

The Influence of Corporate Governance and Key Audit Matters on the Quality of Financial Reporting: The Moderating Role of Firm Size in IDX-Listed Manufacturing Companies (2020–2023)

Wahyuni Anggarwati¹; Taufik Akbar²

¹Author, Students of the Master of Accounting Study Program, Mercu Buana University Jakarta, Indonesia

²Co-Author, Lecturer of Master of Accounting Study Program, Mercu Buana University, Jakarta, Indonesia

¹Email: 55521110026@student.mercubuana.ac.id

²Email: Taufikakbar@mercubuana.ac.id

Publication Date: 2025/09/24

Abstract: This research examines how Good Corporate Governance (GCG) and Key Audit Matters (KAM) influence financial reporting quality, with firm size considered as a moderating factor. The study is conducted on manufacturing companies listed on the Indonesia Stock Exchange (IDX) during 2020–2023. GCG is assessed through two proxies: the proportion of independent commissioners and the size of the audit committee. A quantitative approach is applied, relying on secondary data obtained from annual reports and audited financial statements. Data analysis employs multiple linear regression and Moderated Regression Analysis (MRA) using EViews 12. Unlike prior studies that typically address GCG and KAM in isolation, this work combines the two to build an integrated empirical model. The findings indicate that both independent commissioners and audit committee size do not significantly affect financial reporting quality. In contrast, KAM disclosures exert a positive and significant impact. Moreover, firm size does not moderate the relationship between GCG, KAM, and reporting quality. These results highlight that auditor transparency—captured through KAM disclosures—has greater influence on the credibility of financial statements compared to board-level governance mechanisms. The study enriches the literature by presenting the joint effect of governance and audit disclosures, while offering practical implications for regulators, policymakers, and practitioners to reinforce governance standards, enhance audit transparency, and reduce risks of financial misstatement in Indonesia.

Keywords: Good Corporate Governance, Key Audit Matters, Firm Size, Financial Reporting Quality, Corporate Governance.

How to Cite: Wahyuni Anggarwati; Taufik Akbar (2025) The Influence of Corporate Governance and Key Audit Matters on the Quality of Financial Reporting: The Moderating Role of Firm Size in IDX-Listed Manufacturing Companies (2020–2023). *International Journal of Innovative Science and Research Technology*, 10(8), 3156–3168. <https://doi.org/10.38124/ijisrt/25aug1439>

I. INTRODUCTION

The quality of financial reporting is a fundamental aspect in maintaining stakeholder trust. Relevant, reliable, and timely information is needed as a basis for economic decision-making. However, in the midst of the complexity of the business world, there are still limitations in the financial reporting system that open up opportunities for manipulation.

This research presents several unique contributions. First, it explores the combined effect of Good Corporate Governance (GCG) and Key Audit Matters (KAM) on financial reporting quality, an approach that has rarely been examined in a single empirical framework. Second, the study introduces firm size as a moderating variable to evaluate whether organizational scale influences the relationship between GCG, KAM, and the quality of financial reporting. The moderating role of firm size in the link between KAM and reporting quality has not been widely addressed in prior

industrial sector studies. Third, the analysis is based on recent data from 2020–2023, reflecting financial reporting practices in the post-COVID-19 recovery period, thereby providing updated perspectives compared to earlier studies that relied on pre-pandemic observations.

Cases of financial statement manipulation in Indonesia, such as those that befell PT Kimia Farma Apotek in 2023 and eFishery in 2025, show the weak integrity of financial reporting even though they have been audited by external parties. This kind of practice has an impact on the company's image, harms investors, and lowers public trust in the quality of financial statements.

Financial statement manipulation can occur for various reasons—ranging from enhancing corporate reputation and attracting investors to concealing performance shortcomings. Even large corporations audited by reputable firms are not entirely immune to such risks. This reality highlights the need for vigilance among investors, regulators, and other stakeholders.

To mitigate manipulative practices, the adoption of Good Corporate Governance (GCG) is essential. Principles such as transparency, accountability, independence, responsibility, and fairness serve as the foundation for sound governance. Key elements like independent commissioners and audit committees play a critical role in monitoring, offering strategic guidance, and ensuring regulatory compliance.

Numerous studies have demonstrated the positive impact of GCG on financial reporting quality. Independent commissioners enhance the objectivity of managerial oversight, while audit committees help reduce reporting errors, reinforce internal control systems, and promote transparency. As such, GCG serves as a vital mechanism for maintaining accountability in financial disclosures.

Beyond GCG, the transparency of financial statements is further strengthened through the implementation of Key Audit Matters (KAM), as outlined in auditing standard SA 701. KAM highlights significant areas with potential for material misstatement, offering additional insights for investors. Prior research indicates that KAM disclosures improve auditor–management communication and contribute to higher-quality financial reports.

KAM also acts as a public signal that auditors have thoroughly examined areas susceptible to misrepresentation. Its presence encourages management to exercise greater caution when preparing financial statements, thereby reducing external skepticism. Consequently, KAM is a crucial tool for enhancing the credibility of financial reporting.

Company size is another factor that can moderate the influence of GCG and KAM on reporting quality. Larger firms typically possess more resources, complex oversight structures, and greater budgets for internal audit functions. These advantages enable them to produce more accurate and

transparent financial statements compared to smaller enterprises.

Large companies generally have more audit committees and independent boards of commissioners, which enhance supervisory effectiveness and help reduce the risk of financial statement manipulation. In contrast, smaller firms often struggle to maintain high-quality financial reporting due to limited resources.

This study focuses on the manufacturing sector, chosen for its operational complexity and vulnerability to accounting manipulation. As one of the key players in Indonesia's capital market, this sector's results are expected to be representative and widely applicable. The frequent use of accounting estimates in manufacturing—such as inventory valuation, asset depreciation, and revenue recognition—makes it prone to significant Key Audit Matters (KAM), providing a useful context to examine the interplay between Good Corporate Governance (GCG), KAM, and financial reporting quality.

What sets this research apart is its simultaneous analysis of the effects of GCG and KAM on financial reporting quality, while also considering company size as a moderating factor. The study utilizes recent data from 2020 to 2023, offering insights relevant to the post-COVID-19 recovery period. The findings aim to contribute both theoretically and practically to the enhancement of financial reporting quality in Indonesia. Practically, companies can use these insights to improve governance and transparency; auditors can refine their approach to KAM; and regulators can implement stricter measures to curb manipulation. Ultimately, a strong combination of effective GCG, proper application of KAM, and the advantages provided by company size is expected to elevate financial reporting quality, thereby boosting corporate reputation, enhancing investor confidence, and reinforcing the overall strength of Indonesia's capital market.

II. LITERATURE REVIEW

➤ Agency Theory

Agency Theory, as introduced by Jensen and Meckling (1976), explains the contractual relationship between principals and agents in the management of resources. Financial reporting serves as a medium for management accountability (Fatimah et al., 2020), and high-quality reporting positively influences stakeholders' decision-making (Muraina & Dandago, 2020). Independent commissioners are essential in monitoring managerial actions to ensure transparency (Meiryani et al., 2023), while audit committees play a critical role in safeguarding the integrity of reports, ensuring compliance, and encouraging voluntary disclosure (Kyere & Ausloos, 2021; Alawaqleh & Almasri, 2021). Furthermore, independent auditors, through the disclosure of Key Audit Matters (KAM), contribute to improving audit quality and mitigating earnings management practices (Li, 2020). Firm size also shapes the dynamics of agency relationships, making it necessary to implement aligned incentives, strong oversight mechanisms, and transparent policies to minimize agency costs.

➤ Quality of Financial Reporting

The primary purpose of financial reporting is to offer a thorough overview of a company's financial status, enabling stakeholders to make well-informed decisions (Pratama, 2021). Therefore, it is essential that the information shared meets high standards of quality. According to the National Committee on Governance Policy (2021), companies must promptly disclose significant events and submit their annual reports regularly. This study measures the quality of financial reporting using a method widely recognized in recent studies (Espahbodi et al., 2023; Terzi & Sen, 2023). Although accurate financial reporting is crucial, it may sometimes inadvertently affect investment efficiency, since reports that appear reliable might not always fully reflect the firm's actual condition (Choiriah et al., 2024). To evaluate reporting quality, this research employs absolute discretionary accruals estimated through the Modified Jones Model, adjusted to account for company performance.

$$\text{TACRU}_t / \text{TAT}_{t-1} = \beta_0 + \beta_1(1/\text{TAT}_{t-1}) + \beta_2(\Delta \text{SALE}_t / \text{TAT}_{t-1}) + \beta_3(\text{PPE}_t / \text{TAT}_{t-1}) + \beta_4(\text{INC}_t / \text{TAT}_{t-1}) + \epsilon_t$$

Where TACRU is total accrual (i.e. the difference between revenue from continued operations and cash flow from continued operations), TA is total assets, Sales are net sales, PPE is gross property, plants, and equipment, INC is net income.

➤ Good Corporate Governance

According to Ross et al. (2022:13), corporate governance refers to the set of rules and practices designed to ensure that management acts in the best interests of shareholders and other stakeholders entitled to the company's cash flows. The National Committee on Governance Policy (2021) further defines corporate governance as the framework and processes employed to guide and oversee a company's operations, aiming to promote business growth and accountability. The ultimate objective is to create sustainable corporate value and enhance shareholder wealth while considering the interests of all stakeholders. Key components of effective corporate governance include mechanisms such as the Board of Independent Commissioners and the Audit Committee, which play critical roles in oversight and ensuring compliance.

➤ Key Audit Matters

(Velte and Issa (2019) highlighted that the disclosure of Key Audit Matters (KAM) often relates to management decisions, such as profit management or financial reporting practices. However, threats arising from managing these disclosures may influence management to adopt more aggressive financial reporting behaviors (Espahbodi et al., 2023). Li (2020) further explains that KAM disclosure enhances communication between auditors and management, encouraging management to carefully evaluate whether the financial statements accurately represent the company's operational reality in line with applicable accounting standards. This process also prompts management to make necessary adjustments based on auditor recommendations, ultimately improving the quality of the financial reports.

➤ Company Size

Company size plays a significant role in determining corporate profitability. It is typically evaluated to categorize businesses as either large or small, using criteria such as total assets, sales volume, market capitalization, and employee count (Herliansyah et al., 2023). Following the approach of previous research, this study measures firm size by applying the natural logarithm to total assets (Al-Slehat, 2020; Espahbodi et al., 2023; Kyere & Ausloos, 2021).

Firm Size = natural logarithm of total assets

Natural logarithms can reduce large-scale effects on total assets.

➤ State of the Art

P Previous research by Meiryani et al. (2023), titled *Factors Affecting the Integrity of Financial Statements* and published in the Corporate Governance and Organizational Behavior Review, found that independent commissioners play a significant role in upholding the integrity of financial reports. Their lack of direct involvement in daily operational activities allows them to maintain greater objectivity, ensuring that financial statements are prepared in accordance with the relevant accounting standards.

III. FRAME OF MIND

The conceptual framework for this study, shaped by prior research and theoretical foundations, is illustrated in the diagram below.

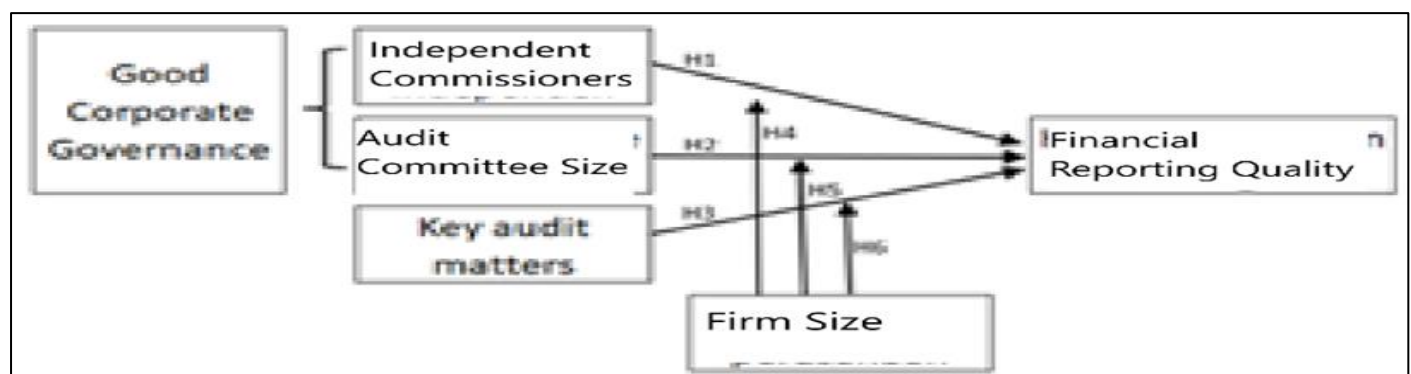


Fig 1 Research Framework

- H1: The presence of an independent board of commissioners significantly impacts the quality of financial reporting.
- H2: The size of the audit committee has a meaningful influence on the quality of financial reporting.
- H3: The disclosure of key audit matters affects the quality of financial reporting.
- H4: Company size moderates the effect of independent commissioners on the quality of financial reporting.
- H5: Company size moderates the relationship between audit committee size and the quality of financial reporting.
- H6: Company size moderates the relationship between key audit matters and the quality of financial reporting.

IV. RESEARCH METHODS

This study employs a quantitative research design. Data were gathered from audited financial statements and annual reports accessible through the companies' official websites and the Indonesia Stock Exchange (IDX) for the period spanning 2020 to 2023. The research population includes 84 manufacturing firms listed on the IDX during this timeframe (www.idx.co.id). Sampling was conducted by selecting firms

that met specific criteria to ensure the relevance and accuracy of the data.

To summarize the dataset, descriptive statistical analysis was performed. Data processing and analysis were carried out using Econometrics Views (EViews) software, version 12. The study utilized Multiple Regression Analysis and Moderated Regression Analysis to examine relationships between variables. These methods were chosen to accommodate multiple independent variables as well as a moderating variable, enabling investigation into how the moderating factor influences the strength or direction of the relationships.

V. RESULTS AND DISCUSSION

This study uses descriptive analysis to provide a comprehensive overview and detailed insight into the data. It examines the dependent variable—quality of financial reporting—and the independent variables, which include independent commissioners, audit committees, and key audit matters. Additionally, company size is incorporated as a moderating variable to explore its influence on these relationships.

Table 1 Descriptive Statistical Results

Description	X1 (TO)	X2 (TO)	X3 (KAM)	Y (KPK)	Z (UP)
Mean	0,4457	2,9880	0,7500	0,0786	29,0061
Maximum	0,8333	5,0000	1,0000	0,6101	33,7306
Minimum	0,2500	1,0000	0,0000	- 0,6695	25,079
Std. Dev	0,1240	0,3938	0,4336	0,1060	1,6704
Observation	336	336	336	336	336

➤ Independent Commissioner (X1)

The Independent Commissioner variable has a mean value of 0.4457 with a standard deviation of 0.1240. This indicates that, on average, the proportion of independent commissioners among the sampled companies is approximately 44.57%. The relatively small standard deviation suggests limited variability across companies. The minimum and maximum proportions are 0.2500 and 0.8333, respectively.

➤ Number of Audit Committee Members (X2)

The average number of audit committee members is 2.9880, with a standard deviation of 0.3938. This aligns with OJK regulations, which require a minimum of three members. The sample shows variation, with the smallest audit committee comprising 1 member and the largest consisting of 5 members, reflecting differences in committee size among companies.

➤ Key Audit Matters (X3)

Key Audit Matters disclosure has an average score of 0.7500 and a standard deviation of 0.4336. This means that,

on average, companies disclosed about 75% of the auditor-set KAMs. The minimum disclosure is 0.0000 (no KAM disclosed), while the maximum reaches full disclosure at 1.0000.

➤ Financial Reporting Quality (Y)

The dependent variable, Financial Reporting Quality, shows a mean value of 0.0786 and a standard deviation of 0.1060. The wide range from -0.6695 to 0.6101 reveals substantial differences in financial reporting quality across the sampled companies.

➤ Company Size as Moderating Variable (Z)

Company Size, expressed as the natural logarithm of total assets, averages 29.0061 with a standard deviation of 1.6704. Within the sample, company sizes range from a minimum of 25.0790 to a maximum of 33.7306, reflecting considerable diversity in firm scale across the dataset.

➤ Panel Data Model Regression Estimation Results

Table 2 Common Effect Model Estimation Results

Variable	Coef.	Std. Error	t-Statistic	Prob
C	-1,2453	0,3982	-3,1273	0,0019
X1 (TO)	-0,1188	0,6161	-0,1928	0,8427

X2 (UKA)	0,8773	0,5991	1,4643	0,1440
X3 (KAM)	1,0914	0,3028	3,6034	0,0004
Adjusted R-Squared			0,1505	

The results of the Common Effect Model estimate have an Adjusted R-Squared value of 15.05%. So that in this model, it means that independent variables have an influence

of 15.05%. The remaining 84.95% was influenced by other variables.

Table 3 Fixed Effect Model Estimation Results

Variable	Coef.	Std. Error	t-Statistic	Prob
C	-0,0946	0,0389	2,4320	0,0154
X1 (TO)	0,0816	0,0975	0,8368	0,4035
X2 (UKA)	0,0504	0,0832	0,6083	0,5435
X3 (KAM)	0,1459	0,0194	7,4955	0,0000
Adjusted R-Squared			0,9976	

The Fixed Effect Model estimation yielded an Adjusted R-Square of 99.76%, indicating that the independent variables account for 99.76% of the variation in the dependent

variable. The remaining 0.24% is attributed to other factors not included in the model.

Table 4 Random Effect Model Estimation Results

Variable	Coef.	Std. Error	t-Statistic	Prob
C	-0,1030	0,2819	-0,3652	0,7152
X1 (TO)	0,0191	0,0908	-0,2105	0,8333
X2 (UKA)	0,0405	0,0826	0,4903	0,6242
X3 (KAM)	0,1601	0,0188	8,484	0,0000
Adjusted R-Squared			0,1648	

The results of the Random Effect Model estimate have an Adjusted R-Squared of 16.48%. So that in this model, it means that independent variables have an influence of 16.48%, the remaining 83.52% is influenced by other variables.

The above data shows that the probability value for cross section is 0.0001 which shows that the value is less than 0.05. then the chosen model is a fixed effect.

- *Lagrange Multiplier Test*

Table 7 Lagrange Multiplier Test Results

In the Lagrange Multiplier test the value of prob. This Breusch-Pagan produces a number of 0.0000, which is smaller than 0.05, so the best model in this study is the Random effect model.

- *Classical Assumption Test Results*

- *Normality Test*

Table 8 Normality Test Results

Probability	0,227431
--------------------	----------

The Jarque-Bera test yielded a probability value of 0,227431, which exceeds the 0.05 significance level. Therefore, the test results indicate that the data follow a normal distribution.

- *Multicollinearity Test*

Table 9 Multicollinearity Test Results

VAR	X1 (TO)	X2 (UKA)	X3 (KAM)
X1 (TO)	1,0000	-0,3090	0,5177

- *Estimation Model Selection Results*

- *Chow Test*

The steps for chow test decision-making consist of: If the probability value of the Cross-section Chi-square $\geq \alpha$ (0.05), then H0 is accepted, meaning that the model used is Common Effect.

Table 5 Chow Test Results

Redundant Fixed Effects Tests	
Cross-Section Chi-Square	0,0000

The results indicate that the Chi-Square cross-section probability value is 0.0000, which is below the 0.05 threshold. Therefore, the fixed effect model is the appropriate choice for this analysis.

- *Hausman Test*

Table 6 Hausman Test Results

Correlated Random Effects – Hausman Test	
Cross-Section Random	0,0001

X2 (UKA)	-0,3090	1,0000	-0,1665
X3 (KAM)	0,5177	-0,1665	1,0000

The correlation between the KI variable and UKA is - 0.3090, while UKA with KAM is -0.1665 and KI with KAM is 0.5177. The entire correlation between independent variables has a value greater than 0.80. This means that in this regression model there is no multicollinearity or in this model there is no correlation between independent variables.

Table 10 Autocorrelation Test Results

Breusch Godfrey Correlation LM Test	
Durbin-Watson Stat	1,694393

The Durbin-Watson test results indicate a Prob*R-Square value of 1.6943, which exceeds the 0.05 significance level. Therefore, it can be concluded that the data do not exhibit autocorrelation issues.

Table 11 Heteroscedasticity Test Results

Variabel	Coef.	Std. Error	t-Statistic	Prob.
C	2,03544	0,25916	7,85412	0,00000
X1	0,07586	0,40097	0,18918	0,85010
X2	-0,03604	0,38993	0,09243	0,92640
X3	0,00094	0,19712	0,00478	0,99620

The results of the heteroscedasticity test with the glacier test method. The probability value of each independent variable of X1 = (0.85 > 0.05), X2 = (0.92 > 0.05), X3 =

(0.99 > 0.05) is accepted and means that there is no heteroscedasticity problem in the data distribution.

Table 12 Fixed Effect Model Results

Variable	Coef.	Std. Error	t-Statistic	Prob
C	-0,0946	0,0389	2,4320	0,0154
X1 (TO)	0,0816	0,0975	0,8368	0,4035
X2 (KA)	0,0504	0,0832	0,6083	0,5435
X3 (KAM)	0,1459	0,0194	7,4955	0,0000

- The Regression Equation of Panel Data in this Test is:

$$Y = -0.0946 + 0.0816 \cdot KI + 0.0504 \cdot UKA + 0.1459 \cdot KAM$$

➤ T-Test Results with Fixed Effect Model

Table 13 T-Test Results Using the Fixed Effect Model

Variabel	Coef.	Std. Error	t-Statistic	Prob.
C	-1,23019	0,39959	-3,07861	0,00230
X1	-0,02994	0,62116	-0,04820	0,96160
X2	0,80770	0,60255	1,34047	0,18100
X3	1,11697	0,30459	3,66713	0,00030

Model Suitability Test (Statistical Test F) The results of the F test on the Fixed Effect model show a probability value (Prob > F) of 0.0000, smaller than the significance level of 0.05. The results of the determination coefficient test in the Fixed Effect (*Weighted Statistics*) model showed that the R² value was 0.0080.

- Independent Board of Commissioners (X1):

The t-test results for the independent board of commissioners variable show a probability value of 0.9616. Since this value exceeds the 0.05 significance level, it can be concluded that X1 does not have a statistically significant effect on the dependent variable (Y). This suggests that changes in X1 do not meaningfully contribute to explaining variations in Y.

- Audit Committee Size (X2):

Based on the t-test results within the Fixed Effect model, the audit committee size variable (X2) has a probability value of 0.1810. As this value is also greater than 0.05, X2 is considered to have no significant impact on Y. Although the relationship between X2 and Y is positive, the effect is not strong enough to be considered statistically meaningful.

- Key Audit Matters (X3):

The t-test results for the Key Audit Matters variable (X3) indicate a probability value of 0.0003, which is below the 0.05 threshold. This means that X3 has a significant influence on the dependent variable (Y). In other words, an increase in X3 is associated with a meaningful improvement in the quality of financial reporting.

➤ *Moderated Regression Analysis (MRA)*

Tabel 14 Moderated Regression Analysis Test Results

Variabel	Coef.	Std. Error	t-Statistic	Prob.
C	-1,23019	0,39959	-3,07861	0,00230
X1	-0,02994	0,62116	-0,04820	0,96160
X2	0,80770	0,60255	1,34047	0,18100
X3	1,11697	0,30459	3,66713	0,00030
X1Z	0,22261	0,20874	1,06645	0,28700
X2Z	-0,13487	0,15679	-0,86019	0,39030
X3Z	0,10262	0,07811	1,31375	0,18980

The results regarding the moderating variables' influence on the relationship between the independent and dependent variables are as follows:

- Variable X1 shows a negative coefficient of -0.029939 with a p-value of 0.9616, which is greater than 0.05, indicating that X1 does not significantly affect Y.
- Variable X2 has a positive coefficient of 0.807702 with a p-value of 0.1810, also exceeding the 0.05 threshold, suggesting that X2 does not have a significant impact on Y.
- Variable X3 displays a positive coefficient of 1.116974 and a p-value of 0.0003, which is below 0.05, demonstrating a significant positive effect on Y.
- The interaction terms involving the moderating variable Z (X1Z, X2Z, and X3Z) are all statistically insignificant, as their p-values exceed 0.05. Therefore, Z does not have a significant moderating effect on the relationships between X1, X2, and X3 with Y.

➤ *Discussion*

- *The Effect of Independent Board of Commissioners on Financial Reporting Quality*

The independent board of commissioners variable (X1) was found to have no significant effect on financial reporting quality. Consequently, this study does not support the first hypothesis, which posited that a higher proportion of independent commissioners would enhance the quality of financial reporting. This implies that the number of independent commissioners is not a dominant factor in influencing financial reporting quality. These findings are consistent with the research of Candra et al. (2024), which concluded that the presence of independent board members does not effectively reduce financial reporting fraud or improve reporting quality. However, the results contradict the studies of Indah et al. (2023) and Tambunan et al. (2022), Research has shown that independent commissioners can positively impact the quality of financial reporting. According to Srikandhi and Suryandari (2020), companies with an adequate proportion of independent commissioners are better equipped to detect and oversee risks related to fraudulent manipulation of financial data, which helps maintain the integrity of financial statements. Regulation POJK No. 57/POJK.04/2017 mandates that at least 30% of a securities company's board of commissioners must be independent members upon establishment. However, this requirement is sometimes treated as a formal obligation rather

than a genuine effort to enhance oversight effectiveness. As a result, simply increasing the number of independent commissioners does not always lead to improvements in financial reporting quality. From the viewpoint of agency theory, independent commissioners are intended to reduce conflicts between management (agents) and shareholders (principals) by providing unbiased supervision. Ideally, their presence encourages management to produce transparent, accurate, and standards-compliant financial reports. Nevertheless, the findings of this study indicate that this oversight mechanism may not always function as expected. In other words, the monitoring role expected of independent commissioners has not been fully realized, and thus their presence has no significant impact on financial reporting quality. This highlights that the mere number of independent commissioners is insufficient; rather, their effectiveness and performance in carrying out supervisory duties play a more crucial role in enhancing financial reporting quality.

- *The Effect of Audit Committee Size on Financial Reporting Quality*

The audit committee size variable (X2) does not have a significant influence on financial reporting quality. This suggests that a larger number of audit committee members does not automatically translate into stronger oversight. This finding is consistent with Hasan et al. (2020), who showed that audit committee size has a negative impact on the quality of financial reporting through real earnings management. Similarly, Permatalia & Haryono (2020) argue that the presence of an audit committee is necessary but not sufficient to enhance reporting quality. The OJK/IDX regulations stipulate that companies must have a minimum of three audit committee members, with the chairperson drawn from the independent commissioners. In practice, many firms fulfill this requirement merely as a formality, without ensuring substantive performance. As a result, despite compliance with the numerical requirements, the effectiveness of financial reporting oversight remains limited. From an agency theory perspective, the audit committee is expected to mitigate agency conflicts by ensuring reliable and transparent reporting. However, the results indicate that this oversight mechanism has not operated effectively. A large audit committee without sufficient expertise and independence cannot act as an effective monitoring tool. Thus, the effectiveness of the audit committee is determined more by the competence, independence, and intensity of their activities than by the number of members.

- *The Effect of Key Audit Matters (KAM) on Financial Reporting Quality*

The test results show that the Key Audit Matters variable (X3) has a significant positive impact on financial reporting quality. This confirms that KAM disclosures contribute substantially to improving reporting quality. These results are consistent with prior studies (Espahbodi et al., 2023; Gold & Heilmann, 2019; Li, 2020), which emphasize that the adoption of ISA 701 has led to significant improvements in reporting quality. KAM disclosure strengthens communication between auditors and management, thereby encouraging management to ensure that the financial statements fairly represent the company's operations in accordance with accounting standards and auditor certification requirements.

This finding is aligned with agency theory, which highlights information asymmetry between managers (agents) and shareholders (principals). The disclosure of KAM by external auditors reduces this asymmetry by providing additional insights into areas of significant audit risk and professional judgment. KAM disclosures enhance management accountability in preparing financial statements. By highlighting key estimates, significant judgments, and potential material misstatements, auditors place greater pressure on management to adopt transparency and caution. Consequently, KAM serves as an effective external monitoring mechanism, leading to more reliable and higher-quality financial reports. These findings reinforce agency theory by demonstrating that stronger oversight mechanisms reduce managerial opportunism and increase stakeholder trust.

- *The Moderating Role of Firm Size in the Relationship Between Independent Commissioners and Financial Reporting Quality*

The results reveal that firm size does not moderate the relationship between independent commissioners and financial reporting quality. Agency theory suggests that larger firms, with greater complexity, should require more effective oversight from independent commissioners to mitigate conflicts of interest. However, the findings show that firm size does not enhance the effectiveness of independent commissioners in improving reporting quality. Independent commissioners are often appointed just to meet regulations, not to really oversee the company. Even big companies with lots of resources won't improve their financial reporting if these commissioners don't do their job well. So, what matters most is how independent and effective they are—not the size of the company.

- *The Moderating Role of Firm Size in the Relationship Between Audit Committee Size and Financial Reporting Quality*

The analysis indicates that firm size does not moderate the relationship between audit committee size and financial reporting quality. This implies that the effectiveness of audit committee size is not influenced by firm scale. From an agency theory perspective, larger firms with greater complexity should require stronger audit committee oversight. Yet, the results demonstrate that firm size does not

reinforce this relationship. These findings suggest that the number of audit committee members in large or small firms is not the key determinant of reporting quality. Audit committees may often be established to meet governance requirements rather than to fulfill effective monitoring functions. Moreover, even in large firms with more resources, if audit committee members lack sufficient accounting and auditing expertise, reporting quality will not necessarily improve. In other words, the committee's effectiveness is determined by quality, independence, and commitment, rather than firm size.

- *The Moderating Role of Firm Size in the Relationship Between Key Audit Matters and Financial Reporting Quality*

The results show that firm size does not moderate the relationship between KAM and financial reporting quality. While KAM disclosures remain important in improving reporting transparency, their contribution is not dependent on firm size. According to agency theory, larger and more complex firms should require more extensive KAM disclosures to reduce information asymmetry between managers and shareholders. Yet, this study finds otherwise. The effectiveness of KAM disclosures in improving financial reporting quality lies in their substance, not in firm size. Transparent and relevant KAM disclosures can reduce information asymmetry for both small and large firms. Conversely, when disclosures are made merely as a formality, without providing meaningful insights, reporting quality does not improve. Thus, consistent with agency theory, KAM operates as an external monitoring mechanism whose effectiveness depends on the quality of auditor disclosure, not on the scale of the audited entity.

VI. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

The research findings indicate that the Good Corporate Governance (GCG) elements, namely the independent board of commissioners and the size of the audit committee, do not significantly influence the quality of financial reporting. This suggests that simply having an independent board or a larger audit committee does not necessarily lead to better financial statement quality. It implies that the oversight roles of both the independent commissioners and the audit committee have not been fully effective in practice. Key Audit Matters (KAM) has a significant effect on the quality of financial reporting. This shows that the disclosure of KAM in independent auditors' reports is able to increase transparency, provide additional relevant information, and help stakeholders understand high-risk areas in financial statements. With the existence of KAM, auditors signal to financial report users regarding material issues that require special attention, thus encouraging companies to be more careful, accountable, and transparent in compiling financial statements. Therefore, the implementation of KAM has proven to be one of the effective governance instruments in improving the quality of financial reporting.

The results show that the size of the company cannot moderate the relationship between good corporate

governance (which is proxied through the independent board of commissioners and the number of audit committees) and key audit matters on the quality of financial reporting. This means that the size of the company does not strengthen or weaken the influence of the independent board of commissioners, the number of audit committees, and key audit matters in improving the quality of financial reporting.

B. Suggestion

➤ For Companies

- Companies need to realize that the number of independent commissioners or audit committees does not guarantee the effectiveness of supervision, what is more important is how their role is carried out. Future corporate governance practices should lead to strengthening the quality of the supervisory process, not just meeting quantitative rules.
- The KAM disclosure encourages companies to be more transparent and careful in the preparation of financial statements. Therefore, management needs to improve the quality of internal control and strengthen communication with auditors so that material issues can be handled from the beginning.

➤ For Investors and Stakeholders

- Investors need to be more critical in assessing corporate governance by not only referring to the number but also evaluating the active role and quality of oversight from independent commissioners and audit committees.
- KAM can be used as a basis for investment considerations because it provides more detailed information about the risks of financial statements. Investors need to pay attention to the content of the KAM to understand the potential problems faced by the company, so that the decisions taken are more rational and information-based.

➤ Future research

- These results highlight opportunities for future studies to incorporate additional relevant factors, such as the quality of external auditors, how often audit committees meet, the attendance rates of independent commissioners, or the professional backgrounds and expertise of board members.
- Further research could also explore different types of Key Audit Matters (KAM) and analyze how each type relates to the quality of financial reporting.
- Additionally, expanding the scope to cross-sector or cross-country comparisons would help determine whether these findings hold true or vary under different regulatory environments and governance frameworks.

VII. RESEARCH LIMITATIONS

➤ Simplified Measurement of GCG Variables

This study measures Good Corporate Governance (GCG) using only the number of independent commissioners and audit committee members as indicators. However, these

metrics may not fully capture the effectiveness of supervisory roles, which also depend on factors such as expertise, independence, attendance at meetings, and the depth of participation in decision-making processes.

➤ Basic Measurement of Key Audit Matters (KAM)

The study employs a binary (dummy) variable to indicate the presence or absence of KAM disclosure. This approach only identifies whether KAMs are disclosed but does not consider the quantity, type, complexity, or quality of the information provided. Given that different KAMs can vary considerably in their influence on financial reporting quality, this simplified measurement might overlook important nuances.

➤ Unexplored Influencing Factors

The quality of financial reporting is affected by additional factors beyond the GCG components examined in this research. Elements such as the quality of external audits, the integrity of management, the robustness of internal control systems, and adherence to the latest accounting standards also play significant roles but were not included in the scope of this study.

➤ Sample Scope

This research focuses on a sample of companies limited to specific periods and sectors listed on the Indonesia Stock Exchange (IDX). Consequently, the findings may not be fully generalizable to companies outside these sectors or periods, particularly those operating under different governance frameworks or regulatory environments. This presentation acknowledges limitations clearly and thoughtfully, which strengthens the integrity and transparency of your research discussion. If you want, I can help expand these points with suggestions on how future research might address them.

REFERENCES

- [1]. Akbar, T., Retnowati, W., Pernamasari, R., Utami, W., Hidayah, N., Iskandar, D., & Oktris, L. (2025). *Tata Kelola Perusahaan: Teori dan Kasus* (1st ed.). Salemba Empat.
- [2]. Al-Slehat, Z. A. F. (2020). Impact of Financial Leverage, Size and Assets Structure on Firm Value: Evidence from Industrial Sector, Jordan. *International Business Research*, 13(1), 109. <https://doi.org/10.5539/ibr.v13n1p109>
- [3]. Alaali, N., Al Marzouqi, A., Albaqaen, A., Dahabreh, F., Alshurideh, M., Mouzaek, E., Alrwashdh, S., Iyadeh, I., Salloum, S., & Aburayya, A. (2021). The impact of adopting corporate governance strategic performance in the tourism sector: A case study in the Kingdom of Bahrain. *Journal of Legal, Ethical and Regulatory Issues*, 24(Special Issue 1), 1–18.
- [4]. Alawaqleh, Q. A., & Almasri, N. (2021). The Impact of Audit Committee Performance and Composition on Financial Reporting Quality in Jordan. *International Journal of Financial Research*, 12(3), 55. <https://doi.org/10.5430/ijfr.v12n3p55>

- [5]. Alijoyo, A. (2022). *Komisaris Independen : Penggerak Governansi Korporat*. Gramedia Widiasarana Indonesia.
- [6]. Alzeban, A. (2020). The impact of audit committee, CEO, and external auditor quality on the quality of financial reporting. *Corporate Governance*, 20(2), 263–279. <https://doi.org/10.1108/CG-07-2019-0204>
- [7]. Anggita, M., & Pohan, H. T. (2022). Pengaruh Good Corporate Governance, Financial Distress Dan Ukuran Perusahaan Terhadap Integritas Laporan Keuangan. *Jurnal Ekonomi Trisakti*, 2(2), 541–554. <https://e-journal.trisakti.ac.id/index.php/jet/article/view/14517/8492>
- [8]. Anik, S., Chariri, A., & Isgiyarta, J. (2021). The Effect of Intellectual Capital and Good Corporate Governance on Financial Performance and Corporate Value: A Case Study in Indonesia. *Journal of Asian Finance, Economics and Business*, 8(4), 391–402. <https://doi.org/10.13106/jafeb.2021.vol8.no4.0391>
- [9]. Baridwan, Z. (2021). *Intermediate Accounting* (9th ed.). UPP STIM YKPN.
- [10]. Basuki, A. T., & Prawoto, N. (2017). Analisis regresi dalam penelitian ekonomi & bisnis: Dilengkapi aplikasi SPSS & EViews. Depok: Raja Grafindo Persada.
- [11]. Binekasri, R. (2024). Kimia Farma (KAEF) Akui Ada Pelanggaran Laporan Keuangan Anak Usaha. *CNBC Indonesia*. <https://www.cnbcindonesia.com/market/20240619110542-17-547404/kimia-farma--kaef--akui-ada-pelanggaran-laporan-keuangan-anak-usaha>
- [12]. Candra, R., Juliani, M., & Handayani, W. (2024). Tata Kelola Perusahaan Dan Kecurangan Pelaporan Keuangan: Studi Kasus Industri Barang Konsumen Di Bei. *Jurnal Keuangan Dan Bisnis*, 22(1), 85–102. <https://doi.org/10.32524/jkb.v22i1.1136>
- [13]. Castillo-Merino, D., Garcia-Blandon, J., & Martinez-Blasco, M. (2019). Auditor Independence, Current and Future NAS Fees and Audit Quality: Were European Regulators Right? *European Accounting Review*, 29(2), 233–262. <https://doi.org/10.1080/09638180.2019.1577151>
- [14]. Choiriah, S., Tarmidi, D., & Ahmad, Z. (2024). ESG Disclosure, Financial Reporting Quality and Investment Efficiency. *International Journal of Social Science and Business*, 8(3), 455–465. <https://dx.doi.org/10.23887/ijssb.v8i3.78318>
- [15]. CNBC Indonesia. (2025). Hasil Audit Keluar, Ini 4 Data Palsu Karangan Gibran Cs di eFishery. *CNBC Indonesia*. <https://www.cnbcindonesia.com/news/20250208081429-4-609047/hasil-audit-keluar-ini-4-data-palsu-karangan-gibran-cs-di-efishery>
- [16]. CNN. (2024). Kimia Farma Temukan Dugaan Masalah di Laporan Keuangan Anak Usaha. *CNN Indonesia*. <https://www.cnnindonesia.com/ekonomi/20240603094601-92-1105015/kimia-farma-temukan-dugaan-masalah-di-laporan-keuangan-anak-usaha>
- [17]. Dirman, A. (2020). Financial distress: The impacts of profitability, liquidity, leverage, firm size, and free cash flow. *International Journal of Business, Economics and Law*, 22(1), 1.
- [18]. Ejazi, S. H., Ezadi, H., & Sajadi, H. (2022). Comparability of accounting , quality of financial reporting and pricing of accruals. 6(1), 115–130.
- [19]. Espahbodi, R., Lin, J., Liu, N., Mock, T. J., & Song, M. (2023). The Effect of Reporting Key Audit Matters on Audit Fees and Financial Reporting Quality: Evidence from Hong Kong. *Journal of International Accounting Research*, 22(2), 1–20. <https://doi.org/10.2308/JIAR-2021-045>
- [20]. Fatimah, S., Putu Agustinawati, N., & Petro, S. (2020). Pengaruh Mekanisme Corporate Governance, Audit Tenure, Ukuran Perusahaan Dan Leverage Terhadap Integritas Laporan Keuangan (Studi Empiris Pada Perusahaan BUMN Yang Terdaftar Di Bursa Efek Indonesia). *Neraca: Jurnal Pendidikan Ekonomi*, 5(2), 1–13. <https://doi.org/10.33084/neraca.v5i2.1418>
- [21]. Firdausi, W., & Fitria, G. N. (2024). The Influence of Capital Structure, Profitability, and Company Size on Company Value (Empirical Study on Sector Manufacturing Companies Automotive Industry Listed on BEI 2018-2022). *Kurs Jurnal Akuntansi Kewirausahaan Dan Bisnis*, 9(1), 97–107.
- [22]. Ghozali, I. (2017). Analisis Multivariat Dan Ekonometrika : Teori, Konsep, Dan Aplikasi Dengan Eview 10. Universitas Diponegoro.
- [23]. Gold, A., & Heilmann, M. (2019). The consequences of disclosing key audit matters (KAMs): A review of the academic literature. *Maandblad Voor Accountancy En Bedrijfseconomie*, 93(1/2), 5–14. <https://doi.org/10.5117/mab.93.29496>
- [24]. Golmohammadi Shuraki, M., Pourheidari, O., & Azizkhani, M. (2021). Accounting comparability, financial reporting quality and audit opinions: evidence from Iran. *Asian Review of Accounting*, 29(1), 42–60. <https://doi.org/10.1108/ARA-06-2020-0087>
- [25]. Halimah, N., Yuni, S., & Kubertein, A. (2024). Analisis Pengaruh Good Corporate Governance (GCG) Terhadap Integritas Laporan Keuangan Dengan Kualitas Audit Sebagai Pemoderasi (Studi Pada Perusahaan Manufaktur Sub Sektor Industri Dasar dan Kimia Yang Terdaftar di BEI Periode 2019-2022). *JRIME : Jurnal Riset Manajemen Dan Ekonomi*, 2(1), 147–165. <https://doi.org/10.54066/jrime-itb.v2i1.1127>
- [26]. Hasan, S., Kassim, A. A. M., & Hamid, M. A. A. (2020). the Impact of Audit Quality, Audit Committee and Financial Reporting Quality: Evidence From Malaysia. *International Journal of Economics and Financial Issues*, 10(5), 272–281. <https://doi.org/10.32479/ijefi.10136>
- [27]. Hasna, D. A., & Novianti, N. (2024). The Effect of Hexagon Fraud Theory on Financial Statement Fraud with Audit Committee As a Moderating Variable. *Asia Pacific Fraud Journal*, 9(2), 295–307. <https://doi.org/10.21532/apfjournal.v9i2.350>
- [28]. Herliansyah, Y., Tarmidi, D., & Fauzi, M. (2023). Profitabilitas, Sales Growth, Leverage, Ukuran Perusahaan Dan Penghindaran Pajak: Bukti Dari

- Perusahaan Sektor Industri Barang Konsumsi. *Jurnal Akuntansi Dan Bisnis Krisnadwipayana*, 10(2), 1261. <https://doi.org/10.35137/jabk.v10i2.929>
- [29]. Hia, H., & Kusumawardhani, I. (2023). Determinants of Financial Statement Integrity. *Journal of International Conference Proceedings*, 6(6), 87–98. <https://doi.org/10.32535/jicp.v6i6.2677>
- [30]. Hosseinniakani, M., Overland, C., & Samani, N. (2024). Do key audit matters matter? Correspondence between auditor and management disclosures and the role of audit committees. *Journal of International Accounting, Auditing and Taxation*, 55(1), 1–69. <https://doi.org/10.1016/j.intaccaudtax.2024.100617>
- [31]. Indah, S., Sulistiyowati, Y., Mukoffi, A., & Himawan W, S. (2023). The influence of independence, corporate governance, and audit quality on the integrity of financial statements. *Priviet Social Sciences Journal*, 3(11), 10–16. <https://doi.org/10.55942/pssj.v3i11.253>
- [32]. Indriawati, T. (2025). eFishery Terlibat Skandal Keuangan Rp 9,74 Triliun: Apa yang Terjadi? *Kompas.Com*. <https://www.kompas.com/jawa-barat/read/2025/01/26/060000588/efishery-terlibat-skandal-keuangan-rp-9-74-triliun--apa-yang-terjadi-?page=all>
- [33]. Institut Akuntan Publik Indonesia (IAPI). (2021). Standar Audit 701 (2021) Pengomunikasian Hal Audit Utama dalam Laporan Auditor Independen. In *Standar Profesional Akuntan Publik (Vol. 701, Issue Revisi)*.
- [34]. Institut Akuntan Publik Indonesia (IAPI). (2023). Penerapan Tahun Pertama SA 701 Tentang Pengomunikasian Hal Audit Utama (HAU) di Indonesia. <https://iapi.or.id>
- [35]. International Auditing and Assurance Standards Board (IAASB). (2015). International Standard on Auditing (ISA) 701 (New): Communicating Key Audit Matters in the Independent Auditor's Report. In *International Auditing Standards (ISA) 701*. https://www.ifac.org/_flysystem/azure-private/publications/files/ISA-701_2.pdf
- [36]. Islam, M., Slof, J., & Albitar, K. (2023). The mediation effect of audit committee quality and internal audit function quality on the firm size–financial reporting quality nexus. *Journal of Applied Accounting Research*, 24(5), 839–858. <https://doi.org/10.1108/JAAR-06-2022-0153>
- [37]. Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360. [https://doi.org/https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/https://doi.org/10.1016/0304-405X(76)90026-X)
- [38]. Jihadi, M., Vilantika, E., Hashemi, S. M., Arifin, Z., Bachtiar, Y., & Sholichah, F. (2021). The Effect of Liquidity, Leverage, and Profitability on Firm Value: Empirical Evidence from Indonesia. *Journal of Asian Finance, Economics and Business*, 8(3), 423–431. <https://doi.org/10.13106/jafeb.2021.vol8.no3.0423>
- [39]. Kezia Julia Putri. (2023). Implications of Good Corporate Governance (GCG) on Financial Statement Integrity. *International Journal of Asian Business and Management*, 2(3), 179–192. <https://doi.org/10.55927/ijabm.v2i3.4309>
- [40]. Kitiwong, W., & Sarapaivanich, N. (2020). Consequences of the implementation of expanded audit reports with key audit matters (KAMs) on audit quality. *Managerial Auditing Journal*, 35(8), 1095–1119. <https://doi.org/10.1108/MAJ-09-2019-2410>
- [41]. Kohler, A., Ratzinger-Sakel, N., & Theis, J. (2020). The Effects of Key Audit Matters on the Auditor's Report's Communicative Value: Experimental Evidence from Investment Professionals and Non-professional Investors. *Accounting in Europe*, 17(2), 105–128. <https://doi.org/10.1080/17449480.2020.1726420>
- [42]. Komite Nasional Kebijakan Governansi. (2021). *Pedoman Umum Governansi Korporat Indonesia (PUGKI) 2021*. Komite Nasional Kebijakan Governansi, 37. <https://knkg.or.id>
- [43]. Kyere, M., & Ausloos, M. (2021). Corporate governance and firms financial performance in the United Kingdom. *International Journal of Finance and Economics*, 26(2), 1871–1885. <https://doi.org/10.1002/ijfe.1883>
- [44]. Lau, C. K. (2021). Measurement uncertainty and management bias in accounting estimates: the perspective of key audit matters reported by Chinese firms' auditors. *Asian Review of Accounting*, 29(1), 79–95. <https://doi.org/10.1108/ARA-07-2020-0109>
- [45]. Le, T., & Lobo, G. J. (2022). Audit Quality Inputs and Financial Statement Conformity to Benford's Law. *Journal of Accounting, Auditing and Finance*, 37(3), 586–602. <https://doi.org/10.1177/0148558X20930467>
- [46]. Li, H. (2020). A Study of Key Audit Matters Disclosure. *Modern Economy*, 11(02), 399–406. <https://doi.org/10.4236/me.2020.112030>
- [47]. Mappanyukki, R., Sumito, N., & Setiyawati, H. (2021). Influence of Internal Audit and Internal Control System on Quality of the Financial Statement. *Atlantis Press*, 161, 26–31.
- [48]. Mardessi, S. (2022). Audit committee and financial reporting quality: the moderating effect of audit quality. *Journal of Financial Crime*, 29(1), 368–388. <https://doi.org/https://doi.org/10.1108/JFC-01-2021-0010>
- [49]. Meiryani, Fahlevi, M., Robbani, A. I., Winoto, A., Salim, G., Purnomo, A., & Lusianah. (2023). Factors Affecting the Integrity of Financial Statements. *Corporate Governance and Organizational Behavior Review*, 7(3), 211–227. <https://doi.org/10.22495/cgobrv7i3p17>
- [50]. Muraina, S. A., & Dandago, K. I. (2020). Effects of implementation of International Public Sector Accounting Standards on Nigeria's financial reporting quality. *International Journal of Public Sector Management*, 33, 323–338. <https://doi.org/DOI10.1108/IJPSM-12-2018-0277>
- [51]. OJK. (2014). *Peraturan Otoritas Jasa Keuangan Nomor 33/POJK.04/2014 Tentang Direksi dan Dewan Komisaris Emiten Atau Perusahaan Publik*. Otoritas Jasa Keuangan Republik Indonesia.

- https://www.ojk.go.id/id/ regulasi/Documents/Pages/P OJK-tentang-Direksi-dan-Dewan--Komisaris-Emiten-atau-Perusahaan-Publik/POJK_33_Direksi dan Dewan Komisaris Emiten Atau Perusahaan Publik.pdf
- [52]. Otoritas Jasa Keuangan. (2015). POJK No 55 /POJK.04/2015 Tentang Pembentukan Dan Pedoman Pelaksanaan Kerja Komite Audit. Ojk.Go.Id, 1–29. <http://www.ojk.go.id/id/kanal/iknb/regulasi/lembaga-keuangan-mikro/peraturan-ojk/Documents/SAL-POJK PERIZINAN FINAL F.pdf>
- [53]. Pasc, L. V., & Hategan, C. D. (2023). Disclosure of Key Audit Matters: European Listed Companies' Evidence on Related Parties Transactions. *International Journal of Financial Studies*, 11(3). <https://doi.org/10.3390/ijfs11030082>
- [54]. Permatalia, R., & Haryono, S. (2020). Pengaruh Kualitas Komite Audit dan Kualitas Audit Terhadap Kualitas Pelaporan Keuangan Perusahaan. *Al-Intaj Jurnal Ekonomi Dan Perbankan Syariah*, 1(1).
- [55]. Phan, T. T. H., Lai, L. A., Le, T. T., Tran, D. M., & Tran, D. T. (2020). The impact of audit quality on performance of enterprises listed on Hanoi Stock Exchange. *Management Science Letters*, 10(1), 217–224. <https://doi.org/10.5267/j.msl.2019.8.001>
- [56]. Phomlaphatrachakorn, K., & Kalasindhu, K. N. (2021). Digital Accounting, Financial Reporting Quality and Digital Transformation: Evidence from Thai Listed Firms. *Journal of Asian Finance*, 8(8), 409–4419. <https://doi.org/10.13106/jafeb.2021.vol8.no8.0409>
- [57]. POJK. (2023). Peraturan Otoritas Jasa Keuangan Nomor 30 Tahun 2023 tentang Pengomunikasian Hal Audit Utama dalam Laporan Akuntan Publik atas Laporan Keuangan yang Diaudit di Pasar Modal. In Otoritas Jasa Keuangan. <https://ojk.go.id/id/regulasi/Pages/Pengomunikasian-Hal-Audit-Utama-Dalam-Laporan-Akuntan-Publik-Atas-Laporan-Kuangan-Yang-Diaudit-di-Pasar-Modal.aspx>
- [58]. Pratama, A. (2021). *Pengantar Pelaporan Korporat Kontemporer* (1st ed.). Kencana.
- [59]. Raimo, N., Vitolla, F., Marrone, A., & Rubino, M. (2020). Do audit committee attributes influence integrated reporting quality? An agency theory viewpoint. *Business Strategy and the Environment*, 30(1), 522–534. <https://doi.org/10.1002/bse.2635>
- [60]. Rautiainen, A., Saastamoinen, J., & Pajunen, K. (2021). Do key audit matters (KAM) matter? Auditors perceptions of KAM and audit quality in Finland. *Managerial Auditing Journal*, 36(3), 386–404. <https://doi.org/https://doi.org/10.1108/maj-11-2019-2462>
- [61]. Ross, Westerfield, Jaffe, & Jordan. (2022). *Corporate Finance* (13th ed.). McGraw Hill LLC.
- [62]. Safari Gerayli, M., Rezaei Pitenoei, Y., & Abdollahi, A. (2021). Do audit committee characteristics improve financial reporting quality in emerging markets? Evidence from Iran. *Asian Review of Accounting*, 29(2), 251–267. <https://doi.org/10.1108/ARA-10-2020-0155>
- [63]. Sandria, F. (2021). Deretan Skandal Lapkeu di Pasar Saham RI, Indofarma-Hanson. CNBC Indonesia. <https://www.cnbcindonesia.com/market/20210726191301-17-263827/>
- [64]. Saona, P., Muro, L., & Alvarado, M. (2020). How do the ownership structure and board of directors' features impact earnings management? The Spanish case. *Journal of International Financial Management and Accounting*, 31(1), 98–133. <https://doi.org/10.1111/jifm.12114>
- [65]. Sari, E., & Rahayu, S. (2024). Peran Ukuran Perusahaan Sebagai Variabel Moderasi pada Pengaruh Good Corporate Governance dan Corporate Social Responsibility terhadap Nilai Perusahaan. *Jurnal Ilmiah Ekonomi, Akuntansi, Dan Pajak (JIEAP)*, 1(3), 360–377. <https://doi.org/https://doi.org/10.61132/jieap.v1i3.465>
- [66]. Sari, M. (2021). *Pengukuran Kinerja Keuangan Berbasis Good Corporate Governance* (Jufrizen (ed.)). UMSU PRESS.
- [67]. Shayesteh, M., Mohammadipour, R., & Kordlouie, H. (2023). The relationship between accounting comparability, financial reporting quality and pricing of accruals. *International Journal of Nonlinear Analysis and Applications*, 14(December 2021), 313–325.
- [68]. Srikanthi, M. F., & Suryandari, D. (2020). Audit Quality Moderates the Effect of Independent Commissioners, Audit Committee, and Whistleblowing System on the Integrity of Financial Statement. *Accounting Analysis Journal*, 9(3), 186–192. <https://doi.org/10.15294/aaj.v9i3.41625>
- [69]. Sugiyono. (2024). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Alfabeta.
- [70]. Suttipun, M. (2021). Impact of key audit matters (KAMs) reporting on audit quality: evidence from Thailand. *Journal of Applied Accounting Research*, 22(5), 869–882. <https://doi.org/10.1108/JAAR-10-2020-0210>
- [71]. Tambunan, S., Siregar, A., Wijaya, M., & Pratama, I. (2022). The Impact of Corporate Governance on the Integrated Reporting Quality of Indonesian Listed Firms: Moderating Role of Csr Disclosure and Corporate Sustainability. *International Journal of Economics and Finance Studies*, 14(4), 252–274. <https://doi.org/10.34109/ijefs.20220113>
- [72]. Terzi, S., & Sen, L. K. (2023). Dampak Pelaporan Masalah Audit Utama terhadap Kualitas Audit: Temuan untuk Turki. *Journal of Accounting and Auditing Outlook*, 68, 59–74. <https://doi.org/10.55322/mdbakis.1098821> Doç.
- [73]. Velte, P., & Issa, J. (2019). The impact of key audit matter (KAM) disclosure in audit reports on stakeholders' reactions: A literature review. *Problems and Perspectives in Management*, 17(3), 323–341. [https://doi.org/10.21511/ppm.17\(3\).2019.26](https://doi.org/10.21511/ppm.17(3).2019.26)
- [74]. Vernimmen, P., Quiry, P., Dallochio, M., Fur, Y. Le, & Salvi, A. (2018). *Corporate Finance: Theory and Practice* (1st ed.). John Wiley & Sons, Ltd.

- [75]. Yousefi Nejad, M., Sarwar Khan, A., & Othman, J. (2024). A panel data analysis of the effect of audit quality on financial statement fraud. *Asian Journal of Accounting Research*, 9(4), 422–445. <https://doi.org/10.1108/AJAR-04-2023-0112>