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The Effect of Audit Commitee, Liquidity, Profitability, and Leverage on Dividend Policy in Consumer Goods Sector Companies Listed on the Indonesian Stock Exchange

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Abstract:- This research intends to determine the effect of audit committee, liquidity, profitability, and leverage on dividend policy. This research was conducted on consumer goods sector companies listed on the Indonesia Stock Exchange for the period 2016-2020. The sampling technique used in this study was purposive sampling, as many as 18 samples. The data were analyzed using panel data regression with a multiplication interaction structure so that it became 90 observations. The results of the study simultaneously show that audit committee, liquidity, profitability, and leverage have a positive significance on dividend policy. Partially, audit committee has negative insignificance on dividend policy, the current ratio has a positive significance on dividend policy, return on equity has a positive significance on dividend policy, and the debt to equity ratio has a negative insignificant on dividend policy.

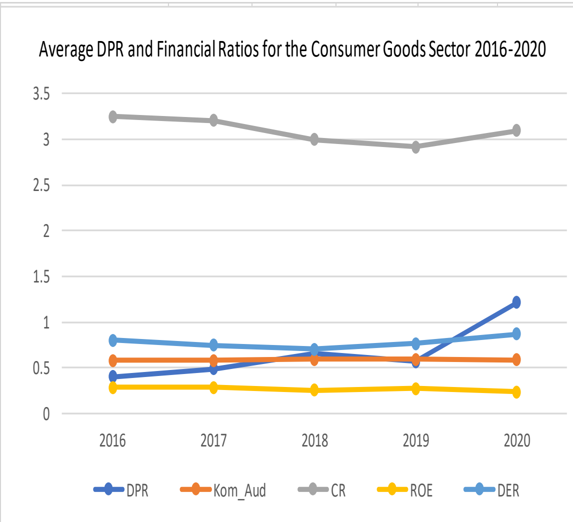
Keywords:- *Audit Committee, Liquidity, Profitability, Leverage, Dividend Policy.*

I. INTRODUCTION

In this globalization era, economic development in Indonesia is growing very quickly, especially those that support Indonesia's economic matters, that isthe consumer goods industry. This industry is one of the most interesting industrial sectors because all of its products are constantly needed by the community, even now Indonesia is a huge country with a large population. The consumer goods industry produces a product that is consumptive in nature and favored by the whole community, such as food, beverages, medicines, and others. There are 6 sub-sectors of the consumer goods industry, that is, food and beverage, cigarette, pharmaceutical, cosmetics, household goods, household appliances, and other consumer goods. Investors have the main goal to improve their welfare, namely by expecting the profits they get by buying and owning shares. The profit is a dividend distributed by the company.

According to Fitriyani (2020), the higher the dividend payout ratio set by the company, and the smaller funds that will be reinvested in the company which means it will hinder the company's growth and the amount of profit allocation that can be retained by the company and profits that can be distributed to shareholders has been determined in dividend policy. For companies, the choice to distribute profits in the form of dividends will reduce their internal funding sources. One of the attractions of investing for investors in primary and secondary capital markets is dividends. In order for the company to be able to pay dividends to shareholders, the company must be able to generate profits. Companies that tend to generate profits, will distribute dividends.

In this research on dividend policy, the authors use four financial ratios among the audit committee, liquidity, profitability, and leverage. The phenomenon that occurred in 2016-2020, the average level of dividend payments and financial ratios of companies is depicted in the graph below:



Variabel Name	2016	2017	2018	2019	2020
Dividend Policy (DPR)	0.40	0.49	0.66	0.57	1.21
Audit Committee (KA)	0.58	0.58	0.59	0.59	0.59
Liquidity (CR)	3.25	3.21	3.00	2.92	3.09
Profitability (ROE)	0.29	0.29	0.26	0.28	0.24
Leverage (DER)	0.80	0.75	0.70	0.76	0.87

Image 1: Average DPR and Financial Ratios for the Consumer Goods Sector 2016-2020. (BEI, 2022)

From the graphic above, it can be concluded that the average growth rate of Dividend Payout Ratio (DPR)did not indicate a stable dividend policy implementation. From the investor's perspective, dividends are one of the causes of investors'motivation to invest their funds in the capital market. Dividend policy (Dividend Payout Ratio) is a policy taken in relation to the profits earned by the company, whether the profits will be retained as retained earnings and

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then used to increase the company's capital, or the profits will be distributed to shareholders. The dividend policy in this study is described as a comparison of cash dividends per share to the profit generated from each share. Dividend policy is closely related to funding decisions. If dividends are paid to shareholders, it will certainly result in reduced internal funds for company investment. And because the information held by investors in the capital market is very limited, dividend changes will be used as a signal to determine the company's performance. However, the amount of the dividend paid to shareholders depends on the dividend policy of each company and is carried out based on consideration of various factors. In 2020, the top company distributed dividends with the excuse of maintaining investor confidence in the midst of the COVID-19 pandemic. The amount of cash dividends distributed by the company is influenced by several factors such as the audit committee, liquidity, profitability, and leverage.

Audit committee is a committee that can be used to monitor the company's performance and influence the decisions of managers and confirms that financial statements are presented according to accounting standards in Indonesia. According to Sinaga, Pangestu, and Christina (2021) , the audit committee functions to supervise the company. The more members of the audit committee, the more stringent supervision within the company, so that the company's operations can run smoothly and increase its profits. One of the things contained in good corporate governance is the audit committee whose function is to ensure that daily operations run according to the policies set by the company and confirm that the financial statements presented are in accordance with generally accepted financial accounting standards in Indonesia. With the existence of an audit committee, it is expected to be able to improve the company's internal control and be able to make considerations aimed at shareholders, namely the dividend distribution policy. However, in graph 1.1, it can be seen that the increasement in the audit committee did not affect the amount in the dividend payout ratio in 2019, and in 2020 the audit committee did not increase, but the dividend payout ratio rose very drastically.Pangestu, and Christina (2021), Pirdayanti and Wirama (2019), Serly and Susanti (2021), and Padil and Adawiyah W (2021) stated that the audit in their research showed that audit committee is not significant to dividend policy. While the research conducted by Fitriyani (2020), the audit committee has a significant impact on dividend policy.

Liquidity symbolizes the ability of a company to meet its financial obligations that must be met quickly. Companies that have a high level of liquidity prove that the opportunity for company growth tends to be high. The more liquid the company, the higher the level of trust of the lender in providing funds, so that it can increase the value of the company in the eyes of lenders and in the eyes of potential investors. According to Nugraheni and Merta (2019), the dividend policy is one of the current obligations that the company must fulfill to the company shareholders. The ratio used in calculating the level of liquidity in this study is the Current Ratio (CR). In graph 1.1, the Dividend Payout Ratio (DPR) in 2016-2018 increased, but decreased in 2019, but increased dramatically in 2020. However, Current Ratio (CR) actually decreased in 2016-2018. This shows that the relationship between the current ratio and the dividend payout ratio is 2016-2018 is in line with Kasmir's theory in Astutik (2017) which states that in this condition, management is less able to operate the company's operational activities, especially in terms of using the funds they have. The impact is that this will certainly affect the effort to achieve the desired profit which causes the company's dividend distribution to also decrease. According to research conducted by Nugraheni and Mertha (2019), Muhammadinah (2021), and Jati W (2020) stated that the current ratio has a positive and significant effect on dividend policy. However, Maula and Yuniati (2019), Rokhayati, Harsuti, and Lestari (2021), and Sebastian and Siauwijaya(2021), Hartono, Matusin (2020), Wulandari (2020), Eryanto, and Suryanto (2017) in showed that the current ratio is not significant to dividend policy.

Profitability is an indicator of the company's performance, and whether the company has carried out operational activities efficiently. Profitability is defined as the company's ability to generate profits from the capital. Profitability in this research was measured using ROE (Return On Equity). According to Estuti, Hendrayanti, and Fauziyanti (2020), ROE reflects the profits enjoyed by shareholders and indicates better company growth, because it shows an increase in company profits. In graph 1.1, profitability has decreased from year to year, except in 2019 it rose slightly and fell again in 2020. This is according to research conducted by Estuti, Hendrayati, and Fauziyanti (2020), Jati (2020), Chaniago, and Ekadjaja (2020) say that ROE has a significant positive effect on dividend policy. However, somewhat contrary to research by Zulkifli, Endri, and Kurniasih (2017), states that Return on Equity has a significant and negative effect on dividend policy.

Each debt will bear its own burden on the company. The larger the loan, the greater the interest expense that must be paid by the company. According to Firdaus, Mujino, and Rinofah (2020), Leverage explains how much of a company's assets are financed by debt. Debt to Equity Ratio (DER) is a leverage indicator used to estimate how far the company is funded by debt, if the higher this ratio indicates a less good indication for the company and the prospect of dividend payments will be low. The ratio used in calculating the level of leverage in this research is the Debt to Equity Ratio (DER). In graph 1.1, leverage decreased from 2016-2018, but increased in 2019 and 2020. In 2016-2018, when DER decreased, the dividend payout ratio (DPR) increased. However, in 2020 when the DER experienced an increase, the dividend payout ratio (DPR) experienced a very significant increase. According to research conducted by Zulkifli, Endri, and Kurniasih (2017), it is stated that the DER has a negative significant effect on dividend policy. While research from Wulandari (2020), and Muhtarom Z.A. (2021) say that the DER has no effect on dividend policy.

II. LITERATUR REVIEW

- Bird in Hand theory (Sihombing, 2019) expresses the assumption that investors are risk averse and they get a positive premium on their income. The factor that supports this theory is that investors prefer get dividends and tend to invest in companies that provide relatively high dividend rates. By giving dividends and reporting profits, the company is considered to be able to generate profits. Investors prefer to receive cash through current dividends, rather than future profits or capital gains whose value is uncertain. In other words, this theory states that a high dividend payout reduces the risk of uncertainty and in turn reduces the level of profit signaled by shareholders or the cost of share capital.
- Agency theory (Sihombing, 2019) reveals that conflicts can occur between parties related to the company, for example, between managers and shareholders. The separation of ownership and control occurs when the owners who are shareholders appoint a manager to manage the company. This will later lead to a conflict that causes the company to incur agency costs. Conflicts can also occur between managers and shareholders, where managers prefer retained earnings to be used as capital for company expansion.
- Signal Theory (Okoro, Alajekwu, and Azeabasilli, 2013) reveals that managers use changes in the level of cash dividend distribution as a way of conveying information to investors about the company. The basis of this argument is the information asymmetry between managers (insiders) and investors. Managers tend to have personal information about the company's current and future prospects. This theory asserts that managers are motivated to communicate this information to the market. The announcement of increased dividend payouts is considered good news for investors and has a positive effect on the value of the stock.
- Tax Affect Theory (Ardina, 2015) reveals that shareholders receive small dividend payments given by the company due to taxes, because the greater the number of dividends paid by the company to shareholders, the higher the tax deducted.

Dividends according to Martani (2015), are part of the profits distributed to shareholders. Dividend payout is a mechanism for allocating welfare to shareholders. The company issues dividends based on decisions taken at the general meeting of shareholders. In terms of the mechanism or timing of payment, dividends can be divided into received dividends or final dividends. One component of good corporate governance is the audit committee. The audit committee is a committee that can be used to monitor the company's performance and influence the decisions of managers and also to ensure that the financial statements presented are in accordance with financial accounting standards in Indonesia.

Liquidity describes the extent to which a company's assets can be quickly traded in the market at a price that reflects its essential value. Companies or investors often used liquidity ratio to determine the level of the company's ability to pay its short-term debt. Through the liquidity ratio, the management can monitor the availability of the amount of cash, especially those related to debt payments that will soon be due. In this study, the ratio used to measure liquidity is the current ratio. The current ratio is one of the liquidity ratios used to assess the liquidity position of an entity by using the relationship between current assets and current liabilities.

Basically, the company's profitability is an attempt to accurately assess the extent of the rate of return that will be obtained from investment activities. Investors usually used this profitability ratio as material for review their shares in company. Profitability has an important meaning in an effort to maintain the performance of the company's life in the long term.

Profitability ratios have a role to measure the company's performance in generating profits. When investors find there are problems in financial performance, investors can suspect there is a potential for delay or decrease in dividend payments in the relevant period or in the future. In this research, the ratio used in measuring the profitability ratio is return on equity. ROE is the total return on net income on equity and is expressed as percent.

The use of corporate funding sources, both short-term and long-term, will cause an effect called leverage. More broadly in the company's operating activities, this leverage occurs because the company uses assets and funding that incur fixed costs, namely fixed assets which result in depreciation costs and debt which results in interest costs. Therefore, leverage is often interpreted as the use of assets or funds where the company must be able to cover fixed costs or fixed costs arising from the use of these assets or funds. The higher the debt, the greater the income used to pay debt and interest expenses. In this research, the indicator used to measure the leverage ratio is the debt to equity ratio. DER is a financial ratio that compares the amount of debt with the value of equity.

A. Research Hypothesis

Based on theoretical studies and supported by previous research results, the hypotheses of this research are as follows:

- Audit Committee has positive effects on dividend policy in consumer goods companies.
- Liquidity (Current Ratio) has positive effect on dividend policy in consumer goods companies.
- Profitability (Return On Equity) has positive effects on dividend policy in consumer goods companies.
- Leverage (Debt to Equity Ratio) has negative effect on dividend policy in consumer goods companies.

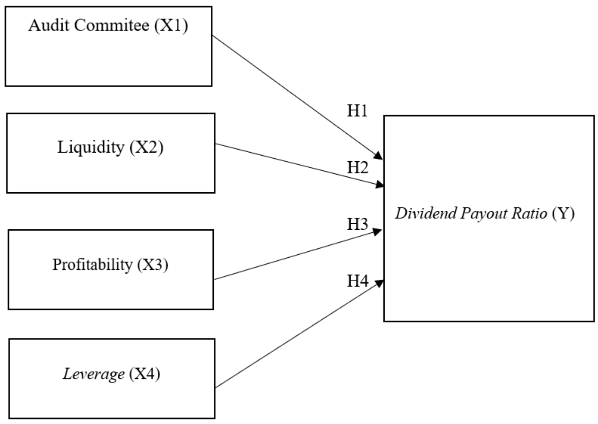

Image 2

III. RESEARCH METHOD

A. Population and Sample

This research appertains to the type of causality research. The approach used in this research is a quantitative approach. The research data is annual data for the period 2016-2020 (time series) from 18 companies (cross-section). Data analysis used a panel data regression approach with a total of 90 observations. The research population is all consumer goods sector companies listed on the Indonesia Stock Exchange (IDX), total have 58 companies and that meet the sample criteria as many as 18 samples. The requirements of the selected sample of companies, namely:

- Companies in the consumer goods sector listed on the Indonesia Stock Exchange prior to 2016.
- Consumer that issue annual financial reports (Audited) for the period 2016-2020 and always experience profits each year.
- Companies that always distribute dividends every year during the 2016-2020 period.

The 18 sample companies selected are below:

No	Saham Code	Emitten Name	IPO Date
1	DLTA	Delta Djakarta Tbk	12 Februari 1984
2	ICBP	Indofood CBP Sukses Makmur Tbk	07 Oktober 2010
3	INDF	Indofood Sukses Makmur Tbk	14 Juli 1994
4	MLBI	Multi Bintang Indonesia Tbk.	17 Januari 1994
5	MYOR	Mayora Indah Tbk	04 Juli 1990
6	ROTI	Nippon Indosari Corpindo Tbk.	28 Juni 2010
7	SKLT	Sekar Laut Tbk.	08 September 1993
8	TBLA	Tunas Baru Lampung Tbk.	14 Februari 2000
9	ULTJ	Ultrajaya Milk Industry & Trading Co. Tbk.	02 Juli 1990
10	HMSP	PT Handjaya Mandala Sampoerna Tbk	15 Agustus 1990
11	DVLA	PT Darya Varia Laboratoria Tbk	11 Nopember 1994
12	KLBF	PT Kalbe Farma Tbk	30 Juli 1991
13	SIDO	PT Industri Jamu & Farmasi Sido Muncul	18 Desember 2013
14	TSPC	PT Tempo Scan Pasific Tbk	17 Juni 1994
15	KINO	PT Kino Indonesia Tbk	11 Desember 2015
16	TCID	PT Mandom Indonesia Tbk	30 September 1993
17	UNVR	PT Unilever Indonesia Tbk	11 Januari 1982
18	CINT	PT Chitose International Tbk	27 Juni 2014

B. Variable Operation

In this study the independent variables are audit committee (X_1), Current Ratio (X_2), Return on Equity (X_3), Debt to Equity Ratio (X_4) and the dependent variable is dividend payout ratio (Y).

Measurements for each variable are as follows:

$$DPR = \frac{\text{Dividend Per Share}}{\text{Earnings Per Share}}$$

$$KA = \frac{\text{Audit Committees Outside Commissioners}}{\text{Total Company Audit Committee}}$$

$$CR = \frac{\text{Total Current Assets}}{\text{Total Current Debt}}$$

$$ROE = \frac{\text{Net Profit After Tax}}{\text{Total Equity}}$$

$$DER = \frac{\text{Total Debt}}{\text{Total Equity}}$$

C. Data analysis method

In this study using data panel regression method. In conducting this analysis and testing, the EViews 12 program tool is used. The following is an analysis of the data used in research based on the problems that have been formulated, the research objectives, and taking into account the nature of the data collected:

- Descriptive Statistical Analysis
- Test Data Panel Regression (The Common Effect, Fixed Effect, and Random Effect)
- Selection of the Best Model through: Chow Test, Hausman Test, and Lagrange Test
- Hypothesis Testing consisting of: F Test, R2 Test, and T Test

IV. RESULT AND DISCUSSION

In this study, there are 5 variables to be studied, consisting of four independent variables and one dependent variable. Researcher use the data on these variables were collected from the Indonesia Stock Exchange in the form of financial and annual reports for the 2016-2020 period, namely Audit Committee data (X_1), Current Ratio (X_2), Return on Equity (X_3), Debt to Equity Ratio (X_4) and Dividend Payout Ratio (Y) for consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2016 – 2020.

Date: 07/13/22 Time: 19:42
Sample: 2016 2020

	DPR	KA	CR	ROE	DER
Mean	0.515878	0.588322	3.094078	0.269256	0.778522
Median	0.428000	0.667000	2.528500	0.165000	0.509500
Maximum	2.525000	0.667000	10.65300	1.451000	3.159000
Minimum	0.002000	0.333000	0.606000	0.001000	0.083000
Std. Dev.	0.357121	0.139593	2.112776	0.345339	0.724010
Skewness	2.209580	-1.252919	1.281645	2.437815	1.619152
Kurtosis	12.43964	2.623743	4.473486	7.644964	4.940243
Jarque-Bera	407.3840	24.07799	32.78108	170.0529	53.44184
Probability	0.000000	0.000006	0.000000	0.000000	0.000000
Sum	46.42900	52.94900	278.4670	24.23300	70.06700
Sum Sq. Dev.	11.35062	1.734270	397.2802	10.61407	46.65302
Observations	90	90	90	90	90

Table 1: Descriptive Statistics of Research Variables

The lowest Dividend Payout Ratio (DPR) is 0.002 in 2020 at PT Multi Bintang Indonesia Tbk. While the highest Dividend Payout Ratio (DPR) occurs in 2020 at PT Delta Djakarta Tbk, which is 2.53 . The average value of the Dividend Payout Ratio (DPR) in all consumer goods sector companies until the research period 2016-2020 is 0.52 with a standard deviation of 0.33 and a median value of 0.47.

The lowest score (minimum) of the Audit Committee in the first four years of research from 2016-2019 was 0.33 including PT Indofood CBP Sukses Makmur Tbk, PT Hanjaya Mandala Sampoerna Tbk, and PT Tempo Scan Pacific Tbk. While the highest value of the audit committee occurred throughout the 2016-2020 research period, which was 0.66, including PT Multi Bintang Indonesia Tbk and PT Mayora Indah Tbk. The average value of the audit committee in all consumer goods sector companies for the 2016-2020 period was 0.59 with a standard deviation of 0.14 and a median value of 0.67.

The lowest value of the Current Ratio is in 2016 of 0.61 which is found at PT Unilever Tbk. This is because PT Unilever Tbk has current liabilities compared to its current assets. In this position it can be interpreted that the company has difficulty paying current debts because current assets cannot bear the value of the debt. Meanwhile, the highest (maximum) current ratio occurred in 2020 at PT Mandom Indonesia Tbk, which was 10.65. The average value of the current ratio in all consumer goods sector companies for the 2016-2020 period is 3.09 with a standard deviation of 2.14 and a median value of 2.61.

The lowest Return on Equity is in 2020 of 0.001 which is found at PT Chitose Internasional Tbk. Meanwhile, the highest (maximum) Return on Equity occurred in 2020 at PT Unilever Tbk, which was 1.45. The average value of return on equity in all consumer goods sector companies for the 2016-2020 period is 0.27 with a standard deviation of 0.35 and a median value of 0.27.

The lowest value of the Debt to Equity Ratio (DER) was in 2016 of 0.08 which was found at PT Industri Jamu and Farmasi Sidomuncul Tbk. Meanwhile, the highest DER occurred in 2020 at PT Unilever Tbk, which was 3.16. The average value of the DER in all consumer goods sector companies until the research period 2016-2020 is 0.78 with a standard deviation of 0.74 and a median value of 0.54.

Redundant Fixed Effects Tests
Equation: FEM
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.061325	(17,68)	0.0188
Cross-section Chi-square	37.407066	17	0.0030

Tabel 2: Chow Test

The table above shows the results of the chow test using E-Views software, and the probability value of the F test is smaller than = 0.05 (5%) which is 0.0188. Therefore, in this test it can be concluded that H0 is rejected and H1 is accepted. This means that in this study the Fixed Effect Model is better used in estimating the panel data regression than the Common Effect Model.

Correlated Random Effects - Hausman Test
Equation: REM
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.343898	4	0.3615

Table 3: Hausman Test

The table above shows the results of the Hausman test using the E-Views software, and the probability value is greater than = 0.05 (5%) which is 0.3615. Therefore, in this test it can be concluded that H0 is accepted and H1 is rejected. This means that in this study the Random Effect Model is better used in estimating the panel data regression than the Fixed Effect Model.

Lagrange multiplier (LM) test for panel data
Date: 04/26/22 Time: 16:04
Sample: 2016 2020
Total panel observations: 90
Probability in ()

Null (no rand. effect) Alternative	Cross-section One-sided	Period One-sided	Both
Breusch-Pagan	30.23496 (0.0000)	0.147119 (0.7013)	30.38208 (0.0000)
Honda	5.498632 (0.0000)	-0.383561 (0.6493)	3.616902 (0.0001)
King-Wu	5.498632 (0.0000)	-0.383561 (0.6493)	2.054696 (0.0200)
SLM	6.265940 (0.0000)	-0.109558 (0.5436)	-- --
GHM	-- --	-- --	30.23496 (0.0000)

Table 4: Lagrange Test

The table above shows the results of the lagrange multiplier test using E-Views software, and the Breusch-Pagan probability value (both) is 0.0000 which is smaller than = 0.05 (5%). Therefore, it can be concluded that the random effect model is better than the common effect model in estimating panel data regression.

The following table-5 presents the results of selecting the best panel model. It was found that the best estimation model in this study was the Random Effect Model (REM).

Model	Calculation Result	Conclusion
Chow Test	(Prob) for cross section F 0.0188 < 0.05	FEM
Hausman Test	(Prob) for cross section F 0.3615 > 0.05	REM
Lagrange Test	(Prob) for cross section F 0.000 < 0.05	REM

Table 5: Random Effect Model

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Dependent Variable: DPR
Method: Panel EGLS (Cross-section random effects)
Date: 04/26/22 Time: 16:50
Sample: 2016 2020
Periods included: 5
Cross-sections included: 18
Total panel (balanced) observations: 90
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.394993	0.180974	2.182595	0.0318
KA	-0.456032	0.293504	-1.553751	0.1240
CR	0.074142	0.021728	3.412303	0.0010
ROE	0.739097	0.136595	5.410867	0.0000
DER	-0.041825	0.079489	-0.526166	0.6001

Effects Specification	S.D.	Rho
Cross-section random	0.127086	0.2089
Idiosyncratic random	0.247282	0.7911

Weighted Statistics			
R-squared	0.351021	Mean dependent var	0.343020
Adjusted R-squared	0.320481	S.D. dependent var	0.300585
S.E. of regression	0.247781	Sum squared resid	5.218625
F-statistic	11.49376	Durbin-Watson stat	1.171112
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.448634	Mean dependent var	0.522544
Sum squared resid	6.333194	Durbin-Watson stat	0.965010

The best model test results show the appropriate model. The calculated F value is 11.49376 with a probability of 0.0000. The ability of the model to explain the problem phenomenon is 32.04%. Other variables outside the model explained remaining 67.96%.

Based on table 5 above, the panel data regression equation is:

Y = 0.394993 + - 0.456032 KA + 0.074142 CR + 0.739097 ROE + -0.041825 DER.

Based on table 3 above, the panel data regression equation is:
Y = 0.394993 + - 0.456032 KA + 0.074142 CR + 0.739097 ROE + -0.041825 DER.

The panel data regression equation above can be concluded:

- The constant coefficient value = 0.394993 meaning that if the variables KA (X_1), CR (X_2), ROE (X_3) and DER (X_4) are considered constant or constant, then the Dividend Payout Ratio (Y) value is 0.394993 . 2. The regression coefficient value of the KA variable (X_1) is -0.456032 is negative, thus meaning that if the KA variable (X_1) has decreased by 1 unit, the Dividend Payout Ratio (Y) variable has increased by -0.456032.
- The regression coefficient value of the CR variable (X_2) of 0.074142 is positive, thus meaning that if the CR (X_2) variable has a decrease of 1 unit, the Dividend Payout Ratio (Y) variable has decreased by 0.074142.
- The regression coefficient value of the ROE variable (X_3) of 0.739097 is positive, thus meaning that if ROE (X_3) variable has an increase of 1 unit, the Dividend Payout Ratio (Y) variable has increased by 0.739097.
- The regression coefficient value of the DER variable (X_4) of -0.041825 is negative, thus meaning that if the DER variable (X_4) has an increase of 1 unit, the Dividend Payout Ratio (Y) variable has increased by -0.041825.

Weighted Statistics			
R-squared	0.351021	Mean dependent var	0.343020
Adjusted R-squared	0.320481	S.D. dependent var	0.300585
S.E. of regression	0.247781	Sum squared resid	5.218625
F-statistic	11.49376	Durbin-Watson stat	1.171112
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.448634	Mean dependent var	0.522544
Sum squared resid	6.333194	Durbin-Watson stat	0.965010

Table 6: F Test

Based on the results of the F test above, the calculated F value > F table is 11.49376 > 2.488886, then H0 is rejected, which means that the variables of the Audit Committee, Current Ratio (CR), Return on Equity (ROE), and Debt to Equity Ratio (DER) jointly affects the Dividend Payout Ratio in companies in the consumer goods sector in 2016 – 2020.

Weighted Statistics			
R-squared	0.351021	Mean dependent var	0.343020
Adjusted R-squared	0.320481	S.D. dependent var	0.300585
S.E. of regression	0.247781	Sum squared resid	5.218625
F-statistic	11.49376	Durbin-Watson stat	1.171112
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.448634	Mean dependent var	0.522544
Sum squared resid	6.333194	Durbin-Watson stat	0.965010

Table 7 Test of Determination Coefficient Value (R^2)

Based on the table above, the R-squared value is 0.448634 or 44.86%, which means that 44.86% Dividend Payout Ratio is influenced by the variables of the Audit Committee, Current Ratio (CR), Return on Equity (ROE), Debt to Equity Ratio (DER), while the remaining 45.14% (1 - 44.86%) is influenced by other variables not included in this study.

Dependent Variable: DPR
Method: Panel EGLS (Cross-section random effects)
Date: 04/26/22 Time: 16:50
Sample: 2016 2020
Periods included: 5
Cross-sections included: 18
Total panel (balanced) observations: 90
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.394993	0.180974	2.182595	0.0318
KA	-0.456032	0.293504	-1.553751	0.1240
CR	0.074142	0.021728	3.412303	0.0010
ROE	0.739097	0.136595	5.410867	0.0000
DER	-0.041825	0.079489	-0.526166	0.6001

Effects Specification	S.D.	Rho
Cross-section random	0.127086	0.2089
Idiosyncratic random	0.247282	0.7911

Weighted Statistics			
R-squared	0.351021	Mean dependent var	0.343020
Adjusted R-squared	0.320481	S.D. dependent var	0.300585
S.E. of regression	0.247781	Sum squared resid	5.218625
F-statistic	11.49376	Durbin-Watson stat	1.171112
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.448634	Mean dependent var	0.522544
Sum squared resid	6.333194	Durbin-Watson stat	0.965010

Table 8: T Test

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From the t hypothesis test above, the following results were obtained:

- Audit Committee (X_1) has a t value of -1.553751 < t table value of 2.32 and has a probability value of 0.1240 > 0.05, thus it can be concluded that the audit committee has no effect on the dividend payout ratio. The hypothesis submitted by the author that the audit committee has a positive effect on the dividend payout ratio is not proven.
- Current Ratio (X_2) has a calculated t value of 3.412303 > t table value of 2.32 and has a probability value of 0.010 <0.05, thus it can be concluded that the current ratio has an effect on the dividend payout ratio. The hypothesis submitted by the author that the current ratio has an effect on the dividend payout ratio is in accordance with the results of the study.
- Return on Equity (X_3) has a t value of 5.410867 > t table value of 2.32 and has a probability value of 0.000 < 0.05, thus it can be concluded that return on equity has an effect on the dividend payout ratio. The hypothesis submitted by the author that return on equity has an effect on the dividend payout ratio is in accordance with the results of the study.
- Debt to Equity Ratio (X_4) has a t value of -0.526166 < t table value of 2.32 and has a probability value of 0.6001 > 0.05, thus it can be concluded that the debt to the equity ratio has no effect on the dividend payout ratio. The hypothesis submitted by the author that the debt to equity ratio has a positive effect on the dividend payout ratio is not proven.

A. Discussion of Research Results:

- Effect of Audit Committee (KA) on Dividend Policy
  The audit committee is a body formed by the commissioners to oversee company policies. The results of the study stated that the audit committee had no and no significant effect on dividend policy. Although the audit committee is tasked with ensuring that the financial statements presented are in accordance with generally accepted financial accounting standards in Indonesia and are expected to improve the company's internal control and be able to make judgments aimed at shareholders, namely the dividend distribution policy. The increase or decrease in the number of audit committees within a company cannot affect the dividend distribution decisions taken by the shareholders through the GMS (General Meeting of Shareholders). This shows that the audit committee's findings cannot influence the policies of management and shareholders in distributing cash dividends. The results of this analysis are in line with previous research according to Sinaga, Pangestu, and Christina (2021), Pirdayanti and Wirama (2019), Serly and Susanti M (2021), Padil and Adawiyah (2021) which stated that the audit committee had no effect on dividend policy.
- Effect of Liquidity (Current Ratio) on Dividend Policy
  The higher the current ratio, the greater the opportunity to pay cash dividends. The results of the study state that the Current Ratio has a positive and significant effect on dividend policy. According to Pirdiyanti and Wirama (2019), liquidity is the company's ability to pay obligations in the form of short-term debt, namely dividends paid to shareholders. The company is believed to have the ability to pay debts so that it dares to make a policy of distributing dividends to shareholders. This shows that the results of the analysis are in accordance with previous research according to Nugraheni and Mertha (2019), Muhammadinah (2021), and Jati W. (2020) which state that the current ratio has a positive and significant effect on dividend policy.
- Effect of Profitability (ROE) on Dividend Policy
  One of the main reasons companies operate is to generate profits that benefit shareholders. The greater the return on equity reflects the company's ability to generate high profits for shareholders which has an impact on increasing dividend distribution. The results of the study state that return on equity has a positive and significant effect on dividend policy. According to Estuti, Hendrayanti, and Fauziyanti (2020), ROE reflects the profits enjoyed by shareholders and indicates better company growth, because it shows an increase in company profits. The company distributes dividends to shareholders because it wants to increase the value of the company because profits continue to increase. The results of the analysis are in accordance with previous research according to Estuti, Hendrayati, and Fauziyanti (2020), Jati (2020), and Chaniago (2020). Return on Equity states that has a positive and significant effect on dividend policy.
- Effect of Leverage (DER) on Dividend Policy
  The higher the debt to equity ratio owned by a company, the company will tend to distribute dividends in small amounts to shareholders. Thus, a high debt-to-equity ratio is not always the cause of a low firm value. Likewise, a low debt to equity ratio does not always make the value of the company increase because investors see it from various sides of the financial statements so that it does not affect the value of the company. The results of the study stated that the debt to equity ratio had a negative and insignificant effect on dividend policy. This shows that the high amount of debt has no effect on the dividend distribution policy. The company did this to maintain investor confidence and keep the value of the company from going down, especially in 2020, the company even increased the distribution of dividends even though the DER value increased. The results of the analysis are contrary to previous research according to Zulkifli, Endri, and Kurniasih (2017). Debt to Equity Ratio states that has a negative and significant effect on dividend policy. However, according to Wulandari's research (2020) which has a negative and insignificant effect.

V. CONCLUSIONS AND SUGGESTION

Based on the results of the analysis and discussion, it can be concluded as follows:

- Audit Committee (KA) has no effect on the dividend policy of consumer goods companies listed on the IDX in 2016-2020.
- Current Ratio (CR) has a positive effect on the dividend policy of consumer goods companies listed on the IDX in 2016-2020.
- Return on Equity (ROE) has a positive effect on the dividend policy of consumer goods companies listed on the IDX in 2016-2020.

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- Debt to Equity Ratio (DER) has no effect on the dividend policy of consumer goods companies listed on the IDX in 2016-2020.

Some suggestions related to the results of this study, namely:

- For Investors. It is expected to be able to make considerations in making investments by first analyzing the state of the company through the Current Ratio and Return on Equity, because in this study both CR and ROE have a positive effect on dividend policy in consumer goods sector companies listed on the IDX in 2016-2020, as well as has a large regression coefficient value.
- For the Company. We recommend that you have to plan for business expansion and provide the best service to consumers and reduce operational costs which are considered less effective because the results of this study indicate that Current Ratio and Return on Equity are variables that affect the company's dividend policy.
- For further researchers. It is recommended that the research be further expanded to other industries or sectors so that later a larger number of samples will be obtained and comparisons can also be made between industries/sectors. In addition, further researchers can use other variables that affect the company's dividend policy such as institutional ownership, managerial ownership, price book value and company size, as well as several external factors such as interest rates, economic growth and consumer confidence index.

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