THE ROLE OF ACCOUNTANTS IN BUILDING ORGANIZATIONAL CULTURE AND IMPLEMENTING GOOD CORPORATE GOVERNANCE IN MODERN BUSINESS

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ABSTRACT

Good Corporate Governance Ultimately it became an important issue, especially in Indonesia which felt the worst impact of the crisis and continues to this day. Apart from that, the large number of cases of violations committed by issuer companies in the capital market handled by the Capital Market Supervisory Agency (BAPEPAM) shows the low quality of GCG practices in our country. The issue of Good Corporate Governance is a central theme at the beginning of the 21st century and is one of the factors that can increase the value of a company's image so that the company has superiority in the field of quality of service for its customers and the quality of life that can be obtained by its employees. Agency Theory is based on contractual relationships between members of a company, where the principal and agent are the main actors. The principal is the party who gives the mandate to the agent to act on behalf of the principal, while the agent is the party who is given the mandate by the principal to run the company. The agent is obliged to be responsible for what the principal has entrusted to him. This research is a qualitative type of research with an exploratory approach. This research found that the role of accountants in building organizational culture and implementing GCG in modern business has a positive impact on the quality of customer service and employee life. This confirms the hypothesis that strong GCG practices can improve the company's image and provide significant added value for stakeholders.

Keywords: Good Corporate Governance; agency theory; company image.

Recently, Good Corporate Governance has been widely discussed. Economic development is the main driver of national development, but economic development must be accompanied by mutually reinforcing and integrated efforts with development in other fields. Economic development and law have a reciprocal and close relationship. As stated by Abdillah & Jogiyanto (2015): "...renewing the basics of thought in the economic field also changes and determines the basics of the legal system in question, so the enforcement of appropriate legal principles will also facilitate the formation of an economic structure that is appropriate." desired, but on the contrary the enforcement of inappropriate legal principles will actually hinder the creation of the desired economic structure." [1] In line with that, Adynyana & Dewi (2020) stated "It is true that the economy is the backbone of society's welfare, and it is true that science and technology are the pillars that support the progress of a nation, but it cannot be denied that law is an institution that "Ultimately determining how the prosperity achieved can be enjoyed equally, how social justice can be realized in people's lives, and how advances in science and technology can bring happiness to the people at large." [2]

So, the management of agents or managers in companies has been studied since the 1930s. The management of large public companies is usually not the owner. In fact, most top management only own nominal shares in the companies they manage. When viewed from the development of corporate theory and its relationship with GCG needs, from an Agency Theory perspective, [3] succeeded in showing the development of GCG needs in classical, modern and post-modern corporate theories. In the description of Agency Theory above, it is stated that the behavior of managers/agents to act only to benefit themselves at the expense of the interests of other parties/owners, can occur because managers have complete information about the company, while this information is not owned by the company owner (in this case Asymmetric Information or AI arises). [4]

In Indonesia, GCG practices have been regulated in several laws and regulations, so that the implementation of GCG principles is driven by compliance with regulations (such as PT Law no. 40/2007, Bapepam-LK regulations, Bank Indonesia Regulation no. 8/4/ PBI/2006 which was amended to become no 8/14/2006 concerning GCG Regulations for commercial banks).[5] The results of research conducted by The Indonesian Institute for Corporate Governance (IICG) on 52 public companies (which were included in LQ45 for the period July 2000 to June 2001) showed that almost all respondents stated the importance of GCG, but 65% of respondents stated that they implemented GCG because Indeed, regulations require this, 30% stated that GCG is part of the company culture. The implementation of GCG is expected to improve the company's performance and added value. Increased company performance has an impact on the welfare of company management and shareholders. [5]

On the other hand, management has the potential to take actions through selecting accounting policies that have a positive impact on their own interests, and it is very possible that what management does will have a negative impact on the interests of company owners. In this regard, implementing GCG is an alternative to reducing earnings management practices. Earnings management emerged when accounting researchers tried to link the relationship between a particular economic variable and the manager's efforts to take advantage of that variable. Excessive earnings management will reduce the usefulness of financial reports in the view of investors.

The aim of GCG is essentially to create added value for all interested parties. These parties are internal parties which include the board of commissioners, directors, employees, and external parties which include investors, creditors, government, society and other interested parties (stakeholders). In practice, GCG is different in each country and company because it is related to economic, legal, ownership structure, social and cultural systems. These differences in practice have given rise to several versions regarding GCG principles, but basically they have many similarities.

The agency theory perspective regarding this research is that owners and managers are essentially difficult to create because of conflicting interests (Conflict of Interest). Conflicts and tug-of-war interests between principals and agents can give rise to problems which in Agency Theory are known as Asymmetric Information (AI), namely unbalanced information caused by unequal distribution of information between principals and agents. The dependence of external parties on accounting numbers, the tendency of managers to seek their own benefits and high levels of AI, lead to a great desire for managers to manipulate reported work for their own interests.

Due to this, financial reporting practices often lead to lack of transparency which can lead to conflicts between principals and agents. As a result of management behavior that is not transparent in presenting this information, it will become a barrier to GCG practices in companies because one of the basic principles of GCG is transparency (openness). Based on the description above, it can be said that in order to uphold GCG principles in companies in Indonesia, especially the principles of transparency and accountability, the presentation of high-quality and complete accounting information in annual reports is very necessary. This will provide optimal benefits for users of financial reports in making decisions. For this reason, in the following description we will discuss Agency Theory as the initial issue of Good Corporate Governance (GCG), then Good Corporate Governance and the principles that underlie it, and the role of accountants in upholding GCG principles in Indonesia. The concept of CG in this discussion is based on the perspective of private company organizations as an open system.

LITERATURE REVIEW

Good Corporate Governance

The term Corporate Governance (CG) was first introduced by the Cadbury Committee in 1992 in its report known as the Cadbury Report. There are many definitions of CG whose definition is influenced by the theory underlying it. Companies/corporations can be viewed from two theories, namely (a) shareholder theory (shareholding theory), and (b) stakeholder theory (stakeholding theory). Shareholding theory states that companies are founded and run for the purpose of maximizing the welfare of the owners/shareholders as a result of the investments they make. Shareholding theory is often referred to as classic corporate theory which was introduced by Adam Smith in 1776.

The definition of CG based on shareholding theory is given, namely the relationship between various participants (owners/investors and management) in determining the direction and performance of the corporation. [11]

Several Indonesian institutions have proposed definitions of CG, including the FCGI (Forum for Corporate Governance in Indonesia) which defines CG the same as the Cadbury Committee, while basically, CG is the process and structure applied in running a company, with the main aim of increasing shareholder value in the long term. long term, while still taking into account the interests of other stakeholders. Another definition of CG according to the Decree of the Minister of State/Head of the BUMN Investment and Development Agency No. 23/M PM/BUMN/2000 concerning the Development of GCG Practices in Corporate Companies (PERSERO), Good Corporate Governance is a healthy corporate principle that needs to be applied in company management which is carried out solely for the sake of safeguarding the company's interests in order to achieve the company's goals and objectives. Based on these definitions, it is clear that CG is an effort made by all parties with an interest in the company to run their business well in accordance with their respective rights and obligations. These principles are used to measure how far GCG has been implemented in the company. [12]

Further research states that there are 2 mechanisms to help equalize the differences in interests between shareholders and managers in the context of implementing GCG, namely: (1) the company's internal control mechanism, and (2) market-based external control mechanisms. The internal control mechanism is company control which is carried out by creating a set of rules that regulate the profit sharing mechanism, both in the form of profits, returns and risks which are agreed by the principal and agent. One choice of internal control mechanism to equalize the interests of shareholders and managers is a long-term incentive contract. This long-term contract is carried out by providing incentives to managers if the value of the company or the prosperity of shareholders increases, one of which is by giving share ownership to managers. Thus, managers will be motivated to increase the value of the company or increase the prosperity of shareholders because this will also increase wealth. manager himself. [13]

The effectiveness of the implementation of corporate governance is very dependent on the roles or actions carried out by the elements in the corporate governance structure. These elements are commissioners, both independent and non-independent, audit committee, share ownership by institutions, share ownership and audit services from reputable Public Accounting Firms (KAP). The hope is that the more effective the role played by the elements of the corporate governance structure, the more the quality of accounting information will be improved from the users' point of view. [14]

Agency Theory

*Agency Theory*based on contractual relationships between members of the company, where the principal and agent are the main actors. The principal is the party who gives the mandate to the agent to act on behalf of the principal, while the agent is the party who is given the mandate by the principal to run the company. The agent is obliged to be responsible for what the principal has entrusted to him. The application of agency theory can be realized in work contracts which will regulate the proportion of rights and obligations of each party while still taking into account overall benefits. An employment contract is a set of rules that regulate the mechanism for sharing results, both in the form of profits, returns and risks agreed by the principal and agent. [15]

Basically, agency theory is based on 3 (three) assumptions, namely: (a) assumptions about human nature, (b) assumptions about organizations, and (c) assumptions about information. Assumptions about human nature emphasize that humans have the nature of being self-interested, have limited rationality (bounded rationality), and do not like risk (risk aversion). Organizational assumptions are the existence of conflict between organizational members, efficiency as a productivity criterion, and the existence of Asymmetric Information (AI) between principals and agents. Meanwhile, the assumption about information is that information is seen as a commodity that can be bought and sold. Basically, agency theory is based on 3 (three) assumptions, namely: (a) assumptions about human nature, (b) assumptions about organizations, and (c) assumptions about information. Assumptions about human nature emphasize that humans have the nature of being self-interested, have limited rationality (bounded rationality), and do not like risk (risk aversion). Organizational assumptions are the existence of conflict between organizational members, efficiency as a productivity criterion, and the existence of Asymmetric Information (AI) between principals and agents. Meanwhile, the assumption regarding information is that information is seen as a commodity that can be bought and sold. [16]

Both principals and agents have a bargaining position. The principal as the owner of capital has the right of access to the company's internal information, while the agent who runs the company's operations has information about the company's operations and performance in real and comprehensive terms, but the agent does not have absolute authority in making decisions, especially decisions that are strategic, long-term and global. This is because these decisions remain the authority of the principal as the owner of the company. The existence of positions, functions, interests and backgrounds of principals and agents who are different and contradictory but need each other, inevitably in practice will give rise to conflict with mutual attraction of interests and influence between each other. [17]

Previous Research

No.	Source	Year	Title	Book Contents / Research Results	Publisher / Difference
1	Capital Market Implementing Agency (BAPEPAM)	1996	Annual Report (Annual Report)	Annual report covering capital market performance, current regulations and financial industry trends in Indonesia.	Capital Market Fact Book, Jakarta
2	Belkaoui, Ahmed R.	1981	Accounting Theory	Discusses accounting theories from conceptual and practical perspectives, including measurement, financial reporting, and the evolution of accounting standards.	Harcourt Brace Jovanovich, Inc.
3	Beaver, W.	1989	Financial Reporting: an Accounting Revolution	Presents a view of the revolution in financial reporting, with a focus on changes in accounting standards and their impact on business practices.	Prentice-Hall, Englewood Cliffs, NJ

4	Burrell, G. and Morgan, G.	1979	Sociological Paradigms and Organizational Analysis: Elements of Sociology of Corporate Life	Analyze various sociological and theoretical paradigms relevant to analyzing corporate organizations and culture in a social context.	Heinemann Educational Books Ltd., London
5	Carlson, Steven J.	1988	An Investigation of Investor Reaction to the Information Content of Going Concern Audit Report	Research regarding investors' reactions to audit report information regarding the company's business continuity and its implications for capital market perceptions.	QJBE, Summer, Vol. 37 No. 3
6	Financial Accounting Standards Board (FASB)	1978	Statement of Financial Accounting Concept No. 1. The Objective of Financial Reporting	Explain the main objectives of financial reporting and the basic concepts underlying accounting practice.	American Accounting Association
7	Financial Accounting Standards Board	1980	Statement of Financial Accounting Concept No. 2. Qualitative	Discusses the qualitative characteristics of accounting information	American Accounting Association

			Characteristics of Accounting Information	and the importance of relevant, reliable and meaningful information in decision making.	
8	Monks, RAG and Minow, N.	1995	Corporate Governance	A comprehensive review of corporate governance, focusing on the role of the board of directors, management, and shareholders in running a company ethically and effectively.	Blackwell Business, Oxford, UK
9	Law of the Republic of Indonesia Number 1 of 1995	-	Indonesian Limited Liability Company	Laws governing limited liability companies in Indonesia, including company structure, establishment procedures, and related legal regulations.	-

METHOD

The exploratory qualitative method used in this research emphasizes an in-depth understanding of the phenomenon studied, namely the role of accountants in building organizational culture and implementing Good Corporate Governance (GCG) in modern business. The analytical descriptive approach allows researchers to describe and analyze legal provisions and relevant theories, so that in-depth conclusions can be drawn. The main focus of this research is to provide a systematic, factual and accurate description of various facts, properties and relationships between phenomena related to this topic. In an exploratory qualitative context, this research is not limited to mathematical formulas or quantitative analysis, but rather puts forward a more in-depth and narrative understanding of the role of accountants in the context of organizational culture and GCG. This approach allows researchers to compile a comprehensive description of the dynamics and interactions that occur within organizations regarding accounting practices and compliance with GCG principles. [18]

Qualitative exploratory analysis also provides space for researchers to explore deeper meanings from the data obtained. Through this method, researchers can produce a richer and more contextual interpretation of the role of accountants in influencing organizational culture and the implementation of GCG in modern business. The data collected and analyzed are not just numbers or statistics, but also include narratives and context that provide a comprehensive understanding of the complexity of the phenomena observed. Additionally, an exploratory qualitative approach allows researchers to explore previously unexplored aspects of the field. This can give rise to new insights or a deeper understanding of the role of accountants in establishing a healthy organizational culture and effective application of GCG principles in the contemporary business environment. Thus, this research not only produces data, but also contributes valuable conceptual thinking in the context of modern accounting practice.[19]

So here, the exploratory qualitative method applied in this research allows readers to gain a deep and comprehensive understanding of the important role of accountants in forming a transparent organizational culture and supporting the implementation of Good Corporate Governance in a continuously developing business context. This approach encourages the development of new ideas and makes a significant contribution to literature and practice in the fields of accounting and management. [20]

RESULTS AND DISCUSSION

The corporate governance mechanism is a clear set of rules, procedures and relationships between the parties who make decisions and the parties who control/supervise those decisions. Governance mechanisms are directed at ensuring and monitoring the operation of the governance system in an organization. This means that there are 2 mechanisms to help equalize the differences in interests between shareholders and managers in the context of implementing GCG, namely: (1) the company's internal control mechanism, and (2) market-based external control mechanism.

The internal control mechanism is company control which is carried out by creating a set of rules that regulate the profit sharing mechanism, both in the form of profits, returns and risks agreed by the principal and agent. One choice of internal control mechanism to equalize the interests of shareholders and managers is a long-term incentive contract. This long-term contract is carried out by providing incentives to managers if the company value or shareholder prosperity increases, one of which is by giving share ownership to managers. Thus, managers will be motivated to increase company value or increase shareholder prosperity because this will also increase the manager's own wealth.

In realizing GCG in companies in Indonesia, there are two aspects of balance, namely internal and external balance. Internal balance is carried out by presenting information that is useful in performance evaluation, information about the company's resources, all internal transactions and events, and information for internal management decisions. Meanwhile, external balance is carried out by presenting business information to shareholders, creditors, banks and other interested organizations.

To realize these two aspects of balance, there are four basic principles of GCG practice which have been discussed previously. These four basic principles must be a reference in running the company. One way to make this happen is by providing open and complete information about the activities carried out by the company in its annual financial reports. The 1994 Financial Accounting Standards (SAK) state that the information presented in financial reports must follow the principle of full disclosure. Likewise, BAPEPAM as the capital market regulatory body in Indonesia has determined that all companies that have gone public in Indonesia must implement the principle of full disclosure in their financial reports and this is part of GCG enforcement efforts.

In the description of Agency Theory, it is stated that the behavior of managers/agents to act only to benefit themselves at the expense of the interests of other parties/owners, can occur because managers have complete information about the company, while this information is not owned by the company owner (in the case of this arises Asymmetric Information or AI). The existence of AI and self-serving behavior in managers/agents allows them to make decisions and policies that are less beneficial to the company. The existence of this condition gives rise to unhealthy corporate governance because there is no openness from management to reveal the results of its performance to the principal as the owner of the company. Agency Theory analyzes and seeks solutions to two problems that arise in the relationship between principals (owners/shareholders) and their agents (management).

Efforts to uphold the principles of Good Corporate Governance in companies that have gone public by BAPEPAM continue. The objectives are (a) to maintain the continuity of the company's business with better management, a clear organizational structure, and an accurate management information system, (b) to reduce the existence of information asymmetry between management and company owners, and (c) to maintain public trust by disclosing information. quality in its annual report. Even though efforts to implement GCG continue, GCG practices in companies in Indonesia still have weaknesses. According to Herwidayatmo (2000), practices in Indonesia that are contrary to the concept of GCG can be grouped into (a) concentration of ownership by certain parties which allows for affiliate relationships between owners, supervisors and directors of the company, (b) ineffectiveness of the board of commissioners, and (c) weak law enforcement.

In relation to GCG principles, the role of accountants is significantly involved in various activities implementing each GCG principle as follows:

1. Principle of Fairness (fairness). A financial report is said to be fair if the financial report obtains an unqualified opinion from a public accountant. A fair financial report means that the financial report does not contain material misstatements, is presented fairly in accordance with generally accepted accounting principles in Indonesia (in this case, Financial Accounting Standards). The role of independent accountants (public accountants) is to provide confidence in the quality of financial information by providing an independent opinion on the fairness of the presentation of information in financial reports. The fairness of financial reports can influence investors to buy or withdraw their shares in a company. It is clear that the usefulness of accounting information in financial reports will be influenced by the fairness of the presentation. Fairness of presentation can be fulfilled if the existing data is supported by valid and correct evidence and the presentation is not aimed only at a certain group of people. For management accountants, even though they work for management, they still have to maintain their professionalism because accountants as a profession in carrying out their duties are limited by a code of ethics and they have to maintain the public trust of the community. It is true that conflicts often occur within accountants who work for companies because on the one hand they have to adhere to the professional code of ethics, but on the other hand, sometimes they have to comply with the wishes of the management of the company where they work to do work that is not in accordance with the code of ethics. If something like this happens, the decision on which side to stand is up to the accountant. If the accountant has integrity in carrying out his duties, of course he will still adhere to professional ethics to disclose accounting information in the company's financial reports fairly in accordance with applicable principles and standards.
2. The principle of accountability is one of the important pillars of modern corporate governance. This reflects management's responsibility to

ensure effective oversight of various aspects of the company's operations, including finance. One mechanism commonly used to fulfill the principle of accountability is to form an audit committee. BAPEPAM, as the capital market authority in Indonesia, requires that the audit committee must consist of a minimum of 3 members, and one of them must have an accounting background. The audit committee has a key role in protecting the interests of shareholders and other interested parties in the company. The main task of the audit committee is to conduct a comprehensive review of the reliability and integrity of the information presented in financial reports and other operational reports. By conducting these reviews, the audit committee helps ensure that the information published by the company is reliable and provides an accurate picture of the company's performance and financial position.

3. Transparency. Apart from the principle of accountability, the principle of transparency is also very important in the context of company information management. Transparency relates to the quality of information conveyed by the company to stakeholders, especially investors. The level of investor confidence in a company is greatly influenced by the quality of information presentation that is clear, accurate, timely, and can be compared with relevant indicators. In this context, management accountants play a central role. They are responsible for providing high quality information to company management, so that this information can be published transparently to the public. Management accountants must be able to collect, analyze and present relevant information in an understandable and reliable manner. They must also ensure that the information they present can be compared with relevant standards or indicators in a particular industry or sector. Openness and quality of information conveyed by companies through the principle of transparency is not only a legal obligation, but also an important factor in building trust and company reputation in the eyes of stakeholders. Management accountants, with their expertise and knowledge, play a role at the forefront in ensuring that the principle of transparency is properly fulfilled in managing company information. Thus, the principles of accountability and transparency are very important foundations for good corporate governance. Through commitment to these two principles, companies can build strong relationships with stakeholders and make a positive contribution to long-term business growth and sustainability.

In the context of modern business, the role of accountants is very important in building a strong organizational culture and implementing Good Corporate Governance (GCG) effectively. Accountants are not only responsible for managing and reporting financial information, but also have a strategic role in establishing the values, principles and practices that support a company's success. The following is a more in-depth discussion regarding the role of accountants in building organizational culture and implementing GCG in modern business:

1. Strategic Information Provider: Accountants act as providers of strategic information for company management and stakeholders. They present financial and non-financial data that is important for informed decision making, helping to shape an evidence- and analysis-based organizational culture.
2. Application of Ethical Principles: Accountants play a key role in applying ethical principles in business activities. They are expected to act with integrity, objectivity and professionalism in carrying out their duties, which contributes to the establishment of an organizational culture of dignity and responsibility.
3. Internal Audit and Compliance: In the context of GCG, accountants are responsible for carrying out internal audits and ensuring compliance with relevant policies and procedures. Internal audit helps identify risks and provide recommendations for improvement, which is important to strengthen the company's GCG structure.
4. Internal Control System Development: Accountants are involved in the development and implementation of effective internal control systems. This system is designed to secure company assets, prevent fraud, and ensure the accuracy of financial information.
5. Transparent Financial Reporting: Accountants are responsible for compiling and reporting financial information transparently and accurately. This includes ensuring that financial reports comply with applicable accounting standards and provide a clear picture of the company's performance and financial position.
6. Risk Management: Accountants help in the identification, evaluation, and management of corporate risks. They play a role in designing effective risk mitigation strategies, which are important to support strong GCG principles.
7. Collaboration with External Parties: Accountants collaborate with external parties such as independent auditors, regulators and other stakeholders to ensure that GCG practices are implemented properly and transparently.
8. Employee Development: Accountants can contribute to employee development by providing training related to accounting, internal control and GCG principles. This can strengthen awareness and commitment to the desired organizational culture.
9. Performance Monitoring: Accountants help in monitoring company performance by providing financial and non-financial analysis on a

regular basis. It helps management to identify improvement opportunities and measure progress against strategic goals.

10. Legal Compliance Enforcement: Accountants ensure that the company complies with all regulations and laws related to finance and GCG. They also assist in preparing financial reports for compliance with legal obligations.

Meanwhile, for the role of accountants in shaping culture, in the context of forming organizational culture, the role of accountants has a significant impact. Through a deep understanding of the principles of Good Corporate Governance (GCG), accountants can become agents of change in creating a transparent and accountable company environment. The results of this research show that accountants who are actively involved in implementing GCG are able to form a culture that emphasizes integrity, high work ethics and accountability at all levels of the organization. For example, internal control practices implemented by accountants can strengthen a compliance-oriented culture and effective risk management. The role of accountants in shaping organizational culture is also reflected through their contribution in developing a clear and accurate reporting system. By ensuring timely and reliable financial information, accountants help create an environment where transparency and accountability are prioritized. This research found that organizations that have good financial reporting practices tend to have a culture that values honesty and professionalism.

Apart from that, accountants also play an important role in building strong relationships between management and stakeholders. Through comprehensive internal and external audits, accountants can provide external stakeholders with confidence about the integrity and reliability of company operations. Thus, accountants not only act as guardians of company finances, but also as builders of trust and a strong reputation in the eyes of the public. The importance of accountants' role in shaping organizational culture is evident from their involvement in the process of developing ethical policies and professional standards. This research reveals that the adoption of high ethical standards in accounting practices can form a culture in which responsible and moral behavior is widely promoted. Accountants who consistently comply with the professional code of ethics play a key role in establishing an organizational culture of integrity and sustainability.

Overall, the role of accountants in shaping organizational culture goes beyond the purely financial aspects. They contribute significantly in creating a work environment based on ethical values, transparency and accountability. Therefore, investing in the development of the accounting profession and implementing good GCG practices can be an important foundation in building a strong and sustainable organizational culture. The results of this research clearly support the hypothesis that the active role of accountants in implementing Good Corporate Governance (GCG) contributes positively to the formation of an organizational culture that is transparent, accountable and oriented towards compliance and integrity. The findings show that accountants have a crucial role in creating an environment where GCG values are reflected in the company's daily practices, which in turn improves the company's image and stakeholder trust.

CONCLUSION

Based on the description above, it is clear that the accounting profession is the main element of GCG, so that GCG enforcement cannot take place without the involvement of the accounting profession. Unfortunately, this main role is widely doubted by various parties due to audit failures which have resulted in many recent financial scandals. It is indeed not easy to maintain the independence of examining accountants (auditors) in carrying out their duties. The existence of financial cases involving the accounting profession is proof that the independent attitude that accountants must have is difficult to maintain. This is because these auditors or accountants have ambiguous responsibilities. On the one hand, they must behave and work for the company that pays them, on the other hand, they must pay attention to the interests of investors who depend entirely on the truth of their audit reports. However, it should be noted that, from an agency theory perspective, the financial scandal that occurred not only illustrates the 'failure' of external auditors in carrying out their functions as parties working in the interests of principals (shareholders), but also indicates the dysfunction of management accountants or internal auditors who work for the agent's benefit. This is because one of the main functions of internal auditors is to ensure that procedures are carried out as they should (compliance) and prevent deviant financial transactions and other fraud. It turns out that internal auditors are unable to detect fraud and financial manipulation early.

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