

**THE INFLUENCE GOOD CORPORATE GOVERNANCE
ON THE INTEGRITY OF FINANSIAL REPORTS IN
THE INDONESIA MANUFACTURING INDUSTRY**



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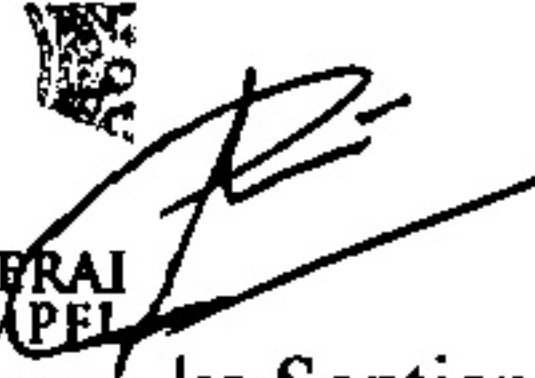
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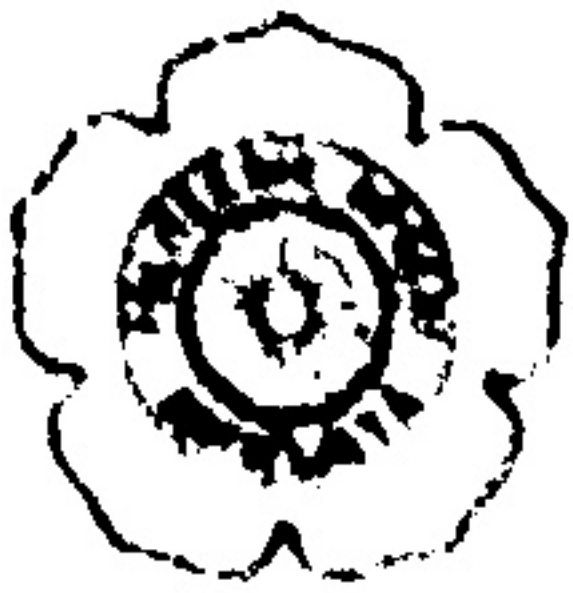
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ACKNOWLEDGE

In completing our thesis for Research Project 2, I sought help and guidance from several respected people, for whom we owe our deepest thanks. The completion of this thesis gives us a lot of happiness. I would also like to express my deepest gratitude to all parties who directly or indirectly have guided us in writing this report. First of all, I would like to express my thanks to the presence of Allah S.W.T for his protection and ability to do my work. Second, I would like to thank Amilia Syuhada Binti Abdul Majid, DR. Siti Fatimah Mohd Kassim and DR. Rami Salmen Mohammed Basalloum as my supervisor and subject teacher for giving us good guidelines for reporting during various consultations. In addition, their guidance, support and encouragement allowed me to develop a deeper understanding of our thesis. Completing my dissertation requires more than just academic support, and thirdly to my close friend and roommate Cahaya Ananda Putri, thank you for helping me in any way and being patient with me who often complains to you, thank you for my housemade lala,destya and razita ,and thank you to Gebby, Kiki, Salma , who has provided support to me and given me advice that has made me enthusiastic in writing my thesis. Most importantly, I would like to thank my parents, Mr. Arwani and Mrs. Kipyatun, who continuously provide prayers and support me emotionally and financially. I always knew that they believed in us and wanted the best for us. Thank you for teaching us that our job in life is to learn, to be happy, and to know and understand ourselves; Only then can we know and understand other people.

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ABSTRAK

The Influence of Good Corporate Governance on the Integrity of Financial Reports in the Indonesia Manufacturing Industry

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Good corporate governance is corporate governance that explains the relationship between various participants in the company which determines the direction of the company's performance. However, there are still visible irregularities in financial reporting that occur in large companies in Indonesia. The implementation of good corporate governance in companies has an impact on the financial reports produced because companies will have difficulty in carrying out accounting manipulation. This research investigates whether the board size, independent board, and institutional ownership have a significant effect on financial performance and market value in various manufacturing industry sectors. The research method used is quantitative, using regression analysis to evaluate the relationship and impact between the independent variables and the dependent variable. Data was collected from various manufacturing industry sectors which are known to be susceptible to manipulation of financial reports. This analysis reveals significant findings where independent boards have consistent results that provide a significant positive impact on ROA and Tobin Q. This shows the relationship that a higher board size will improve company performance. Improving company performance will increase ROA and Tobin Q. The result is that the size of the board of directors does not consistently have a positive and insignificant effect on financial performance. ROA and the size of the board of directors have a positive and significant effect on Tobin Q. This analysis reveals significant findings where institutional ownership has a positive and significant effect on Tobin Q. The results that have a positive and insignificant effect on ROA and Tobin Q. R-squared the model value is 0.151 indicating The magnitude of the influence of the independent variable is 15.1% on the dependent variable ROA, while other independent variables not examined in this research is 84.9. The % R-squared model value of 0.468 indicates that there is an influence. The magnitude of the influence of the independent variable is 46.8% on the variable. dependent Tobin Q, while other independent variables not examined in this research have an effect of 53.2%. Board

size, independent board, and institutional ownership are very important in mitigating financial statistics on ROA and market value on Tobin Q. These findings indicate that board size, independent board, and institutional ownership but achievable targets effectively reduce fraud reporting. Future research should explore additional factors that influence the influence of good corporate governance on financial statements and expand the research to various industries to gain broader insights.

Keywords: Good Corporate Governance, Board Size, Board Independent, Institutional Ownership, Financial Statement ROA Market Value Tobin Q

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