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The influence of audit committee on the relationship between corporate social responsibility disclosure and tax aggressiveness: evidence from French context

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Abstract: The objective of this study is to investigate the impact of audit committee characteristics on the relationship between corporate social responsibility disclosure and tax aggressiveness. Based on 72 French listed firms SBF 120 for the years ranging 2010 to 2017.The level of tax aggressiveness is measured across the effective tax rate (ETR). The authors find that measures of independent, expertise and size of audit committee are significantly related to tax aggressiveness. This research contribution to the literature reveals the influence of audit committee characteristics on the Relationship between corporate social responsibility disclosure and the level of tax aggressiveness in French context given that in recent years, the fight against aggressive tax practices has been among the primary objectives within the framework of the European Union (EU).

Keywords: audit committee characteristics; the level of tax aggressiveness; ETR; effective tax rate; corporate social responsibility disclosure.

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1 Introduction

For several decades, tax has been assumed to be a determining factor in numerous decision of the company. Tax regulations provide businesses with opportunities and an area of fiscal freedom to reduce its tax burden. Tax freedom granted by the regulations gives the company the possibility of legally reducing the tax and be tax efficient. This behaviour invites the company to put in place tax reduction strategies. Indeed, this freedom to seek tax savings can be excessive but legal, for example by taking advantage of loopholes in tax legislation could provide an opportunity for taxpayers to reduce their taxes without violating the rules of the law. In addition, investments in tax havens with low foreign tax rates, investments in tax-exempt assets … etc.

Tax aggressiveness is defined as a legal act (tax avoidance) which reminds the tax management. The minimisation of the tax burden while respecting the regulations and in certain situations it can be considered as tax evasion when it is contrary to the spirit of the law (Deslandes and Landry, 2009). From a tax standpoint, the audit committee plays a very important role in minimising aggressive tax activities and ensures efficient tax management within the company (Deslandes and Landry, 2009) and the reduction of aggressive results management (Carcello and Neal, 2003).

According to the 2008 OECD "the audit committee is responsible from a fiscal point of view for the preparation and control of the overall tax risk management strategy". Consequently, the intervention of audit committee as a control mechanism influences the relationship between the level of disclosure of societal information and the level of tax aggressiveness (Sari and Tjen, 2016; Anis, 2017). The characteristics of the audit committee are considered to be a determinant of aggressive tax practices. Indeed, the characteristics of the committee influence tax management practices. Thus, the impact of the audit committee of reducing the level of tax aggressiveness is important in order to avoid the risk of tax evasion. The audit committee is a mechanism that helps limit tax aggressiveness and can play an important role in improving the accountability of managers.

There are different networks of relationships linking the audit committee and voluntary societal disclosure. Without doubt, the link between the audit committee and tax management is one of the most important. This link follows that the audit committee can dissuade opportunistic behaviour from aggressive tax management. As taxation can interact with the audit committee, which is a corporate governance mechanism can have an effect on the voluntary disclosure policy which can be complementary or substitute (Ho and Wong, 2001). On the one hand, it can be complementary when adopting the characteristics of an effective audit committee which strengthens internal control and limits the opportunity for managers to obtain information specific to their interests; and therefore an increase in the level of disclosure. On the other hand, a substitute role if the characteristics of the audit committee reduce information asymmetry and the opportunism of managers; which leads to a low level of disclosure and oversight. Thus, as the characteristics of the audit committee affect the level of societal disclosure in turn can affect and minimise tax aggressiveness. The focus will be on the characteristics of the audit committee that are related to tax rulings. As part of the study of the effect of the characteristics of the audit committee on the relationship between societal disclosure and tax aggressiveness, the research focus on the characteristics of the audit committee, namely: the independence of the committee audit, accounting or tax expertise, number of meetings and size. Studying the effect of the interaction of audit committee characteristics on the relationship between societal disclosure and tax aggressiveness will strengthen the understanding of corporate taxpayer behaviour. Indeed, in recent years, the fight against aggressive tax practices has been among the overarching objectives within the framework of the European Union (EU). Among the objectives of European Commission and the fight against aggressive tax activities from which it declared the 18 March, 2015 in its communication on tax transparency "using techniques aggressive tax activities, some companies exploit legal loopholes in tax systems and the asymmetries that exist between national rules to remove the Payment of their fair share of tax". Some studies show that companies that are tax aggressive are considered as socially irresponsible (Schön, 2008) and from a societal point of view the companies that pay their fair share of taxes to the government provide financing for assets governments apply efficient tax management and are therefore less aggressive (Sari and Tjen, 2016; Lanis and Richardson, 2011).

Few empirical studies analyse the impact of the level of voluntary disclosure societal information and the audit committee on the level of tax aggressiveness (Anis, 2017; Sari and Tjen, 2016; Lanis and Richardson, 2011) and to our knowledge there are no studies that have addressed the moderating effects of audit committee characteristics on the relationship voluntary disclosure of societal information and tax aggressiveness in the French context (Anis, 2017; Kusumawati and Hardiningsih, 2016) The French context is a field investigation not yet studied. Thus, to my knowledge this study is estimated the first contribution in the French context which deals with the relationship between disclosure voluntary societal information and the level of tax aggressiveness and the effect of characteristics of the audit committee on the relationship between societal disclosure and tax aggressiveness. Indeed, the effect of societal disclosure on tax aggressiveness requires the intervention of certain actors internal to the company (control mechanisms). In this context, Anis (2017) show that a reduced level of voluntary disclosure of societal information tax aggressiveness if companies have effective audit committees. Also, kusumawati and Hardiningsih (2016) show that effective corporate governance influences on the relationship between societal disclosure and tax aggressiveness. Most discussions of corporate control mechanisms focus on characteristics of the board of directors, the external auditor and fiscal aggressiveness. However, there has been relatively little attention to the relationship characteristics of the committee audit and tax rules. To my knowledge, there is no previous research, which addressed the effect of the audit committee on the relationship between societal disclosure and aggressiveness corporate tax in the context of French listed companies, more specifically the companies belonging to the SBF 120 index. At the level of this paper, our step is structured as follows. In Section 2, the previous researches and in the theory of agency theory and signal theory to explain the effect of the characteristics of audit committee on relation between corporate social responsibility disclosure and tax aggressiveness. In Section 3, empirical study the effect of the characteristics of audit committee on relation between corporate social responsibility disclosure and tax aggressiveness. Finally conclusion.

2 Literature review, theoretical framework and hypothesis

2.1 Literature review

The audit committee is an important part of the corporate governance structure. As the risks incurred in tax management have become more numerous, the characteristics of the audit committee must be, within the framework of the company's risk management strategy, participate more in the effective tax management strategy of the company. They need to effectively expand their role in most businesses in order to ensure control over tax management and reduce the risk of tax aggression. The presence of an effective and high quality audit committee can limit tax aggressiveness and oversee tax management practices. The audit committee plays a very important and central role in tax matters and according to the Sarbanes Oxley Act audit committees plan to provide quality assurance of information and may information and can play a central role in improving managerial accountability. According to the agency theory, the characteristics of the audit committee such as independence, accounting or tax expertise, frequency of meetings and size substantially improves the effectiveness of the audit committee, the control of the 'external audit and financial reporting and tax practices. The role of the audit committee is to ensure that the interests of shareholders in relation to accounting and financial information and well protected (Krishnan, 2005). Also, Agency theory provides a theoretical framework for voluntary disclosure (Jenson and Meckling, 1976). This theory provides a framework related to voluntary disclosure to audit committees According to this theory, conflicts of interest between shareholders and managers generate agency costs. Reducing agency costs is considered one of the economic benefits that will be shared between shareholders and managers (Pratt and Zeckhauser, 1985). Thus, the of the audit committee plays an essential part in the voluntary disclosure policy and at the same time in the tax strategy by ensuring an effective tax strategy and a low level of tax aggressiveness. The audit committee in the European context and in France, the 8th directive in the European context includes a whole section of its recommendations for the audit committee. Thus, the objective of the audit committee according to the recommendations of the directive is internal control and the minimisation of financial risks and non-compliance. Indeed, the member countries of the audit committee have taken into consideration the recommendations of the 2005 commission concerning the functioning of the audit committee as well as its composition. Thus, the 8th directive specified the responsibilities of the audit committee according to the following article 41: "Monitoring of the financial information preparation process; Monitoring the effectiveness of internal control systems, internal audit and risk management companies; Follow-up of the legal audit of the annual and consolidated accounts; Review and monitoring of the independence of the statutory auditor and what provides additional services to the audited company". Corporate social responsibility is defined as the ongoing commitment of companies to adopt ethical behaviour and contribute to economic development by helping to improve the quality of life of the population and community (Holme and Watts, 2006). Indeed, social responsibility is a key factor for the continuity and survival of the company. In the literature, several researchers have confirmed the relationship between social responsibility and the level of tax aggressiveness (Dharmapala and Hines, 2006; Lanis and Richardson, 2011; Sari and Tjen, 2016; Anis, 2017). Thus, actions taken to reduce corporate taxes through tax-aggressive activities represent a common feature of the corporate landscape. In addition, the company's decision to reduce its taxes to be paid is legitimately influenced by its attitude in the disclosure or communication of societal information (Desai and Dharmapala, 2006).

Several researchers (Lanis and Richardson, 2011; Sari and Tjen, 2016; Kusumawati and Hardiningsih, 2016; Anis, 2017) have confirmed the effect of corporate social responsibility in reducing the level of tax aggressiveness, hence the commitment of companies to communicate more information is considered among the fundamental elements of companies.

Therefore, companies that disclose more social information are less aggressive because with high visibility in social responsibility should be more careful about these tax management activities. Hence, the more the company discloses societal information, the more the level of tax aggressiveness decreases.

Salloum et al. (2019) in a study conducted in the Lebanese context on a sample of 276 unlisted Lebanese family businesses. Found that the composition of the board has an impact on the performance of the company. Indeed, the presence of outside directors on the board does not appear to have an impact on the financial distress. However, a shareholder family represented on the board of directors reduces the risk of distress while the duality of the manager's duties increases the risks. Chemingui et al. (2022) examined the influence of corporate social responsibility disclosure (CSRD) on the level of tax aggressiveness. Based on 72 French listed firms SBF 120 for the years ranging 2010 to 2017. We measure the level of tax aggressiveness across effective tax rate (ETR). The empirical results of multiple regressions reveal that the higher the level of the CSR disclosure, the lower the company's tax aggressiveness.

2.1.1 The independence of the audit committee and its effect on the relationship between societal disclosure and tax aggressiveness

In the French context, it is recommended that the audit committee must include a proportion of at least two thirds of independent directors. Thus, several studies show that the audit committee made up of independent directors leads to effective transparency (Krishnan, 2005).

Within the framework of agency theory, effective management monitoring is more influenced by the presence of independent directors because independent directors of the audit committee have no relationship with management and therefore are more likely to work independently and objectively without the influence of management (Bédard and Gendron, 2010). So independent directors have more opportunity to reduce management withholding information for their own benefit. Indeed, the independence of the audit committee will ensure the transparency of financial reporting and reduce information asymmetry (Li et al., 2012).

Patelli and Prencipe (2007) showed that the independence of the audit committee positively influences the level of voluntary information disclosure and he assumed that there is a positive relationship between the independence of the audit committee and the level of voluntary disclosure of information. Effective control by the independent directors of the audit committee can further motivate management to disclose more societal information (Haniffa and Cooke, 2002).

The independent directors of the audit committee are encouraged to provide oversight of management and increase the likelihood of voluntarily disclosing the internal control report (Owusu-Ansah and Ganguli, 2010).

Wright (1996) found that the composition of the audit committee is strongly linked to financial reporting. The existence of an effective audit committee ensures the production of quality financial reports.

Thus, the existence of a high proportion of independent directors on the audit committee reduces agency tastes and improves internal control, which ensures a high quality of the information provided (Forker, 1992). Roshima et al. (2009) examined the relationship between audit committee independence and the level of societal disclosure in the Malaysian context. The results show the existence of a significant positive relationship between the two variables which can be explained by the fact that a high proportion of independent directors reduces agency tastes and improves internal control, hence a level of disclosure societal high (Forker, 1992).

In the Spanish context, Pucheta-Martinez and De Fuentes (2007) found a significant positive relationship between the independence of the audit committee and the quality of the financial information disclosed.

Richardson et al. (2013) found a negative and significant relationship between audit committee independence and tax aggressiveness. The audit committee as a control mechanism is supposed to assess the nature of the accounting methods used and the accounting and tax estimates established by management. Several studies have confirmed that a committee audit formed by independent directors leads to better transparency.

2.1.2 The accounting or tax expertise of the audit committee and its effect on the relationship between societal disclosure and tax aggressiveness

In order to effectively oversee the company's reporting process, audit committee members should have financial, accounting and tax skills, so that they are able to understand and interpret financial statements (Dhaliwal et al., 2010).

Thus, the accounting or tax expertise of the members of the audit committee allows them to identify and ask informed questions that challenge management and encourages management to disclose more societal information and ensure effective tax management of so that the company pays its taxes and avoid the risk of tax evasion. This reinforces the transparency of financial reports and the image of the company with its stakeholders.

The research work of Kelton and Yang (2008), Rutledge and Stewart (2010) has shown the existence of a significant positive relationship between the financial and/or accounting and tax expertise of the audit committee and the level of voluntary disclosure. Also, Akhtaruddin et al. (2009) have shown the existence of a significant positive relationship between the financial and/or accounting and tax expertise of the audit committee and the level of voluntary disclosure.

Indeed, Deslandes and Landry (2009) found a negative and significant relationship between the accounting or tax expertise of the audit committee and tax aggressiveness. This result is explained by the fact that the expertise of the members of the audit committee plays a role in favour of the compliance of the tax variable and makes it possible to reduce tax aggressiveness in the company and achieve tax management successful (Bouaziz and Triki, 2012).

Robinson et al. (2012) have shown that the expertise of the audit committee has a positive effect on aggressive tax planning.

2.1.3 The frequency of audit committee meetings and its effect on the relationship between societal disclosure and tax aggressiveness

The audit committee is seen as a monitoring mechanism formed in high agency cost situations to improve the quality of the information flow between the main agents. Thus, from the point of view of agency theory, audit committees should reduce agency costs. According to Fama (1980) "audit committees can be an important part of the control system used by decision of the board of directors to oversee internal control".

In addition, the audit committee among its main missions is to verify the reliability of the financial information given to the financial markets since it ensures the quality of the internal control systems and verifies the reliability of the information communicated to the shareholders, and the majority of previous studies confirmed that the audit committees who meet frequently are the most diligent and positively influence the level of disclosure. Previous research Abbott et al. (2004) and Carcello and Naeal (2003) on audit committees has shown that among the main characteristics of the audit committee rather than its mere presence and ability to perform its functions effectively. Indeed, we focus on one characteristic of the audit committee, which is the frequency of audit committee meetings. In addition, previous empirical research considers the frequency of committee meetings as an indicator of its diligence. Kelton and Yang (2008) have stated the hypothesis that a positive relationship is statistically significant between the frequency of audit committee meetings and voluntary disclosure of information via the Internet. The results of the regression analysis confirm the hypothesis on a sample of American companies. In addition, these results show that companies that have audit committees that meet frequently have a high level of internet disclosure. Likewise, this result is in line with the recommendation Ruban Bleu Committee (1999) "that a strong audit committee will lead to improved oversight and monitoring of the information process". In the same framework, Puspitaningrum and Atmini (2012) tested the effect of the frequency of audit committee meetings on the level of voluntary information disclosure through a multivariate analysis. However, the results showed a positive relationship and statistically significant on a sample of 420 Indonesian companies ($B = 0.006$, $P = 3.458$).

These results show that audit committees, which meet frequently, are more diligent and efficient in carrying out their duties. Beasley (1996) show that companies whose audit committees meet frequently have less risk of fraud than companies which have low meeting frequencies. Also, Bronson et al. (2006) have shown the existence of a positive and statistically significant relationship between the number of audit committee meetings and voluntary disclosure in management reports. Samaha et al. (2012) confirmed the hypothesis of a positive and significant relationship between the presence of audit committees and voluntary disclosure in annual reports.

Karamanou and Vafeas (2005) have shown that audit committees that meet frequently perform their oversight roles effectively. Also Greco (2011) has shown that the frequency of audit committee meetings would allow members to express a judgement on the company's accounting choice in terms of accounting and tax principle. Consequently, the audit committees which meet frequently are informed and recognise relevant information in accounting and tax matters.

In addition, an active audit committee that is to say that meets frequently during the year would give its members more possibilities and opportunities to assess the problems submitted to them concerning the accounting and tax practices of company financial information.

2.1.4 The size of the audit committee and its effect on the relationship between societal disclosure and tax aggressiveness

Allegrini and Greco (2011) assert that the larger the size of the audit committee the more likely they are to bring a diversity of skills, experience and expertise to ensure effective monitoring. Thus, a large number of audit committee members help resolve problems related to the corporate reporting process and enhance transparency (Bédard and Gendron, 2010). The size of the audit committee is a critical factor in overseeing disclosure practices. People (2009) has shown that the higher the number of the audit committee, the higher the level of voluntary disclosure. The management is motivated to pay the minimum tax, the audit committee as a control mechanism ensures the control of financial information and tax practices. The audit committee plays an important role in reducing tax aggressiveness and can identify risky tax practices (Balakrishnan et al., 2013).

2.2 The theoretical framework

At the level of this paragraph we introduce the theories of agency theory and signal theory. Which explain the influence of audit committee characteristics on the Relationship between corporate social responsibility disclosure and the level of tax aggressiveness.

2.2.1 The theory of agency

Agency theory provides a theoretical framework that explains the behaviour of company executives or managers towards the voluntary communication of information about the company. Thus, the issue of the divergence of interest between the shareholders and the manager is defined within the framework of the agency theory. First, the concept of the separation of the functions of ownership and control of the company finds its origins with the work of Berle (1932), thus the separation of functions generates divergences of interest between the stakeholders of the company.

Society as long as the objectives of managers diverge from the objectives of shareholders.

Thus, the agency or principal's theory was developed following this concept, hence Jenson and Meckling (1976) defined the agency theory as a contract by which the principal one or more person hires the agent who is another person to perform any task on their behalf; which implies a delegation of decision-making power to the agent from the principal. Indeed, the problem of the divergence of interest between the shareholders and the manager is defined within the framework of the theory of the principals or the agency because of the separation of the functions of control and ownership of the firm, the objectives of managers and shareholders diverge. The leader seeks to maximise his interest, that is to say his income, his dominance and his power as well as he has an advantage of access to information which allows them to benefit from the maximisation of his own interests to the detriment shareholders.

In addition, both parties the manager and the shareholders seek to maximise its own interests and increase its utility functions, also among the sources of divergence of interest between the shareholders and managers the asymmetry of information because the manager benefits from "a privilege of having more information than the shareholders". Consequently, the behaviour of the leader leads the principal to face two types of risk which are adverse selection and moral hazard: "Adverse selection: the agent generally has more information than the principal, thus a manager general is better informed about the company than the shareholder. The agent will take advantage of this information to make an adverse selection, in particular by adjusting the contract which binds him to the principal to his advantage; moral hazard in this case the agent will take advantage of his best information or his powers to circumvent the contract or mandate" (Claude Simon).

Indeed, the conflicts between the two parties, shareholders and managers, generate agency costs defined by Jenson and Meckling (1976) by: Surveillance costs: these are costs borne by the shareholder in order to ensure that the agent acts according to his interests: for example internal control system. Customs clearance costs: these are expenses set up by the manager to guarantee shareholders that they are acting in their own interests. Residual costs: are costs linked to divergences or misalignment of the agent's own interests and the principal. However, under agency theory voluntary disclosure can reduce agency costs (Jenson and Meckling, 1976).

2.2.2 The theory of signals

Signal theory has been used to explain voluntary societal disclosure practices and also the relationship between corporate governance mechanisms such as audit committee, voluntary disclosure and tax aggressiveness.

This theory was first used by Spence in 1973 based on the work of Akerlof. The signal is a reaction to reduce information asymmetry by disclosing more information to interested actors (Morris, 1987).

Indeed, signal theory emphasises that market pressures cause managers to disclose more information and that disclosure of a high level of information is a signal sent to interested parties. Thus, voluntary publication can be a way of signalling that the company is performing well, and socially responsible. The disclosure of societal information can be explained as a signal emitted by the company for the stakeholders by its existence and transparency towards the State, investors and shareholders .. etc. that it is socially responsible (Richardson and Welker, 2001).

Thus, managers are encouraged to voluntarily disclose more information in order to report the good news, because it is a way of signalling the quality of its activities, its transparency and allows them to stand out from other companies. However, managers can choose a nondisclosure policy in a competitive environment.

Farrell and Gibbons (1989) show that when firms are interested in investor relations as potential competitors, in this case they sincerely report information. Likewise, signal theory has been used by several researchers to explain managerial decisions regarding disclosure.

Signal theory is based on the principle that successful companies that perform well and have an interest in distinguishing themselves from poor performers. According to Morris (1987) "good quality firms have an interest in distinguish themselves from poor quality companies". Indeed, in the markets, we find an information asymmetry from which the signal theory is focused; that is to say the companies which disseminate or report more information on the financial market are companies which achieve excellent performance or a good operating result; and these companies stand out from other companies that perform poorly in the market because companies that communicate less information want to hide their poor performance. Thereby Lung and Lundholm (1993) suggest that "Voluntary disclosure of information may be linked to the variability of a company's performance". Companies that perform well are motivated to disclose more information in order to attract more investors and ensure they have a better idea of the performance of the companies. On the other hand, companies that post a bad performance are not motivated to disseminate more information and find themselves at risk for their image in front of investors.

2.3 Hypothesis

The review of the empirical art shows that there is a paucity of research that analyses the effect of audit committee on relationship between corporate social responsibility disclosure and aggressive tax management. Kusumawati and Hardiningsih (2016) have demonstrated the positive effect of corporate governance mechanisms on the relationship between societal disclosure and tax aggressiveness. Also, Anis (2017) demonstrated the positive effect of the audit committee on the relationship between societal disclosure and tax aggressiveness. Kusumawati and Hardiningsih (2016) and Anis (2017) have demonstrated the positive effect of the accounting or tax expertise of the audit committee on the relationship between societal disclosure and tax aggressiveness.

Salloum et al. (2015a) examined the relationship between audit committees, compensation plans and corporate audit fees in Lebanon using data from 110 family businesses using panel data to test the hypothesis, the result of the panel regression shows that audit committee attributes such as size, independence, meeting frequency and expertise, as well as compensation plans positively affect the audit fees of the companies. This result is consistent with the fact that the expertise of audit committee members also affects the fees charged by auditors to the audited company. In addition, long-term and short-term compensation plans affect the fees paid by the auditee to the external audit firm.

Allegrini et al. (2012) showed a significant positive relationship between audit committees that meet at least four times during the year and the level of disclosure of intellectual capital. Kusumawati and Hardiningsih (2016) and Anis (2017) have demonstrated the positive effect of corporate governance mechanisms on the relationship between societal disclosure and tax aggressiveness. Persons (2009) has shown that the higher the number of the audit committee, the higher the level of voluntary disclosure.

Salloum et al. (2015b) analysed whether the degree of control exercised by management affects the independence of the audit committee from the board of directors based on a sample of 54 Lebanese banks operating in various Lebanese territories during the period 2009–2011 Four characteristics of the board are examined; size, composition, CEO duality and management ownership. The Results show that all these banks have created an audit committee between 2009–2011 and comply with the regulations of the Lebanese Central Bank (BDL) to guarantee their independence from management which requires that the audit committee of Lebanese banks include independent members. Empirical results suggest that in Lebanese banks, managers can undermine the effectiveness of audit committees by the presence of inside directors on the board and CEO.

Jarrar et al. (2020) examined the impact of audit committee characteristics on healthy and financially distressed Lebanese banks. Using a sample of 54 Lebanese banks and four characteristics of audit committees will be analysed: size, composition, frequency of meetings and financial expertise of members. The results show that the financial distress of banks is negatively and significantly related to the frequency of audit committee meetings and the size of the bank.

On the basis of the magazine of literature and theory of agency and signal theory we postulate that:

H1: The independence of the audit committee has an effect on the relationship between societal disclosure and tax aggressiveness.

H2: The accounting or tax expertise of the audit committee has a positive effect on the relationship between societal disclosure and tax aggressiveness.

H3: The frequency of audit committee meetings has a positive effect on the relationship between societal disclosure and tax aggressiveness.

H4: The size of the audit committee has a positive effect on the relationship between societal disclosure and tax aggressiveness.

3 Methodology

3.1 Sample presentation and data collection

Our empirical study concerns quoted French firms, the initial population of our sample is composed from 120 French quoted firms composing indication SBF 120. It is to note that firms belonging to the financial sector were excluded dices the departure of our sample because of specificity of their financial regime as well as different politics in societal responsibility. Also, the firms which lack them data were moved aside from our sample.

In total 72 firms were kept over a period of 8 years going from 2010 until 2017. Our total sample includes 576 undertaken observations – year. To accomplish our research, we need first of all credit of the quantitative data relating to different variables for every firm over period going from 2010 till 2017. Firms composing our sample belong to the following sectors: The composition of our sample is introduced in the picture below to know industries, services to the consumers, oil, gases and basic materials, technology, telecommunications, services to groups and health.

3.2 Variables

3.2.1 Dependent variable: tax aggressiveness

Empirically, tax aggressiveness is measured by the effective tax rate, most previous studies measure tax aggressiveness by the effective tax rate because it reflects tax aggressiveness well (Rego, 2003; Robinson et al., 2012; Chen et al., 2010; Richardson et al., 2013; Taylor and Richardson, 2014; Sari and Tjen, 2016; Anis, 2017). The effective tax rate (EIR) in English is measured by the following formula:

$$(\mathbf{ETR}) = \frac{\textbf{Income tax}}{\textbf{Accounting profit before tax}}$$

Moderating variable

A moderating variable is defined by Baron and Kenny (1986) by "a qualitative variable for example (sex, social class) or quantitative which influences the direction of the relationship between the independent variable and the dependent variable. Thus, an elementary moderating effect can be represented by an interaction between a principal independent variable and a factor which specifies the appropriate conditions of its impact on the dependent variable". Indeed, according to Samaha et al. (2012) "the moderating effect is observed when a variable Z modifies the intensity of the relationship between the independent variable X and the variable Y. A moderating effect is a third variable which affects the zero-order correlation between two other variables. A moderating variable is a variable which essentially acts on the relationship between two variables. A moderating variable is a variable which essentially acts on the relationship between two variables. It is a variable which systematically modifies the size, intensity, direction and or form of the effect of the independent variable on the dependent variable". Thus, in order to analyse the moderating effect of a variable Z on the relationship between an independent variable XP and a dependent variable Y, the product of the two variables $XP * Z$, which represents the nonlinear effect of interaction, is first calculated.

Therefore, two regressions are then tested. For the first is a test of the main effects of XP and Z on Y.

For the second is carried out after the introduction of the multiplicative term $XP * Z$.

Hence

$$Y = a + b_1\, XP + B_2\, Z$$

$$Y = a + b_1\, XP + B_2\, Z + b_3\, XP * Z$$

3.2.2 Independents variables

In what follows and in order to operationalise the hypotheses to be tested, we define all the independent variables used in our econometric model.

3.2.2.1 The level of voluntary disclosure of societal information

This variable is measured by the number of sentences. This is a technique used in a multitude of studies (Milne and Adler, 1999; Damak-Ayadi, 2006; Baccouche et al., 2010; Belgacem and Omri, 2015). In this study, we chose the content analysis by the number of sentences to determine the level of voluntary disclosure of societal information. The choice of this measure is motivated by the fact that:

This is a technique adopted in several studies on information disclosure, i.e., we calculated an overall societal information score by adopting the number of sentences. The number of sentences offers more richness to the calculation of the level of disclosure (Unerman, 2000). Thus, using the numbers of sentences in our research to calculate the overall level of societal disclosure allows us to provide more reliable, meaningful and complete results (Milne and Adler, 1999). Indeed, the use of the numbers of sentences in order to calculate the overall level of voluntary societal disclosure is relevant for several reasons: In the French context, the law on new economic regulations (NRE) of 15 May, 2001 obliges French companies listed on a regulated market to disclose, in their management report, social and environmental information called societal information and relating to environmental and social issues. Also, article 225 of the Grenelle 2 law introduced in 2010 which makes mandatory the publication of social and environmental information and the obligation of CSR or extra-financial reporting for listed companies from 2012. The article 225 of the Grenelle law, introduced in 2010 going beyond the NRE law, makes CSR reporting mandatory for French listed companies from where companies must present information on the environmental and social consequences of their activities. However, we note that many companies go beyond the regulatory and legislative framework and voluntarily publish societal information (Giordano-Spring and Lacroix, 2007; Déjean and Martinez, 2009). Thus, most French companies listed SBF 120 largely exceed the requirements of the law and provided additional and non-mandatory information mainly relates to social and environmental information. We collected the data from the reference documents, the annual and societal reports and the sustainability report. Therefore, we calculated the level of voluntary disclosure of societal information as follows: Any information that does not belong to the items required by the NRE and GRE law is considered as information disclosed voluntarily (Damak-Ayadi, 2006).

CSRD = Number of sentences linked to voluntary social information + Number of sentences linked to voluntary environmental information.

3.2.2.2 The independence of the audit committee

The independence variable of the audit committee in our research (ACIN) is measured by the number of external members, i.e., binary variable equal to 1 if at least 2/3 of the directors of the members of the audit committee are independent, 0 otherwise like Anis (2017), Richardson et al. (2013).

3.2.2.3 Accounting or tax expertise of the audit committee

The expertise Accounting or tax expertise of the audit committee (EXCA) is measured by the number of directors with expertise in finance, accounting or taxation in the audit committee. This variable is measured by a binary variable equal to 1 if a member of the audit committee has financial, accounting or tax expertise and 0 otherwise (Deslandes and Landry, 2009; Abbott et al., 2004). This expertise is manifested by the fact: people who have experience as a financial director, certified accountant, accounting director, a financial controller or any function of a financial, accounting or tax nature like Dhaliwal et al. (2010), Armstrong et al. (2012).

3.2.2.4 The frequency of meetings of the audit committee

The frequency of audit committee meetings (NRCA) is measured by the number of audit Committee meetings per year like Kelton and Yang (2008) and Puspitaningrum and Atmini (2012).

3.2.2.5 The size of the audit committee

The size of the audit committee (COMT) is measured by the number of directors on the audit Committee like (Anderson et al., 2004).

3.2.3 Control variables

After having presented the dependent variable as well as the independent variables, we present in what follows the control variables used in this research. Four control variables are retained for this study, namely the size of the company (SIZE), the debt (LEVR), the performance (RNOA) and the sector of activity (INDS).

3.2.3.1 The size of the company

Company size (SIZE) is measured by the natural logarithm of total assets (Sari and Tjen, 2016; Juahir et al., 2010; Hanlon and Heizman, 2010; Richardson and Lanis, 2007). Tax aggressiveness depends on the size of the company and the level of its visibility. Typically, large companies are always followed by a significant number of financial analysts, which generates efficient tax management and a high effective tax rate.

Also, large companies are better placed than small companies to control the tax variable because they are well organised and structured. From another perspective, Lennox et al. (2013) find that firm size positively influences tax aggressiveness.

3.2.3.2 Indebtedness

This indebtedness variable (LEVR) is measured by the ratio of total debts to total assets like Sari and Tjen (2016), Rego (2003). According to Rego (2003) the most indebted companies pay less tax and have a low tax rate.

3.2.3.3 Profitability of assets

Return on assets (RNOA) is measured by the ratio of profit before taxes to total assets. Return on assets is a performance indicator and successful companies have a positive ROA.

Return on assets is an indicator of the level of performance and success of the company and is always monitored by investors and all creditors. Sari and Tjen (2016) find a significant negative relationship between performance and tax aggressiveness.

Shuping et al. (2008) find that family businesses are less aggressive and have higher profitability compared to non-family businesses and profitable businesses apply efficient tax management. We anticipate that this variable has a negative influence on tax aggressiveness.

3.2.3.4 The sector of activity (INDS)

The sector of activity (INDS) is a binary variable equal to 1 if the company belonging to the industrial sector 0 otherwise like Holland (1998), Sari and Tjen (2016). Holland find that companies in the industrial sector have a low level of tax aggressiveness expressed by a high effective tax rate. Sari and Tjen (2016) did not find a significant relationship between industry and tax aggressiveness.

Two models will be presented below in order to verify the hypotheses. The model 1 is then written

$$\begin{aligned} ETR_{it} = {} & B_0 + B_1 CSRD_{it} + B_2 ACIN_{it} + B_3 EXCA_{it} + B_4 NRCA_{it} + B_5 CMOT_{it} \\ & + B_6 SIZE_{it} + B_7 LEVR_{it} + B_8 RNOA_{it} + B_9 INDS_{it} + \varepsilon_{it} \end{aligned}$$

3.3 Regression procedure

With

ETR = Effective tax rate

CSRD = the level of societal disclosure

ACIN = The independence of the audit committee

EXCA = The accounting or tax expertise of the audit committee

NRCA = The frequency of the audit committee meeting

COMT = Size of the Audit Committee,

SIZE = Company size

LEVR = Debt

RNOA = Return on assets

INDS = Sector of activity

To identify the characteristics that can influence the existing relationship between societal disclosure and tax aggressiveness, a second model tests the moderating effect of audit committee characteristics on the relationship between societal disclosure and tax aggressiveness. Consequently, this model includes a moderating variable CSRD*COMID constructed by multiplying the societal disclosure variable of a company by the characteristics linked to the audit committee. Including all interaction variables, Model 2 is defined by:

$$\begin{aligned} ETR_{it} = {} & B_0 + B_1 CSRD_{it} + B_2 ACIN_{it} + B_3 EXCA_{it} + B_4 NRCA_{it} + B_5 COMT_{it} + B_6 ACIN_{it} \\ & * CSRD + B_7 EXCA_{it} * CSRD + B_8 NRCA_{it} * CSRD + B_9 COMT * CSRD \\ & + B_{10} SIZE_{it} + B_{11} LEVR_{it} + B_{12} RNOA_{it} + B_{13} INDS_{it} + \varepsilon_{it} \end{aligned}$$

4 Results and discussion

4.1 Empirical results

4.1.1 Multivariate analysis and regression results

4.1.1.1 Multivariate analysis

Effects of societal disclosure and the characteristics of the audit committee on tax aggressiveness

In this section, we present multivariate tests. Thus, it is appropriate to examine first when it comes to a sample of panel data the homogeneous or heterogeneous specification. In the case where the test for the presence of individual effect shows the existence of specificities specific to each individual, then the Hausman test will be applied in order to check whether the coefficients of the two estimates are statistically different. The tests to be applied are as follows: multicollinearity test, test for the presence of individual effects, Hausman test, heteroscedasticity test and finally autocorrelation test for errors.

Multicollinearity test

The multicollinearity test allows us to verify the existence of multicollinearity between the independent variables of our model before starting the multivariate analysis.

Table 1 shows the result of the correlation matrix test. Furthermore, examination of the correlation matrix shows that the correlation coefficients are less than 0.7 which corresponds to the limit from which one generally begins to have serious multicollinearity problems. Table 1 also illustrates the absence of multicollinearity between the controls variables linked to the characteristics of the company.

Table 1 Correlation matrix

	SIZE	*LEVR*	*RNOA*	*INDS*	*ACIN*	*EXCA*	*NRCA*	*COMTE*	*CSRD*
SIZE	1								
LEVR	–0.203	1							
RNOA	–0.040	0.024	1						
INDS	0.197	–0.04	0.011	1					
ACIN	0.369	–0.588	0.028	0.397	1				
EXCA	0.166	–0.059	–0.034	0.397	0.428	1			
NRCA	0.345	–0.467	0.022	0.395	0.698	0.221	1		
COMT	0.240	–0.513	–0.057	0.256	0.628	0.129	0.609	1	
CSRD	0.414	–0.501	–0.043	0.156	0.578	0.042	0.466	0.647	1

With: ACIN = The independence of the audit committee, EX CA = The accounting or tax expertise of the audit committee, NRCA = The frequency of the audit committee meeting, COMT = Size of the audit committee, SIZE = Size of the company, LEVR = Debt, RNOA = Return on assets, INDSEC = Sector of activity.

Likewise, the explanatory variables in Table 2 have a value of the VIF which is less than 10. We can therefore conclude that we do not have a serious problem of multicollinearity and all the variables of our research can be retained.

Table 2 Results of the VIF test

Variables	*VIF*	*1/VIF*
ACIN	3.57	0.2804
COMT	2.36	0.4234
NRCA	2.34	0.4264
CSRD	2.23	0.4490
LEVR	1.82	0.5506
EXCA	1.50	0.6674
INDS	1.42	0.07040
SIZE	1.31	0.7613
RONA	1.01	0.9871

Medium VIF: 1.95.

Individual effect presence test

The individual effect presence test allows us to assess the individual effects of the model. The verification of the presence of individual effects in our sample shows that the probability associated with the test is significant at the 1% threshold, therefore the presence of a fixed effect.

Hausman test

The aim of the Hausman test is to choose between the fixed effects model and the random effects model. The objective of this test is that under the null hypothesis of independence between the errors and the independent variables, the two estimators are unbiased. Therefore, the estimated coefficients should differ little. In our research, the probability of the Hausman test is Prob > Chi^2 = 0.0011. It is significant at the 1% level.

Heteroscedasticity test

In order to identify heterossedasticity several tests can be done, among these tests we quote the Breusch-Pagan test, the White test .. etc. In our study, we took the Breusch-Pagan test to examine heteroscedasticity. Thus, H_0 follows a chi^2 distribution at $(k - 1)$ at one degree of freedom with k being the number of independent variables including the constant. On the one hand, if the probability linked to the test is less than α, in this case we reject the hypothesis of homoscedasticity (H_0). On the other hand, in the case where the probability is greater than α, in this case the hypothesis is verified and we can assume the homoscedasticity of the residuals.

In our study, the Prob > Chi^2 = 0.0000 is significant at the 1% level, With $\alpha = 5\%$, therefore the hypothesis H_0 is rejected, with a problem of heterossedasticity.

Auto-correlation error test

The purpose of the autocorrelation test is to verify the absence of autocorrelation at the error level. Indeed, it is a question of testing whether the errors are auto correlated in an autoregressive form with the Wooldridge test. The H_0 hypothesis stipulates the absence of autocorrelation of the errors, to accept this hypothesis it is necessary that the errors are not auto correlated of order 1. In our study, the Prob > F is equal to 0.0000 significant at the 1% threshold. Therefore, this is an autocorrelation problem and the heteroscedasticity problem has been detected, hence we used to correct the heteroscedasticity and autocorrelation problem with the statistical software STATA.

4.1.1.2 Regression results

Table 3 presents the estimation results and shows a negative and significant relationship between the level of disclosure of societal information and tax aggressiveness. This relationship allows us to include variables related to the characteristics of the audit committee.

Table 3 Results of the model estimates

Variables	*Coefficients*	*Significance*
CSRD	–0.004	0.000***
SIZE	0.001	0.031**
LEVR	0.068	0.000***
ROA	–0.012	0.014**
INDS	0.009	0.006***
ACIN	–0.006	0.043**
EX CA	–0.005	0.032**
NRCA	0.004	0.126
COMT	–0.007	0.000***
Constant	–0.0004	–0.026**
Breusch Pagan/Cook-Weisberg test for heteroscedasticity		
F-statistic 28.19		
Prob > *F* 0.0000		
Wooldridge test for autocorrelation in panel data		
F-statistic 30.258		
Prob > *F* 0.000		

***significant correlations of 1% and ** of 5% and * of 10%.

Table 3 shows the results of the estimation model thus retained. Indeed, the model is significant *p*-value = (0.000). The Wald chi^2 test of overall significance of the regression model is significant at the 1% level (Prob > chi^2 = 0.0001).

The negative effect of audit committee independence on the level of tax aggressiveness converges with (Richardson et al., 2013; Abbott and Parker, 2000) who have shown that companies that have audit committees in the majority of directors are independent have a low level of tax aggressiveness and pay more tax because the audit committee as a control mechanism it is supposed to assess the nature of the accounting methods used and the accounting estimates and tax established by management. In addition, the negative effect of the accounting or tax expertise of the audit committee is explained by the fact that the expertise of the members of the audit committee plays a role in favour of the compliance of the tax variable and allows to reduce tax aggressiveness in the company and achieve efficient tax management.

According to Table 3, the negative and significant relationship between the size of the audit committee and the level of tax aggressiveness is explained by the fact that large audit committees have the potential to protect and control the accounting and finance process of the company and thus brings more pressure of responsibility (Anderson et al., 2004). Also, this result can be explained by the fact that when the size of the audit committee is large, the control and monitoring functions in accounting, fiscal and financial matters increase.

Regarding the control variables, the results show a significant positive relationship between the size, the level of indebtedness, the sector of activity and the level of tax aggressiveness. While a negative relationship between return on assets and tax aggressiveness.

Model 4: Moderating effects of the characteristics of the audit committee on the relationship between societal disclosure and tax aggressiveness

In the context of this section, the results of the linear regressions are presented in Table 4. Table 4 shows that the coefficient between societal disclosure is negative and significant at the 1% level, which confirms the legitimacy theory that the company's decision to legitimately reduce tax payable is influenced by its attitude towards societal disclosure as well as Sari and Tjen (2016), Lanis and Richardson (2011). Indeed, the disclosure of societal information is considered as a factor which allows to reduce tax aggressiveness, it is an act of legitimation towards society. In other words, companies that publish more societal information are more fiscally responsible and are characterised by tax compliance, hence societal disclosure can be a key factor in showing transparency and effective tax management.

From what follows, we will analyse the moderating effect of the characteristics of the audit committee on the relationship between societal disclosure and tax aggressiveness.

According to Table 4, the results show that the positive effect of the independence of the audit committee on the relationship between the level of societal disclosure and tax aggressiveness (ACIN * CSRD). This result confirms hypothesis H1. Similarly, for the accounting or tax expertise of the audit committee, the interaction study (EXCA * CSRDISC) shows a positive and significant effect. This result confirms hypothesis H_2.

Concerning the number of meetings of the audit committee, Table 4 shows that the number of meetings of the audit committee has no effect on the relationship between societal disclosure and tax aggressiveness. This makes it possible not to confirm hypothesis H_3. For the size of the audit committee, the study of the interaction shows a significant positive effect (COMT * CSRD). This result is explained by the fact that the larger the size of the audit committee, the more effective it is in controlling errors in the information process.

From what follows, we can conclude that the effect of introducing moderating audit committee variables is mixed. Indeed, certain variables of the characteristics of the audit committee favour an effective strategy of societal information disclosure which results in a reduction in the level of tax aggressiveness. While others discourage the publication of more societal information, which can consequently increase the level of tax aggressiveness.

In particular, there are likely benefits of publishing a high level of societal information that go beyond regulation. Voluntary information disclosure can be defined as "free choices on the part of company executives to publish accounting information and other information deemed relevant which exceeds the requirements of the law" (Nekhili and Fakhfakh, 2006). Within the framework of the agency theory, conflicts of interest between shareholders and managers which arise because of divergences of interest and the opportunism of managers and informational asymmetry generate agency costs. Indeed, voluntary disclosure of information can function as a system of surveillance by shareholders and other stakeholders over the activities of the leader (Jensen and Meckling, 1976); and it allows agency costs to be minimised, by disseminating more information externally, shareholders can know everything that is happening inside the company without having to resort to spending high costs for monitoring managers and also so that the manager will not be forced to spend high customs clearance costs to show shareholders that they are acting in their best interests. In addition, among the advantages of the voluntary offer the reduction of financial costs, the minimisation of information asymmetry between shareholders and managers and the increase in the value of the company (Baiman and Verrecchia, 1996). Also other advantages are linked to the voluntary offer; for example increasing the image of the company and the confidence of investors (Babio et al., 2003).

Table 4 Results of FGLS estimates: moderating effects of the characteristics of the audit committee on the relationship between societal disclosure and tax aggressiveness

Variables	*Coefficients*	*Significance*
CSRD	–0.0069	0.000***
SIZE	0.0009	0.038**
LEVR	0.0511	0.000***
RNOA	–0.0120	0.016**
INDS	–0.0121	0.018**
ACIN	–0.0152	0.029**
EXCA	–0.0313	0.010***
NRCA	–0.0129	0.236
COMT	–0.0012	0.007***
ACIN*CSRD	0.0027	0.003***
EXCA*CSRD	0.0012	0.001***
NRCA*CSRD	0.0030	0.235
COMT*CSRD	0.0136	0.003***
CONSTANTE	–0.0455	0.033**
Breusch Pagan/Cook Weisberg test for heteroscedasticity		
F-statistic 13.74		
Prob > *F* 0.0002		
Wooldridge test for autocorrelation in panel data		
F-statistic 23.099		
Prob > *F* 0.0000		

Within the framework of signal theory, voluntary dissemination can distinguish successful and low performing companies as well as signal the talents of managers because a high level of disclosure from leaders can signal their performance and capacity in the leader’s market and to be in a position of distinction.

4.2 Discussion

Regarding the moderating effects of the characteristics of the audit committee, the results show that the independence of the audit committee, the accounting or tax expertise, the size have a significant effect on the relationship between societal disclosure and aggressiveness of the audit committee tax. These results can be explained within the framework of the agency theory by the fact that the effective monitoring of management is more influenced by the presence of independent directors because the independent directors of the audit committee have no relationship with management and therefore are more likely to work independently and objectively without the influence of management (Bédard and Gendron, 2010). Indeed, the independence of the audit committee will ensure the transparency of financial reporting and will reduce information asymmetry (Li et al., 2012).

The results show that the positive effect of audit committee independence on the relationship between the level of societal disclosure and tax aggressiveness (ACIN*CSRD). This result confirms our hypothesis. This result is in line with the studies of Kusumawati and Hardiningsih (2016) which demonstrated the positive effect of corporate governance mechanisms on the relationship between societal disclosure and tax aggressiveness. Also, Anis (2017) demonstrated the positive effect of the audit committee on the relationship between societal disclosure and tax aggressiveness. Also, the study by Roshima et al. (2009). The results show the existence of a relationship significant positive between the two variables which is explained by the fact that a high proportion of independent administrators reduces agency tastes and improves internal control or a high level of societal disclosure (Forker, 1992). Indeed, Richardson et al. (2013) found a negative and significant relationship between audit committee independence and tax aggressiveness. The audit committee as a control mechanism is supposed to assess the nature of the accounting methods used and the accounting and tax estimates established by management. Several studies have confirmed that an audit committee made up of independent directors leads to better transparency.

Similarly, for the accounting or tax expertise of the audit committee, the interaction study (EXCA*CSRDISC) shows a positive and significant effect. This result confirms our hypothesis. Thus, this result is consistent with studies by Kusumawati and Hardiningsih (2016) and Anis (2017) that demonstrated the positive effect of the accounting or tax expertise of the audit committee on the relationship between societal disclosure and tax aggressiveness. The research work of Kelton and Yang (2008), Routledge and Stewaart (2010) has proven the existence of a significant positive relationship between the financial and or accounting and tax expertise of the audit committee and the level of voluntary disclosure. Also Deslandes and Landry (2009) found a negative and significant relationship between the accounting or tax expertise of the audit committee and tax aggressiveness. This result is explained by the fact that the expertise of the members of the audit committee plays a role in favour of the compliance of the tax variable and makes it possible to reduce tax aggressiveness in the company and achieve tax management powerful (Bouaziz and Triki, 2012).

Regarding the number of audit committee meetings, the study shows that the number of audit committee meetings has no effect on the relationship between societal disclosure and tax aggressiveness. This does not confirm our hypothesis. The results are mixed in the literature review, Allegrini et al. (2012) showed a significant positive relationship between audit committees that meet at least four times during the year and the level of intellectual capital disclosure. Kusumawati and Hardiningsih (2016) and Anis (2017) demonstrated the positive effect of corporate governance mechanisms on the relationship between societal disclosure and tax aggressiveness.

For the size of the audit committee, the study of the interaction shows a significant positive effect (COMT*CSRD). This result is explained by the fact that the larger the size of the audit committee, the more effective it is in controlling errors in the information process. This result is consistent with the studies of Allegrini and Greco (2011) showing that the larger the size of the audit committee, the more they are likely to bring a diversity of points of view of competence, experience and expertise in order to ensure effective follow-up.

Thus, a large number of members of the audit committee helps solve problems related to the corporate reporting process and enhances transparency (Bédard and Gendron, 2010).

The size of the audit committee is a critical factor in overseeing disclosure practices.

People (2009) showed that the higher the number of the audit committee, the higher the level of voluntary disclosure.

Management is motivated to pay the minimum tax, the audit committee as a control mechanism provides control of financial reporting and tax practices. The audit committee plays an important role in reducing tax aggressiveness and can identify risky tax practices (Balakrishnan et al., 2013).

Kusumawati and Hardiningsih (2016) and Anis (2017) demonstrated the positive effect of audit committee size on the relationship between social disclosure and tax aggressiveness.

5 Conclusions

The theoretical development exposed at the level of this paper is exposed to the effect of the level of societal disclosure and the characteristics of the audit committee as factors that allow the reduction of the level of tax aggressiveness. More precisely, we approached, first, a review of the art which explains the link between societal disclosure, audit committee on tax aggressiveness.

Next, we presented a review of the literature and the theoretical framework that addresses the effect of audit committee characteristics on the relationship between societal disclosure and tax aggressiveness. In this sense, the audit committee is a control mechanism that helps reduce tax aggressiveness and are able to identify and assess the accounting for tax strategies, as well as they have the potential to control the process accounting by adapting greater transparency.

In order to participate in this current of research, we conducted our empirical study in the French context on a sample of companies listed SBF120. Indeed, the third section was the opportunity to illustrate the different approaches adopted in the literature to specify the nature of the relationship of the characteristics of the audit committee in the relationship between societal disclosure and tax aggressiveness.

The overall analysis of the various relationships confirmed the significant effect of the characteristics of the audit committee on the relationship between societal disclosure and tax aggressiveness. With regard to the moderating effects of the characteristics of the audit committee, the results show that the independence of the audit committee, accounting or tax expertise, and size have a significant effect on the relationship between societal disclosure and aggressiveness tax. At the end of our empirical study, we have results that help managers understand the role of the audit committee in tax management and its effect on transparency by publishing more societal information. Also the state, the tax administration and the investors.

From then on, it is possible to look into the limits of this research. In conclusion, of this paper, it is desirable to trigger the debate on a new direction of research by which our study has emerged and which we have not studied in this paper. Thus, it is desirable to integrate, on the one hand, the cooperation of the audit committee with other control mechanisms such as external audit or internal audit and to analyse their impact on the relationship between societal disclosure and tax aggressiveness. On the other hand, it is relevant to examine this relationship in unlisted companies that also pay taxes and may engage in aggressive tax activities. Also, it is desirable to integrate a study of the effect of gender diversity on the relationship between societal disclosure and tax aggressiveness.

6 Limitations and implications

Therefore, it is possible to consider the limits of this research. Indeed, if this study succeeded in shedding light on the relationship between the level of societal disclosure and tax aggressiveness by highlighting the central role of the audit committee on the relationship between these two concepts, it did not been able to overcome certain conceptual and empirical limits.

A first limit from the empirical point of view, the period of the study was 8 years. This period would have been preferred to be longer but given the unavailability of data was not possible. Also, we can discuss the generality of the data. The sample size is somewhat small compared to the few studies on this topic. Hence these results obtained cannot be generalised to all companies.

Also, the unavailability of data and the difficulty of collecting information another limitation. For many companies annual reports do not exist this may limit the application of the results to a wider population.

The contributions of our study are methodological. On the one hand, carrying out this study in a developed country, such as France, is very important since the majority of writings in this field relate to the Anglo-Saxon context. On the other hand, the moderating effect of the audit committee on the relation societal disclosure-tax aggressiveness has not been treated before. It is a novelty to study the relation between these three variables. Also, this is a novelty in research since, to our knowledge, no research in the French context has studied the relationship between societal disclosure, audit committee and tax aggressiveness. At the level of our work, we have proposed a new approach, this is the moderating effect of the audit committee on the relationship between the level of societal disclosure and tax aggressiveness, this is a novelty in the research since, to our knowledge, no research in the French context has studied what requires new reflections and analyses.

At the end of our empirical study, we have results that help managers to understand the role of the audit committee in tax management and its effect on transparency by publishing more societal information. Also the state, the tax administration and the investors.

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