

ABSTRACT

Financial Reporting Quality reflects the suitability of the financial information presented by an entity with applicable accounting standards. Good quality financial reports show that the information contained therein can be used in decision making. Characteristics of financial reports in terms of quality include being understandable, relevant, reliable and comparable. In order to fulfill these characteristics in order to produce financial reporting that complies with PSAK standards, the company must have a system implemented within it, namely an internal control system. In implementing internal control, an ownership structure in a company is also required. This research aims to analyze and test empirically the influence of internal control and ownership structure on the quality of financial reporting in companies listed on the Indonesia Stock Exchange (BEI). The data used is secondary data using a sample of 825 companies in 2020-2022. Sampling was carried out using the purposive sampling method. To meet the research objectives, the hypothesis was tested using multiple linear regression analysis and Moderated Regression Analysis (MRA). Data analysis to test structural equations uses the SPSS 25 2024 program.

The research results show that internal control and ownership structure influence the quality of financial reporting. In general, the results of this research indicate that publicly traded companies in Indonesia have begun to implement internal controls in an effort to improve the quality of financial reporting produced to protect the interests of shareholders.

Keywords: Financial Reporting Quality, Internal Control, Ownership Structure