JMK, VOL. 26, NO. 1, MARCH 2024, 13–25
ISSN 1411-1438 print / ISSN 2338-8234 online
DOI: https://doi.org/10.9744/jmk.26.1.13-25

IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND CREATIVE ACCOUNTING ON FINANCIAL REPORTING QUALITY

Erni Komalasari[1*], Eka Bertuah[2]
[1,2]Faculty of Economics and Business, Esa Unggul University, West Jakarta 11510, Indonesia
*Corresponding author; Email: ernikomalasari0@gmail.com[1]

Submitted: August 16, 2023; Reviewed: August 17, 2023; Accepted: Dec. 16, 2023; Published: March 1, 2024

Abstract

This research aimed to test whether the implementation of governance in banking in Indonesia influenced the possibility of unethical creative accounting which had an impact on the quality of banking financial reporting. The sample used in this research were accountants who worked at banks in the DKI Jakarta and Bandung areas, totaling 315 respondents. The data analysis technique used was the Structural Equation Model. The research results showed that the implementation of good governance influences the occurrence of unethical creative accounting and the quality of financial reports. The implementation of good governance also influenced the occurrence of creative accounting which had an impact on the quality of financial reports. This showed the importance of implementing good corporate governance in limiting the occurrence of creative accounting which led to unethical actions, to provide reliable quality financial reports for its users. This research contributed to empirical testing of decision-usefulness theory which states the need for rules that must be fulfilled in presenting accounting information reports so that they could be useful in making decisions for users.

Keywords: Implementation of good corporate governance, financial reporting quality, creative accounting.

Introduction

Corporate governance and creative accounting became an exciting study after the bankruptcy of large companies due to financial scandals such as the Enron, WorldCom, and Satyam cases. Creative accounting triggered the concerns of all stakeholders (Bhasin, 2016b; Abed, Hussin, Almubaydeen, & Ali, 2022). As a result, the public is more concerned about the effectiveness of corporate governance systems in eliminating creative accounting methods. Creative accounting can be viewed from two points of view: positive and negative (Olojede & Erin, 2021). From a positive point of view, creative accounting involves discovering accounting principles and techniques to identify changes in accounting practices. Negatively, creative accounting refers to unethical techniques that contain unethical elements to deceive investors by presenting specific misleading and misleading terms. The basis of the manipulation procedure is accounting-related estimates allowed in accounting standards. The techniques used in creative accounting refer to the manipulation of off-balance sheet financial items, changes in accounting principles and depreciation methods, and manipulation of income and other expenditure items. Corporations and organizations increasingly rely on accurate and fast information to aid in decision-making by investors and creditors (Kardan, Salehi, & Abdollahi, 2016; Bangsa, 2018; Bertuah & Nurlinda, 2019).

PT Asuransi Jiwasraya (PT Jiwasraya) and the social insurance of the armed forces of PT Asabri is an example of a failed company demonstrating how poorly good corporate governance (GCG) is being implemented. There are several principles that PT Jiwasraya violated in the case of engineering its financial reports. The first principle violated is the principle of responsibility, which can be seen from PT Jiwasraya's failure to be accountable for the financial reports published to the public. Next is the principle of honesty, where the financial condition is deliberately covered up so that the company's performance looks good. The financial statements do not reflect reasonable figures. Apart from that, the public and customers suffer huge losses and cannot withdraw their insurance. PT Jiwasraya also did not behave fairly in fulfilling the rights of stakeholders based on the agreement agreed to by both parties and statutory regulations. The public experienced huge losses and customers were unable to withdraw their insurance.

Apart from that at PT Asabri, weak company control opens up opportunities for abuse of power among PT Asabri officials who use company investment funds for personal interests. This was done through collusion between PT Asabri officials and external company parties. To cover up investment fund management that does not comply with regulation, due to a mismatch between the value of the company's assets and liabilities, the company's financial management manipulates by changing financial report data to cover up losses and create illegal profits. In the case of PT Jiwasraya and PT Asabri, it can be seen that the company is negligent in buying assets whose value has decreased very low (Christian & Julyanti, 2021; Haneda & Carolina, 2022). Salehi, Ammar Ajel, and Zimon (2023) show that strong corporate governance significantly reduces companies' intentions towards fraudulent financial reporting. This is confirmed by Hsu and Yang (2022) who show that good governance helps mitigate the negative impact of external conditions on the quality of financial reporting. Good quality financial reporting helps financial market players, such as investors and lenders, make the right decisions and helps improve financial market efficiency. On the other hand, implementing poor corporate governance can cause a company to experience a situation that is vulnerable to various problems, lacks resilience, and contributes to poor corporate management.

The conditions above show that accountants play an important role in building trust regarding their responsibilities in financial reporting (Remenaric, Kenfelja, & Mijoc, 2018). Accountants' moral intelligence can also play an important role in building trust because it increases commitment and responsibility to society and increases individual and group efficiency. All current financial information, as well as final information, comes from accounting. Therefore, all good and bad information must be visible in accounting documents and financial reports. Organizations that support financial reports referring to accounting standards can present information about the company's financial position and evaluate its business performance (Asyik, Agustia & Muchlis, 2023). According to Cugova and Cug (2020), qualified and independent experts are needed to avoid misrepresenting accounting information and manipulating accounting data by exploiting loopholes in accounting rules measurement choices, and disclosure practices to change financial reports from what they should be to what managers want to see reported. It is the process by which transactions occur structured in such a way as to produce the desired accounting results rather than reporting transactions neutrally and consistently (Blazek, Durana, & Valaskova, 2020).

According to Tassadaq and Malik (2015), creative accounting is a significant challenge in implementing good corporate governance. It is supported by Mudel (2016), Brauweiler, Yerimpasheva and Balgabayeva (2019), and Shatiti and Tarmizi (2020). Then Tassadaq and Malik (2015), Arieftiara and Utama (2018), Nuryana and Surjandari (2019), Wahyuni and Mahliza (2019), Blazek *et al.* (2020), and Abed, Hussin, Hossam, Al-Ramahi, and Mostafa (2022), It investigates how governance factors influence the quality of integrated reporting. Integrated reporting is increasingly becoming a tool to assist businesses in understanding their value-generation process and efficiently communicating with external stakeholders (Bhasin, 2016a; Herath & Albarqi, 2017; Nurlinda & Bertuah, 2019).

Creative accounting is closely related to innovation which in turn is directly related to creativity. Creative accounting aims to creatively adapt company results to the desired form, which means it can influence the final value of a company (Adámiková & Čorejová, 2021) so that it can provide information for investors (Kovalová & Michalíková, 2020). Creative accounting can influence the choice of depreciation method or asset valuation, a company's budget policy for subsequent years the resulting value of its creditworthiness, or the prediction of a company's bankruptcy (Adámiková & Čorejová, 2021).

Accountants use their understanding of accounting standards to change the figures reported in the company's financial statements. However, presenting an ideal corporate image starts with the fundamental concept of standards and rules. Although creative accounting is not illegal, it is unethical since it deviates from the primary goal of financial reporting, which is to offer a fair and unbiased image of a firm. A solid corporate governance structure makes fraud, profit manipulation, and other creative accounting approaches less likely.

Previous research has stated that financial reports can influence the choice of bank owner (Hameedi, Al-Fatlawi, Ali, & Almagtome, 2021). Previous research also shows that creative accounting practices influence the quality of financial reporting (Iqbal, Ali, Umar, Ullah & Jebran, 2022; Chae, Nakano & Fujitani, 2020; Cugova & Cug, 2020). It is generally seen that top management puts pressure on accounting personnel in their companies to further improve the financial condition of their companies (Abdurrahmani & Doğan, 2021). As a result, accounting managers often manipulate financial and accounting information to maximize company revenues. This dishonest and manipulative practice benefits shareholders because the issuer's share price increases. However, creative accounting practices can often end in their undoing, as covering up false financial statements regarding a company's debts can send society. Given the role of banks as leading financial intermediaries and the interconnectedness of banks, the results of their activities not only impact the welfare of their owners, employees, and customers but also society as a whole through participation in the process of capital accumulation and allocation as well as the impact of the health and stability of the financial sector on the entire banking sector economy (Abed *et al.*, 2022). Therefore, a bank 's business objectives should not be limited to maximizing the profits of its owners, but should also include the needs of other stakeholders, and society as a whole (Bolibok, 2021). From the research gaps described above, this research wants to prove how the implementation of banking governance takes into account the principles of good corporate governance, whether it has an influence that limits accountants from using creative accounting which leads to unethical actions which have an impact on the quality of banking financial reporting.

Research regarding the implementation of good corporate governance, quality of financial reporting, and creative accounting in research models still needs to be improved. There has been no more comprehensive study regarding the application of good governance and creative accounting in open banking in Indonesia. This research is expected to provide evidence of how governance is implemented in banking in Indonesia, and whether it influences the possibility of unethical creative accounting, which has an impact on the quality of banking financial reporting. Indonesian banking statistics data for February 2023 shows that Jakarta is the first largest region and Bandung is the third largest region that distributes credit/financing and Non-Performing Loans from commercial banks to non-bank third parties. Related to this policy, this research wants to prove whether the implementation of banking governance in Jakarta and Bandung with credit and NPL policies indicates the existence of creative accounting which has an impact on the quality of financial reports. Thus, this research limits the observation area to Jakarta and Bandung. This research contributes to empirical testing of the decision-usefulness theory which states the need for rules that must be fulfilled in presenting accounting information reports so that they can be useful in making decisions for users. Apart from that, this research also provides practical contributions to bank management.

Decision-Usefulness Theory

Decision-usefulness theory covers the requirements for the quality of accounting information that is useful in decisions to be taken by users of accounting information (Staubus, 2013). The decision usefulness of accounting information contains components that need to be considered by the presenter of accounting information so that the existing coverage can meet the needs of decision-makers. Decision-usefulness theory is reflected in the form of rules that must be fulfilled by components in financial reporting to be useful in making economic decisions.

Implementation of Good Corporate Governance (GCG)

Corporate governance reflects the method of governing and controlling a company. Corporate governance is a topical subject that significantly influences creative accounting. Corporate governance involves balancing the financial interests of shareholders and stakeholders in a company. It is a method of leading companies to reduce the conflicts between their principals and agents and increase investor confidence, corporate goodwill, shareholder wealth, and investment opportunities. It also gives the company the right direction on how it should work and be supervised (Iqbal & Javed, 2017). Manossoh (2016) recommended good corporate governance to manage relationships between shareholders, managers and creditors, government, employees, and related stakeholders and regulate the rights and obligations of all parties, such as the system that operates and controls the company.

The role of governance of financial accounting information is the use of externally reported financial accounting data in a control mechanism that promotes efficient corporate governance (Bushman & Smith, 2001). Because corporate governance plays a vital role in assessing the integrity of accounting information, the evolution of corporate governance has resulted in a decline in creative accounting methods (Brauweiler *et al.*, 2019). However, a solid corporate governance framework makes it less likely for fraud, profit manipulation, and other innovative accounting techniques to occur (Dechow, Sloan, & Sweeney, 1996). According to a copy of the Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 concerning the implementation of governance in commercial banks, the implementation of governance in the banking sector must always be based on the five basic principles of good governance: transparency, accountability, responsibility, independence, and fairness.

Creative Accounting (CA)

Creative accounting is a practice adopted within the framework of an accounting system or taking undue advantage of loopholes in the accounting system (Mudel, 2015). In order to convey the ideal business image to stakeholders, creative accounting refers to accounting methods that may (or may not) adhere to accounting principles or standards but depart from their intended outcomes (Bhasin, 2016b).

Creative accounting is a method in which accountants utilize their understanding of accounting provisions to modify numbers recorded in business financial reports (Amat, Blake, & Dowds, 1999). However, it deviates from the essential notions of such norms and principles to convey the appropriate company image. Creative accounting is not illegal but unethical because it does not meet the main objective of financial reporting to present a fair and objective picture of business (Remenaric *et al.*, 2018). Although creative accounting is neither a criminal act nor a form of fraud, it can contribute to a company's failure by distorting its financial condition concerning its market position. The definition of creative accounting varies significantly throughout the literature. However, it is feasible to compare points of view that argue that determining accounting techniques that do not infringe on the Accounting Act or other associated accounting requirements is creative accounting rather than accounting fraud (Hrosova, 2021). Due to the collapse of several well -known enterprises and banks in the early 1980s, the focus began to turn to the expectation of fraud detection by auditors (Abed, Hussin, Ali, Nikkeh & Mohammed, 2020). Tassadaq and Malik (2015) uses empirical and critical methods to investigate the issue of creative accounting in financial reporting, taking into account not only the ethical obligations of creative accounting but also other aspects of financial reporting, such as the role of auditors, the impact of governmental regulations or international standards, the impact of manipulative behavior, and the impact of individual ethical values.

Financial Reporting Quality (FRQ)

The quality of financial reporting can be measured in terms of its features, such as relevance, honesty in presentation (faithful representation), understandability, and comparability (Beest, Graam & Boelens, 2009). Based on the theoretical framework, financial reporting information is useful, relevant, reliable, comparable, timely, and understandable. In addition, it is also necessary to provide an explanation or calculation method (Mohammadi & Nezhad, 2015). According to Kardan *et al*. (2016), companies and organizations need accurate and up-to-date data in decision-making. Typically, accounting data is a qualitative characteristic that may be considered throughout the decision-making process. Financial reports provide accurate information about a company's financial condition and operations to help investors and creditors make decisions. Financial reports will have the necessary quality if they fulfill these objectives (Aboody, Hughes & Liu, 2005).

However, managers will skew the information in financial statements due to two issues, including conflicts of interest and knowledge asymmetry between managers and owners (Rajgopal & Venkatachalam, 2011). Managers work to control and disclose earnings to shareholders as a result. Earnings management involves hiding a company's financial situation, making it hard to decide on such a statement. As a result, the quality of financial reporting also decreases (Habib, Hossain & Jiang, 2011).

Hypothesis Development

Corporate structure, board composition, and management involvement all impact corporate governance. A well-designed audit system, therefore, forbids inventive accounting techniques. Corporate governance is, therefore, the most effective means of preventing unethical creative accounting techniques (Johl, Kaur Johl, Subramaniam, & Cooper, 2013; Mudel, 2015; Bhasin, 2016b; Arieftiara & Utama, 2018; Shatiti & Tarmizi, 2020). According to Al Momamani and Obeidat (2013), accounting transparency in companies can increase when managers adopt ethical behavior. Companies face more significant agency problems when the corporate governance structure is weak (Elkelish, 2017; Nguyen, Doan, & Nguyen, 2020). Additionally, poor governance coupled with excessive remuneration encourages deceptive conduct on the part of CEOs (Sunarsih & Handayani, 2012; Kardan *et al*., 2016; Blazek *et al*., 2020).

H_1: Implementation of good corporate governance has a positive affects creative accounting.

The implementation of good corporate governance also makes company management more focused on distributing duties, responsibilities, and supervision. Positive relationship between the audit committee and reduced management pressure on the committee when preparing financial statements (Johl *et al*., 2013; Zulhaimi, Apandi, & Sofia, 2016). The results of research by Mohammad and Ahmed (2017), Zulhaimi *et al*. (2016), and Osazevbaru and Emeni (2021) also show that more independent audit committee members are still needed. The fairness of presentation can be fulfilled if the existing data is supported by valid and correct evidence and the presentation is not intended only for a specific group of people (Sunarsih & Handayani, 2012; Kardan *et al*., 2016; Mubaraq, Abdulrasaq & Saidu, 2019; Susanto & Syahputri, 2022).

H_2: Implementation of good corporate governance has a positive effect on financial reporting quality.

Previous research has shown that creative accounting practices affect the financial reporting quality (Johl *et al*., 2013; Tassadaq & Malik, 2015; Blazek *et al*., 2020; Cooray, Gunarathne & Senaratne, 2020; Abed *et al*., 2022). The goal of using accounting standards and ethics in financial reporting is to raise awareness inside the organization of the necessity to uphold moral principles that foster customer confidence in the company's services (Blazek *et al*., 2020; Lenka & Katarina, 2021). In essence, innovative accounting ethics procedures exist to assist external auditors in enhancing their effectiveness and precision in identifying fraudulent transactions (Johl *et al*., 2013; Aprilia, 2017). Lenka and Katarina (2021) stated that six principles that indicate the maximum use of creative accounting practices are flexibility in regulation, scarcity of regulations, assumptions about the future, use of artificial transactions, timing, reclassification, and presentation of financial number games. Due to their lack of accounting knowledge and inability to conduct in-depth research, most stakeholders need help recognizing or comprehending the financial numbers game's truths (Bhasin, 2016b; Christian & Julyanti, 2021; Hrosova, 2021).

H_3: Creative accounting has a positive affects financial reporting quality.

The implementation of corporate governance is to minimize information asymmetry and to ensure compliance with the mandate of reporting requirements while maintaining the credibility of the company's financial statements and protection against manipulative behavior (Brauweiler *et al*., 2019; Sari, Sari, Aisyah, & Arifin, 2021). The principle of fairness in financial reporting means that the information produced in financial statements is not the result of management manipulation. The principle of fairness also means that company stakeholders have the right to receive the same information as management, so there is no longer information asymmetry between management and stakeholders (Ridwan *et al*., 2021). The principle of good corporate governance will ensure that financial reporting follows generally accepted principles. The credible application of good corporate governance principles is expected to reduce profit management practices because applying these principles is an effective management supervision medium in financial reporting (Herath & Albarqi, 2017). Corporate accounting, financial reporting, and audits are under the control of executives. Executives may, therefore, effectively stop creative accounting (Abed *et al*., 2022; Siagian, Amalia & Lusianah, 2022). Based on the description above, the Hypothesis formed:

H_4: Implementation of good corporate governance affects financial reporting quality mediated by creative accounting.

Research Methods

This study utilizes survey techniques by using questionnaires distributed online through Google Forms as a data collection method that is carried out only once. Therefore, the data collected is primary with a specific purpose and obtained directly from respondents. The questionnaire used Likert scale measurements with a range of values one to four, where a value of one indicates 'strongly disagree' and a value of four indicates 'strongly agree.' Creative accounting measurement is developed based on various studies, such as the implementation of good corporate governance, adapted from a book of works by Manossoh (2016), consisting of ten questions. Fifteen questions about awareness of creative accounting practices have been adapted from Lin, Li, and Yang (2006). For standards/regulations, four questions were adapted from Lin *et al*. (2006). Auditor's Comments one question has been adapted from Lin *et al.* (2006), and three questions have been adapted from Mudel (2015). Five questions to measure ethical issues have been adapted from Sekaran and Bougie (2016). Eight questions to find out manipulative behavior adapted from Lin *et al.* (2006). The quality of financial reporting was measured using eighteen items based on research from Iqbal and Javed (2017)

The population that is the object of this study is bank employees who work in accounting and are accustomed to working on financial statements. The determination of the number of samples based on 63 statements in this survey affects the number of participants needed, which is 315 respondents (Hair, Black, Babin, & Anderson, 2014). Then, purposive Researchers use sampling techniques by deliberately selecting members of the population or sample units that are considered to provide the necessary information or according to specific criteria desired by the researcherIn this study, the analysis method used is the structural equation model (SEM) using the LISREL (Linear Structural Relationship) Program. SEM can help test a measurement model known as confirmatory factor analysis (CFA). The purpose of this stage is to ensure the feasibility of each indicator for each construct, that is, validity and reliability. The criteria used in this test are *t-value* $\geq$ 1.96, standardized loading factors $\geq$ 0.50, construct reliability (CR) *value* $\geq$ 0.70, and variance extracted (VE) *value* $\geq$ 0.40. In addition, SEM-LISREL can help measure structural models, that is, the relationship between independent and dependent constructs. During this phase, the structural model is estimated simultaneously to reveal the link between independent and bound variables and the accuracy of each construct and indicator's factor load value measurements (Wijanto, 2008).

Results and Discussion

In this study, researchers surveyed the Jakarta and Bandung areas by distributing as many as 315 online questionnaires to accountants working in registered banks using Google Forms. Each respondent has different characteristics, so researchers group respondents based on specific characteristics. The characteristics used in this survey are superficial because they relate to the sensitivity of data and information about the bank where respondents work. For this reason, researchers only ask the type of bank, government or non-government, bank branch, head office or branch, and finally, how much accounting and financial experience they have. Respondent's profile information as shown in Table 1.

Table 1
Respondent Profile

Criteria	Classification	Frequency	Percentage
Bank Type	State-owned bank	165	52.3
	Non-state-owned bank	150	47.7
Type of Bank Office	Headquarters	168	53.3
	Branch office	147	46.7
Experience	<2 Years	55	17.6
	2–10 Years	158	50
	>10 Years	102	32.4

Most of the respondents worked at state-owned Bank (52.3%) at the headquarters office (53.3%) with a working period of two to ten years (50%). Meanwhile, 47.7% of respondents worked at non-BUMN Banks in branch offices 46.7% with a working period of less than two years 17.6% and more than ten years 32.4%.

Based on the research framework, the purpose of the study is to find out how the implementation of good corporate governance (X) and quality financial reporting (Y_1) affects creative accounting (Y_2). The complete model of the structural equation modeling (SEM) equation can be seen in Figure 1.

The model test results are presented in Figure 1 and evaluated based on the goodness of fit value in Table 2 which are presented model criteria and critical values with data conformity.

The results of the conformity test processing showed that all criteria were rated well. Other goodness-of-fit (GOF) criteria, namely RMSEA, AIC, NFI, CFI, and RMR, produce values above the cutoff value. That means that the resulting model already has a good fit. Test of theoretical hypotheses can be carried out since the results of several conclusions of indicators lead to the conclusion of the goodness-of-fit model.

Table 2
The Goodness of Fit (GOF) Implementation of Good Corporate Governance, Creative Accounting, and Financial Reporting Quality

Goodness-of-Fit	Cut-off-Value	Result	
RMSEA	≤ 0.08	0.026	GOF
AIC	Model < Saturated & Independence	1986.64	GOF
NFI	≥ 0.90	0.99	GOF
CFI	≥ 0.90	1.00	GOF
RMR	≤ 0.1	0.04	GOF

The loading factor test produces all LF values above 0.50, declaring all indicators excellent and valid. From the data above, these four research hypotheses can be answered. The results of hypothesis testing are presented in Table 4.

In this study, analysis was used to determine how the application of good governance to the quality of financial statements was mediated by creative accounting. After the problem is identified, the hypothesis test is divided into four parts, namely the effect of the Implementation of good corporate governance on creative Accounting, the effect of the implementation of good corporate governance on financial reporting quality, the effect of creative accounting on financial reporting quality, and the effect of the implementation of good corporate governance on financial reporting quality through creative accounting in the Indonesian banking world.

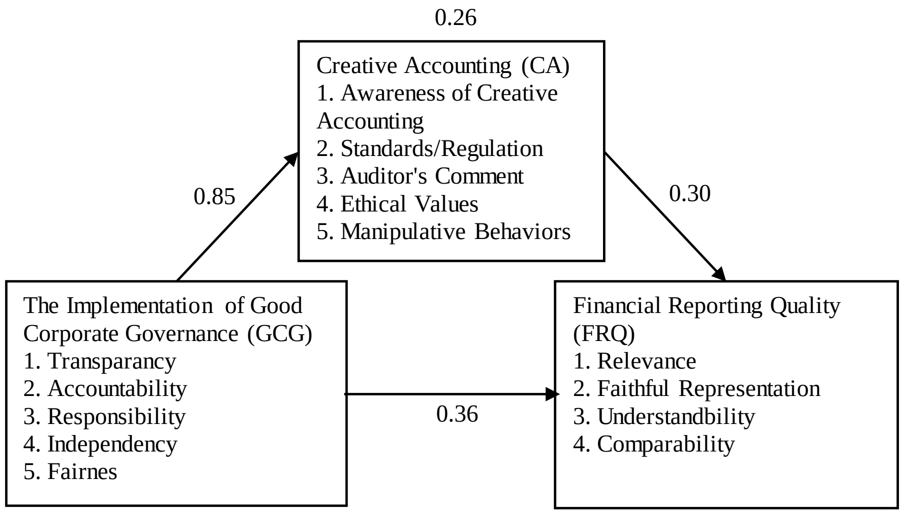

Figure 1. Outer model framework
Source: Manossoh, 2016; Tassadaq and Malik, 2015; Abed *et al.*, 2022

Table 3
Standardized Loading Factor Results

Variables	Questionnaire Items	GCG	CA	FRQ
Transparency	GCG1	0.79		
	GCG2	0.67		
Accountability	GCG3	0.86		
	GCG4	0.78		
Responsibility	GCG5	0.80		
	GCG6	0.88		
Independence	GCG7	0.80		
	GCG8	0.90		
Fairness	GCG9	0.87		
	GCG10	0.65		
Awareness Of	CA1		0.75	
Creative Accounting	CA6		0.87	
	CA7		0.85	
	CA8		0.87	
	CA9		0.79	
	CA10		0.87	
	CA11		0.81	
	CA12		0.84	
	CA13		0.89	
	CA14		0.89	
	CA15		0.85	
Standards/Regulation	CA16		0.87	
	CA17		0.85	
	CA18		0.88	
Auditor's Comment	CA20		0.81	
	CA21		0.85	
	CA22		0.81	
	CA23		0.89	
Ethical Value	CA24		0.87	
	CA25		0.85	
	CA26		0.76	
	CA27		0.80	
Manipulative	CA28		0.77	
behaviors	CA29		0.73	
	CA30		0.74	
	CA33		0.72	
Relevance	FRQ1			0.65
	FRQ2			0.76
	FRQ3			0.56
	FRQ4			0.75
	FRQ5			0.73
Faithful	FRQ6			0.76
Representation	FRQ7			0.73
	FRQ8			0.77
	FRQ9			0.65
	FRQ10			0.74
Understanbility	FRQ11			0.82
	FRQ12			0.78
	FRQ13			0.81
	FRQ14			0.80
	FRQ15			0.59
Comparability	FRQ16			0.84
	FRQ17			0.79
	FRQ18			0.71

Source: Manossoh, 2016; Lin *et al.*, 2006; Mudel, 2015; Sekaran and Bougie, 2016; Iqbal and Javed, 2017

Table 4
Hypothesis Testing Results

Hypothesis	SF	*t-value*	Statistical Conclusion
GCG → CA	0.85	13.64	Proven Hypothesis
GCG → FRQ	0.36	3.62	Proven Hypothesis
CA → FRQ	0.30	3.12	Proven Hypothesis
GCG → FRQ via CA	0.26	3.12	Proven Hypothesis

Discussion

The results showed that the implementation of good corporate governance positively impacted creative accounting. These results do not support the hypothesis and do not support research conducted by Olojede and Erin (2021), which concludes that the rise in the number of high-profile companies experiencing failures in recent years has raised concerns for all parties involved. The efficiency of corporate governance procedures in limiting creative accounting methods is thus increasingly questioned by the general public. Mudel (2015) explains how corporate governance is a potential way to prevent creative accounting techniques. Still, according to Mudel (2015), the occurrence of creative accounting is related to weak corporate governance. Because corporate governance is good at establishing the quality of accounting information, its development results in a decrease in innovative accounting methods (Brauweiler *et al.*, 2019). There is a reliable corporate governance mechanism that can improve professional ethics in business operations and minimize the possibility of adverse accounting practices. That is why corporate governance is the best way to control unethical creative accounting practices (Shatiti & Tarmizi, 2020).

However, these findings confirm Mudel's (2015) hypothesis, which claims that creative accounting is investigated from positive and negative perspectives. Positively, creative accounting denotes the development of accounting concepts and procedures for identifying changes in accounting practices. In addition, Shah, Butt, and Tariq (2011) pointed out that while accounting inventiveness can be harmful, it need not be. It may benefit a business and its stakeholders if creative accounting combines ethical and regulatory norms and generally accepted accounting principles (GAAP). Creative accounting can help maintain or increase stock prices by showing better returns and reducing debt levels. A high stock price can help a company raise new capital and take over. They were supported by the results of quantitative descriptive calculations that show the most influential value of one of the variables of the Implementation of good corporate governance, namely the responsibility that the company as a member of the community has accommodated the interests of parties related to the company (stakeholders), while still upholding applicable accounting principles. Furthermore, the results of this study explain that respondents strongly agree that government regulations are essential in preventing creative accounting techniques, with the role of the Financial Services Authority (OJK) in supervising the implementation of good corporate governance in commercial banks in Indonesia. This result is also supported by Boediono (2005), who looked at how corporate management mechanisms affect profit management, finding that institutional ownership, managerial ownership, and the composition of the board of commissioners affect profit management positively and significantly.

These results show a positive influence of the implementation of good corporate governance on financial reporting quality. Notes to revised estimates and accounting considerations should clearly explain the implications of such revisions. These results support research by Cooray *et al.* (2020), which explores the connection between governance systems and integrated reporting quality. Integrated reporting is a fast-developing instrument that aids businesses in understanding their value-creation processes and communicating effectively with external stakeholders. The five principles of good corporate governance are essential because they have been proven to improve financial statements and overall company performance. Corporate governance is intended to clarify corporate management for everyone who sees financial statements (Manossoh, 2016). Research by Alsalim, Amin, and Youssef (2018), shows that there is a positive correlation between company management and the quality of financial statements.

Data processing results found that respondents strongly agreed that banks use fair value instead of historical value because historical value-based accounting will not provide a better comparison. There may be different accounting calculation methods, such as depreciation methods and inventory recording. However, fair value-based accounting helps with better comparability. This result is by the respondent's answer in the good corporate governance variable, with the highest answer strongly agreeing with the statement that the financial statements are presented relatively following generally accepted accounting principles in Indonesia (in this case, financial accounting standards) and do not contain misstatements. That shows that fairness is one of the essential elements of good corporate governance to produce relevant financial reporting quality that describes the bank's actual financial condition.

From the processing results, creative accounting positively affects financial reporting quality. The higher the creative accounting, the higher the financial reporting quality, and vice versa. These results show a positive influence of creative accounting on financial reporting quality. This finding contradicts the research of Habib *et al.* (2011), which claims that using profit management entails hiding the business's financial situation, making it difficult to make informed decisions based on such assertions. As a result, financial reporting could be better. By reducing the possibility of fraud in financial reporting, the quality of financial statements will increase automatically (Manossoh, 2016). Although creative accounting is essential for financial reporting, creative accounting also has a negative effect, as more managers involved can decrease the value of financial information (Tassadaq & Malik, 2015). Research data shows that many respondents strongly agree that company reports are accurate information and free from the interests of any party.

However, this study's results align with the studies Abed *et al.* (2022). They show a positive and significant relationship between parameters impacting creative accounting and the quality of financial reporting. The statement is supported by the results of quantitative descriptive calculations that show the most influential value of one of the creative accounting variables, namely ethical value, which states that financial statements must be prepared and presented according to bank ethical guidelines, in addition to transparency and disclosure of financial statements according to the answers of respondents who strongly agree that the notes to financial statements are clear. That relates to the interests of investors who must know the actual state of the company's condition. The research of Shah *et al.* (2011), states that the audit committee of the board, consisting of independent non-executive directors, can play an influential role in preventing the abuse of creative accounting techniques and compliance with ethical standards in financial reporting. It is proven by the answers of respondents who strongly agree that the auditor's comments are trustworthy and that internal audit practices are effective in Indonesian commercial banks.

The results showed an indirect influence of the implementation of good corporate governance on financial reporting quality through creative accounting. Implementation of good corporate governance affects creative accounting and has an impact on financial reporting quality. The higher the implementation of good corporate governance, the higher the creative accounting, which also increases financial reporting quality. The statement means that creative accounting can mediate the implementation of good corporate governance against financial reporting quality. That shows that the level of creative accounting also needs to be considered to obtain financial reporting quality. The results of Mudel's (2015) research state that corporate governance is a method against creative accounting. The complex role of corporate governance mechanisms is to minimize information asymmetry and to ensure compliance with the mandate of reporting requirements while maintaining the credibility of the company's financial statements and protection against manipulative behavior. Applying good corporate management principles is expected to reduce profit management practices because these principles serve as practical management oversight tools in the financial reporting process. Patrick, Paulinus, and Nympha (2015), state that the quality of financial statements improves when good corporate management principles are applied, consisting of transparency, accountability, responsibility, independence, and fairness. Good corporate governance is proven by reducing the level of engineering carried out by management (Manossoh, 2016).

Although in the same context as the results of this study, the theory above shows a negative relationship between creative accounting and the implementation of good corporate governance and financial reporting quality, while the opposite theory states that there is a positive relationship between creative accounting and the implementation of good corporate governance and financial reporting quality (Abed, Hussin, & Ali, 2020). Then further research was carried out by Abed *et al.* (2022) who stated that transparency and disclosure influence the relationship between creative accounting and the quality of financial reporting in interactive practice.

Conclusions and Implications

Based on the results of research and discussion on the effect of the implementation of good corporate governance on financial reporting quality mediated by creative accounting done at open commercial banks in Jakarta and Bandung have revealed that the implementation of good corporate governance has a direct impact on creative accounting, implementation of good corporate governance on financial reporting quality, creative accounting on financial reporting quality and indirect influence of implementation of good corporate governance on financial reporting quality through creative accounting. The relationship between corporate governance and creative accounting practices has shown positive results for better quality financial reporting; this can be due to Indonesian banking organizations seeing that creative accounting is a tool that can be used to overcome accounting problems, in addition to its use must be limited by qualitative descriptive support which states that government regulations are essential in preventing creative accounting techniques. The government has established the financial services authority (OJK), whose role is very active in overseeing banking operations in Indonesia. In addition, in terms of ethical value, it describes that financial statements must be prepared and presented according to bank guidelines because banks have standard operational procedures (SOPs) that must still be complied with because this is related to trust in stakeholders who need quality financial information. The influence of creative accounting mediation variables is also inseparable from the comments of trustworthy auditors because, as control, both internal and external controls result from what the bank has done in realizing the results of good corporate governance and financial reporting quality implementation. Bank management must be more motivated to implement good bank governance so that they can provide accurate information and be free from any interests. This can be done with effective supervision through audits of bank financial reports to reveal information regarding the extent and actual results of the actions taken.

Research ideas for the future: Future research needs to include the dimensions of banks' social responsibility in their business decisions and the implementation of bank governance which can help the choice of innovative accounting techniques in determining market competitiveness evaluations.

Acknowledgment

The author would like to thank the Ministry of Education, Culture, Research, and Technology for funding the master's program research grant that enabled the author to conduct this research.

References

Abdurrahmani, E., & Doğan, Z. (2021). Creative accounting and its influence on corporate performance and financial reporting: A case study of Kosovo. *Problems and Perspectives in Management, 19*(4), 385–394. https://doi.org/10.21511/ppm.19(4).2021.31

Abed, I. A., Hussin, N., & Ali, M. A. (2020). Piloting the role of corporate governance and creative accounting in financial reporting quality. *Technology Reports of Kansai University, 62*(10), 5509–5514.

Abed, I. A., Hussin, N., Ali, M. A., Nikkeh, N. S., & Mohammed, M. A. (2020). Creative accounting phenomenon in the financial reporting: A systematic review classification, challenges. *Technology Reports of Kansai University, 62*(10), 5977–5988.

Abed, I. A., Hussin, H., Almubaydeen, T. H., & Ali, M. A. (2022). Creative accounting determination and financial reporting quality: The integration of transparency and disclosure. *Journal of Open Innovation: Technology, Market, and Complexity, 8* (38), 1–23. https://doi.org/10.3390/joitmc8010038

Abed, I, A., Hussin, N., Hossam, H., Al-Ramahi, N, M., & Mostafa, A. (2022). The moderating impact of the audit committee on creative accounting determination and financial reporting quality in Iraqi commercial banks. *Risks*, *10*(77), 1–22. https: //doi.org/10.3390/risks10040077

Aboody, D., Hughes, J., & Liu, J. (2005). Earnings quality, insider trading, and cost of capital. *Jurnal of Accounting Research*, *43*(5), 651–673. https://doi.org/10.1111/j.1475-679X.2005.00185.x

Adámiková, E., & Čorejová, T. (2021). Creative accounting and the possibility of its detection in the evaluation of the company by expert. *Journal of Risk and Financial Management*, *14*(7), 327. https://doi. org/10.3390/jrfm14070327

Al Momamani, M. A., & Obeidat, M. I. (2013). The effect of auditors' ethics on their detection of creative accounting practices: A field study. *International Journal of Business and Management*, *8*(13), 118–119. https://doi.org/10.5539/ijbm.v8n 13p 118

Alsalim, M. A. A., Amin, H. M. M., & Youssef, A. (2018). The role of corporate governance in achieving accounting information quality (Field study in The Mishraq Sulfur State Co.). *Studies and Scientific Researchers, Economics Edition*, *27*, 2–24. https://doi.org/10.29358/sceco.v0i0.399

Amat, O., Blake, J., & Dowds, J. (1999). *The ethics of creative accounting*. Retrieved from https://www.researchgate.net/publi cation/23695128_The_Ethics_of_Creative_Acc ounting

Aprilia, A. (2017). Analisis pengaruh fraud pentagon terhadap kecurangan laporan keuangan menggunakan beneish model pada perusahaan yang menerapkan asean corporate governance scorecard. *Jurnal Aset (Akuntansi Riset)*, *9*(1), 101–132. https://doi.org/10.17509/jaset.v9i1.5259

Arieftiara, D., & Utama, S. (2018). Do financial reporting quality and corporate governance have simultaneous effect? Evidence from Indonesian manufacturing companies. *AKRUAL: Jurnal Akuntansi*, *9*(2), 168–185. https://doi.org/10.26740/jaj. v9 n2.p168-185

Asyik, N, F., & Agustia, D. & Muchlis, M. (2023). Valuation of financial reporting quality: Is it an issue in the firm's valuation? *Asian Journal of Accounting Research*, *8*(4), 387–399. https://doi. org/10. 1108/AJAR-08-2022-0251

Bangsa, N, I. (2018). Accounting analysis journal the effect of internal control systems, accounting systems on the quality of financial statements moderated by organizational commitments. *Accounting Analysis Journal*, *7*(2), 127–134. https:// doi.org/10.15294/aaj.v7i2.20616

Beest, F, V., Graam, G., & Boelens, S. (2009). Quality of financial reporting: Measuring qualitative characteristics. *NiCE Working Paper 09-108, April*, 1–41. Retrieved from https://www.researchgate.net/publication/25487 7109_Quality_of_financial_reporting_measurin g_qualitative_characteristics

Bertuah, E., & Nurlinda, R, A. (2019). Testing financial information in forming investor confidence. *Advance in Economics, Business and Management Research*, *100*, 448–452. https://doi.org/10.2991/icoi-19. 2019.78

Bhasin, M. L. (2016a). Fraudulent reporting practices: The inside story of India's Enron. *International Journal of Management Sciences and Business Research*, *5* (10), 33–46.

Bhasin, M. L. (2016b). Survey of creative accounting practices: An empirical study. *Wulfenia Journal*, *23*(1), 143–162.

Blazek, R., Durana, P. & Valaskova, K. (2020). Creative accounting as an apparatus for reporting profits in agribusiness. *Journal of Risk and Financial Management*, *13* (11), 1–19.https://doi.org/10.3390/jrfm1 3110261

Boediono, S. B. G. (2005). Kualitas laba: Studi Pengaruh mekanisme corporate governance dan dampak manajemen laba dengan menggunakan analisis jalur. *SNA VIII*, 172–194.

Bolibok, P. (2021). The impact of social responsibility performance on the value relevance of financial data in the banking sector: Evidence from Poland. *Sustainability (Switzerland)*, *13*(21). https://doi. org/10. 3390/su132112006

Brauweiler, H., Yerimpasheva, A., & Balgabayeva, Z. (2019). Avoiding creative accounting: Corporate governance and leadership skills. *Zeszyty Teoretyczne Rachunkowości*, *104*(160), 9–19. https://doi.org/ 10.5604/01.3001.0013.4353

Bushman, R. M., &, & Smith, A. J. (2001). Financial accounting information and corporate governance. *Journal of Accounting & Economics*, *32*(1–3), 1–114.

Chae, S, J., & Nakano, M & Fujitani, R. (2020). Financial reporting opacity, audit quality and crash risk: Evidence from Japan. *Journal of Asian Finance, Economics and Business*, *7*(1), 9–17. https://doi. org/10.13106/jafeb.2020.vol7.no1.9

Christian, N., & Julyanti, L. (2021). Analisis kasus PT Asuransi jiwasraya (persero) dengan teori dasar fraud. *Jurnal Ilmiah MEA (Manajemen, Ekonomi, dan Akuntansi)*, *5*(3), 494–512. https://doi.org/10. 31955/mea.v6i2.1982

Cooray, T., Gunarathne, A. D. N., & Senaratne, S. (2020). Does corporate governance affect the quality of integrated reporting? *Sustainability*, *12*(10), 4262. https://doi.org/10.3390/su12104262

Cugova, A., & Cug, J. (2020). Motivation for the use of creative accounting techniques in the conditions of the globalized business environment. *SHS Web of Conferences*, *74*, 01004. https://doi.org/10. 1051/shsco nf/20207401004

Dechow, P. M., & Sloan, R. G., & Sweeney, A. P. (1996). Causes and consequences of earnings manipulation: An analysis of firms subject to enforcement actions by the SEC. *Contemporary Accounting Research*, *13*(1), 1–36. https://doi.org/10.1111/j.1911-3846. 1996.tb00489.x

ElKelish, W. W. (2017). Corporate governance risk and the agency problem. *Corporate Governance*, *18*(2), 254–269. https://doi.org/10.1108/CG-08-2017-0195

Habib, A., Hossain, M., & Jiang, H. (2011). Advances in accounting, incorporating advances in international accounting environmental uncertainty and the market pricing of earnings smoothness. *International Journal of Cardiology*, *27*(2), 256–265. https://doi.org/10.1016/j.adiac.2011 .04.003

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis*. 7th Edition. Upper Saddle River: Pearson Education.

Hameedi, K. S., Al-Fatlawi, Q. A., Ali, M. N., & Almagtome, A. H. (2021). Financial performance reporting, IFRS implementation, and accounting information: Evidence from Iraqi banking sector. *Journal of Asian Finance, Economics and Business*, *8*(3), 1083–1094. https://doi.org/10.13106/ jafeb.2021.vol8.no3.1083

Haneda, J, E., & Carolina, Y. (2022). COSO ERM and the role of internal auditors in fraud prevention (Survey on internal auditors in Indonesia). *Jurnal Aset (Akuntansi Riset)*, *14*(2), 325–334. https://doi. org/10.17509/jaset.v14i2.48834

Herath, S. K., & Albarqi, N. (2017). Financial reporting quality: A literature review school of business administration. *International Journal of Business Management and Commerce*, *2*(2), 1–14.

Hrosova, L. (2021). Ways of detection of creative accounting in a global economy. *SHS Web of Conferences*, *129*, 03012. https://doi.org/10.1051/shsconf/202 112903012

Hsu, Y. L., & Yang, Y. C. (2022). Corporate governance and financial reporting quality during the COVID-19 pandemic. *Finance Research Letters*, *47*, 1–23. https://doi.org/10.1016/j.frl. 2022.102778

Iqbal, A., Ali, F., Umar, M., Ullah, I. & Jebran, K. (2022). Product market competition and financial analysts' forecast quality: The mediating role of financial reporting quality. *Borsa Istanbul Review*, *22*(2), 248–256. https://doi.org/10.1016/j.bir.20 21.05.001

Iqbal, M., & Javed, F. (2017). The moderating role of corporate governance on the relationship between capital structure and financial performance: Evidence from manufacturing sector of Pakistan. *International Journal of Research in Business and Social Science*, *6*(1), 89–105.

Johl, S. K., Kaur Johl, S., Subramaniam, N., & Cooper, B. (2013). Internal audit function, board quality and financial reporting quality: Evidence from Malaysia. *Managerial Auditing Journal*, *28*(9), 780–814. https://doi.org/10.1108/MAJ-06-2013-0 886

Kardan, B., Salehi, M., & Abdollahi, R. (2016). The relationship between the outside financing and the quality of financial reporting: Evidence from Iran. *Journal of Asia Business Studies*, *10*(1), 20–40. https ://doi.org/10.1108/JABS-04-2014-0027

Kovalová, E., & Michalíková, F, K. (2020). The creative accounting in determining the bankruptcy of business corporation. *SHS Web of Conferences*, *74*, 01017. https://doi.org/10.1051/shsconf/2020 7401017

Lenka, S., & Katarina, Z. (2021). Creative accounting: A short literature review. *Proceedings of the 7th Annual International Conference on Social Science and Contemporary Humanity Development (SSCHD 2021)*, *610*(Sschd), 209–212. https:// doi.org/10.2991/assehr.k.211215.038

Lin, J. W., Li, J. F., & Yang, J. S. (2006). The effect of audit committee performance on earnings quality. *Managerial Auditing Journal*, *21*(9), 921–933. https://doi.org/ 10.1108/02686900610705019

Manossoh, H. (2016). *Good corporate governance untuk meningkatkan kualitas laporan keuangan*. Bandung: PT Norlive Kharisma Indonesia.

Mohammad, A. J., & Ahmed, D. M. (2017). The impact of audit committee and external auditor characteristics on financial reporting quality among Malaysian firms. *Research Journal of Finance and Accounting*, *8*(13), 9–16.

Mohammadi, S., & Nezhad, B. M. (2015). The role of disclosure and transparency in financial reporting.

International Journal of Accounting and Economics Studies, 3 (1), 60–62. http://dx.doi.org/10.14419/ija es.v3i1.4549

Mubaraq, S., Abdulrasaq, M., & Saidu, M. (2019). Ethical accounting practices and financial reporting quality: Evidence from listed firms in Nigeria. *Accounting and Taxation Review*, *3*(2), 97–110.

Mudel, S. (2015). *Creative accounting and corporate governance: A literature review*. https://doi.org/10.2139/ssrn.27084 64

Mudel, S. (2016). A study to show the relation between creative accounting and corporate governance. *South Asian Academic Research Journals, 6*(1), 58–78. https:// doi.org/10.2139/ssrn.2710567

Nguyen, H. A., Doan, D. T., & Nguyen, L. H. (2020). Corporate governance and agency cost: Empirical evidence from Vietnam. *Journal of Risk and Financial Management, 13*(5), 9–10. https://doi.org/10.3390/jrfm13050103

Nurlinda, R. A., & Bertuah, E. (2019). Financial performance information as forming corporate failure model in Indonesia. *Academy of Accounting and Financial Studies Journal*, *23*(Special Issue 1), 1–9.

Nuryana, Y., & Surjandari, D. A. (2019). The effect of good corporate governance mechanism, and earning management on company financial performance. *Global Journal of Management and Business Research*, *19*(1), 2–14. https://doi.org/10.11 08/AJAR-06-2018-0008

Olojede, P., & Erin, O. (2021). Corporate governance mechanisms and creative accounting practices: The role of accounting regulation. *International Journal of Disclosure and Governance*, *18*(3), 207–222. https://doi.org/10.1057/s41310-021-00106-4

Osazevbaru, A. O., & Emeni, F. K. (2021). Ethical conduct of accountants and financial reporting quality: A literature review. *FUO Quarterly Journal of Contemporary Research*, *9*(3), 1–11.

Patrick, E. A., Paulinus, E. C., & Nympha, A. N. (2015). The influence of corporate governance on earnings management practices: A study of some selected quoted companies in Nigeria. *American Journal of Economics, Finance and Management, 1*(5), 482–493.

Rajgopal, S., & Venkatachalam, M. (2011). Financial reporting quality and idiosyncratic return volatility. *Journal of Accounting and Economics*, *51*(1–2), 1–20. https://doi.org/10.1016/j.jacceco.2010.06.001

Remenaric, B., Kenfelja, I., & Mijoc, I. (2018). Creative accounting – Motives, techniques and possibilities of prevention. *Ekonomski Vjesnik*, *January*, 193–199.

Ridwan, R., Indriasari, R., Mayapada, A. G., Djalil, N. M., Jurana, J., & Parwati, N. M. S. (2021). The meaning of fairness in government financial statements: A phenomenology study. *Journal of Accounting Research, Organization and Economics*, *4*(2), 164–172. https://doi.org/10.24815/jaroe.v4i2.21025

Salehi, M., Ammar Ajel, R., & Zimon, G. (2023). The relationship between corporate governance and financial reporting transparency. *Journal of Financial Reporting and Accounting*, *21*(5), 1049–1072. https://doi.org/10.1108/JFRA-04-2021-0102

Sari, R. C., Sari, A, R., Aisyah, M. N., & Arifin, H. A. (2021). Countering a future crisis of accountants with decreasing credibility: The influence of ethical education and religiosity on ethical perceptions of accrual, real activity and tunneling manipulation. *Jurnal Dinamika Akuntansi*, *13* (2), 117–130. https://doi.org/10.15294/jda.v13i2. 29577

Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill-building approach*. 7th Edition. West Sussex: Wiley & Sons.

Shah, S. Z. A., Butt, S., & Tariq, Y. (2011). Use or abuse of creative accounting techniques. *International Journal of Trade, Economics and Finance, 2*(6), 531–536. https://doi.org/10.7763/ijtef.2011.v2.161

Shatiti, L., & Tarmizi, A. (2020). Pengaruh mekanisme corporate governance terhadap praktik creative accounting (Studi empiris pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia tahun 2014–2018). *Diponegoro Journal of Accounting, 9*(3), 1–10.

Siagian, P., Amalia, A., & Lusianah, L. (2022). Determinants of good corporate governance, firm size, profitability, and leverage on earning quality. *Journal of Applied Finance & Accounting*, *9*(2), 53–61. https://doi.org/10. 21512/jafa.v9i2.8159

Staubus, G. (2013). *The decision usefulness theory of accounting: A limited history*. 1st Edition. New York, NY: Routledge https://doi.org/10.4324/9780203055533

Sunarsih, U., & Handayani, P. (2012). Pengaruh corporate governance terhadap penghindaran pajak pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia. *Jurnal Akuntansi*, *12*(2), 163–185. https://doi.org/10.25170/jara.v12i2.87

Susanto, A., & Syahputri, D. A. (2022). Pengaruh tata kelola perusahaan dan karakteristik spesifik perusahaan pada kejadian penyajian kembali laporan keuangan. *Fair Value: Jurnal Ilmiah Akuntansi dan Keuangan*, *5*(3), 1282–1294. https://doi.org/ 10.32670/fairvalue.v5i3.2349

Tassadaq, F., & Malik, Q. A. (2015). Creative accounting and financial reporting: Model development and empirical testing. *International Journal of Economics and Financial Issues, 5*(2), 544–551.

Wahyuni, P. D., & Mahliza, F. (2019). Effect of GCG and financial performance on the quality of internet financial reporting. *Economics and Accounting Journal*, *2*(1), 1–61. https://doi.org/10.32493/eaj.v2i1.y 2019.p52-62

Wijanto, S, H. (2008). Structural equation modeling dengan Lisrel 8.8: Konsep dan tutorial. *Yogyakarta: Graha Ilmu*.

Zulhaimi, H., Apandi, R. N. N., & Sofia, A. (2016). Kualitas audit dan reporting aggresiveness studi pada periode awal penerapan international standard on auditing (ISA). *Jurnal Aset (Akuntansi Riset)*, *8* (2), 69–77. https://doi.org/10.17509/jaset.v8i2.13714