

THE INFLUENCE OF AUDITOR QUALITY AND GOOD CORPORATE GOVERNANCE ON THE QUALITY OF FINANCIAL STATEMENTS

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ABSTRACT

This research aims to analyze the influence of auditor quality and good corporate governance on the quality of financial reports. The research method used is a quantitative research method with a descriptive and verification approach. The sample in this research was 45 banking companies that were listed on the Indonesia Stock Exchange (BEI) in 2019-2021. The audit quality variable is proxied using the type of public accounting firm, good corporate governance protected using institutional ownership, board of commissioners and audit committee, while the quality of financial reports is proxied using return of equity, namely profit divided by equity. Hypothesis testing is carried out using descriptive statistical methods, classical assumption testing, multiple linear regression analysis, and hypothesis testing. Until 2021, there will be 78 observations of financial report data and audit reports. The results of the hypothesis test show that auditor quality and good corporate governance have a significant effect on the quality of financial reports.

INTRODUCTION

One of the targets of economic development is the banking sector, where banking is expected to be able to develop and improve the economy in Indonesia, especially in increasing the distribution of welfare of the people at large, in this case the welfare of the Indonesian people without exception. Banks provide many opportunities for the public in an effort to participate in building the economy by collecting funds through businesses run by banks, such as savings, deposits, current accounts and credit (Dwiastuti, 2020).

In the current era, banking conditions are experiencing rapid progress, keeping up with the times where technology continues to develop from time to time and since the world experienced a pandemic and the implementation of PPKM, banks have also upgraded themselves through digital technology such as m-banking which makes it easier for people to do various things. various types of transactions, that is one of the various banking services for humans (Kholis et al., 2018).

An auditor is a party or institution that plays an important role in a company and is tasked with auditing activities, namely auditing activities, specifically reports relating to finances in a company, agency or institution. Auditors are also responsible for ensuring that the company does not violate tax laws, so it is not surprising that auditors are people who have special skills and qualifications to carry out audit duties on financial records. In other words, an auditor is someone who has the authority to review and verify the accuracy of all financial reports (Julia et al., 2022).

The World Bank (World Bank) defines good corporate governance (GCG) as a collection of laws, regulations and rules that must be fulfilled, which can encourage the performance of company resources to function efficiently in order to produce sustainable long-term economic value for shareholders. shares and the surrounding community as a whole.

Banking services companies are currently very influential on the country's economy, of course a healthy banking services company will produce a healthy financial system for the country, but in the banking world it is not free from problems both internal and external, for example in terms of financial reports. experienced fraud because there was a scandal by the manager, teller or other financial department. The financial report itself is the final product of a series of processes for recording and summarizing business transaction data (Hery, 2021).

(Ermawati, et al., 2019) in her previous research entitled "The Influence of Audit Quality and Audit Committees on the Quality of Financial Reports of Companies Listed on the Jakarta Islamic Index (JII) for the 2016-2017 Period" shows that audit quality influences the quality of financial reports , while the audit committee has no effect on the quality of financial reports.

In previous research (Amalia, 2018) with the research title "The Influence of Company Size, Company Age, Financial Leverage and Good Corporate Governance on the Quality of Financial Reports" shows that company size, company age and good corporate governance have a positive influence on the quality of financial reports, whereas Financial leverage has a negative and significant effect on the quality of financial reports.

In the case of Malinda Dee, who was proven to have stolen customer funds at the bank where she worked, Citibank, from 2011 to 2013. At that time Malinda worked as a Senior Relations Manager for Citigold Citibank Landmark branch, South Jakarta. He was assigned to handle customers who used Citigold products. Malinda's evil thoughts emerged when she was entrusted with this position. With the authority he had, he apparently broke into 34 accounts belonging to Citigold customers. So that her customers are not suspicious, Malinda treats her with this attitude. Malinda has succeeded in attracting the

attention of her customers and instilling a sense of trust. Malinda carried out his actions by transferring books and transferring funds without any orders or requests from the account owner. The method is to ask for the customer's signature on the transfer form which is still blank. Or the form was signed by Malinda herself. Apart from that, Malinda also filled out the transfer form with fake data such as the name of the sending customer, the recipient, the amount of money and the contents of the transfer report. After everything was complete, Malinda then sent the form to the teller at Citibank. The teller then processed it and Malinda's account was filled with the stolen money belonging to her customers (<https://nasional.kompas.com>).

From the cases described above, this means that good quality auditors are needed in banking companies. The effectiveness and ability of auditors to detect earnings management depends on the quality of the auditor. This auditor quality is usually associated with auditors, namely the big four and non-big. Big auditors are considered to have higher quality compared to non-big auditors.

THEORETICAL REVIEW

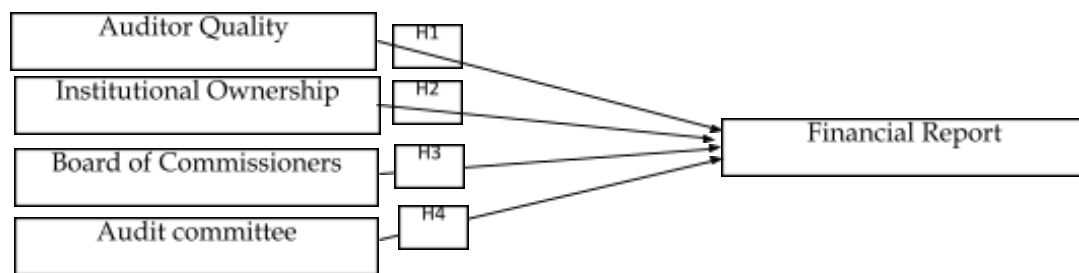


Figure 1. Conceptual Framework

Based on the framework that has been determined, namely the influence of auditor quality and good corporate governance on the quality of financial reports, the following hypothesis can be formulated:

The influence of auditor quality on the quality of financial reports

For companies listed on the IDX, the financial reports presented in the company's annual report must be audited by an independent auditor who then states his opinion in the financial report. Auditors have the right and obligation to convey the results of financial reports as well as possible, truly without reducing or exaggerating. From previous research by Eldi Puji Resza (2022), Ardianti Harun, Noor Shodiq Askandar and Junaidi (2020), Dzikry Alfian Hakim (2020), Liya Ermawati, Yulistia Devi and Naurah Nazhifah Arramadani (2019) regarding the influence of auditor quality on the quality of financial reports, gives results that the quality of the auditor has a positive effect on the quality of financial reports. Based on the results of several previous studies, the hypothesis can be formulated as follows:

H1: Auditor quality influences the quality of financial reports

Influence Good corporate governance which is proxied using the institutional ownership of the board of commissioners and the audit committee on the quality of financial reports

Good corporate governance is good governance to maintain the values implemented in a company or organization or entity in order to achieve the desired goals. The implementation of good corporate governance in a company has consistently been proven to improve the quality of financial reports, besides that it can hinder performance engineering activities which result in the company's financial reports not reflecting the company's fundamental values.

According to (Mahrani & Soewarno, 2018), in good corporate governance there are mechanisms which are divided into 2, namely external mechanisms and internal mechanisms. (1). External Mechanism; Influenced by external factors of the company, namely investors, auditors, creditors, and institutions that certify legality. (2) Internal Mechanism ; According to (Hutane et al, 2019) the internal mechanism of good corporate governance includes institutional ownership, board of commissioners and audit committee.

From Amalia Nur Rohmah (2018) previous research on the influence of good corporate governance on financial reports, the results show that good corporate governance has a positive effect on financial reports. Meanwhile, previous research by Dewa Ayu Diah Pusparini, I Nyoman Kusuma Adnyana Mahaputra, and I Made Sudiartana (2020) with the title The Influence of Good Corporate Governance on the Integrity of Financial Reports in Mining Companies Listed on the Indonesia Stock Exchange for the 2016-2018 Period shows that managerial ownership has a positive effect on the integrity of financial reports, Institutional Ownership has no effect on the integrity of financial reports, the composition of the Board of Independent Commissioners has a positive effect on the integrity of financial reports, the composition of the Audit Committee Board has a positive effect on the integrity of financial reports.

Based on the results of previous research, the hypothesis can be formulated as follows:

H2: Institutional ownership has no effect on financial reports

H3: The board of commissioners has an influence on financial reports

H4: The audit committee has an influence on financial reports

The influence of auditor quality, institutional ownership, board of commissioners and audit committee on financial reports

Auditor quality and good corporate governance play an important role in the quality of financial reports. The results of a good assessment from the auditor of the financial statements indicate that the financial statements have run well during the period being audited, and conversely, a bad assessment from the auditor of the financial statements indicates that the financial reports have run well during the period being audited. Good corporate governance in a company will influence the performance of a company which will also influence the quality of financial reports which are manifested in the company's profits obtained in the current year in that company. Based on research conducted by Eldi Puji Resza (2022), Ardianti Harun, Noor Shodiq Askandar and Junaidi (2020), Dzikry Alfian Hakim (2020), Liya Ermawati, Yulistia Devi

and Naurah Nazhifah Arramadani (2019) regarding the influence of auditor quality on report quality financial results, shows that the quality of the auditor has a positive effect on the quality of financial reports. And based on previous research by Amalia Nur Rohmah (2018) regarding the influence of good corporate governance on financial reports, the results show that good corporate governance has a positive effect on financial reports. So a hypothesis can be formulated as follows:

H5: Auditor quality, institutional ownership, board of commissioners and audit committee influence the quality of financial reports

METHODOLOGY

This research aims to determine the influence of independent variables on the dependent variable. This research examines the influence of the independent variables consisting of audit quality and good corporate governance on the dependent variable, namely the quality of financial reports. Objects in this research are companies operating in the banking services sector which are listed on the Indonesia Stock Exchange (BEI). The method used is a quantitative method with a descriptive and verification approach, and the type of data used in this research is secondary data.

Population and Sample

The sample in this research is a banking company that provides its financial reports and is listed on the Indonesia Stock Exchange (BEI). The number of samples selected was 43 companies. The companies that were sampled in this research were selected based on certain criteria (purposive sampling) and there were 26 companies that met the specified criteria with data collected from 78 companies, with the aim of obtaining a representative sample. The criteria determined in the sample are as follows: (1) Included in the go public banking companies listed on the Indonesia Stock Exchange (BEI) in 2019-2021, (2) Companies that publish financial reports consecutively for 3 years ending December 31 for the year 2019-2021, (3) A banking services company that has institutional ownership, a board of commissioners and an audit committee, (4) Companies that include financial statements stated in rupiah (Rp) and has been audited by an independent auditor, (5) Banking services companies on the Indonesian Stock Exchange that earned profits during 2019-2021, (6) Banking services companies that carry out IPO listings on the IDX above.

This variable is usually called the independent variable or the variable that is not bound. In this study:

1. The independent variable (X1) is auditor quality which shows companies that have been audited for their financial statements. For the quality of the auditors themselves, it is measured based on companies that have been audited by KAP Big Four. Large KAPs are able to complete their audit work at a predetermined time more efficiently and effectively and have more experience with various financial statement cases (Imar & Effendi, 2019).

2. Independent variables (X2,X3,X4) good corporate governance is measured by Institutional Ownership (X2), Board of Commissioners (X3), and Audit Committee (X4).

Descriptive Statistical Analysis

This analysis is used to get an overview of each research variable. Dianto (2017) states that descriptive statistical testing is an activity of collecting or grouping and processing research data in a group which includes testing the average, maximum, minimum, and standard deviation values in the research data.

Classical Assumption Test

1. Normality Test
This data normality test aims to test whether in a regression model, confounding or residual variables have a normal distribution or not (Ghozali, 2016).
2. Multicollinearity Test
This multicollinearity test aims to test whether there is a high or perfect correlation between the independent variables. Preferably, in the multicollinearity test for a good regression model there is no high correlation.
3. Heteroscedasticity Test
According to Ghozali (2017: 47) heteroscedasticity means that there are variable variants in the regression model that are not the same. The purpose of the heteroscedasticity test is to test whether there is an inequality of residual variance from one observation to another in a regression model.
4. Autocorrelation Test
Autocorrelation is the correlation between members of observations made based on time and place. According to Ghazali (2017: 93) this autocorrelation test is intended to test whether in a linear regression model there is a correlation between confounding errors (residuals) in period t and errors in period t-1 (previous).

Hypothesis Testing

This is a method of making decisions based on data analysis, both from controlled and uncontrolled experiments (observations). In this study, hypothesis testing was carried out to examine the effect of auditor quality and good corporate governance on the quality of financial statements in service companies listed on the IDX in 2017-2021. The data used in this study is secondary data, which is taken by means of documentation and then conducting an investigation method in each object to be studied. Included in this test are the determination coefficient test (R²), T test, and F test.

1. Determination Coefficient Test (R²)

The Determination Coefficient Test (R^2) is an indicator used to measure how far the percentage change in the dependent variable (Y) is caused by the independent variable (X).

2. T-test

The t-test is a test used to determine whether the independent variables partially have a real effect or not on the dependent variable.

3. F-test

The F-test is a test conducted to measure whether all independent variables together have an effect on the dependent variable.

RESULTS

Data Analysis Results

1. Descriptive Statistical Analysis

Table 2. Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Auditor Quality	78	.00	1.00	.7692	.42405
Institutional Ownership	78	.01	1.37	.6208	.25993
Board of Commissioners	78	2.00	10.00	5.5769	1.78391
Audit committee	78	2.00	7.00	4.1026	1.24410
ROE	78	.23	19.23	7.0204	5.21613
Valid N (listwise)	78				

Data source: Primary data processed (2022)

Based on table 2 shows that N or the amount of data for each valid variable is 78, of the 78 Auditor Quality sample data, the minimum value is 0.00, the maximum value is 1.00, the mean value is 0.7692, and the standard deviation value is 0.42405, which means that the mean value is greater than the standard value so that the data deviation that occurs is low, so the distribution of values is evenly distributed.

Of the 78 Institutional Ownership sample data, the minimum value is 0.01, the maximum value is 1.37, the mean value is 0.6208, and the standard deviation value is 0.25993, which means that the mean value is greater than the standard value so that the data deviation that occurs is low, so the distribution of values is evenly distributed.

Of the 78 sample data for the Board of Commissioners, the minimum value is 2.00, the maximum value is 10.00, the mean value is 5.5769, and the standard deviation value is 1.78391, which means that the mean value is greater than the standard value so that the data deviation that occurs is low, so the distribution of values is evenly distributed.

Of the 78 sample data for the audit committee, the minimum value is 2.00, the maximum value is 7.00, the mean value is 4.1026, and the standard deviation value is 1.24410, which means that the mean value is greater than the

standard value so that the data deviation that occurs is low, so the distribution of values is evenly distributed.

Based on table 2 shows that N or the amount of data for each valid variable is 78, indicating that N or the amount of data for each valid variable is 78, of the 78 ROE sample data, the minimum value is 0.23, the maximum value is 19.23, the mean value is 7.0204, and the standard deviation value is 5.21613, which means that the mean value is greater than the standard value so that the data deviation that occurs is low, so the distribution of values is evenly distributed.

Classical Assumption Test

Normality Test

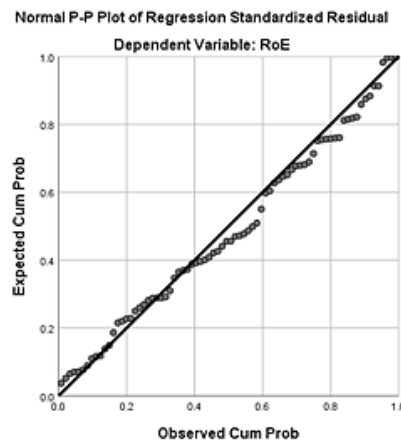


Figure 2. Normality Test

It can be concluded that the residuals between Auditor Quality, Institutional Ownership, Board of Commissioners and Audit Committee on ROE are normally distributed. The normality test can also be seen using the one sample kolmogorov-smirnov test as shown in table 3.

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		78
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.55657329
Most Extreme Differences	Absolute	.080
	Positive	.080
	Negative	-.042
Test Statistic		.080
Asymp. Sig. (2-tailed)		.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Sumber: Data primer diolah, (2022)

Table 3. One Sample Kolmogorov-Smirnov Test

Based on Table 3, the Kolmogorov-Smirnov Z value on the Auditor Quality, Institutional Ownership, Board of Commissioners and Audit Committee variables on ROE is 0.200 with a sig value of 0.080 greater than 0.05. Thus it can be concluded that H0 is accepted and H1 is rejected, so it can be

concluded that it can be said that all residuals on the variables of Auditor Quality, Institutional Ownership, Board of Commissioners and Audit Committee on ROE are normally distributed.

Multicollinearity Test

Multicollinearity testing can be determined by looking at the VIF and value tolerance which is obtained. If the tolerance value is more than 0.1 and the VIF value is less than 10, it can be concluded that multicollinearity does not occur. From the test results it is known that all VIF values for variations in Auditor Quality, Institutional Ownership, Board of Commissioners and Audit Committee are less than 10 and the value tolerance of each independent variable is more than 0.1 so it is concluded that there is no multicollinearity between the independent variables. Can be viewed in the following table :

Coefficients ^a		
Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Kualitas Auditor	.404	2.478
Kepemilikan Institusional	.470	2.125
Dewan Komisaris	.628	1.593
Komite audit	.516	1.938

a. Dependent Variable: ROE

Sumber: Data primer diolah, (2022)

Table 4. Multicollinearity Test

Heteroscedasticity Test

Table 5. Heteroscedasticity Test

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.615	.703		.875
	Kualitas Auditor	.163	.660	.043	.806
	Kepemilikan Institusional	1.271	.998	.205	.207
	Dewan Komisaris	.209	.126	.231	.101
	Komite Audit	-.177	.199	-.137	.377

a. Dependent Variable: Abs_Res

Source: Primary data, (2022)

Based on the output results in table 4.4, it can be seen that the p-value for the Auditor Quality variable on ROE (X_1) > 0.05, namely 0.806, meanwhile, the output result for the Institutional Ownership variable on ROE (X_2) > 0.05, namely 0.207, Meanwhile, the output result of the Board of Commissioners variable on ROE (X_3) > 0.05, namely 0.101, meanwhile, the output result of the Audit Committee variable on ROE (X_4) > 0.05, namely 0.377, it can be concluded that in the regression model of this research there is no heteroscedasticity problems occur.

Autocorrelation Test

Table 6. Autocorrelation Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.872 ^a	.760	.747	2.62568	2.005
a. Predictors: (Constant), Komite audit, Kepemilikan Institusional, Dewan Komisaris, Kualitas Auditor					
b. Dependent Variable: ROE					

Source: Primary data processed, (2022)

Based on the table above, it is known that the DW (Durbin Watson) value is 2.005. Next, we will compare this value with the DW table value with a significance of 5%. It is known that the amount of data is N=78 and the number of independent variables is K=4, so we get a du value (upper limit) of 1.6589. The DW value of 2.005 is greater than the upper limit (du) of 1.6589 and the DW value of 2.005 is less than (4 - du) 4 - 1.6598 = 2.4311. So it can be concluded that there is no autocorrelation.

Results of Multiple Linear Regression Analysis

Table 7. Multiple Regression Testing

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-9.203	1.183		-7.780	.000
	Kualitas Auditor	2.389	1.111	.194	2.151	.035
	Kepemilikan Institusional	.529	1.678	.026	.315	.753
	Dewan Komisaris	1.315	.212	.450	6.212	.000
	Komite Audit	1.639	.335	.391	4.894	.000
a. Dependent Variable: ROE						

Sumber: Data primer diolah, (2022)

Based on the table above the equation is described as follows:

The regression equation

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

$$Y' = 0 + 0.194X_1 + 0.026X_2 + 0.450X_3 + 0.391X_4 + 1.183$$

Information:

AND = ROE

b₀ = Constant/reciprocal value

X₁ = Auditor Quality

- X2 = Institutional Ownership
X3 = Board of Commissioners
X4 = Komite Audit
b_{1,2,3,4} = Regression coefficient,
e = Standard error

The regression equation above can be explained as follows:

1. A constant of 0 means that if Auditor Quality (X1), Institutional Ownership (X2), Board of Commissioners (X3) and Audit Committee (X4) is 0, then the ROE (Y) value is 0
2. The regression coefficient for the Auditor Quality variable (X1) is 0.194, meaning that if the value of other independent variables continues to decrease by units, then ROE (Y) will decrease by 0.194. A positive coefficient means there is a positive influence on ROE
3. The regression coefficient for the Institutional Ownership variable (X2) is 0.026, This means that if the value of other independent variables continues to decrease by unit, then ROE (Y) will decrease by 0.026. A positive coefficient means there is a positive influence on ROE
4. The regression coefficient for the Board of Commissioners variable (X3) is 0.450, meaning that if the value of other independent variables continues to decrease by units, then ROE (Y) will decrease by 0.450. A positive coefficient means there is a positive influence on ROE
5. The regression coefficient for the Audit Committee variable (X4) is 0.391, meaning that if the value of other independent variables continues to decrease by units, then ROE (Y) will decrease by 0.391. A positive coefficient means there is a positive influence on ROE
6. The standard error value is to minimize errors that occur so the e value here is 1.183.

Hypothesis Testing

Results of Coefficient of Determination Analysis (R²)

Table 8. Coefficient of Determination

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.872 ^a	.760	.747	2.62568	2.005
a. Predictors: (Constant), Komite audit, Kepemilikan Institusional, Dewan Komisaris, Kualitas Auditor					
b. Dependent Variable: RoE					

Sumber: Data primer diolah, (2022)

Based on the table above, the R number is obtained² (R Square) of 0.760. This shows that the percentage contribution of the influence of the independent variables consisting of Auditor Quality, Institutional Ownership, Board of Commissioners and Audit Committee on the dependent variable ROE is 76%.

Or the variations in the independent variables used: Auditor Quality, Institutional Ownership, Board of Commissioners and Audit Committee are able to explain 76% of the variation in the dependent variable (ROE). Meanwhile, the remaining 24% was not researched by the author.

T-test (Partial Significant Test)

Table 9. Partial Significant Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-9.203	1.183		-7.780	.000
	Kualitas Auditor	2.389	1.111	.194	2.151	.035
	GCG yang diproxy dengan Kepemilikan Institusional	.529	1.678	.026	.315	.753
	GCG yang diproxy dengan Dewan Komisaris	1.315	.212	.450	6.212	.000
	GCG yang diproxy dengan Komite Audit	1.639	.335	.391	4.894	.000
a. Dependent Variable: ROE						

Source: Primary data processed, (2022)

Based on the table above, the results of the t-test statistical test (partial) show that:

1. The GCG variable which is proxied using Auditor Quality (X1) has a significance value (Sig.) of 0.035 in the Coefficients table with an α value (degree of significance) of 0.05, meaning $0.035 < 0.05$. So it can be interpreted that auditor quality has a significant effect on the quality of financial reports. This can happen because quality auditors are required to fulfill the provisions of the auditor's professional standards, which indirectly, if professional standards have been implemented by the auditor, will produce quality financial reports.
2. The GCG variable which is proxied using Institutional Ownership (X2) has a significance value (Sig.) of 0.753 in the Coefficients table with an α value (degree of significance) of 0.05, meaning $0.753 > 0.05$. This means that Institutional Ownership does not have a significant effect on the quality of financial reports.
3. The GCG variable which is proxied using the Board of Commissioners (X3) has a significance value (Sig.) of 0.000 in the Coefficients table with an α value (degree of significance) of 0.05, meaning $0.000 < 0.05$. This means that the Board of Commissioners has a significant influence on the quality of financial reports.
4. The GCG variable proxied by the Audit Committee (X4) has a significance value (Sig.) of 0.000 in the Coefficients table with an α

value (degree of significance) of 0.05 or $0.000 < 0.05$, this means that the Audit Committee has a significant influence on ROE.

F-Test Results (Simultaneous Significant Test)

Table 10. Simultaneous Significant Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1591.738	4	397.934	57.720	.000 ^b
	Residual	503.277	73	6.894		
	Total	2095.015	77			
a. Dependent Variable: RoE						
b. Predictors: (Constant), Komite audit, Kepemilikan Institusional, Dewan Komisaris, Kualitas Auditor						

Source: Primary data processed, (2022)

Based on the table above, the result is a sig value of 0.000. This means that the F-count is sig $0.000 < 0.05$, then the hypothesis can be accepted. In this case it can be said that the variables Auditor Quality, Institutional Ownership, Board of Commissioners and Audit Committee together influence ROE, so that these three independent variables can be used to estimate or predict the ROE variable.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

From the results of data analysis and discussion presented in chapter IV, this research obtained the following conclusions:

1. Auditor quality has a significant effect on the quality of financial reports in banking services companies.
2. Institutional ownership has no effect on the quality of financial reports in banking services companies.
3. The board of commissioners has a significant influence on the quality of financial reports in banking services companies.
4. The audit committee has a significant influence on the quality of financial reports in banking services companies.
5. The quality of auditors, institutional ownership, board of commissioners and audit committee simultaneously influence the quality of financial reports in banking services companies.

Managerial Implications

Based on the research that has been carried out, several suggestions have been obtained for related parties, including the following:

1. For Academics

It is hoped that the results of this research can increase knowledge in the field of accounting, especially auditing and related parties and contribute to realizing good corporate governance and can add theoretical references for further research.

2. For Practitioners

It is hoped that the results of this research will be able to provide information for regulators, company management, investors, creditors and other interested parties to understand the importance of the existence of a supervisory function in a company as well as the importance of evaluating the impact of the existence of Auditor Quality, Institutional Ownership, Board of Commissioners and Audit Committee on ROE or financial statements reported by the company.

3. For Further Research

It is hoped that this will increase the number of research years, company samples, and the amount of data used.

FURTHER STUDY

This research was conducted with several research limitations, these limitations could influence the research results.

1. This research carried out sampling in 3 years, namely 2019-2021.
2. This research only analyzes the quality of auditors and good corporate governance by companies engaged in banking services, so companies in other industrial sectors are not included in the research.
3. In the analysis of good corporate governance, this research only examines the internal mechanisms, so the external mechanisms are not examined.
4. This research only examines secondary data that has been recorded or published on the Indonesian Stock Exchange.

ACKNOWLEDGMENT

Based on these limitations, researchers have several suggestions that might be used for further research, including the following:

1. Future research may be able to update the research vulnerability by examining the time period above 2019-2021, which is the time period for this research.
2. Future research may be able to analyze the quality of auditors and good corporate governance by companies operating in other industrial sectors, namely apart from the banking industry sector.
3. In the analysis of good corporate governance, further research may be able to analyze it in terms of internal mechanisms and external mechanisms.
4. Future research may be able to collect data in the form of secondary data and primary data.

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