

THE QUALITY OF EARNINGS WITH FACTORS

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ABSTRACT

This study aims to determine the effect of earnings persistence, internal audit quality and investment opportunity set on earnings quality in manufacturing companies listed on the Indonesia Stock Exchange (IDX). The research period used was 5 years, namely the 2014-2018 period. The study population includes all manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2014-2018 period. The sampling technique uses purposive sampling technique. Based on predetermined criteria obtained 6 company samples. The type of data used is secondary data obtained from the Indonesia Stock Exchange (IDX) website. The data analysis method used is panel data regression analysis processed using the help of E-views software Version 9. The results showed that earnings persistence affected earnings quality, internal audit quality did not affect earnings quality, and investment opportunity set did not affect earnings quality.

Keywords: Earnings Quality, Persistence Earning, Internal Audit Quality, Investment Opportunity Set

INTRODUCTION

Quality of earnings generated by companies affects the reaction given. High earnings quality shows that investors are interested in earnings information (Mo laei et al, 2012). Earnings quality can be said to be high quality if reported earnings can be used by users of financial statements to make the best decisions and meet the qualitative characteristics of financial statements, namely relevant and reliability (Warianto & Rusiti, 2014). Usually investors will trust more large companies. Because large companies are considered able to continue to improve the performance of their companies with all efforts to improve the quality of their profits. However, there are several large companies that cannot maintain their performance well, resulting in poor profit quality, as happened with PT Industri Jamu and Pharmacy Sido Muncul Tbk, PT Akasha Wira and PT Nippon Indosari Tbk.

Poor earnings quality occurred at PT Industri Jamu and Pharmacy Sido Muncul Tbk, sales of the SIDO company experienced an increase in 2015 which was a net profit of Rp 437 billion, in which the company was able to record a net profit growth in 2014 of Rp 415 billion. Thus SIDO experienced a decrease in net profit in semester 1 of 2017 which amounted to Rp 245 billion, when compared to the previous year of Rp 265 billion, there was a decrease of Rp 20 billion or 7.6% yearly (*year on year*), which means SIDO decreased for 2 years in a row. The decline in the quality of earnings is only 1.2 trillion when compared to semester 1 of 2016 amounting to Rp 1.29 trillion, or by 6.8% (Merdeka.com, 2017).

At PT Akasha Wira International Tbk, which experienced a significant decrease in net

profit, it was mentioned that in 2014 the profit was IDR 25 billion, in 2015 it dropped to IDR 17 billion, then in 2016 the company returned decreased to Rp 15 billion. And in 2017 the net profit earned by the company only reached Rp 11 billion.

Furthermore, the case that is being faced by PT Nippon Indosari Tbk has increased in the period of 2015 amounting to Rp 270 billion, which in the previous year was only Rp 186 billion, the company experienced a decline in earnings quality due to the net profit earned in the first quarter of 2017 amounting to Rp 27 billion. The net profit decreased compared to the previous year of Rp 86 billion, a 67% decrease *year on year* (yoy). The decline was caused by the return of Sari Roti sales which increased sharply enough to cause a significant decline in Sari Roti's income. Sari Roti sales returns in the first quarter of 2017 amounted to Rp 144 billion, an increase of 74% compared to the first quarter of 2016 amounting to Rp 82 billion (Kontan.co.id, 2017). Below is a graph on the above phenomenon:

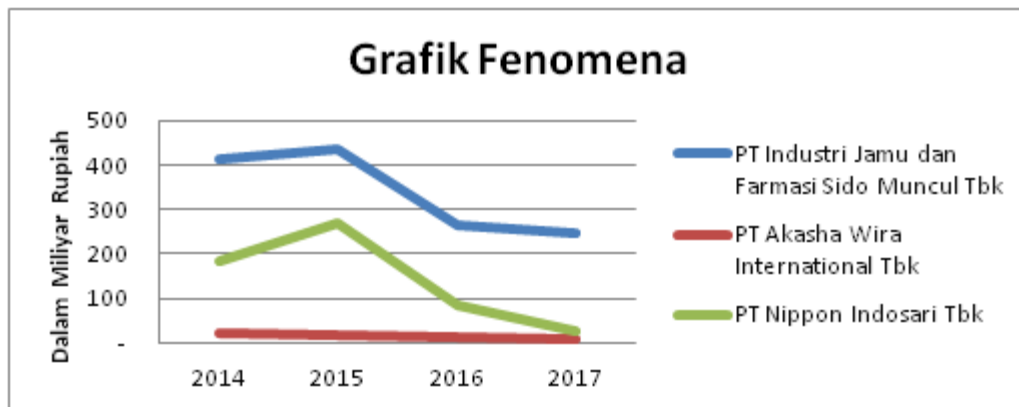


Figure 1
Graph of Earnings Quality

Phenomenon that occurs at PT Industri Jamu and Pharmacy Sido Muncul Tbk, PT Akasha Wira and PT Nippon Indosari Tbk is evidence that a company's financial statements are very important to show the actual information about management performance that has an impact on all users report.

Earnings persistence is a measure of earnings quality based on the view that more *sustainable* earnings are earnings that have better quality. Companies that have more stable earnings and more persistent cash flow can benefit the value of the company, while companies that have low earnings quality and unstable earnings can be seen from the low level of earnings persistence (Ardianti, 2018). According to Scott (2009) is a revision of the expected future earnings(*expected future earnings*)that is implied by the current year profit innovation so that the persistence of earnings views from the innovations in earnings associated with changes in stock prices. The magnitude of this revision shows the level of earnings persistence.

Internal Audit Quality is a very important calculation in a company with the aim of the auditor in conducting an audit is to determine the suitability of the financial statement issuer's presentation of the capital market with financial accounting standards (Juliardi, 2013). Audit quality from internal auditors is still in the spotlight because internal audit is within the organization and is paid by the organization so that internal audit independence is sometimes still

used. As an internal company, some of the activities in the audit process carried out may be more in favor of the profits of the company that makes it possible to cover up all the company's activities. If the auditor considers that the quality of the internal audit is not good, then it indicates that the internal control function in the company is also low, so that the confidence of the external auditor on the internal auditor is very dependent on the results of the internal audit quality assessment in a company. Gramling & Vandervelde (2006) found that there were no differences in the measurement of functions between internal auditors and external auditors. Internal auditors are formed from an audit committee within a company, which aims to ensure that the process of preparing the company's financial statements has been carried out properly and in accordance with applicable standards.

Investment Opportunity Set (IOS) is a choice of future investment opportunities that can affect the growth of company assets. IOS is used as the basis for determining the classification of company growth in the future. IOS of a company can also influence the way of managers, owners, investors and creditors towards the company. According to Warianto & Rusiti (2014) companies that have high growth opportunities are considered to be able to produce *returns* high as well. Therefore managers will try to manage the company's resources as well as possible so that IOS does not decrease.

In G. M. Putri & Fitriasari (2017) research on the influence of earnings persistence on earnings quality, it is stated that earnings persistence has a negative effect on earnings quality. This contradicts the research conducted by Kurniawan (2016) that Profit Persistence has no effect on earnings quality. Then the results of research conducted by Putri (2018) on the effect of Internal Audit Quality on Profit Quality states that Internal Audit Quality has no effect on Profit Quality. The third study conducted by Warianto & Rusiti (2014) on the effect of the *Investment Opportunity Set* on Profit Quality states that the *Investment Opportunity Set* has a positive effect on Profit Quality. This is contrary to research conducted by Nurhanifah & Jaya (2014) that the *Investment Opportunity Set* has a negative effect on earnings quality.

The results of this study are expected to motivate further research and be taken into consideration for companies in applying the variables in this study to help improve earnings quality and as a material consideration for issuers to evaluate, improve, and improve financial performance in the future. In addition, this study was conducted with the aim to find out how the influence of Profit Persistence, Internal Audit Quality, and *Investment Opportunity Set* (IOS) on Profit Quality.

THEORY FRAMEWORK

Agency Theory

According to Hidayanti et al., (2014), signaling theory addresses issues regarding information asymmetry. This theory is based on the premise that managers and shareholders do not have access to the same company information. There is certain information that is only known by managers, while shareholders do not know that information. One type of information released by a company that can be a signal to parties outside the company is a report finance. Information through voluntary disclosure can be considered as a signal, so as to reduce information asymmetry, optimize financial costs, and increase company value (Primastuti & Tarmizi, 2012).

Based on the description above it can be concluded that the signaling theory is a theory that explains that companies have the drive to provide information to external parties so as to reduce information asymmetry and increase company value.

Stewardship Theory

This theory is used because it views that trust in management can occur if management acts in accordance with the interests that arise, namely the public interest in general and the interests of *shareholders* in particular. In the theory *stewardship*, this *model of man* is based on behavioral service where he can be formed so that he can always be invited to work together in organizations, have collective behavior or groups with high utility rather than individuals and are always willing to serve. In theory *stewardship* there is a choice between *self-serving* and pro-organizational behavior, servant behavior will not be separated from organizational interests that executive behavior is aligned with interests owner where the *stewards* are. *Steward* will replace or divert *self-serving* to behave cooperatively. So even though the interests between *stewards* and *principals* are not the same, *stewards* will still uphold the value of togetherness. Because *steward* is guided by the fact that there is greater utility in cooperative behavior, and that behavior is considered acceptable rational behavior.

RESEARCH METHODS

This research is quantitative and the method used in this research is descriptive and verification methods. Descriptive method is research conducted to describe independent variables, both only on one or more variables (independent variables) without making comparisons and looking for those variables with other variables (Sugiyono, 2015). While the verification method is interpreted as a study conducted on a particular population or sample with the aim of testing a predetermined hypothesis (Sugiyono, 2015). Based on the above understanding, it can be concluded that the descriptive and verification method is a method that aims to describe whether or not there are facts, and explain the relationship between the variables studied by collecting data, processing, analyzing, and interpretation data in testing statistical hypotheses.

The formulation in this study is included in the formulation of associative problems with causal relations. According to Sugiyono (2017) the formulation of associative problems is a research problem formulation that is asking the relationship between two or more variables. Causal relationships are causal relationships where there are independent variables (variables that affect) and dependent variables (influenced). This study examines the variables *independent* consisting of Profit Persistence, Internal Audit Quality and *Investment Opportunity Set* on Profit Quality in Manufacturing companies listed on the Indonesia Stock Exchange for the period 2014-2018.

Population is a generalization area consisting of objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono; 2015). While the sample is part of the number and characteristics possessed by the population (Sugiyono; 2014). Population refers to the whole group of people, events, or matters of interest that investigators want to investigate. The population used in this study is manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the period 2014-2018 and the sample selection is done based on the purposive sampling method, this method uses

criteria that have been selected by researchers in selecting samples. The sample selection criteria are divided into the inclusion and exclusion criteria by selecting the sample company property and real estate during the study period based on certain criteria.

The purpose of this method is to obtain samples that meet the following criteria: (1) Manufacturing Companies in Indonesia which are listed on the Indonesia Stock Exchange for the period 2014-2018, (2) Manufacturing Companies that publish consecutive annual financial statements for the 2014-2018 period, (3) Manufacturing Companies in Indonesia which have published their complete financial statement data and annual reports related to the variables studied during the 2014-2018 period, obtained from idx.co.id, (4) Manufacturing Companies which publish their financial statements in rupiah currency.

Based on the specified criteria, the number of samples used in this study were 6 companies or 30 populations of manufacturing companies listed on the Indonesia Stock Exchange. In this study also uses descriptive analysis to describe the relationship between the variables contained in the study by looking at the average acquisition value (mean), standard deviation, maximum, and minimum. Therefore in this study, the relationships between variables will be tested first to determine whether the data is normally distributed or not, whether the data has multicollinearity or not and whether the data has heteroscedasticity or not. To determine the right panel data regression model to be used in panel data regression analysis through:

- Chow Test, is a test to choose which model is better, whether using a common effect model or a fixed effect model. This test can be seen from the value of Probability (Prob). F cross-section and Chi-square cross-section with the following hypotheses (Eksandy and Heriyanto, 2017).

Table 1. Regression Model Data Panel Test Chow

Redundant Fixed Effects Tests			
Equation: EQ01			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	7.832340	(5,21)	0.0003
Cross-section Chi-square	31.575404	5	0.0000

Source Data : Eviews 9.0

- Hausman test, used to determine whether using the fixed effect model or the most appropriate random effect model. This test can be seen from the value of Probability (Prob). random cross-section with the following hypothesis (Eksandy and Heriyanto, 2017).

Table 2. Regression Model Data Panel Hausman

Correlated Random Effects - Hausman Test			
Equation: EQ01			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.

Cross-section random	5.799320	3	0.1218
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Data Sources : Eviews 9.0

- Lagrange multiplier (LM) test, used to find out which model is better. Is it better to use the common effect model or the random effect model. This test can be seen from the probability value of Breusch Pagan with the following hypotheses (Eksandy and Heriyanto, 2017)

Table 3. Regression Model Data Panel *Lagrange Multiplier* (LM)

Lagrange Multiplier Tests for Random Effects			
Null hypotheses: No effects			
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives			
	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	4.999816 (0.0254)	1.307868 (0.2528)	6.307683 (0.0120)

Data Sources : Eviews 9.0

In this study no classical assumption test was conducted. The classic assumption test is a statistical requirement that must be met in a regression analysis using the Ordinary Least Squared (OLS) approach in its estimation technique (Eksandy and Heriyanto, 2017) and produces: (1) Multicollinearity Test, is the relationship between independent variables (Arry and fredy, 2017). To detect multicollinearity, the correlation coefficient between the independent variables can be seen, (2) Heteroscedasticity Test, to find out whether or not there is an inequality of variance from the residual panel data regression model.

Hypothesis testing using Panel Data Regression analysis to determine whether Profit Persistence, Internal Audit Quality and Investment Opportunity Set (IOS) can be used on Profit Quality in Manufacturing companies listed on the Indonesia Stock Exchange in the 2014-2018 period.

- The F test explains whether all independent variables entered into the model simultaneously or together have an influence on the dependent variable, or in other words the model fit or not.
- Determination Coefficient Test explains how far the ability of the regression model in explaining the variation of independent variables affects the dependent variable. The value of R-squared will indicate how much X will affect the movement of Y. The greater the result of R-squared, the better because it identifies the better the independent variable in explaining the dependent variable.
- The t test explains the significance of the effect of partially independent variables on the dependent variable.

The panel data regression equation formulation to discuss the effect of independent variables on the dependent variable in the form of a combination of time series data and cross section.

$$KL = 0.015456 + 0.881246 * PL + 0.069176 * KAI - 0.008332 * IOS + \varepsilon$$

Description:

KL = Profit Quality
PL = Persistence Earning
KAI = Internal Audit Quality
IOS = *Investment Opportunity Set*
 ε = Error term

So the results of the regression equation can be interpreted as follows:

- The constant value for the regression equation of (C) 0.015456 shows that if the variable Persistence Earning (PL), Internal Audit Quality (KAI), and *Investment Opportunity Set* (IOS), is constant or equal to zero, the Profit Quality is worth 0.015456.
- The coefficient value of the Profit Persistence variable of 0.88124 indicates that every 1 (unit) decrease in Persistence Earning, the Profit Quality will decrease by 0.88124 assuming the other independent variables are constant.
- The coefficient value of the Internal Audit Quality variable of 0.069176 indicates that for every 1 (unit) increase in Internal Audit Quality, the Profit Quality will increase by 0.069176 assuming the other independent variables are constant.
- The coefficient value of the Investment Opportunity Set variable of -0.008332 indicates that for every 1 (unit) decrease in the Investment Opportunity Set, the Profit Quality will decrease by -0.008332 assuming the other independent variables are constant.

DISCUSSION

Tabel 4. Statistic Descriptif

	KL	PL	KAI	IOS
Mean	0.128733	0.131267	0.277600	2.593067
Median	0.114500	0.112000	0.122000	2.112500
Maximum	0.306000	0.260000	1.000000	7.114000
Minimum	0.001000	0.001000	0.022000	0.763000
Std. Dev.	0.074161	0.068012	0.341171	1.505823
Skewness	0.592100	0.023609	1.185782	1.036388
Kurtosis	2.875523	1.992848	2.848743	3.857900
Jarque-Bera	1.772283	1.270731	7.058992	6.290492
Probability	0.412243	0.529742	0.029320	0.043056
Sum	3.862000	3.938000	8.328000	77.79200
Sum Sq. Dev.	0.159494	0.134144	3.375533	65.75758
Observations	30	30	30	30

Data Sources : Eviews 9.0

Based on the descriptive statistical results in table 4.16 above, it can be explained that the amount of data (*observations*) used in this study were 30 data.

- Mean* is the average of the data, obtained by adding up all the data and dividing it by the data count (Winarno, 2015). The largest mean value experienced by the variable *investment*

opportunity set is 2.593067, while the earnings quality variable has the value *mean* smallest of 0.128733.

- *Median* is the middle value (or the average of two middle values if the data is even) if the data is sorted from the smallest to the largest. *Median* is a middle measure that is not easily influenced by *outliers*, especially when compared to the *mean* (Winarno, 2015). *The median* biggest experienced by the variable *investment opportunity set* is 2.112500, while the earnings persistence variable has the value *median* smallest of 0.112000.
- *Maximum* is the greatest value of data (Winarno, 2015). *The maximum* is largest experienced by the variable *investment opportunity set* that is 7.114000, while the earnings persistence variable has the value *maximum* smallest of 0.260000.
- *Minimum* is the smallest value of the data (Winarno, 2015). *The minimum* biggest experienced by the variable *investment opportunity set* is 0.763000, while earnings quality and earnings persistence variables have the value *minimum* smallest that is 0.001000.
- *Std. Dev (Standard deviation)* is a measure of data dispersion or spread (Winarno, 2015). The value *standard deviation* largest experienced by the variable *investment opportunity set* is 1.505823 which means that the variable *investment opportunity set* has a higher level of risk compared to other variables, while earnings persistence variable has the lowest risk level, which is equal to 0.068012. This shows that the earnings persistence variable during the study period experienced a change that was not too volatile.
- *Skewness* is a measure of asymmetry in the distribution of data around the *mean*. The skewness of a symmetrical distribution (normal distribution) is zero. *Positive skewness* shows that the data distribution has a long tail on the right side and *negative skewness* has a long tail on the left (Winarno, 2015). All variables in this study have positive values.
- *Kurtosis* measures the height of a distribution. *Kurtosis* of a data with normal distribution is 3. If *kurtosis* is less than 3, the distribution of data is flat (*platykurtic*) compared to the data with normal distribution (Winarno, 2015). For the variable *investment opportunity set* has a value of *kurtosis* more than 3, and for earnings quality variables, earnings persistence and internal audit quality have a value of *kurtosis* less than 3.
- *Jarque-Bera* is a statistical test to find out whether the data is normally distributed. This test measures differences in *skewness* and *kurtosis* data and compared with when the data is normal. H_0 on the normal distribution of data, test *Jarque-Bera* χ^2 distributed² with degrees of freedom (*degree of freedom*) of 2. *Probability* suggests the possibility of value *Jarque-Bera* exceeds (in absolute value) value observed under the null hypothesis. Small probability values tend to lead to the rejection of the null hypothesis of normal distribution (Winarno, 2015). Probability value of earnings persistence variable is 0.529742 (greater than $\alpha = 5\%$), we cannot reject H_0 that the data is normally distributed.

Based on testing of three panel data regression models, it can be concluded that the *Random effect model* in panel data regression is used further in estimating the effect of Persistence Earning, Internal Audit Quality, Investment Opportunity Set, affecting Profit Quality Against the 6 Manufacturing companies that were sampled in this study during the 2014-2018 period. In the panel data regression model based on *Generally Least Squared* (GLS) is the *Random Effect Model* (REM), thus there is no need to do a classical assumption test if the regression model used in the form is the *Random Effect Model* (REM). Because the classic

assumption test in panel data regression applies to models based on *Ordinary Least Squared* (OLS) namely the *Common Effect Model* (CEM) and *Fixed Effect Model* (FEM), thus the model needs to be tested in a classic assumption if the regression model used in the study shaped models are the *Common Effect Model* (CEM) and the *Fixed Effect Model* (FEM).

Tabel 5. F Test

Weighted Statistics			
R-squared	0.605252	Mean dependent var	0.042591
Adjusted R-squared	0.559704	S.D. dependent var	0.044434
S.E. of regression	0.029484	Sum squared resid	0.022602
F-statistic	13.28825	Durbin-Watson stat	1.573839
Prob(F-statistic)	0.000019		

Data Sources : Eviews 9.0

Based on testing the F test shows that the F-statistic value of 13.28825, while the F Table with a level of $\alpha = 5\%$, $df_1 (k-1) = 3$ and $df_2 (n-k) = 26$ the F table value of 2.98 is obtained. - statistic $13.28825 > F$ Table 2.98 and the value of Probability (F-statistic) $0.000019 < \alpha 0.05$ it can be concluded that H_a is accepted, thus it can be concluded that the independent variables in this study consisting of Persistence Earning, Quality of Internal Audit, Investment Opportunity Set, together have an influence on earnings quality.

Tabel 6. Adjusted R-Squared test

R-squared	0.605252
Adjusted R-squared	0.559704

Data Sources : Eviews 9.0

Based on testing of the Adjusted R-Squared test shows that the value of Adjusted R-squared is 0.559704, meaning that the variation of changes in the ups and downs of Persistence Earning (PL), Internal Audit Quality (KAI), Investment Opportunity Set (IOS), Profit Quality (KL)) equal to 55.9%, while the remaining 44.1% is explained by other variables not examined in this study.

Tabel 7. t Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.015456	0.028082	0.550397	0.5867
PL	0.881247	0.150383	5.860003	0.0000
KAI	0.069176	0.035429	1.952500	0.0617
IOS	-0.008332	0.008192	-1.016988	0.3185

Data Sources : Eviews 9.0

Based on testing the T test:

1. Value of t-statistic Persistence Earning (PL) of 5.860003, while t table with a level of $\alpha = 5\%$, $df (nk) = 26$, the t table value of 2.05553 is obtained. Thus t-statistic PL (5.860003) > t table (2.05553) and Probability value $0.0000 < 0.05$. Then H_a is accepted and H_0 is rejected, the

coefficient value shows a positive number, so it can be concluded that the Persistence Earning (PL) variable in this study has a positive influence on earnings quality (KL).

This is proven by PT Industri Jamu and Pharmacy Sido Tbk in 2018 which has a high earnings persistence value because that earnings persistence reflects the quality of the company's earnings which shows that the more persistent the profits obtained by the company, the greater the profit that can be expected in the future by investor. Because the investor's reaction is higher to the information that is expected to be consistent in the long run. The results of this study are in line with Rurianty (2016) which states that earnings persistence has a positive effect on earnings quality. But the research is not in line with Kurniawan (2016) whose test results show earnings persistence variable does not affect earnings quality because the profits obtained by these companies can increase continuously or stable in the future, so that the market reaction is higher for the information expected to apply consistently in the long run compared to information that is temporary.

2. The t-statistic value of Internal Audit Quality (KAI) is 1.952500, while t table with $\alpha = 5\%$ level, $df (nk) = 26$, the t table value is 2.05553. Therefore t-statistic KAI (1.952500) < t table (2.05553) and Probability value $0.0617 > 0.05$. Then H_a is rejected and H_0 is accepted, thus it can be concluded that Internal Audit Quality (KAI) variable in

this study has no influence on Profit Quality (KL). This was proven by PT Industri Jamu and Pharmacy Sido Tbk and PT Kimia Farma Tbk which have the most low quality internal audit values because the company does not pay too much attention to the composition of internal audits in the company in response to earnings, the lower the quality of internal auditors of a company, the more closed the company will be. So some of the activities in the audit process carried out are not in accordance with applicable standards where the results are not in favor of the quality of the profits obtained by the company. The results of this study are in line with Putri (2018) which states that Internal Audit Quality does not affect Profit Quality, where the existence of internal audit is very supportive of achieving effectiveness and minimizing any deficiencies or errors that may be detrimental to the company as much as possible, but investors do not pay attention to the number of auditors internal in a company because investors consider that internal audit is still within the scope of the company so that the low level of independence of an internal auditor.

3. The t-statistic Investment Opportunity Set (IOS) value is -1.016988, while t table with $\alpha = 5\%$ level, $df (nk) = 26$, the t table value is 2.05553. Thus t-statistic IOS (-1.016988) < t table (2.05553) and Probability value $0.3185 > 0.05$. Then H_a is rejected and H_0 is accepted, thus it can be concluded that the Investment Opportunity Set (IOS) variable in this study does not have an effect on earnings quality (KL).

This is proven by PT Asahimas Flat Glass Tbk in 2018 which has a low MVBVA value, because investors' motivation in investing is not to gain long-term profits. But rather to get short-term benefits. The growth opportunity factor is usually observed by investors who have a long-term perspective to get the interest rate from their investments. Investment opportunity set is not the center of investor attention in making investment decisions. So that investors do not pay much attention to the investment opportunity set of the company, but rather pay attention to the company's profit figures. The results of this study are in line with Kurniawan (2016) which states that the investment opportunity set has no effect on earnings quality. However, it is different from Wariato and Rusiti's research (2014) which states that

investment opportunity set has a positive effect on earnings quality. What is explained is that if the company has a high investment opportunity set, investors will respond positively because the company has favorable prospects so that the quality of its profits is high.

CONCLUSION

Based on the conclusions above shows that partially Persistence Earning has a positive effect on earnings quality, while Internal Audit Quality and Investment Opportunity Set has no effect on earnings quality. In the current fluctuating financial situation, investors who want to invest should look for companies that not only consider the condition of the company in terms of profits but also look at other aspects such as how to invest in the company and how the company audits the company. Thus, investors can determine measuring tools that describe the current condition of the company and in the future.

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