

CHAPTER V

CONCLUSION AND IMPLICATION

A. Conclusion

Referring to the results of the research and analysis that have been carried out, the following are the conclusions of this study:

1. Internal audit has a negative effect on financial performance. The composition an internal audit that is not optimal will reduce financial performance.
2. The internal control system has a negative effect financial performance. Internal control systems that tend to be weak or not optimal will result in a decline in the performance of the financial.
3. Corporate governance has a positive on the financial performance. Implementation of corporate governance helps companies achieve company goals, minimize risks, and increase value for stakeholders.

B. Implication

1. Theoretical Implication

Corporate governance can have a positive and significant impact on financial performance. The results of this study also successfully affirm that stakeholder theory can explain corporate governance in its influence on improving financial performance. With governance, it can convey positive signals in portraying the company. Effective corporate governance can align the interests of the relationship between principal and agent.

Internal audit, the internal control system does not have a significant impact on the financial performance. Theoretically, this research helps reinforce previous studies regarding the positive impact of corporate governance on financial performance. This research is also expected to serve as literature and enhance insights to improve the financial performance.

2. Practical Implication

- a. For academics, the results of this research can serve as a reference in developing similar studies. This research can be used as a consideration for factors that may influence financial performance.
- b. The company is expected to improve corporate governance so that the company's performance continues to improve while still applying the principle. The company can improve and develop the internal control system to operate effectively and efficiently. The company can evaluate and strengthen the role of internal audit.
- c. For investors, this research can be used as a consideration for analyzing a company. Investors can increase their confidence by looking at information that can affect the company's condition through financial performance.

C. Limitation

The data source used in this research is the financial reports from companies in the food and beverage sector. To make it more relevant, future research could include additional data as references. The indicators

used for measurement in this study are limited. Future research can add other variables with indicators that can contain more information

