

ABSTRACT

The purposes of this research is to analyze the effect of corporate social responsibility disclosure on financial reports quality and the corporate social responsibility disclosure mediation on corporate governance of financial reports quality. Financial reports quality as dependen variable is measured by earnings management (RAM). Corporate social responsibility disclosure and corporate governance as an independen variable are measured by CSR index and CGI index. This research uses negative value of operating cash flow, profit, debt ratio, market volatility, and operating cycle as a control variable.

The sample of this research is manufacturing companies listed in Indonesia Stock Exchange during the period 2013-2015. The sampling method in this research is purposive sampling. The analysis technique in this study using multiple linear regression analysis.

Overall, the results show that corporate social responsibility disclosure has significant negative effects on the RAM. There is no corporate social responsibility disclosure mediation on the effect of corporate governance on financial reports quality.

Keywords: Financial reports quality, corporate social responsibility disclosure, corporate governance