if the company does not disclose an item, then a score of 0 is given. After performing an analysis and determining the value for each item, the values are then summed up to produce a total value for each company. The formula SRDI=n/k, where "n" is the number of items expressed and "k" is the number of expected items

1.1.4   Profitability

Profitability consists of several types commonly used by companies, one of which is Gross Profit Margin, which is used to determine the percentage of gross profit comparison with total revenue that can be used to assess whether production costs in producing products or services are effective or not. This can be seen from the percentage of Gross Profit Margin: if the result is higher, then it is assessed that production costs will be more effective, because it shows Price P Next, there is a Return On Equity (ROE) calculation that shows how much percentage of the company's ability to profit from shareholder investment. Return On Investment (ROI) also shows how much the company is able to benefit from its total assets. If the yield is high, it indicates that the company is in good shape.

1.1.5   Audit Quality

Users of financial statements pay attention to the Public Accounting Firm (KAP) that conducts audits because it affects the quality of the audit. This is especially true for investors who perceive the auditor's failure to find substantial errors in financial statements as a threat that questions reliability emphasizing the importance of audit quality. In this study, dummy variables were used to measure audit quality. Dummy variables are used to measure the KAP that audits the financial statements of each company. KAPs that are included in the top four categories are given a score of 1, while KAPs that are not included in the top four categories are given a score of 0.

1.1.6   Company Value

Company value describes all assets owned by the company, so investors and creditors entrust to provide loan funds to companies that have high value because they believe

that the company can repay the loan (Harita, 2021). Every business must measure the value of its company by using proxies. There are several great ways to measure a company's value, including Tobin's Q and Price Book Value (PBV). However, in this study, Tobin's Q was used as a proxy because it contained all the assets, equity, and debt of the company.

2.2. Hypothesis Development

2.2.1. The Effect of Sustainability Report (SR) Disclosure on Company Value

Companies need maximum support from *stakeholders* for the survival of the company, so companies must pay attention to disclosure According to previous research by (Widyadi &; Jacobus Widiatmoko, 2023), SR disclosure creates a positive relationship with the Company's value. It can be said that market confidence increases if the company's reputation improves, of course, this means that the stock price will also soar so high that the company's value will be higher as well (Surya Abbas &; Dillah, 2020). There is research that has been conducted by (Dwi, 2020) (Widyadi &; Jacobus Widiatmoko, 2023) found that there is a positive correlation between SR and company value. This is because SR is considered able to increase investor interest and show the level of responsibility and openness of the company to investors and other *stakeholders* so that it can change the value of the Company.

H1 = Sustainability Report (SR) has a positive effect on company value

2.2.2. The Effect of Profitability on Company Value

The higher the profitability, means that the company is able to generate high profits as well. If the company's profitability is getting higher and shows stable profits, it can increase investor interest in investing in the company. This refers to signal theory, where the level of profitability seeks to provide positive signals for investors (Caesaria &; Suhartono, 2023). Previous research results also support this hypothesis, research by (Raningsih &; Artini, 2018) and (Dwiastuti &; Dillak, 2019) provides evidence that profitability is positively correlated with company value.

H2 = *Profitability has a positive effect on the value of the Company.*

2.2.3. The Effect of Audit Quality in Profitability Disclosure

Every company that prepares financial statements must comply with valid accounting standards and of course must go through an audit process so that financial statements are reliable and free from material misstatements so that investors can trust and convince them in decision making (Kristian, 2018). Companies need to give confidence to external auditors to test and assess the fairness of the sustainability reports presented. External audit refers to the audit firm as the agency in charge of auditing the company's financial statements. Users of financial statements also often pay attention to audit firms that audit financial statements. Profitability is also influenced by the quality of audits from external auditors, because the results of external auditors will be used by investors as a reference for the Company's resource allocation decisions (Mulyadi, 2017). The results of previous research also strengthen this hypothesis, research by (Caesaria &; Suhartono, 2023) and (Wijaya, 2020) states that audit quality can strengthen and have a positive influence on profitability on company value. Based on the explanation above, the following hypothesis was formulated.

H3 = Audit quality as a moderation variable reinforces the effect of profitability on company value

2. RESEARCH METHODS

2.1   Analysis and Sample Unit

In this study the author has identified the population to be used, namely all companies listed on the official website of the Indonesia Stock Exchange (IDX) where there are several sector classifications covering the energy sector, basic materials, industry, consumer noncyclicals, consumer cyclicals, health, property and real estate, technology, infrastructure, transportation and logistics, and Listed Investment Product from 2020 to 2022. In taking research samples, a purposive sampling method was used with a total research sample of 219. In this research process, the author obtained data obtained from secondary data.

2.2 Type

The author certainly hopes that the objectives of this study can be achieved, to achieve it a model is made so that the effect of Sustainability Report disclosure and profitability on the value of the Company and the effect of audit quality in moderating profitability on company value. This study uses an empirical model, namely multiple linear regression analysis, because the independent variable uses more than one variable. Here is the empirical model in this study:

Multiple linear regression model (model 1)

$$FV = \alpha_0 + \beta_1 PSR + \beta_2 ROA + \beta_3 KUA + \beta_4 AGE + \beta_5 SIZE + \beta_6 LVG + \beta_7 STM + e\ldots$$

(1)

Moderation regression model (model 2)

$$FV = \beta_0 + \beta_1 PSR + \beta_2 ROA + \beta_3 KUA + \beta_4 PSR + \beta_5 ROA*KUA + \beta_6 AGE + \beta_7 SIZE + \beta_8 LVG + \beta_9 STM + e\ldots (2)$$

Information:

FV = Company Value, PSR = Sustainability Report Disclosure, ROA = Profitability, KUA = Audit Quality, AGE = Company Age, SIZE = Company Size, LVG = Leverage, STM = Capital structure

2.2.1   Sustainability Report

If the results of the Sustainability Report Disclosure Index (SRDI) are higher, it means that the company discloses SR completely. To get the sum of each company's score with the formula as:

$$SRDI = n/k$$

1.1.1   Profitability

In measuring the company's profitability, the Return On Asset (ROA) ratio is used as a proxy to find out how much the return rate of assets owned by the company. The calculation of ROA is used with the formula net income divided by total assets (Caesaria &; Suhartono, 2023):

$$Return\ On\ Asset \quad \frac{Net\ Income}{Total\ Assets}$$

1.1.2   Company value

According to (Jauza Dzahabiyya, Dicky, and Deni Muhammad Danial, 2020), if Tobin's Q ratio results are more than 1 (overvalued), it means that the company has succeeded in utilizing and managing company assets well. If the result is less than 1 (undervalued), it means that the company has not been effective in managing its company assets or can be said to have failed in managing them. If the result is equal to 1 (average), it means that the

Company is stagnant in managing the company's assets. For the calculation of Tobin's Q

	N	Minumum	Maximum	Mean	Std. Deviation
SR	219	0.13	0.94	0.4274	0.16002
ROA	219	-0.17	0.46	0.0600	0.6552
KUA	219	0.00	1.00	0.5890	0.49313
SIZE	219	6.84	19.84	16.5221	1.48343
AGE	219	7.00	104.00	42.7945	19.45870
LVG	219	0.10	0.94	0.4834	0.21115
STM	219	0.00	7.26	0.8283	1.09037
FV	219	-0.08	13.91	1.1658	1.59968
Valid N	219				

used the following formula:

$$\text{Tobin's Q} = \frac{\text{Stock market value} + \text{Total Company Debt}}{\text{Total Company Assets}}$$

1.1.3 Audit Quality

Audit quality measured by dummy variables is given a score of 1 if the company's financial statements are audited by audit firms that fall into the top four (4) categories, namely if audited by Deloitte, PwC, EY, and KPMG. If the financial statements are audited by an audit firm that is not the top four (4), a zero score will be given. (Widyadi &; Jacobus Widiatmoko, 2023)

3. RESULTS AND DISCUSSION

3.1 Descriptive statistics

In this study, there were 219 companies that met the sample selection criteria set by researchers in chapter 3.

Model 1

Model 2

	N	Minimum	Maximum	Mean	Std. Deviation
SR	219	0.13	0.94	0.4274	0.16002
ROA	219	-0.17	0.46	0.0600	0.06552
SIZE	219	6.84	19.84	16.5221	1.48343
AGE	219	7.00	104.00	42.7945	19.45870
LVG	219	0.10	0.94	0.4834	0.21115

STM	219	0.00	7.26	0.8283	1.09037
FV	219	-0.08	13.91	1.1658	1.59968
KUA	219	0.00	1.00	0.5890	0.49313
ROAXKUA	219	0.04	0.46	0.0456	0.06616
Valid N	219				

The SR variable obtained a mean value of 0.4274 or 42.74% with a standard deviation of 0.16002 For the minimum value, a value of 0.13 was obtained, namely PT Indika Energy Tbk with the issuer code INDY. While the maximum value obtained is 0.94, namely PT Timah Tbk Tbk with issuer code TINS. The ROA variable obtained a minimum value of -0.17 or -17% from PT Indofarma Tbk. with the issuer code INAF and a maximum value of 0.46 or 46% obtained from PT Indo Tambangraya Megah Tbk. with the issuer code ITMG. The mean value obtained is 0.0600 or 6.00%. Variable size by obtaining a minimum value of 6.84 from PT Merck Tbk. with issuer code MERK and a maximum value of 19.84 obtained from PT Astra International Tbk with issuer code ASII. The mean value obtained is 16.5221. Variable age, obtained a minimum value of 7.00 (in units of years), namely PT PP Properti Tbk. with issuer code PPRO and a maximum value of 104.00 (in units of years), namely PT Indofarma Tbk with issuer code INAF. The mean value obtained is 42.7945. Variable leverage obtained a minimum value of 0.10, namely PT Bumi Resources Minerals Tbk. with issuer code BRMS and a maximum value of 0.94 from PT Indofarma Tbk with issuer code INAF. The mean value obtained is 0.834. Capital structure variables obtained a minimum value of 0.00, namely PT Vale Indonesia Tbk with issuer code INCO, PT Bisi International Tbk with issuer code BISI, PT Elang Mahkota Teknologi with issuer code EMTK, and PT Industri Jamu dan Farmasi Sido with issuer code SIDO. Meanwhile, the maximum value obtained from PT Indofarma Tbk with the issuer code INAF is 7.26. The mean value obtained is 0.8283. The variable company value (FV) obtained a minimum value of -0.08 from PT Jasa Armada Indonesia Tbk with issuer code IPCM and a maximum value of 13.91 from PT Aneka Tambang Tbk with issuer code ANTM. The mean value obtained is 1.1658. The moderation variable, namely audit quality, is assessed by dummy variables, a minimum value of 0.00 is obtained for all companies audited by audit firms instead of the top four (4) and a maximum value of 1.00 is obtained for all companies audited by audit firms of four (4) large.

3.2   Correlation Analysis

Correlation analysis is carried out so that researchers can find out the relationship between variables. So, correlation analysis can be the first step before researchers test hypotheses that are useful for detecting whether there is a multicollinearity problem from the data being listed. Sustainability Report (SR) on company value which has a significance value of 0.264 is equivalent to 26.4% which shows that the results of SR significance to company value are not in accordance with established significance standards. In line with this, the results of the pearson correlation show a negative direction of -0.043 which allows the prediction of hypothesis 1 to be rejected. Profitability to company value that has a significance value of <0.001 equivalent to 0.1% shows that the result of profitability significance to company value has a significant effect on (a = 1%). In line with the results, the pearson correlation shows a positive direction of 0.384, which allows the prediction of hypothesis 2 to be accepted. Audit quality in moderating profitability to the Company's value which has a significance value of <0.001 shows that the results of the audit quality significance moderating profitability to the Company's value have a significant effect on (a

= 1%). In line with the results pearson correlation shows a positive direction of 0.414 which allows the prediction of hypothesis 3 to be accepted.

3.3   Classical Assumption Test

3.3.1   Normality Test

For the normality test used Kolmogorov-Smirnov, and from the results of the statistical test of normality seen from Asymp. Sig has a value of less than 0.001 which is less than 0.05, so this is a matter of normality. From the results of the normality test that are not normally distributed, these results will be recognized as research limitations.

3.3.2   Multicollinearity Test

In the results of the multicollinearity test, it was found that the results of the test were not found because the tolerance results were more than 0.10 and when viewed from the VIF results it was also seen that there was no multicollinearity problem because the results were less than 10.00.

3.3.3   Heteroscedaticity Test

Judging from the results of the Glesjer Test, it can be seen that significant values for the variables Sustainability Report (SR), company size, leverage, capital structure, and audit quality produce a significance value of >0.05 so that heteroscedasticity is determined not to occur. However, from the results of the Glesjer Test there are 2 variables that do not meet the requirements, namely the variables of profitability and age of the company whose significant value is < 0.05 so that from these results it is stated that there is a heteroscedasticity problem that is accepted by researchers as a limitation of the study.

3.3.4   Autocorrelation Test

The value of the Runs Test test is considered no autocorrelation problem when the significance is >0.05. Judging from the test results, that for model 1 the significance value is 0.379 and model 2 the significance value is 0.250, so it is concluded that in this research model there are no problems in autocorrelation.

3.4   Model Specification Test
3.4.1   R-Square Test

Judging from the results, it is known that the R-square value for the first model is 0.251 or equivalent to 25.2% and adjusted R-square is 0.231 or equivalent to 23.1 %. The magnitude of this number indicates that the independent variables namely SR and Profitability, control variables namely *age*, size, leverage, and capital structure together affect the Company's value by 25.2%. For the second model, the R-square value of 0.263 is equivalent to 26.3%, where in the second model there is interaction with moderation variables, namely audit quality which results are stronger than the first model.

3.4.2   Test F (Anova)

Judging from the table above, it is concluded that the F or ANOVA test with a Sig value of <0.001 or 0.1% means that the significance figure in the F test output results is below the existing standard limit of 1%. Thus, from these results it is stated that the research model is worth testing at a = 1%.

3.5   Statistical hypothesis test

Table 4.18. t-test (Model 1)

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Colinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	1.469	1,089		1,349	0,179		
SR	-0,753	0,622	-0,075	-1,210	0,227	0,915	1,093
ROA	9.425	1.633	0,386	5,773	<0,001	0,793	1,261
KUA	0.021	0.217	0.006	0.095	0.924	0.796	1.257
SIZE	-0,110	0,070	-0,102	-1,573	0,117	0,847	1,181
AGE	0,024	0,005	0,295	4,780	<0,001	0,928	1,077
LVG	0,219	0,743	0,029	0,295	0,768	0,369	2,712
STM	0,132	0,142	0,090	0,925	0,356	0,377	2,650

Table 4.19. t-test (Model 2)

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Colinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	1,705	1,092		1.561	0,12		
SR	-0,795	0,62	-0,08	-1.283	0,201	0,913	1,095
ROA	9.425	3.428	0,169	1.202	0,231	0,178	5,614
SIZE	-0,104	0,070	-0,097	-1.502	0,134	0,845	1,183
AGE	0,024	0,005	0,260	4.029	<0,001	0,84	1,19
LVG	0,329	0,742	0,043	0,443	0,658	0,366	2,731
STM	0,072	0,146	0,049	0,493	0,623	0,357	2,803
KUA	-0,283	0,276	-0,087	-1,024	0,307	0,485	2,063
ROAXKUA	6,815	3,878	0,282	1,757	0,080	0,136	7,328

3.5.1 Test Results of Hypothesis 1

In this study, there is hypothesis 1 regarding the effect of Sustainability Report (SR) on company value has a coefficient value of -0.753 which has a negative direction and a p-value result of   0.225 and after dividing by 2 the result becomes 0.1125 equivalent to 11.25%. The significance value does not conform to the specified standard because it is greater than 10% so it indicates that hypothesis 1 is REJECTED.

3.5.2 Results of Hypothesis Test 2

In this study, there is hypothesis 2 regarding the effect of profitability on company value having a coefficient value of 9.425 which has a positive direction and a *p-value* result of <0.001 after dividing by 2 the result becomes <0.0005 equivalent to <0.05%. The significance value is in accordance with the specified standard and for hypothesis 3 it has a significance level of 1% so it indicates that hypothesis 2 is ACCEPTED.

3.5.3 Hypothesis Test Results 3

In this study, there is hypothesis 3 regarding the effect of audit quality in moderating profitability on company value has a coefficient value of 6.815 which has a positive direction and a p-value result of   0.080 equivalent to 8% after dividing by 2 to 0.04 equivalent to 4%. The significance value for hypothesis 3 has a significance level of 5%, so for hypothesis 3 it is ACCEPTED.

3.6 Discussion

3.6.1   The Effect of *Sustainability Report* (SR) on Company Value

The first hypothesis, namely the Sustainability Report (SR), has a positive effect on the value of the Company, after conducting a hypothesis test through SPSS software, it is stated that SR does not provide a positive relationship with the value of the company, because the results of the hypothesis test are not significant so that the initial hypothesis cannot be accepted. The results were rejected because there are still few companies that disclose their social activities in the Sustainability Report (SR), and companies have not consistently disclosed the Sustainability Report every year so that the level of disclosure of the Sustainability Report is relatively low and ultimately has an insignificant influence on company value (Kusuma & Priantinah, 2018).

3.6.2   The Effect of Profitability on Company Value

The second hypothesis is that profitability has a positive effect on the value of the company, after testing the hypothesis through SPSS software, it is stated that profitability creates a positive relationship with the value of the company because the results of the hypothesis test are significant, so that the initial hypothesis can be accepted. These results support the signal theory where if the company produces an increasing level of profitability, it will give a positive response or signal for investors, because they assume that the company has a positive performance, but on the contrary, if the company has a low profit level, it will be considered to give a bad signal to investors (Caesaria &; Suhartono, 2023).

3.6.3   The effect of audit quality as a moderation variable reinforces the effect of profitability on the value of the Company.

The second hypothesis is that audit quality as a moderation variable has an influence on profitability on the value of the Company, After testing the hypothesis through SPSS software, it is stated that audit quality as a moderation variable has an influence that strengthens profitability on company value. From the results of the hypothesis test, the resulting coefficient meets the significance standard of 1.35% so that the hypothesis can be accepted. Audit quality can strengthen profitability to the value of the company, because it is believed that the role of independent auditors is very important to assess how the company's financial statements are in fair condition so as to strengthen in providing confidence in potential investors who want to invest. The results of this hypothesis test are in line with research (Caesaria &; Suhartono, 2023).

4. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

This research has gone through a process of testing and discussion, based on these results, conclusions can be drawn, first the disclosure of the sustainability report or Sustainability Report (SR) has a negative effect on company value. Thus, the first hypothesis in this study was not accepted. Secondly, profitability has a positive influence on the value of the company. Thus, the second hypothesis in this study is acceptable. Third, quality audits can moderate, strengthen the relationship of profitability with company value. So with this research, it can provide empirical evidence that audit quality can strengthen profitability and its effect on company value. Thus, the third hypothesis in this study can.

5.2 Research Limitation

This research has gone through testing that has been discussed in the previous chapter, from the results of the test researchers found that there were test results that produced insignificant results where it was recognized by researchers as a limitation of the study. The limitations in this study are expected to be a factor that is considered to be discussed by further researchers in the future, such as researchers only taking the research period within a period of 3 (three) years, namely 2020 to 2022, researchers do not meet the classical assumption test standards, namely the normality test of 0.000 for the two models contained in this study. And the heteroscedasticity test in this study gave results that the variables of profitability and age of the company had a significant value of less than 0.05 so that heteroscedasticity problems were stated.

5.3 Recommendation

The results of this study, the researcher admitted that there is still much to be improved in conducting further research, for that advice for the next researcher who wants to discuss the research topic related to this research, first the researcher hopes that the next researcher can add years or research periods so that later they can produce conclusions that can be generalized to other periods. Both researchers hope that later new measuring ways will be found to measure each existing variable, so that in future studies can be added and achieve accurate research results. The three researchers hope that later an influence relationship will be found between moderation variables in this study, namely the quality of audits on the Sustainability Report (SR) so that it can be a useful reference for researchers in the future.

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