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Board Size and Corporate Anti-Corruption Disclosure: The Moderating Role of Audit Committee Expertise

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ABSTRACT

This study examines the effect of board size on corporate anti-corruption disclosure, with audit committee expertise as a moderating variable. The study sample comprised 54 energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2023–2025 period, resulting in 162 company-year observations selected through a purposive sampling method. Corporate anti-corruption disclosure was measured using content analysis of annual reports based on the anti-corruption disclosure index, while hypothesis testing was conducted using panel data regression with the assistance of StataMP 17. The results show that board size has a positive and significant effect on corporate anti-corruption disclosure. In addition, audit committee expertise positively moderates this relationship, indicating that larger boards are more effective in promoting transparent anti-corruption reporting when supported by audit committee members with accounting and finance expertise. These findings confirm that both governance structure and governance quality play important roles in enhancing corporate transparency. From a practical perspective, companies need to strengthen audit committee expertise and enhance anti-corruption disclosure beyond regulatory requirements to strengthen accountability and stakeholder trust. This study contributes to the literature on anti-corruption disclosure by presenting evidence from the Indonesian energy sector and highlighting the complementary role of board size and audit committee expertise in enhancing corporate transparency. The novelty of this study lies in examining the role of audit committee expertise in moderating the relationship between board size and corporate anti-corruption disclosure, thus providing new insights into how governance quality can enhance board effectiveness in promoting corporate transparency and corporate image.

INTRODUCTION

Corporate transparency and sustainability disclosure regulations have not fully reflected the effectiveness of corporate governance implementation in preventing corruption and fraud practices. In recent years, several cases involving major companies in Indonesia, including the

alleged corruption in crude oil and refinery product governance at Pertamina with estimated state losses reaching IDR 968.5 trillion, have indicated that corporate governance practices continue to face serious challenges, particularly in monitoring and controlling the risk of abuse of authority (FIA UI, 2025). This condition is consistent with data reported by Association of Certified Fraud Examiners (ACFE) Indonesia in 2025, revealed that corruption was the most common form of occupational fraud, accounting for 47.6% of total cases, while fraud cases within private companies also remained relatively high at 22.06% (ACFE, 2025). Such situations not only result in financial losses, but they can also harm business reputation, reduce investor confidence, and undermine corporate legitimacy in the eyes of stakeholders. Therefore, transparency in corporate sustainability practices remains a critical issue in promoting more ethical, accountable, and integrity-based business practices to prevent corruption (Anggraeni et al., 2023).

The growing concern about transparency has motivated companies to disclose additional information regarding their anti-corruption initiatives through Corporate Anti-Corruption Disclosure (CACD). In Indonesia, Law No. 40 of 2007 regulates corporate social responsibility practices and reporting in relation to limited liability companies, while the Indonesia Financial Services Authority (OJK) through Circular Letter No. 032/SEOJK.04/2015 the Corporate Governance Guidelines for Public Companies, it is recommended that public companies disclose their anti-corruption policies in their annual report (Hisan & Setiawan, 2025). In practice, CACD generally refers to the Global Reporting Initiative (GRI) Standard 205: Anti-Corruption as a guideline for disclosing corporate anti-corruption policies and risk management practices, including anti-bribery policies, whistleblowing systems, codes of ethics, anti-corruption training, and internal control mechanisms (GRI, 2018). This type of disclosure is regarded as having the potential to communicate company dedication for transparency and integrity to its stakeholders (Awa et al., 2024). In addition, CACD may reduce information asymmetry between companies and stakeholders regarding the management of ethical and fraud-related risks (Jaggi et al., 2021).

However, CACD does not necessarily reflect the effective implementation of corporate anti-corruption policies. In certain circumstances, disclosure may serve primarily as a symbolic legitimacy strategy intended to preserve corporate reputation and stakeholder support, while failing to reflect substantive organizational changes or meaningful improvements in accountability practices (Ameraldo et al., 2025; Faisal et al., 2022). This condition indicates that CACD is influenced not only by external pressure but also by the effectiveness of corporate governance mechanisms within the company. The quality of corporate disclosure is related to the effectiveness of internal governance mechanisms are capable of promoting more substantive transparency. Therefore, examining corporate governance mechanisms in relation to CACD remains highly relevant, such as board characteristic, ownership, and audit & monitoring mechanism.

One corporate governance mechanism that is expected to influence CACD is the board of directors. Board of directors are expected to make better judgments about the implementation of specific disclosures relating to social issues, such as anti-corruption information (Ameraldo et al., 2025). According to recent research, larger boards are connected with higher levels of CACD because they provide broader experience, varied viewpoints, and more monitoring capacity to assist transparency initiatives (Arslan et al., 2024; Makhdalena et al., 2021; Previtali & Cerchiello, 2023). In the Indonesian context, a more representative board is considered better

equipped to address complex ethical issues and promote more comprehensive anti-corruption reporting practices (Ameraldo et al., 2025; Faisal et al., 2022). However, several studies examining other corporate governance factors, such as managerial ownership, government ownership, board independence, institutional ownership, blockholder ownership, audit committee competence, gender diversity on boards, and firm size, continue to produce inconsistent findings regarding corporate disclosure practices (Permatasari & Prastiwi, 2023). These inconsistencies indicate that relationship between corporate governance structures and CACD need additional examination. Additionally, the Board of Directors inconsistent findings suggest that the efficacy of the board may be contingent upon the presence of other monitoring mechanisms within the organization.

Audit committee is considered capable of strengthening corporate oversight effectiveness since it plays a crucial role in enhancing transparency, reducing agency costs, and promoting corporate accountability through improved disclosure practices (Arslan et al., 2024; Ghazwani et al., 2024). The audit committee supports the company supervisor function, especially in terms of financial and accounting reporting, internal control, risk management, and regulatory compliance (Zunaedi et al., 2022). Several studies have shown that a larger audit committee size may improve monitoring effectiveness because companies possess greater supervisory capacity (Ghazwani et al., 2024; Putri & Yustisi, 2022). In addition to audit committee size, audit committee competence, particularly in terms of financial and accounting expertise, is also expected to improve the quality of corporate oversight (Eriandani & Dewi, 2022). Such expertise may assist the audit committee in understanding ethical risks, evaluating the quality of corporate disclosure, and encouraging more credible transparency practices (Al-Shaer et al., 2022). In the context of corporate governance, the audit committee serves as both a direct monitoring mechanism and a factor that may enhance the efficacy of board of directors in promoting the corporate transparency with respect to monitoring.

However, research related to CACD remains relatively limited compared to studies focusing on sustainability disclosure in general (Paranata, 2025; Radhouani & Ajina, 2025). Furthermore, most previous studies in Indonesia have concentrated on manufacturing (Permatasari & Prastiwi, 2023), Infrastructure (Fitriyanah & Yanti, 2025) and banking sectors (Salem et al., 2023) while research within the energy sector remains relatively scarce, despite recommendations from prior studies to explore other industrial contexts, including energy companies (Hisan & Setiawan, 2025). The energy sector is considered highly vulnerable to corruption and abuse of authority due to its association with large-scale projects, strategic resource management, and significant government regulatory involvement (Agustina & Siregar, 2025). According to ACFE report in 2024, the energy sector experienced 78 fraud cases with median loss of USD 152,000 per case (ACFE, 2025). The Indonesian mining sector is essential since this country has a rich natural resources, and the mining sector is a sector that does bribery, with the highest number of incidents of suspected bribery and enormous losses to Indonesia (Makhdalena et al., 2021). Based on the existing phenomenon, inconsistent findings in previous research, and a lack of research on CACD in the Indonesian energy sector, this study aims to investigate the effect of board of director size on CACD, with Audit Committee Expertise serving as a moderating variable.

This research contributes to both academic literature and practice. It is anticipated that the outcome will facilitate a more comprehensive comprehension of the ways in which audit committees and corporate governance mechanisms contribute to the promotion of corporate

transparency in relation to anti-corruption practices. Furthermore, it is anticipated that the research will contribute to the advancement of corporate governance literature, with a particular emphasis on the disclosure of corporate anti-corruption policies in Indonesian energy sector organizations. The results are also anticipated to offer practical advice to companies on how to enhance the quality of CACD practices and the effectiveness of monitoring. The subsequent sections outline the research methodology, the results and discussion, the conclusion, and the development of hypotheses, as well as previous research.

RESEARCH METHOD

This research employs a quantitative approach to examining and analyzing the relationship between the research variables based on numerical data obtained from corporate reports. A quantitative research approach is oriented toward explaining and predicting outcomes through the systematic analysis of numerical data, with the primary aim of maximizing the explained variance in outcome variables (Hair & Alamer, 2022). The type of data used in this research is secondary data. According to (Taherdoost, 2022), secondary data refer to data that are not obtained directly from the primary source but are collected through documents, records, books, reports, or other existing sources. The collected data are then processed and analyzed using Stata software to support a more systematic and accurate data testing and research analysis process. This research employs purposive sampling, that founded on particular criteria established by the researcher (Sekaran & Bougie, 2011). The sample criteria for this research include energy sector firms that listed on the Indonesia Stock Exchange (IDX) between 2023 and 2025, as well as companies that provided the data for this research. Based on these criteria, 54 of the 92 energy sector enterprises participating in the research population were selected as research sample. The sample selection process in this research is presented in the following table.

Table 1. Sample Criteria

Sample Criteria	Total
Number of companies in energy sector listed on the Indonesia Stock Exchange in 2025	92
Less: Companies with incomplete annual report data during 2023–2025	38
Total sample companies	54
Observation period (2023–2025)	3
Total observations	162

The population of this research consists of companies listed on the Indonesia Stock Exchange (IDX) during the 2023–2025 period. The applied criteria is companies must have annual reports in any of the three year-period. Annual reports were obtained from the IDX website (www.idx.co.id/id) for Anti-corruption disclosure. Concurrently, operational variables, particularly financial data such as board size, audit committe expertise, and firm size, were gathered and analyzed utilizing the ESGI Intelligence App, created in partnership with the Otoritas Jasa Keuangan (OJK).

Operating Variables

The dependent variable is affected by the independent variable (Sekaran & Bougie, 2011). In this research, CACD is used as the dependent variable. The measurement of ACD in this research refers to the Global Reporting Initiative (GRI) Standard 205: Anti-Corruption. The standard provides disclosure indicators for anti-corruption policies, anti-corruption communication and training, corruption risk assessment, and business measures to avoid corruption (GRI, 2018). In this research, ACD is measured using a disclosure index based on 14 disclosure items adjusted to the GRI indicators (Previtali & Cerchiello, 2023). Overall, the index emphasizes preventive and corrective index of anti-corruption practices, including anti-corruption policies, corruption risk assessment, internal control mechanisms, employee training, whistleblowing systems, and disclosures regarding corruption incidents and legal enforcement actions (Previtali & Cerchiello, 2023).

The measurement applies a scoring method by assigning a value of 1 if the company discloses a particular item, 0 if the company does not disclose the item and 0.5 if the item is included in the checklist but disclosed partially. This index has been developed by (Previtali & Cerchiello, 2023) and used by (Utami & Barokah, 2024).

$$CACD = \frac{\sum \text{xyi}}{\text{ni}}$$

ACD = the corruption disclosure index for j firms
$\mathcal{E}Xyi$ = 1 if item y is disclosed; 0 if item is not disclosed; 0,5 if disclosed partially
ni = Total number of disclosure items i, ni = 14

Independent variables are variables that influence the dependent variable in a particular pattern, meaning that changes in the independent variable are followed by changes in the dependent variable (Sekaran & Bougie, 2011). In this research, Board of Directors size (BDS) is used as the independent variable. The board of directors are responsible for managing operational activities and making strategic corporate decisions, considered important because it acts as the primary decision maker in determining corporate policies, including policies related to transparency and corporate information disclosure. The measurement of Board of Directors size (BDS) in this research uses board size, which is measured by the total number of board members disclosed in the company's annual report (Saha & Kabra, 2019).

$$\text{BDS} = \sum \text{Board of Directors}$$

Audit Committee Expertise (ACE) is used as the moderating variable in this research. Audit Committee Expertise is measured based the number of audit committee members who possess educational backgrounds, experience, or expertise in accounting and finance. The use of competence as a proxy is based on the assumption that audit committee members with accounting and financial expertise are more capable of understanding fraud risks, evaluating internal control quality, and encouraging greater corporate transparency (Ghazwani et al., 2025).

$$\text{ACE} = \sum \text{Audit Committe Expertise}$$

This research additionally incorporates control variables that are not the primary focus of the research but are considered to potentially influence the dependent variable. Control

variables are variables that affect the dependent variable, but their influence is controlled or isolated in the research process to minimize bias in the research results. In this research, Company size (FSZ) reflects the scale and operational capacity of a company as a control variable. Saha & Kabra (2019), found that firm size positively significant influence company disclosure. Larger companies have more resources to expend different problem and provide activities in company, such as anti-bribery activities and disclosure it to annual report.

$$FSZ = Ln\ (Total\ Aset)$$

RESULT AND DISCUSSION

As indicated by the descriptive statistics presented in Table 2, this study employs a final sample comprising 162 firm-year observations drawn from energy sector firms listed on the Indonesia Stock Exchange across a three-year observation window from 2023 to 2025. The principal dependent variable, Corporate Anti-Corruption Disclosure, is operationalized as a disclosure index calculated as the ratio of anti-corruption items disclosed to the theoretical maximum disclosure score of 14 items, thereby yielding a continuous, normalized measure of corporate transparency in anti-corruption reporting.

Table 1. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
ACD	162	0.3541	0.1891	0.071	0.786
BDS	162	4.4074	2.3944	2	15
ACE	162	1.2901	0.5864	1	4
FSZ	162	29.1803	2.3497	22.081	35.938

Source: STATA17 MP

The mean value of 0.3541 indicates that, on average, sampled companies disclose approximately 35.41% of the Corporate Anti-Corruption Disclosure items, equivalent to about 5 out of the 14 indicators included in the disclosure index. This finding suggests that anti-corruption transparency among Indonesian energy companies remains relatively moderate. The minimum value of 0.071 implies that some companies disclose only around 1 of the 14 disclosure items, indicating very limited transparency regarding anti-corruption practices. Conversely, the maximum value of 0.786 corresponds to approximately 11 disclosed items, suggesting that no company achieved full disclosure during the observation period. The standard deviation of 0.1891 indicates moderate variation in disclosure practices, reflecting considerable differences in the extent to which companies communicate their anti-corruption initiatives and governance practices.

Audit Committee Expertise (ACE), quantified by the count of audit committee members with an accounting or financial experience, the variable ranges from 1 to 4 with a mean of 1.2901 and a standard deviation of 0.5864. This distribution reflects the baseline regulatory environment in Indonesia, where the Financial Services Authority mandates that at least one audit committee member must possess competence in the field of accounting or finance. The mean value marginally exceeding the regulatory minimum of one financially competent

member suggests that compliance among sampled firms is largely confined to satisfying the threshold requirement rather than actively pursuing higher levels of financial expertise within the audit committee. From a theoretical standpoint, audit committee expertise is considered a critical governance attribute, as financially literate committee members are better positioned to scrutinize management reporting, identify irregularities, and enforce disclosure standards, including those pertaining to anti-corruption accountability.

The control variable, Firm Size, is quantified by the natural logarithm of total assets. records a mean of 29.180 and a standard deviation of 2.349, with values ranging from a minimum of 22.081 to a maximum of 35.938. The substantial range of approximately translates to an extraordinarily wide disparity in absolute asset values across the sample, reflecting the coexistence of relatively small and very large publicly listed firms within the dataset.

Before hypothesis testing, a model selection approach was performed to identify the most suitable panel data estimation model. According to (Gujarati & Porter, 2009), panel data analysis generally requires selecting among the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). The Chow test was first performed to compare the CEM and the FEM. The probability number from the test was 0.0000, which is less than the 0.05 level of significance. Therefore, the CEM was rejected, and the FEM was initially preferred. Subsequently, the Hausman test was performed to ascertain the suitability of the Fixed Effects Model (FEM) vs the Random Effects Model (REM). The test generated a probability value of 0.8636, which exceeds 0.05, indicating that the individual-specific effects were not systematically correlated with the explanatory variables. Consequently, the REM was preferred over the FEM.

The Breusch–Pagan Lagrange Multiplier (LM) test was used to further validate the appropriateness of the REM. The test yielded a probability value of 0.0000, signifying that the REM was more suitable than the CEM. Based on the results of these model selection tests, the REM was selected as the final estimation model for this research. The use of REM is considered appropriate because the sampled firms represent the energy sector companies listed on the IDX rather than the entire population of firms. Therefore, firm-specific effects are assumed to vary randomly across companies and remain uncorrelated with the independent variables included in the model(Gujarati & Porter, 2009).

The Pearson correlation test was used to determine the strength and direction of the association between the variables examined in this study. According to(Gujarati & Porter, 2009), correlation analysis provides preliminary information regarding the linear association between variables and helps identify potential multicollinearity issues before regression analysis is performed. The results presented in Table 2 indicate that BDS has a positive correlation with ACD, with a correlation coefficient of 0.4228. This finding suggests that companies with larger boards tend to disclose more anti-corruption information.

Table 2. Correlation Test

	ACD	BDS	ACE	FSZ
ACD	1.0000			
BDS	0.4228*	1.0000		
	0.0000			
ACE	0.4361*	0.7633*	1.0000	
	0.0000	0.0000		

FSZ	0.1447***	0.1792**	0.1418*	1.0000
	0.0661	0.0225	0.0718	

Note: ***, **, and * denote significant at 1%, 5% and 10%
Source: STATA17 MP

Similarly, the interaction variable between BDS and Audit Committee Expertise exhibits a positive correlation with ACD, with a coefficient of 0.4361, indicating that Audit Committee Expertise may strengthen the relationship between board size and Corporate Anti-Corruption Disclosure. Meanwhile, FSZ also shows a positive but relatively weak correlation with ACD, as indicated by a coefficient of 0.1447. Furthermore, the highest correlation among the explanatory variables is 0.7633. This result indicates that the variables included in the model do not exhibit excessive correlation and are therefore suitable for further regression analysis.

The normality test was employed to ascertain if the residuals produced by the regression model exhibited a normal distribution. According to (Gujarati & Porter, 2009), normality testing is commonly performed to ensure that the residuals are distributed symmetrically around the mean. The results reported in Table 3 show that the joint probability value is 0.0001, which is below the significance level of 0.05. This result indicates that the residuals are not perfectly normally distributed.

Table 3. Normality Test

Variable	Obs	Pr(skewness)	Pr(kurtosis)	Joint test Adj chi2(2)	Prob>chi2
E	162	0.0756	0.0000	20.14	0.0000

Source: STATA17 MP

However, this finding is not considered a critical issue in the present research because the sample consists of 162 observations, which exceeds the minimum sample size generally required for large-sample statistical inference. According to the Central Limit Theorem, When the sample size is high enough, the sampling distribution of the estimators approaches a normal distribution, regardless of the distribution of the residuals (Gujarati & Porter, 2009). Therefore, despite the statistical indication of non-normality, the regression estimates remain reliable and suitable for hypothesis testing.

A multicollinearity test was conducted to determine the existence of a substantial connection among the independent variables in the regression model. (Gujarati & Porter, 2009) explain that multicollinearity may make standard errors bigger and make coefficient predictions less accurate. This research evaluates multicollinearity using the Variance Inflation Factor (VIF), where a VIF value below 10 indicates the absence of serious multicollinearity. The results presented in Table 4 show that the VIF values for all variables are below the threshold value of 10.

Table 4. Multicollinearity Test

Variable	VIF	1/VIF
BDS	2.33	0.4291
ACE	4.55	0.2196
FSZ	3.17	0.3149
Mean VIF	**3.35**	

Source: STATA17 MP

The moderating variable records the highest VIF value of 4.55, followed by FSZ with a VIF value of 3.17 and BDS with a VIF value of 2.33. In addition, the mean VIF value of the model is 3.35, which remains substantially below the recommended cut-off value. The findings indicate that the independent variables in the regression model show minimal correlation with other.

Table 5 illustrates the outcomes of panel data regression analysis that investigated the impact of BDS on ACD, with ACE as the moderating variable. The regression results indicate that Board Size has a positive and statistically significant effect on CACD, with a coefficient value of 0.0212 and a p-value of 0.002. Furthermore, the interaction term between BDS and ACE is positive and statistically significant, with a coefficient value of 0.0068 and a significance level of $p < 0.001$. This result indicates that ACE strengthens the positive relationship between BDS and ACD.

Table 4. Linear Regression Test

SP	Coefficient	Robust Std. err.	Z	P>z	Result
BDS	0.0201	0.0064	3.12	0.002*	**H1 Accepted**
BDSxACE	0.0066	0.0016	3.94	0.000*	**H2 Accepted**
FSZ	-0.0000	0.0025	-0.24	0.807	
_cons	0.3722	0.0813	4.57	0.000	
Prob(F-statistic)			0.0000		
Wald chi2(3)			28.08		
N			162		
R-squared			0.2520		

Note: ***, **, and * denote significant at 1%, 5% and 10%
Source: STATA17 MP

Regarding the control variable, FSZ does not have a significant effect on CACD, as indicated by a p-value of 0.807. Overall, the regression model is statistically significant, as reflected from the Wald Chi-square value of 28.08 with a probability value of $p < 0.001$. In addition, the overall R-squared value of 0.2520 indicates that approximately 25.20% of the variation in CAD can be explained by BDS, ACE as a moderating variable, and FSZ. Other factors not included in the model could be responsible for the remaining variation.

Board of Director Size and Corporate Anti-Corruption Disclosure

Stakeholder Theory argues that corporations are responsible for creating value not only for shareholders but also for a wide range of stakeholders, including investors, employees, customers, suppliers, creditors, governments, regulators, the media, and society (Awa et al., 2024; Faisal et al., 2022). Because these stakeholder groups have different interests and expectations, companies are expected to adopt governance practices that promote accountability, transparency, and ethical business conduct. Meeting these expectations helps organizations maintain legitimacy, strengthen stakeholder trust, and ensure long-term sustainability. One important mechanism for fulfilling this responsibility is Corporate Anti-Corruption Disclosure, which enables companies to communicate their commitment to

integrity, transparency, and responsible governance (Sari et al., 2021). High-quality anti-corruption disclosure reduces information asymmetry, enhances stakeholder confidence, and demonstrates that the company has established effective controls to prevent unethical practices (Salem et al., 2023). Furthermore, transparent disclosure limits managerial opportunities to manipulate information and encourages more responsible organizational behavior by increasing accountability in corporate reporting (Chouaibi et al., 2025). However, such disclosure depends not only on management commitment but also on governance structures that ensure transparency reflects actual organizational practices rather than symbolic statements. Consequently, effective governance mechanisms play a crucial role in integrating stakeholder interests into corporate decision-making and promoting meaningful disclosure (Zhao, 2021).

Consistent with Stakeholder Theory, our findings indicate that Board Size has a positive and significant effect on Corporate Anti-Corruption Disclosure. This finding suggests that larger boards are better positioned to address stakeholder expectations for transparency because they possess greater monitoring capacity, broader expertise, and more diverse perspectives. The board of directors is responsible for ensuring that the company operates in accordance with its governing regulations while overseeing strategic decisions and representing the organization to both internal and external stakeholders (Khelil et al., 2025). As the primary corporate governance mechanism, the board translates stakeholder expectations into organizational policies and disclosure practices, ensuring that transparency and ethical conduct remain strategic priorities (Zhao, 2021).

A larger board strengthens this role by bringing together directors with diverse professional backgrounds, experiences, and areas of expertise. This diversity enhances the board's ability to evaluate complex governance issues, identify corruption-related risks, and formulate more comprehensive disclosure policies (Ameraldo et al., 2025). In addition, greater board size improves oversight by allowing responsibilities to be distributed among members with specialized knowledge, thereby reducing information asymmetry and improving the quality of both financial and non-financial reporting (Arslan et al., 2024). Previous studies also demonstrate that larger boards are associated with more extensive anti-bribery and anti-corruption disclosure because they are better equipped to monitor management and encourage transparency initiatives (Makhdalena et al., 2021; Previtali & Cerchiello, 2023). Likewise, (Ameraldo et al., 2025) argue that representative boards make better disclosure decisions because diverse viewpoints strengthen accountability, while (Zhao, 2021) emphasizes that larger and more diverse boards are more responsive to stakeholder concerns regarding ethical governance. Therefore, the positive relationship identified in this study supports the argument that larger boards enhance Corporate Anti-Corruption Disclosure by improving governance quality, strengthening oversight, and enabling companies to respond more effectively to stakeholder demands for transparency and accountability.

Board of Director Size and Corporate Anti-Corruption Disclosure

Our second finding shows that Audit Committee Expertise strengthens the positive effect of Board Size on Corporate Anti-Corruption Disclosure. The significant positive interaction indicates that the governance benefits associated with a larger board become more pronounced when the board is supported by an audit committee possessing accounting and financial expertise. While larger boards provide greater monitoring capacity, broader knowledge, and more diverse perspectives, these structural advantages alone are insufficient to ensure high-quality corporate disclosure. Their effectiveness depends on governance mechanisms that

possess the technical competence to evaluate financial information, assess internal controls, and ensure that disclosure accurately reflects organizational practices. This finding suggests that board size creates the capacity for stronger oversight, whereas audit committee expertise enhances the board's ability to transform that capacity into more transparent and credible Corporate Anti-Corruption Disclosure.

This relationship can be explained through Stakeholder Theory, which argues that companies are responsible for meeting the information needs of a broad range of stakeholders, including investors, regulators, creditors, employees, customers, and society (Freeman et al., 2020). Stakeholders increasingly expect companies not only to implement sound governance structures but also to demonstrate their commitment to ethical business conduct through transparent and reliable reporting. Consequently, governance mechanisms must work collectively to ensure that corporate disclosures genuinely reflect organizational accountability rather than merely satisfying regulatory requirements. In this context, the board of directors establishes the strategic direction for transparency and accountability, while the audit committee provides the technical oversight necessary to ensure that these objectives are effectively implemented.

The audit committee plays a central role in supporting board oversight by strengthening the quality of financial reporting, internal controls, and disclosure practices (Alhababsah & Azzam, 2024; Arslan et al., 2024; Safari & Parker, 2024). Its effectiveness largely depends on the accounting and financial expertise of its members. Audit committee members with relevant expertise possess the knowledge required to evaluate accounting policies, identify material misstatements, assess the effectiveness of internal control systems, and ensure compliance with applicable reporting standards (Al-Shaer et al., 2022). As a result, they are better positioned to verify that Corporate Anti-Corruption Disclosure is accurate, complete, and supported by actual governance practices rather than symbolic compliance practices (Arslan et al., 2024). Previous studies similarly report that audit committees with accounting and financial expertise improve disclosure quality by reducing information asymmetry, strengthening monitoring effectiveness, and enhancing organizational accountability (Eriandani & Dewi, 2022; Velte & Stawinoga, 2020).

The moderating effect identified in this study suggests that audit committee expertise enables larger boards to perform their monitoring function more effectively. Larger boards contribute broader experience, diverse viewpoints, and greater oversight capacity, while audit committee members provide the specialized technical knowledge needed to evaluate complex reporting issues and corruption-related risks. This complementary relationship allows governance decisions regarding anti-corruption policies and disclosures to be examined more rigorously, resulting in disclosures that are more comprehensive, credible, and responsive to stakeholder expectations (Ayadi & Hamad, 2026). The finding is particularly relevant in Indonesia, where OJK Regulation No. 55/POJK.04/2015 requires listed companies to establish an audit committee consisting of at least three members, including one member with accounting or financial expertise. These regulatory requirements reinforce the importance of audit committee expertise as a governance mechanism that enhances the effectiveness of larger boards in promoting Corporate Anti-Corruption Disclosure and strengthening corporate accountability.

Overall, these findings carry direct practical implications for companies operating within the Indonesian energy sector, where large-scale investments, extensive government

involvement, and heightened corruption risks demand more rigorous governance practices. Despite various regulatory measures already in place, the persistence of corruption cases suggests that existing frameworks may require reassessment to determine more effective approaches to governance enforcement and anti-corruption compliance (Faisal et al., 2022). At the firm level, managers should prioritize the appointment of audit committee members with substantive accounting and financial expertise rather than fulfilling minimum regulatory requirements, given that technical competence within the committee is essential for evaluating internal controls and identifying complex corruption risks across the energy sector's operations (Al-Shaer et al., 2022; Arslan et al., 2024; Ghazwani et al., 2025). Beyond committee composition, managers are also encouraged to ensure that Corporate Anti-Corruption Disclosures convey meaningful and specific governance information rather than formulaic statements, as higher-quality reporting more accurately reflects actual governance practices, strengthens investor confidence, and improves the company's broader sustainability standing among external stakeholders (Ameraldo et al., 2025). Taken together, these managerial actions reinforce the research's central argument that governance quality, rather than governance structure alone, is the more critical determinant of credible and impactful anti-corruption transparency.

CONCLUSION AND RECOMMENDATION

This study examined the effect of board size on Corporate Anti-Corruption Disclosure (CACD) and investigated whether Audit Committee Expertise strengthens this relationship among energy companies listed on the Indonesia Stock Exchange during 2023–2025. The findings reveal that board size positively influences CACD, indicating that larger boards are more capable of promoting transparent anti-corruption reporting through stronger monitoring capacity and more diverse expertise. Furthermore, Audit Committee Expertise significantly strengthens this relationship, suggesting that governance quality enhances the effectiveness of board oversight in encouraging comprehensive anti-corruption disclosure. In contrast, firm size does not significantly affect CACD, indicating that transparency is driven more by governance mechanisms than by organizational scale.

Our findings contribute to the literature by extending the application of Stakeholder Theory, demonstrating that the effectiveness of Corporate Anti-Corruption Disclosure (CACD) depends not only on organizational commitment to transparency but also on the effectiveness of internal governance mechanisms, particularly Board Size and Audit Committee Expertise. These findings suggest that governance structures capable of providing strong oversight and technical competence are better positioned to meet stakeholder expectations for transparency and accountability. From a practical perspective, the findings provide valuable insights for regulators and policymakers in developing more comprehensive Corporate Anti-Corruption Disclosure frameworks. Specifically, encouraging companies to disclose anti-corruption initiatives using standardized and measurable indicators could improve the consistency, comparability, and credibility of corporate reporting. Such regulatory initiatives may also serve as an important governance mechanism for mitigating corruption risks, strengthening corporate accountability, and enhancing stakeholder confidence in corporate governance practices.

This study has several limitations that also provide directions for future research. The governance variables examined here represent only some of the factors that may influence corporate anti-corruption disclosure. Future studies could therefore consider other governance

and organizational factors to gain a broader understanding of what encourages companies to be more transparent about their anti-corruption practices. Another limitation is the focus on energy companies listed on the Indonesia Stock Exchange. Future research could expand the sample to other industries, different institutional contexts, or longer time periods. Such extensions would help determine whether the findings observed in this study are consistent across different sectors and settings.

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