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Quality of information disclosed: Effects of corporate governance and the audit committee

Qualidade da informação divulgada: Efeitos da governança corporativa e do comitê de auditoria

Calidad de la información divulgada: Efectos del gobierno corporativo y del comité de auditoría

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Abstract
This research aims to analyze the effect of corporate governance and the Audit Committee, on disclosing the quality of information of publicly traded companies listed on [B]3, with financial information in the reference form and in the Economática database ® for the years 2014 to 2023. Study is based on qualitative disclosure of information and corporate governance, combined with the Audit Committee based on disclosure and stakeholder theories and audit committee analysis. The research is descriptive, quantitative, documentary, with the population being companies listed on [B]3 S.A., made up of 400 companies. To compose the sample, 320 publicly traded companies were selected with information on the constructs raised. The results showed that there are significant statistical differences with the presence of the Audit Committee and companies with external audits conducted by the big four, which favors the quality of the information that is disclosed, compared to companies that are not audited by them. In the results it was possible to verify that more profitable companies have greater commitment to disclosures and, therefore, are more likely and committed to the responsibility of disclosing information. The research contributes to the understanding that, in Brazil, the majority of companies have highly concentrated ownership, the pressure exerted by controlling shareholders may be reducing the positive impact of corporate governance practices.
Keywords: Information Quality; Corporate Governance; Audit Committee.

Resumo
Esta pesquisa tem como objetivo analisar o efeito da governança corporativa e do Comitê de Auditoria, na divulgação da qualidade das informações de companhias abertas listadas na [B]3, com informações financeiras no formulário de referência e na base de dados Economática ® referentes aos anos de 2013 a 2022. Estudo se baseia na divulgação qualitativa das informações e governança corporativa, aliada ao Comitê de Auditoria com base nas teorias de divulgação e stakeholders e análise do comitê de auditoria. A pesquisa é descritiva, quantitativa, documental, sendo a população empresas listadas na [B]3 S.A., composta por 400 empresas. Para compor a amostra, foram selecionadas 320 companhias abertas com informações sobre os construtos levantados. Os resultados mostraram que há diferenças estatísticas significativas com a presença do Comitê de Auditoria e empresas com auditorias externas realizadas pelas big four, o que favorece a qualidade das informações que são divulgadas, em comparação às empresas que não são auditadas por elas. Nos resultados foi possível verificar que empresas mais rentáveis têm maior comprometimento com as divulgações e, portanto, são mais propensas e comprometidas com a responsabilidade de divulgar informações. A pesquisa contribui para o entendimento de que, no Brasil, a maioria das empresas tem propriedade altamente concentrada, a pressão exercida pelos acionistas controladores pode estar reduzindo o impacto positivo das práticas de governança corporativa.
Palavras-chave: Qualidade da Informação; Governança Corporativa; Comitê de Auditoria.

Resumen
Esta investigación tiene como objetivo analizar el efecto del gobierno corporativo y del Comité de Auditoría, en la divulgación de la calidad de la información de las empresas que cotizan en la bolsa [B]3, con información financiera en el formulario de referencia y en la base de datos Economática ® para los años 2013 a 2022. El estudio se basa en la divulgación cualitativa de información y gobierno corporativo, combinado con el Comité de Auditoría basado en las teorías de divulgación y de partes interesadas y análisis del comité de auditoría. La investigación es descriptiva, cuantitativa, documental, siendo la población las empresas que cotizan en la [B]3 S.A., compuesta por 400 empresas. Para componer la muestra, se seleccionaron 320 empresas que cotizan en la bolsa con información sobre los constructos levantados. Los resultados mostraron que existen diferencias estadísticas significativas con la presencia del Comité de Auditoría y empresas con auditorías externas realizadas por los cuatro grandes, lo que favorece la calidad de la información que se divulga, en comparación con las empresas que no son auditadas por ellas. En los

resultados fue posible verificar que las empresas más rentables tienen mayor compromiso con la divulgación de información y, por lo tanto, son más propensas y comprometidas con la responsabilidad de divulgar información. La investigación contribuye a la comprensión de que, en Brasil, la mayoría de las empresas tienen una propiedad altamente concentrada, la presión ejercida por los accionistas controladores puede estar reduciendo el impacto positivo de las prácticas de gobierno corporativo.
Palabras clave: Calidad de la Información; Gobierno Corporativo; Comité de Auditoría.

1. Introduction

The current situation regarding the quality of information (accounting, economic or financial), risk assessment and results management brings with it challenges at various levels for organizations. Perhaps the most paradoxical are those that entail the need to consider economic, financing, control, Corporate Social Responsibility (CSR) or Corporate Social Responsibility (CSR) issues in their objectives, according to several studies (e.g., Drucker, 2017; Chiudini, Cunha, & Marques, 2018; Ponte et al. 2019; Garcia et al. 2021). However, CSR gave way to Social and Environmental Responsibility (RSA) to maximize the concept of ESG [Environmental, Social, Governance]. Such factors are essential for innovation, productivity, and market growth strategies, as well as for risk management, for the value of companies and mainly for organizational responsibilities, consistent with new trends in economic and financial development.

The technologies available or the processes developed do not always allow a balance between these objectives, meaning that organizations sometimes need to sacrifice the achievement of one, depending on the achievement of another. This type of dilemma has been called trade- off. One of the most used theoretical lenses to investigate the phenomenon of CSR (RSA) is the stakeholder theory, according to which companies must extend their range of public interests, opposing the vision based exclusively on shareholders (Freeman, Harrison, Wicks, Parmar, & Cole, 2010). This association between RSA and stakeholder theory occurs, above all, because it assumes that organizations have responsibilities that go beyond purely economic interests (Jamali, Safieddine & Rabbath, 2008). The guarantee of a healthy economic system is linked to transparency and quality information conveyed by the various producers of economic-financial-accounting information and ethical conduct on the part of professionals who work in public or private organizations, and who, by holding information and the power to manipulate it, can cause harm to society in a general, such as lack of information and/or misinformation when characterized by manipulated information and purposeful deception in accounting or financial statements that can favor and/or increase the incidence of risks, in addition to constituting a “crime” and “corporate fraud”.

The high quality of accounting information plays a fundamental role in reducing information asymmetry between the main stakeholders and shareholders and, thus, improving investment efficiency (Biddle & Hilary, 2006; Kim, Miller, Wan & Wang, 2016; Luthan, Satria & Ilmainir, 2016). Quality is difficult to observe and measure because there is no predominant and generally accepted agreement or approach to measuring it. It can be assessed based on attributes such as persistence, conservatism, management of accounting results, quality in measuring accruals, transparency, level of disclosure, the relationship between accounting numbers and the performance of share prices or, then, market value reported by companies (Yoon, 2007; Dechow, Ge & Schrand, 2010; Isidro & Raonic, 2012; Rashid, 2018; Soschinski, Brandt & Klann, 2019; Reinaldo & Pinto, 2023).

It is also worth remembering that legal provisions allow multiple accounting choices and accumulations classified as discretionary and non-discretionary in the disclosure of accounting information. Both the international accounting standard and the Brazilian standard admit discretion, called accounting choices, which arise from the multiple options for accounting records for recognition, measurement, and disclosure (Lemes; Costa & Martins, 2019). So much so that the quality of accounting information can be influenced by regulatory factors and certain business characteristics, such as ownership concentration, financial leverage, presence on a foreign listing and economic performance, in addition to market forces (Gaio, 2010; Isidro & Raonic, 2012; Fathi, 2013; Reinaldo & Pinto, 2023).

The existence of a series of social, economic, political, and behavioral factors also exerts influences that contribute to the fact that different economic agents do not have the same information, qualitatively and/or quantitatively. Factors such as the governance system, auditing, accounting regulation and standards system, enforcement, taxation, legal relations of contracts, resource suppliers, among others, directly affect the quality of accounting information present in the statements published by companies (Paulo Cavalcante & Melo, 2012; Fathi, 2013; Miko & Kamardin, 2015).

Given the context presented, the following research question arises as a guiding point: What factors influence the disclosure of the quality of information of publicly traded companies listed on [B][3?] As a general objective, we intend to verify whether there is an influence of the participation of corporate governance and the Audit Committee in the disclosure of the quality of information in 320 publicly traded companies listed on [B][3,] in the period from 2014 to 2023. Specifically, it will be conducted a search through bibliometric examinations, a regression analysis, in addition to touching on the discussion based on the Agency Theory of Jensen and Meckling (1976) to analyze the relationship and effects between corporate governance and the Audit Committee as one of the main monitoring tools (Reinaldo & Pinto, 2023).

According to studies by Nascimento and Reginato (2010) and Rossetti and Andrade (2014), corporate governance constitutes a system of internal and external relations, through which companies are directed and monitored and, under the precepts of Disclosure Theory, assumes an important role in the search for company transparency, preaching the availability of compulsory information and thus enhancing disclosure (Angonese et al.; 2013; Carmona, Fluentes & Ruiz, 2016; Reinaldo & Pinto, 2023). Among the various applicable internal mechanisms, the Audit Committee (AC) stands out, recommended by different codes of good corporate governance practices around the world, guiding its constitution and maintenance with the purpose of improving the governance process (Beuren et al. 2013; Furuta & Santos, 2010). Thus, the Audit Committee consists of an internal mechanism that, together with corporate governance, helps control the quality of financial statements or not, and internal controls, aiming at the reliability and integrity of information, to protect the organization and all interested parties (IBGC, 2017).

Considering that in the current literature there is no consensual metric to measure the quality of information, several researchers have used models that capture different properties, whether accounting or financial, such as: relevance, results management, conservatism, informativeness of information. profits, quality of accruals estimation, transparency, level of disclosure and timeliness (Wang, 2006; Lopes, 2009; Almeida, 2010). In this research, the quality of information will be measured by the relevance of corporate governance and the audit committee in addition to other intrinsic factors (Santos, Falcão, Azevedo & Reinaldo, 2024).

At the end of the 1960s, the seminal works of Ball and Brown (1968) and Beaver (1968) marked the beginning of a new perspective and a new field of study in accounting research , known as the information approach. According to Lopes (2002), the information approach conceives accounting in its role as a provider of information for economic agents. Thus, several accounting research were developed using capital market responses to earnings disclosures, to infer the quality of information (Dechow, Ge, & Schrand, 2010). These studies are structured around the approach of positive accounting theory, in which statistical models seek to measure, through the information approach, the association between accounting and market variables, for managing results and quality of information (Watts & Zim Merman, 1986).

Earnings management is defined by Schipper (1989) as an intentional intervention in the external financial reporting process, with the purpose of obtaining a particular gain. In turn, Healy and Wahlen (1999) say that earnings management occurs when managers use judgment about financial reports and structure operations to alter these reports, either to deceive some nvestors about the company's economic performance, or to influence contractual results. which depend on the reported accounting numbers (Niyama, Rodrigues, & Rodrigues, 2015). Regulators view earnings management as pervasive and problematic. Proof of this is the fact that, among the objectives of the SEC, one of them is to improve the quality of information disclosed by reducing information asymmetry (Dechow & Skinner, 2000). This reduction would be achieved (1) due to the role of regulation as a supervisory agent, (2) due to its importance in forming a favorable institutional environment (enforcement) and (3) based on the required regulations (standardizer) (Leuz et al. , 2003; Haw, Hu, Hwang, & Wu, 2004; Lang et al. , 2006; Burgstahler et al. , 2006; Francis & Wang, 2008, Kedia & Rajgopal, 2011).

An important factor that can influence the qualitative disclosure of information (accounting, economic, financial or socio-environmental) is corporate governance, combined with the Audit Committee, as highlighted in previous studies, such as Cong and Freedman (2011) , Kock, Santaló and Diestre (2012), Rupley, Brown and Marshall (2012), Iatridis (2013), Bernardi and Stark (2016), Tan Habibullah and Tan (2017) and Liu and Zhang (2017) and (Santos, Falcão, Azevedo & Reinaldo, 2024).

Corporate governance is the system by which companies and other organizations are directed, monitored, and encouraged, involving relationships between partners, board of directors, management, supervisory and control bodies, and other interested parties." Its basic principles are: (1) transparency, revealing not only mandatory information, but also voluntary information important for decision making; (2) equity, with fair and equal treatment for all interested parties (stakeholders); (3) accountability , which is essential to achieve continuous performance; and (4) corporate responsibility, towards the various capitals (financial, manufactured, intellectual, social, environmental, among others) in the short, medium and long term (IBGC, 2017).

Regarding the Audit Committee (CA), the concept emerged in the mid-1940s, initially suggested by the New York Stock Exchange (NYSE) and received support from bodies such as the American Institute of Certified Public Accountants (AICPA) and the Securities and Exchange Commission (SEC), who promoted several discussions on the topic. However, it was only in 1977 that the NYSE adopted a policy for Audit Committees and its consolidation was conducted by the Sarbanes-Oxley Act (2002), causing consequences for all companies listed on stock exchanges around the world. Alkilani, Hussin and Salim (2019) understand that the Audit Committee is designed to effectively improve the quality of information that is disclosed (accounting-financial reports) and, consequently, reduce the prospect of companies obtaining modified audit opinions and seeks to assist in control over the reliability and veracity of the information disclosed, providing support to the board of directors and providing greater security to shareholders (Colares; Alves & Miranda, 2020; Zhou; Owusu-Ansah & Maggina, 2018; Reinaldo & Pinto, 2023; Santos, Falcão, Azevedo & Reinaldo, 2024).

Similar studies also analyzed issues related to information quality. It begins with research by Cong and Freedman (2011), who analyzed the relationship between good corporate governance practices and economic-financial performance in a sample of 50 companies in the United States from 2003 to 2005. Rupley, Brown and Marshall (2012) investigated the relationship between some specific aspects of corporate governance and the quality of information disclosure in a sample composed of 127 American companies, extracted from the Dow Jones Global Index, in the period from 2000 to 2005. Iatridis (2013) investigated the relationship between quality of disclosure and corporate governance in 529 companies listed on the Malaysian Stock Exchange, from 2005 to 2011. Santana et al. (2015) investigated the relationship between disclosure and corporate governance practices in a sample composed of 114 non-financial companies listed on the BM&FBovespa, in the years 2012 and 2013. Tan, Habibullah and Tan (2017) investigated the relationship between corporate governance and environmental responsibility in 114 companies linked to tourism from different countries in the period from 2005 to 2013.

Thus, considering the role of corporate governance and the Audit Committee in monitoring risk management processes, internal controls, inspecting and enhancing the quality of reported information, an alignment in the degree of cooperation between their actions is expected. Within this perspective, the following research hypotheses were raised:

H1: There is a positive association between the Audit Committee and corporate governance for the level of information disclosure.

H2: The quality of information is higher in companies that have an Audit Committee.

H3: The quality of information is higher in companies that are audited by the big four.

H4: Corporate governance positively influences the corporate social responsibility of Brazilian companies in qualitative disclosure, and.

H5: There is a positive association between corporate governance and the degree of profitability of companies.

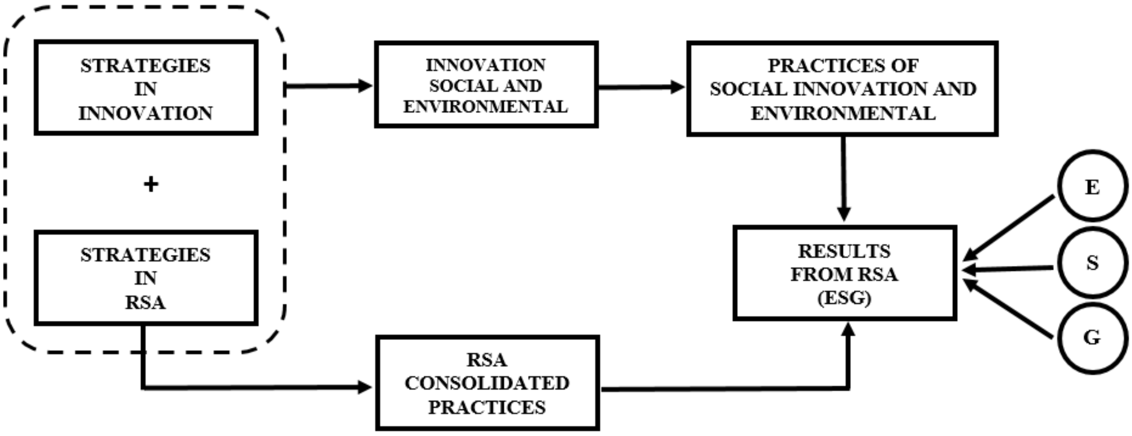
This research aims to analyze the effect of corporate governance and the Audit Committee, on disclosing the quality of information of publicly traded companies listed on [B]3, with financial information in the reference form and in the Economática database ® for the years 2013 to 2022.

2. Methodology

To meet the proposed objective, a descriptive, quantitative, documentary research (Pereira et al., 2018) using descriptive statistics (Shitsuka et al, 2016) that was conducted to achieve the objectives raised, using companies listed on [B][3] SA, consisting of 400 companies, as the population. To compose the sample, 320 publicly traded companies were selected with information on: corporate governance, Audit Committee and CSR/RSA, with data available for the entire research period (2014 to 2023).

Bearing in mind these preliminary aspects, the analytical framework and methodological path of this study are structured into two moments, summarized in Figure 1 and briefly explored.

Figure 1 - Framework of the methodological path.



Source: Reinaldo &Pinto (2023).

It is noteworthy that these moments did not occur in a linear manner, as occurs in this research, they involved a long process of "interobjectification" as described in the studies by Cefai (2003) and Zask (2004), where they state that the experience is then considered on two levels: at the level of the observed reality, in which the actors and their environment are perceived from the angle of interaction, and at the level of the empirical procedure itself, which configures (through investigation) an interobjectification of knowledge between researcher(s) and investigated (s). However, due to the object of study proposed in this research, the path of RSA strategies was used, with precepts based on Social (S) and Governance (G).

The initial sample of this research included 320 companies from different sectors of the economy, listed in [B][3] and which have corporate governance, an Audit Committee as shown in Table 1, and which disclosed CSR (RSA) at some point/year within the proposed period to this study in view of CVM Instruction No. 509, published in November 2011, which establishes rules regarding the implementation of statutory audit committees in organizations. To compose this sample, financial companies and pension funds were excluded, a procedure also adopted by Ahmed and Henry (2012), due to the particularities in terms of the structure of these organizations, even so, because since 2004, through Resolution No. 3.198, these companies comply with the standards issued by Bacen, therefore having different accounting standards and regulatory requirements.

Table 1 - Number of companies in the sample by sector.

Economic Sector	Sector Total	Representativeness
Industrial Goods	68	21.3%
Basic Materials	35	10.9%
Non-cyclical consumption	27	8.4%
Cyclical Consumption	73	22.8%
Communications	7	2.2%
Information Technology	11	3.4%
Health	19	5.9%
Oil, Gas and Biofuels	13	4.1%
Public utility	67	20.9%
Total companies	320	100%

Source: Data extracted from [B][3] (2024).

The research data refers to annual information and was extracted from secondary sources of public and digital access. Data from the Standardized Financial Statements, as well as the Reference Form and Registration Form available on the website of [B] [3] and the Securities and Exchange Commission (CVM), in addition to the JP Morgan's ADR database, Economática® and database from CSRHub. CSRHub has social responsibility and corporate sustainability information from over 18,554 companies in 132 countries (CSRHub, 2024). Using this information, 12 CSR dimensions are created, grouped into four categories: employees, environment, community, and governance, with the last three being used to form the RSA metric used in this study, considering that a specific CSR index was created. corporate governance and quality of accounting information.

The quality of accounting information was analyzed using the construct developed by Fathi (2013), who created an index with the objective of measuring the level and quality of information disclosed by companies that includes mandatory and voluntary information (Haniffa & Cooke,2002; Collett & Hrasky, 2005; Hassan, Giorgioni & Romilly, 2006; Banghoj & Plenborg, 2008). The index is made up of items that must be disclosed by all companies, that is, it does not contain specific items for a certain field of activity, for example. The index presents 78 items, divided into seven categories: (1) General and strategic information; (2) Information about the financial statements; (3) Social and environmental data; (4) Corporate governance; (5) Financial and market information; (6) Information projections; (7) Other information. This form of assessing the quality of accounting information, using similar indices, has also been conducted by other researchers, including: Inchausti (1997), Naser and Nuseibeh (2003), Huafang and Jianguo (2007), Wang et al. (2008), Gabriel (2011) and Yurisandi & Puspitasari (2015).

The variables used in the research were calculated as companies released an item. Each time, the value 1 (one) was assigned, otherwise 0 (zero). Subsequently, the ratio was calculated between the total number of items disclosed by the companies and the total number of items that corresponded to the metric. So much so that, in table 2, it can be seen that the variable that corresponds to the quality of the information is the variable of interest in the research; corporate governance one, explanatory variable, focus of the present study, together with the Audit Committee, institutional investor, size and independence; the other variables are characterized as control variables, which, according to Appuhami and Tashakor (2017), are considered characteristics of organizations, which can influence the disclosure of a company's information (Hackston & Milne, 1996; Halme & Huse, 1997 ; Gray et al. 2001; Brammer & Pavelin, 2006; Murcia & Santos, 2009; Lu & Abeysekera, 2014; Chandok & Singh, 2017; Cormier & Fomezgutierrez, 2018).

Table 2 - Variables used in the research.

Variable	Type	Data source	Theoretical basis
Quality of information	Dependent	Thomas Reuters®	Yasser, Al Mamun, and Ahmed (2017), Chiudini et al. (2018).
Governance Corporate	Independent	Reference Form - Item 12.5-6	According to Birindelli et al. (2018); Bravo and Reguera-Alvarado (2018); According to Buallay et al. (2020); Coluccia, et al. (2018); According to Qureshi et al. (2020); Wasiuzzaman and Mohammed (2020); According to Buallay et al. (2020); Manta et al. (2021).
Audit Committee	Independent	Reference Form – Item 12.7	Cucari et al. (2017) ; Birindelli et al. (2018); Bravo and Reguera-Alvarado (2018); Qureshi et al. (2020); Wasiuzzaman and Mohammad (2020).
Audit Company	Independent	Reference Form – Item 12.7	Carcello et al. (2006); Cunha et al. (2014); Klein (2002); Xie, Davidson III and Dadalt (2003); Yang and Krishnan (2005).
Investor Institutional	Independent	Reference Form – Item 12.7	Koh (2007), Hadani et al. (2011), Njah and Jarboui (2013), Lin et al. (2014
Company Size	Control	Economática®	Cunha et al. (2014) ; Silva et al. (2014); Sun, Lan, and Liu (2014); Xie, Davidson III and Dadalt (2003) Yang and Krishnan (2005).
Debt	Control	Economática®	Shan (2015), Chi et al. (2015), Bao and Lewellyn (2017); Xue and Hong (2016); Sohn (2016); Birindelli et al. (2018); Bektur and Arzova (2020).
Profitability	Control	Economics®	Cornett (2016) ; According to Birindelli et al. (2018) ; Sierra-Garcia et al. (2019); Bektur and Arzova (2020); Wasiuzzaman and Mohammed (2020); Manta et al. (2021).

Source: Research data (2024).

The dependent variable of this study is the quality of information, market judgment on disclosure measured through the publication of statements, analyzed by a dummy variable (Zhang et al., 2018), and governance presented by companies (Coluccia & Fontana Solimene, 2018). Disclosure scores measure a company's transparency and range from 1 to 100, so a higher score indicates more information disclosure and transparency (Wasiuzzaman & Mohammad, 2020).

In relation to information on corporate governance, an index was created with the aim of verifying its relationship not only individually, but rather its effect through the use of broad indices according to the studies by Birindelli et al. (2018); Bravo and Reguera-Alvarado (2018); Buallay et al. (2020); Coluccia, et al. (2018); Qureshi et al. (2020); Wasiuzzaman and Mohammad (2020); Buallay et al. (2020); Manta et al. (2021), who state that variables must be correlated.

This research adopted company size as control variables, represented by the natural logarithm of the value of total assets (Cunha et al. 2014; Silva et al. 2014; Sun, Lan & Liu, 2014; Xie, Davidson III & Dadalt, 2003; Yang & Krishnan, 2005); debt, measured by the ratio between total liabilities and total assets (Shan, 2015; Chi et al . 2015; Bao & Lewellyn, 2017); profitability, measured by Return on Net Equity (ROE), obtained by dividing the value of Net Profit by that of Net

Equity (Cornett, 2016; Birindelli et al. 2018; Sierra-García et al. 2019; Bektur & Arzova, 2020; Wasiuzzaman & Mohammad, 2020; Manta et al. 2021).

Subsequently, a descriptive analysis of the main variables of interest in the research was conducted using multiple linear regression analysis to verify the influence of the factors, as well as the other control variables on the quality of the information. It is worth highlighting that the assumptions of normality were observed, using the Kolmogorov-Smirnov test; multicollinearity, through the variance factor homoscedasticity, using the Pesarán-Pesarán test; and absence of serial autocorrelation, using the Durbin-Watson test.

3. Results and Discussion

To analyze the quality of information, market judgment on disclosure and governance presented by companies in companies listed on [B] [3] , a descriptive data analysis was initially carried out, followed by a descriptive statistical analysis of the determining factors quality, as well as control variables, in order to test the research hypotheses and verify the influence of independent and control variables to identify their profile and behavior in the 320 companies studied.

Table 3 - Descriptive statistics of information quality.

Variable	Average	Standard deviation	Minimum	Maximum
General and strategic information	0.86	0.05	0.75	1.00
Information about financial statements	0.95	0.03	0.90	1.00
Social and environmental data	0.95	0.05	0.85	1.00
Corporate governance information	0.86	0.10	0.75	1.00
Financial and market information	0.78	0.06	0.17	0.78
Information projection	0.17	0.26	0.00	1.00
Other information	0.63	0.09	0.31	0.76
Information quality index	0.74	0.05	0.43	0.88
Observations conducted 320				

Source: Survey data (2024) based on Fathi (2013).

The results presented in table 3 were prepared based on the seven categories presented in the study by Fathi (2013) which taken together generate the general information quality index. It is observed that the categories relating to “Information on Financial Statements” and “Social and environmental data” stood out with the highest averages, equivalent to 95% of companies having their information disclosed in accordance with current legislation. Among the companies analyzed, the minimum disclosure of “Information on Financial Statements” was equal to 92% while that of “Social and environmental data” was equal to 85%.

The results on the categories “General and strategic information” and “Information on corporate governance” also had positive results because they show that on average 86% of companies make disclosures to the market. However, as a negative point, there is the category “Information Projections,” with an average corresponding to only 17% of the items investigated and it was the category with which the highest standard deviation was observed (0.26), showing greater inequalities in the percentages of disclosure. the information.

Table 4 - Variables used in the research.

Variable	Average	Standard deviation	Minimum	Maximum
Corporate governance	0.860	0.457	0.000	1,000
Audit Committee	0.830	0.360	0.000	7,000
Audit Company	0.890	0.100	0.000	1,000
Institutional Investor	0.440	0.500	0.000	1,000
Company size	21,612	1,831	17,553	28,196
Debt	0.430	0.294	0.170	1,680
Profitability	40,220	187,780	-35,260	159,000
Observations conducted 320				

Source: Research data (2024).

Analyzing table 4, it is observed that among the companies studied, 86% are listed at governance levels where 89% of them are audited by audit companies classified as big four, the name given to the 4 large audit companies in the world , which are: (1) Deloitte Touche Tohmatsu (DTTL) better known simply as Deloitte, headquartered in New York (USA) was founded in 1845 by William Welch Deloitte, in the city of London (England), (2) PricewaterhouseCoopers (PwC) the company was created in 1998, after the merger of the companies Price Waterhouse and Coopers & Lybrand , which already had great legacies in the market, as they were founded in 1849 and 1865, respectively, (3) Ernst & Young (EY) the current company was formed in 1989 by the merger of two accounting firms; Ernst & Whinney (1924) and Arthur Young & Co (1924), and (4) Klynveld Peat Marwick Goerdeler (KPMG) was created in 1987 when Peat Marwick International and Klynveld Main Goerdeler merged with their respective member firms. Piet Klynveld founded the accounting firm Klynveld Kraayenhof & Co in Amsterdam in 1917. It is also verified that 83% of the companies had an Audit Committee, the other variables were dispersed, showing heterogeneous values between the companies in relation to their values.

Tavares studies (2016); Chiudini et al., (2018); Soares et al., (2018), highlight that Brazilian companies have been signaling the republication of their statements, which could initially signal greater transparency for the market. Palmrose, Richardson and Scholz (2004), Cao, Myers and Omer (2012) and Marque et al. (2017), highlight that this can have relevant adverse effects on the company's cost of capital and reputation, because the quality of the information disclosed can be affected by numerous contextual factors, including CSR/RSA (Degenhart et al., 2017; Liu & Zhang, 2017; Elgammel, Hussaney & Ahmed, 2018).

Regarding RSA, it appears that Brazilian companies are increasingly socially responsible, considering that there is greater attention regarding their conduct by society, showing that there is a concern beyond economic gains. Thus, as considered by Albuquerque Filho et al. (2019) socially responsible companies are often also the most respected and profitable companies.

Table 5 below shows the multiple linear regression coefficients, which make it possible to analyze the predictive power of the factors determining the quality of information, as well as the control variables, in the quality of information (dependent variable).

Table 5 - Coefficients of information quality factors.

Variable	Coefficient	(Statistic – t)	
Constant	0.39*	(9.55)	
Corporate governance	0.00	(0.20)	
Audit Committee	0.03	(3.49)	
Audit Company	0.41*	(14.43)	
Institutional Investor	0.01***	(1.89)	
Company size	0.00	(1.11)	
Debt	0.00	(0.17)	
Profitability	0.00**	(0.03)	
R^2 Adjusted	0.731	Durbin-Watson	2,165
F-ANOVA	30,745*	Pesarán-Pesarán	0.638
		VIF/Tolerance	<10

Nota:(*), (**), (***) significant at 1%, 5% and 10%, respectively. Source: Research data (2024).

It can be seen in table 5 that the adjusted R² was 73%. This adjusted R² is similar to that recorded in other studies, such as Siregar and Utama (2008), who presented regression with an adjusted R² of 68%, Chi et al. (2015) who were based on regression with an R² of 65% and Huang and Xue (2016) with a regression of R² equivalent to 66%.

The F-ANOVA test was significant (at the 0.01 level), this is because the set of independent variables influences the dependent variable. The result of the Durbin-Watson statistic (2.165) demonstrated that there is no autocorrelation problem, as the value was close to two. When analyzing the Pesarán-Pesarán Tests, it is found that the assumption of homoscedasticity was not violated. Finally, it is also verified that the variance inflation factor (VIF and Tolerance), in the regression, presents a low value. Therefore, in this case there was no problem of multicollinearity between the independent variables of the models, according to Hair Jr. et al. (2005), a VIF is considered high when it is above ten.

In relation to the corporate governance variable, the coefficient found did not present statistical significance in the regression, thus rejecting hypotheses H1 and H4 e. This result differs from those found in studies by Iatridis (2013), Macêdo et al. (2013), Bernardi and Stark (2016), Tan, Habibullah and Tan (2017) and Liu and Zhang (2017), who found that governance could be seen as a set of mechanisms that influenced an increase in the level of disclosure and quality of information. For the sample of this research, the results of Fathi (2013), Mansor et al. (2013), Chi et al. (2015), Shan (2015), Luthan et al. (2016) and Xue and Hong (2016), that companies with better corporate governance practices are more likely to disclose higher quality information. The findings of Usman & Yero (2012), Bouvatier et al., were also not confirmed. (2014), Kouaib and Jarboui (2014), Shan (2015) and Bao & Lewellyn (2017), that companies with greater ownership concentration disclose better quality information.

Companies that have an Audit Committee also presented a positive (0.03) and statistically significant coefficient (0.01), thus accepting hypothesis H2, as the result indicates that companies that have such a committee provide better information. quality. It can be seen This result aligns with the studies by Xie et al. (2003), Fathi (2013), Mansor et al. (2013), Badolato et al. (2014), Luthan et al. (2016), Cucari et al. (2017); Birindelli et al. (2018); Bravo & Reguera-Alvarado (2018); Qureshi et al. (2020); Wasiuzzaman and Mohammad (2020).

Regarding the variable “audit companies,” which captures whether companies are audited by the big four (Deloitte, PwC, EY, or KPMG), it presented a positive coefficient of 0.41 and statistically significant (0.01). Therefore, accepting

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hypothesis H3, as the result demonstrates that companies audited by the big four disclose better quality information, as also found by Kouaib and Jarboui (2014), Shan (2015), Huguet and Gandía (2016) and Xue and Hong (2016).

As for profitability, the positive coefficient (0.03) indicates that more profitable companies have greater financial backing and, consequently, are more likely and committed to the responsibility of disclosure, thus accepting hypothesis H5. Thus, in this case the results are in line with those of Rupley, Brown and Marshall (2012), Iatridis (2013), Bernardi and Stark (2016) and Tan, Habibullah and Tan (2017). Regarding debt, it was not possible to confirm whether companies with a level of debt disclose information of lower quality, as described in studies by Rajpal (2012), Lee (2013), Alves (2014) and Habbash et al. (2014).

4. Conclusion

This study aimed to analyze the effect of corporate governance and the Audit Committee, on the disclosure of the quality of information with 320 publicly traded companies listed on [B][3] analyzing data referring to the years from 2013 to 2022.

The regression coefficients did not show statistical significance for the influence of corporate governance on the quality of information disclosed. It appears that the results differ from those found in studies by Iatridis (2013), Macêdo et al. (2013), Bernardi and Stark (2016), Tan, Habibullah and Tan (2017) and Liu and Zhang (2017), who identified a positive relationship between governance and the level of information disclosure. However, it is observed that the results are in line with the study by Santana et al. (2015) who also did not identify a direct influence between corporate governance and the level of disclosure when they investigated the relationship between disclosure and corporate governance practices in a sample composed of 114 non-financial companies listed on BM&FBovespa, in the years 2012 and 2013.

Regarding the variables “audit companies” (big four) and “Audit Committee,” from the results found, it is possible to verify that considering the fact that the company is audited by a big four, it has direct impacts on the information disclosed. As studies by Kouaib and Jarboui (2014), Shan (2015), Huguet and Gandía (2016) and Xue and Hong (2016) found. The same occurred in relation to the Audit Committee, as the coefficient was positive and significant, indicating that companies that had such a committee present better quality in the information that is disclosed, in accordance with the results of Xie et al. (2003), Fathi (2013), Mansor et al. (2013), Badolato et al. (2014) and Luthan et al. (2016). The studies by Kouaib and Jarboui (2014) and Huguet and Gandía (2016) corroborate this thought, highlighting that large audit companies provide a higher quality audit process compared to audits from non- big four companies. This occurs, according to them, because the big four have more resources, technology, and better trained personnel for auditing, due to regulatory requirements. Regarding the committee, it is worth noting that one of the main functions of this body is to supervise the process of preparing companies' financial reports and according to Klein (2002), the committee meets regularly with external auditors and internal financial managers and reviews, constantly carry out audit processes and sectoral internal controls to improve the quality of the information that is disclosed.

It should be noted that Brazil is a country that has a stock market that is still developing, where the majority of public companies have highly concentrated ownership, unlike more developed markets. This is because the pressure exerted by the controlling shareholder may be reducing the positive impact of corporate governance practices on the quality of information disclosure.

Among the limitations found in this study, the short time span analyzed stands out, due to the lack of data available in some years of certain companies, but which did not compromise the study conducted.

The results found arouse interest in new research, where it is recommended to expand the research universe, for the purpose of comparing results. For future research, it is suggested to use a more comprehensive sample, with companies listed on other stock exchanges; use other measures related to either corporate governance or the Audit Committee; or other organizational factors such as: investment in innovation, composition of boards, types of inclusion, among others. Another recommendation would be the inclusion of companies in the financial sector, to conduct a study segregating the results by economic sectors.

Conflict of Interest

One of the obligations of scientists in their research is to disclose their results. Science does not disclose damages or losses, but rather tested causes that benefit the understanding of the object studied to clarify specific or longitudinal situations, as well as promote new research, as was done in this study.

This study is exempt from any typology or classification of conflict of interest because it complies with what is expressed in Law No. 12,813 of May 16, 2013, which, in its article 3, item I, contains the following concept: “situation generated by the conflict between public and private interests, which may compromise the collective interest or improperly influence the performance of the public or private function” (Brazil, 2024). Still, it also complies with ISO 37001:2017, a standard responsible for the requirements and guidelines for the implementation of anti-bribery management systems, which defines conflict of interest as "situations where business, financial, family, political or personal interests may interfere with the judgment of people in the exercise of their obligations to public or private organizations (ISO, 2024).

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