

## **ABSTRACT**

*Internal control system is one of the important aspect in providing complete and reliable information. The disclosure of internal control system adequately can help stakeholders in assessing the quality of the corporate's internal control system. Transparency through disclosure of internal control system provides an important role in reducing information asymmetry.*

*This study aims to examine specifically the effect of the characteristics of the audit committee on disclosure of internal control and the consequences of these disclosures on the firm value. This study use 100 public company with the largest market cap in 2016 as sample. Statical test were performed using regression analysis.*

*The results show that number of audit committee meetings have positive effect on the internal control disclosure. This study shows that audit committees play a role in reducing information asymmetry through broader internal control disclosure.*

*Keywords: internal control system, disclosure, audit committee characteristics, firm value.*