

## CHAPTER V

### CONCLUSIONS AND IMPLICATIONS

#### A. Conclusions

The conclusions that can be drawn from the research analysis results of The Effect of Good Corporate Governance and Audit Quality toward Quality of Financial Statements (Empirical Study in Mining Companies in Indonesia) carried out are, **good corporate governance affects the quality of financial statements.** This proves that a higher the good corporate governance, become higher the earnings management (as a proxy for financial statements), which means that the lower the quality of the company's financial statements. **Audit quality affects the quality of financial statements.** This means that the higher score quality audit, the lower the management's earnings (as a proxy for financial statements), that means the higher the quality of the financial statements.

#### B. Implications

Based on the conclusions that have been presented, the implications of this research is the quality of the financial statements of companies in the mining sector can be influenced by several factors, including good corporate governance and audit quality. The results of this study can be used as a consideration for companies, especially for managers to determine their decisions in terms of reporting financial statements to the public. In

accordance with the results of this study, stakeholders can increase vigilance in controlling the running of the company.

### **C. Research Limitations**

Based on the research, discussions and conclusions above, that this research have several limitations that can be use for recommendation to the next researcher to follow such as:

- Not all mining sector companies listed on the Indonesia Stock Exchange are included in the purposive sampling criteria determined by the researcher, so the number of samples taken is reduced.
- Further researchers can expand the research population and sample so that it can produce varied results.
- The results of the adjusted R square ( $R^2$ ) value show that 13.1% of the GCG variable and audit quality affect the quality of financial reports, the remaining 86.9% is explained by other variables outside the research conducted by researchers, so there are still many other variables that can be investigated. to see the effect on the quality of financial statements.