



RESEARCH ARTICLE

The Influence of Corporate Governance on The Quality of Financial Reports In Banking Companies Listed on The Indonesia Stock Exchange (IDX) For The Period 2021-2024

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Abstract

This study aims to analyze the effect of Corporate Governance proxied by Transparency, Accountability, and Independence on Financial Statement Quality. In this study, financial statement quality is measured using timeliness. Meanwhile, the proxies for the independent variables include Transparency, measured by the disclosure index; Accountability, measured by the frequency of audit committee meetings; and Independence, measured by the proportion of independent commissioners. The population for this study consists of all banking companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2024 period. Sampling was conducted using purposive sampling, resulting in 22 banking companies that met the study criteria. The data analysis technique used was panel data regression analysis with the assistance of EViews software. The results show that Accountability has a positive and significant effect on Financial Statement Quality, while Transparency and Independence do not have a significant effect on Financial Statement Quality.

Keywords

Corporate Governance; Transparency; Accountability; Independence; Quality of Financial Statements.

1 | INTRODUCTION

The quality of financial reports is a key instrument reflecting a corporation's real financial condition and serves as a crucial basis for external economic decision-making. The presentation of reliable financial information is crucial for reducing information asymmetry, which often triggers uncertainty in the capital market. In the banking industry, which is heavily regulated and operates on the basis of public trust (*a trust-based industry*), the urgency of quality financial reporting information is multiplied. In the capital market context, the quality of reporting information is not only measured by nominal accounting accuracy but also sensitively determined by the aspect of timeliness. Reports that are published late will lose their relevance because the information contained therein can no longer provide a basis for accurate decision-making for users. The importance of examining the quality of financial reports, particularly in terms of timeliness, is based on the market's need for a rapid and transparent flow of information. In a highly risky industry like banking, late reporting can lead to negative speculation and uncertainty for investors, which can ultimately undermine public trust and the company's reputation on the Indonesia Stock Exchange. Therefore, companies' consistency in presenting high-quality financial reports in a timely manner is crucial for maintaining capital market efficiency. In accordance with OJK Regulation No. 14/POJK.04/2022, every company must submit its annual report by the end of the third month after the end of the year, or March 30th. Companies that publish their financial reports late will be subject to administrative sanctions, including a fine of IDR 1,000,000 per day of delay. Although the Financial Services Authority (OJK) has established strict regulations regarding the deadline for issuing annual reports, violations of reporting timeliness are still frequently encountered on the stock exchange. Data released by the Indonesia Stock Exchange IDX Channel (2024) recorded administrative sanctions imposed on approximately 145 issuers for late financial report releases. This anomaly in timeliness affects not only small corporations but also large-cap banks, which are generally assumed to be compliant in reporting late publications. This widespread inconsistency in timeliness underscores the urgent need to reevaluate the implementation of *Good Corporate Governance* (GCG)-based internal oversight mechanisms, proxied by its three main pillars: transparency, accountability, and independence. The effectiveness of GCG in suppressing the anomaly of late reporting can be evaluated comprehensively through its three main pillars which act as operational measuring tools in this study.

The first pillar, transparency, is required as a form of information disclosure that allows external parties to monitor the bank's real condition without any concealment. Transparency, proxied through publication compliance in accordance with POJK Number 37/POJK.03/2019, reflects the bank's commitment to providing material, relevant, and easily accessible information in a timely manner. The second pillar is accountability, which emphasizes clarity of function, implementation, and accountability of company organs so that bank management is carried out efficiently. In the context of timeliness, accountability reflects the discipline of management and the audit committee in completing the process of preparing financial reports responsibly before the deadline. Finally, the third pillar is independence, which requires that the bank be managed professionally without conflicts of interest or intervention from any party that could compromise the independence of internal or external auditors. Through the integration of these three GCG pillars, it is hoped that the bank will be able to mitigate the risk of information asymmetry and maintain consistent compliance with reporting timeliness to maintain its reputation among investors. Empirical studies on the relationship between corporate governance and the quality of financial information still leave a research gap *due* to contradictory previous findings. Research conducted by Arnova & Lestari (2024) and Gun *et al.* (2024) demonstrated that transparency and accountability significantly contribute to improving the quality of financial reports. However, this finding was refuted by Ayudiyati & Alviano (2024) who stated that accountability and transparency do not have a significant structural influence on the reliability of financial reports. On the other hand, regarding the element of independence, Putri *et al.* (2024) found a positive influence on reporting quality, while Syukra (2025) concluded that independence has no significant impact on the timeliness of information presentation. To bridge these inconsistencies, this study aims to examine the influence of transparency, accountability, and independence on the quality of financial reports (timeliness) in banking companies listed on the IDX for the most recent observation period, namely 2021–2024. This quantitative study relies on a secondary analysis approach sourced from official annual reports of banking companies. Based on the identified issues, the research question posed is how transparency, accountability, and independence influence financial report quality. This study aims to examine whether corporate governance, proxied by transparency, accountability, and independence, influences financial report quality in banking companies listed on the Indonesia Stock Exchange for the period 2021-2024.

2 | BACKGROUND THEORY

2.1 Agency Theory

Theory was developed in 1976 by Michael C. Jensen and William Meckling, who discussed the relationship between managers and shareholders as a contract. According to Jensen and Meckling in Nurhidayah (2020), it shows

the relationship between management and owners where the principal gives power and authority to the agent to act on his principal. Therefore, the party with more information about the company is the agent or manager. This information imbalance is called information asymmetry, the problem of information asymmetry in this company can be overcome with agency theory (Juwita, 2021). Agency theory emphasizes the importance of shareholders in selecting professional and qualified agents to run the company's business, so that the company can achieve its goals. Agents have a responsibility to *the principal to achieve the principal's* goals in order to receive rewards from *the principal*. The higher *the principal's achievement*, the higher the reward the agent will receive. Agency theory links transparency, accountability, and independence as the main mechanisms to reduce conflicts of interest between principals and agents, thereby improving the quality of financial reports. Transparency ensures complete and timely disclosure of information, thereby reducing information asymmetry between managers and principals. Effective accountability clarifies the functions, rights, obligations, authorities, and responsibilities of shareholders, the board of commissioners, and the board of directors. This clarity of accountability mitigates agency problems. Independence reduces agent dominance over the reporting process, thereby improving the quality of financial reports.

2.2 Signaling Theory

Signaling theory, first proposed by Spence (1973), explains how two parties behave when they receive different types of information. Signals are a form of signal used by companies to communicate to external parties (investors). Financial reports are seen as important signals sent by management to external parties to reduce information asymmetry or knowledge inequality. Financial reports published on time will add value to the company, where external parties will perceive positive signals from the company. Timely financial reports will be more relevant to use than financial reports published late. The relationship between transparency, accountability, and independence on the quality of financial reports lies in how all three build the credibility of the signal. Transparency acts as a clarity of message; transparent companies provide complete signals, so investors do not need to guess hidden risks. Accountability acts as a moral and legal guarantee that the signals sent can be accounted for. Without accountability, financial reports are simply meaningless numbers that have no legal force, so the reliability aspect of report quality will be lost. Independence, When an Independent Commissioner carries out his/her functions effectively, the resulting financial report is no longer just a unilateral claim from management, but rather a signal that has been verified internally.

2.3 Transparency Affects the Quality of Financial Reports

Transparency is openness and honesty of information to the public based on the consideration that the public has the right to know openly and comprehensively about accountability in managing entrusted resources (Siregar *et al.*, 2019). According to Maulana *et al.*, (2020) and Arnova & Lestari (2024), transparency affects the quality of financial reports. Meanwhile, according to Ayudiyati (2024) transparency does not significantly affect the quality of financial reports, even though the research was conducted on village financial reports. Based on this research, the following hypothesis is formulated: H1: Transparency affects the quality of financial reports.

2.4 Accountability Affects the Quality of Financial Reports

Aprianti (2020) Accountability is a principle of responsibility which means that the obligation of the trustee (agent) to provide accountability, present, report, and disclose all activities and activities that are his responsibility to the trustee (*principal*). According to Tahir & Malia (2020) and Noriwari *et al.*, (2025) said that accountability affects the quality of financial reports. Meanwhile, according to Ibrahim *et al.*, (2024), accountability does not affect the quality of financial reports. because the internal control system in the village has not been optimally implemented effectively to prevent errors in village management. Based on this research, the following hypothesis is formulated: H2: Accountability has an impact on the quality of financial reports.

2.5 Independence Affects the Quality of Financial Reports

Sri & Dewi (2019) Independence is the basis for formulating and expressing opinions on audited financial statements. Solikhah (2020) states that independence is the second of three general standards for auditing established by the Indonesian Institute of Accountants (IAI), which states that in all matters relating to engagements, independence and mental attitude must be maintained by auditors. Independence also means not taking sides and being influenced by other interests so that they can act objectively and honestly. According to Syukra (2025), independence affects the quality of financial statements. The Board of Commissioners has the main task of overseeing the policies and implementation of company management and its business, as well as providing advice to the board of directors. This is not in line with research by Indrasti (2020) which states that independence does not affect the quality of financial statements. Company management needs to re-evaluate the role of Independent Commissioners in overseeing corporate governance. Based on this research, the following hypothesis is formulated: H3: Independence has an effect on the quality of financial reports.

3 | METHOD

3.1 Types of research

Type of research is quantitative research because it wants to know the influence of corporate governance as measured by transparency, accountability, and independence on the quality of financial reports through numerical data and qualitative data that are quantified, the variables are then measured using a ratio scale.

3.2 Sample and Population

Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn (Sugiyono, 2022). The population of this study was 47 banking companies listed on the Indonesia Stock Exchange for the 2021-2024 period. According to Sugiyono (2022) the sample consists of a subset of the population selected through a specific method and possessing specific characteristics, ensuring clarity, completeness, and representativeness of the population. the sample collection technique used in this study was purposive sampling.

Table 1. List of Sample Research with Purposive Sampling

No	Description	Amount
1	Banking companies that publish Annual Report for the period 2021-2024	44
2	Companies that provide information in accordance with POJK No. 18 of 2025 in the Annual Report for the 2021-2024 period	44
3	Companies that inform Meeting Frequency Audit Committee in the Annual Report for the 2021-2024 period	36
4	Companies that inform the Board Composition Commissioner in the Annual Report for the 2021-2024 period	36
5	Companies that inform the publish date of the Annual Report for the 2021-2024 period	33
6	Companies that publish on time Annual Report for the 2021-2024 period	22
7	Total research sample	22
8	Total observation years	4
9	Total observation data	88

3.3 Data collection technique

Data collection techniques used in study This is technique documentation and studies bibliography. Documentation techniques is the process of collecting data with access and analyze documents, reports or archives that have been published previously Document the is report finance, reports annual and company sustainability reports banking sector listed on the IDX for the 2021-2024 period. Study technique literature is collection data with analyze and use various books, articles related journals and news with variables research and problems study.

Table 2. Operational Definitions

No.	Variable	Operational Definition	Indicator	Measurement Scale
1	Transparency	Siregar <i>et al</i> (2019) Transparency is openness and honesty of information to the public based on the consideration that the public has the right to know openly and comprehensively about accountability in managing entrusted resources Siregar <i>et al</i> (2019).	Disclosure indedx = Number of items disclosed / number of items required expressed x 100%	Ratio Items disclosed: 1. Financial performance information 2. Risk exposure and capitalization 3. Material information or facts 4. Basic credit interest rate 5. Other information such as sustainability

2	Accountability	Aprianti (2020) Accountability is a principle of responsibility which means that the obligation of the trustee (agent) to provide accountability, present, report, and disclose all activities and activities that are his responsibility to the trustee (<i>principal</i>).	\sum number of audit committee meetings in 1 year	ratio
3	Independence	Sri & Dewi (2019) Independence is the basis for formulating and stating opinions on audited financial reports.	amount commissioner independent / total board of commissioners x 100%	Ratio
4	Quality of Financial Reports	(Rusmanto, 2020) A quality financial report is a report that contains financial information that is not misleading, timely, understandable, and comparable, which is useful for evaluating performance and decision making.	Timeliness	Ordinal 1-30 days = 4 31-60 days = 3 61-90 days = 2 91-120 days=1

3.4 Data Analysis Techniques

The data analysis method used in this study is a panel data regression analysis model using eViews software version 14. The aim is to determine the extent of the influence of Corporate Governance through transparency, accountability, and independence on the quality of financial reports. The Panel Data Model selection was carried out first, with three tests: the Chow Test, the Hausman Test, and the Lagrange Multiplier Test. The Chow Test was carried out For determine the fixed effect model (FEM) or Common Effect Model (CEM), if the value probability < 0.05 then choose the fixed effect model (FEM) over the common effect model (CEM), and if mark probability > 0.05 then will choosing the common effect model (CEM) over the fixed effect model (FEM). Next, the Hausman test used For choose a fixed effect model (FEM) or a random effect model (REM). If the chi-square probability is <0.05 then choose the fixed effect model (FEM) over the random effect model (REM) and if chi squares probability >0.05 then choosing a random effect model (REM) over a fixed effect model (FEM). Next, the Lagrange multiplier test is used. For choose a random effect model (REM) or a common effect model (CEM). If the p value is < 0.05 then will choose a random effect model (REM) over a common effect model (CEM), and if mark p value > 0.05 then will choose the common effect model (CEM) over the random effect model (REM). The regression model used in the research is written with the following equation:

$$Y_{it} = \alpha + \beta_1 TRP_{it} + \beta_2 AKT_{it} + \beta_3 IND_{it} + \epsilon_{it}$$

Information:

- Y_{it} : Quality of Financial Reports) at banking company i in year t
- α : constant
- β₁TRP_{it} : regression coefficient1 of transparency in banking company i in year t
- β₂AKT_{it} : regression coefficient 2 accountability in banking company i in year t
- β₃IND_{it} : regression coefficient of 3 independences on banking company i in year t
- ε_{it} : *Error term* or nuisance error component in company i in year t

4 | RESULTS AND DISCUSSION

4.1 Results

Study analyzes all banking entities listed on the Indonesia Stock Exchange (IDX) over a four-year observation period, from 2021 to 2024. The initial population in this study included 47 banking companies listed on the IDX. The final sample selection was carried out using a *purposive sampling method* based on six strategic criteria, which include the obligation

to consistently publish *Annual Reports*, completeness of information disclosure in accordance with POJK Regulation Number 18 of 2025, availability of data on the frequency of audit committee meetings, transparency of the composition of the board of commissioners, clarity of publication dates, and compliance with the timeliness of reporting in accordance with POJK Number 29/POJK.04/2016. Based on these strict criteria, 22 banking companies were selected as samples. Through a four-year observation period (2021–2024), this study successfully collected a total of 88 valid observational data to facilitate longitudinal panel data regression analysis. The discussion should also explore the broader meaning of the data characteristics of each independent variable, showing dynamic variations that reflect the diversity of *Good Corporate Governance* (GCG) implementation in the national banking industry. The Transparency variable shows a very high level of administrative compliance, with an average value (*mean*) reaching 87.27 and a median and maximum value reaching 100.00. This indicates that the majority of sample banks, such as PT Bank Mestika Dharma Tbk, have maximally disclosed mandatory information points throughout the observation period. However, there are anomalies in several banks, such as PT Bank Jago Tbk, which recorded a minimum transparency value of 40.00 in 2021. On the other hand, the characteristics of the Accountability variable, proxied by the frequency of audit committee meetings, fluctuate greatly, with an average value of 15.28 meetings per year. The difference in internal supervisory policies is seen in contrast through the minimum value of 3.00 meetings held by PT Bank QNB Indonesia Tbk in 2021, to a maximum value of 41.00 meetings held by PT Bank Negara Indonesia (Persero) Tbk and PT Bank Tabungan Negara (Persero) Tbk in 2022. Meanwhile, for the Independence variable measured by the proportion of independent commissioners, the sample banking industry shows a relatively stable supervisory structure above the minimum regulation. The average value of this variable is at 59.70% with a symmetrical data distribution, ranging from a minimum value of 33.33% at PT Bank CIMB Niaga Tbk in 2021 to a maximum value of 75.00% which is consistently maintained by PT Bank QNB Indonesia Tbk during the 2021–2024 period. The fluctuation and stability of governance of these 22 sample banks ultimately affect the quality of financial reports proxied by the timeliness *indicator*. Based on ordinal scale measurements, the quality of the sample banks' publication timeliness yielded an average score of 1.88. This was influenced by the diverse spectrum of bank reporting performance, with PT Bank Jago Tbk consistently recording the lowest minimum reporting score (1) throughout the study period, while PT Bank Rakyat Indonesia (Persero) Tbk consistently achieved optimal reporting performance with a maximum score (3) from 2021 to 2024. In the model selection process, the Random Effects Model (REM) was chosen. The Random Effects Model (REM) is estimated using the Generalized Least Squares (GLS) method, not OLS. The GLS method inherently corrects and anticipates heteroscedasticity and autocorrelation issues through its error value weighting structure. The R-square value of 0.215245 means that the percentage of influence of independent variables, namely transparency, accountability and independence on the quality of financial reports is 21.5%, while the remaining 78.5% is influenced by variables not examined in this study, such as Internal Control, Human Resources (HR) Quality, or Audit Quality to get a more comprehensive picture of the factors that influence the quality of financial reports.

Table 3. Descriptive Statistics

Statistic	Y	X1	X2	X3
Mean	1.886364	87.27273	15.28409	59.70670
Median	2.000000	100.0000	12.00000	60.00000
Maximum	3.000000	100.0000	41.00000	75.00000
Minimum	1.000000	40.00000	3000.000	33.33000
Std. Dev.	0.764617	17.20246	8.615608	9.802825

Table 4. Chow test

Effects Test	Statistics	df	Prob.
Cross-section F	5.695487	(21, 63)	0.0000
Cross-section Chi-square	93.648885	21	0.0000

The Chow Test is testing For determine the most appropriate fixed effect or common effect model used in estimating panel data. The results show that the F probability value > critical limit or $0.0000 < 0.05$, then can assumed that the selected model is a fixed effect model.

Table 5. Hausman Test

Test Summary	Chi-sq statistic	chi-sq. df	Prob.
Random cross-section	0.679030	3	0.8781

The Hausman test is statistical testing for choose Is the fixed effect or random effect model the most appropriate? used. The results show that mark probability $0.8781 > 0.05$, then assumed choosing a random effects model.

Table 6. Lagrange Multiplier Test

Hypothesis Test	Cross-section	Time	Both
Breusch-Pagan Prob.	37.30897 (0.0000)	1.4604803 (0.2269)	8.76945 (0.0000)

The Lagrange Multiplier test is a test to determine whether the random effect model is better than the common effect model. The results show a p-value <critical limit or 0.0000 <0.05, then choose the random effect model over the common effect model.

Table 7. Panel Data Model Selection Matrix

Test	Common Effect Model (CEM)	Fixed Effect Model (FEM)	Random Effect Model (REM)
Chow Test			
Hausman Test			REM
Lagrange Multiplier Test			REM
The model to choose			Random Effect Model (REM)

Based on table 7, it can be seen that the Chow test was first carried out, then continued by the Hausman test and finally the Lagrange multiplier test was carried out to select the panel data model, and it can be concluded that the random effect model (REM) was selected for the panel data.

Table 8. Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob
C	0.551244	0.762379	0.723057	0.4723
X1	0.004758	0.006640	0.716514	0.4763
X2	0.050006	0.016808	2.975191	0.0041
X3	0.002606	0.009727	0.267891	0.7897
Effects Specification				
			S. D	Rho
Random cross-section			0.544217	0.5818
Idiosyncratic random			0.461404	0.41182
R-squared	0.215245	Mean dependent var	0.736238	
Adjusted R-squared	0.187219	SD dependent var	0.504673	
SE of regression	0.454985	Sum squared resid	17.38894	
F-statistic	7.679947	Durbin-Watson stat	2.049535	
Prob(F-statistic)	0.000135			

Table 9. t-Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.511571	0.679142	0.753261	0.4534
X1	0.004068	0.005210	0.780875	0.4371
X2	0.044965	0.011744	3.828842	0.0002
X3	0.005568	0.008202	0.678884	0.4991

4.2 Discussion

Transparency has no effect on the quality of financial reports. The hypothesis test results show a significance value of $0.4371 > 0.05$, thus rejecting H1. This indicates that a company's level of transparency does not significantly influence the quality of its financial reports. When linked to Agency Theory, corporate transparency has not effectively served its oversight function by reducing information asymmetry between agents and principals. Disclosure is thought to be merely a formality to comply with regulations, thus failing to curb opportunistic management behavior that influences reporting quality. Meanwhile, according to Signaling Theory, this transparency signal is apparently not perceived by users of financial statements as a primary indicator of quality. Investors likely focus more on other aspects, such as company reputation or external audits. This research is supported by Ayudiyati & Alviano (2024) who stated that transparency does not guarantee improved financial report quality if internal controls are weak. However, these results are inconsistent with Arnova & Lestari (2024), who found that high transparency actually encourages more disciplined and cautious management due to public oversight. This phenomenon occurs because the majority of sample banks have disclosed information to the maximum extent in accordance with OJK standards. This makes transparency in the banking sector tend to be purely administrative compliance, resulting in no significant data variation to differentiate the quality of financial

reports between banks. This can be seen in the descriptive statistics table, where the mean value for XI (transparency) is 87.27273, which is greater than the standard deviation of 17.20246. Accountability influential to Quality Financial Report. The results of the hypothesis test show a significance value of $0.0002 < 0.05$, so H2 is accepted. This indicates that the higher the level of accountability implemented by the organization, the higher the quality of the resulting financial reports. The data characteristics show a dynamic range (Minimum 3.00 and Maximum 41.00) with a Standard Deviation of 8.61. This wide variation in data and contrast between sample banks is what the research model is able to statistically capture as a factor influencing the quality of financial reports. When linked to Agency Theory, accountability serves to limit the scope for opportunistic actions or data manipulation by agents (management) to align with the interests of the principals (owners). This effective oversight ensures that financial information is prepared more accurately, honestly, and free from material misstatement. Meanwhile, in Signaling Theory, a high level of accountability is a positive signal regarding an organization's credibility. Accountable entities present quality reports as evidence of sound resource management, thereby increasing investor and creditor confidence in economic decision-making. This research is supported by Tahir & Malia (2020) and Noriwari *et al.*, (2025) who stated that task clarity, regulatory compliance, and preparedness for evaluation (accountability) will improve the quality of financial reports. However, these results are inconsistent with those of Ayudiyati & Alviano (2024) who stated that accountability has no effect if human resources are lacking in competence, where high demands can actually trigger errors due to technical constraints or differences of opinion between management and auditors. The resolution of this phenomenon lies in the activeness of the audit committee. An audit committee that actively monitors *the progress* of management and external auditors will prevent a backlog of work at year-end. This efficient audit process allows financial reports to be completed and published on time, while also preventing banks from being penalized for late reporting.

Independence No influential to Quality Financial Report. Hypothesis test results show mark significance of $0.4991 > 0.05$, so H3 is rejected. This show that existence attitude Independent No in a way significant determine improvement or decline quality report Financial data. The data characteristics tend to be stable and symmetrical, with the Mean (59.70) nearly identical to the Median (60.00), and the Skewness value approaching zero (-0.07). This overly homogeneous data, without extreme fluctuations, causes the independent variable to lack a strong, clear influence on the dependent variable during the 2021-2024 period. This uniformity or homogeneity of the data occurs due to the very strict banking regulations in Indonesia, namely Financial Services Authority Regulation (POJK) Number 12/POJK.03/2021 concerning Commercial Bank Consolidation, which requires the number of Independent Commissioners to be at least 50% of the total members of the Board of Commissioners. When linked to Agency Theory, independence, which should be a pillar protecting the principal's interests, is suspected of functioning only as a formality on paper. Conflicts of interest or closeness between report preparers and management are suspected to remain strong, resulting in suboptimal oversight. Meanwhile, in Signal Theory, the integrity signal from this independence variable is apparently not considered a determining factor in quality by stakeholders. Financial report users consider independence insufficient to guarantee data accuracy without the support of strict internal controls or competent external audits. This research is supported by Syukra (2025) and Bangun & Simorangkir (2021) who stated that independence has no effect because independent commissioners have limited influence, especially in companies with concentrated ownership or dominant management. However, this finding is inconsistent with Putri *et al.*, (2024) who found that the more independent a party is, the less likely it is to experience bias or manipulation in financial reports. The phenomenon of independent commissioners' ineffectiveness is caused by information asymmetry. As external parties, independent commissioners are highly dependent on data supplied by executive management. These structural and operational limitations weaken their ability to detect material bias or accounting manipulation if management is not transparent.

5 | CONCLUSIONS AND FUTURE WORK

The results of the study indicate that the implementation of *Good Corporate Governance* (GCG) principles in the banking sector listed on the IDX for the 2021-2024 period has not yet had a fully equitable impact on improving the quality of financial reports. Of the three principles tested, only the Accountability variable, proxied by the frequency of audit committee meetings, was proven to have a positive and significant effect on the quality of financial reports (timeliness). Meanwhile, the principles of Transparency and Independence were found to have no significant effect on the quality of financial reports. This suggests that the current practice of information disclosure and the existence of independent commissioners appears to be procedural in nature to meet regulatory formalities and has not been fully integrated to address the problem of information asymmetry between management and external parties. For Future Researchers, Future researchers are expected to extend the observation period and expand the sample coverage to other industrial sectors to make the research results more general. Furthermore, it is recommended to add other relevant independent variables such as Internal Control, Human Resource (HR) Quality, or Audit Quality to obtain a more comprehensive picture of the factors influencing financial report quality.

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