THE INFLUENCE OF GOOD CORPORATE GOVERNANCE ON PROFIT MANAGEMENT: A CASE STUDY OF SHARIA COMMERCIAL BANKS REGISTERED IN FINANCIAL SERVICES AUTHORITY

An Nisa' Sakinatul Ahliyah[1], Nina Dwi Setyaningsih[2]
[1,2]Faculty of Economics, Universitas Islam Negeri Maulana Malik Ibrahim Malang
Jl. Gajayana No.50, Dinoyo, Malang City, East Java, 65144, Indonesia
nina_ds@akuntansi.uin-malang.ac.id

ABSTRACT
Profit is a key indicator of a company's performance, with higher profits reflecting better performance. Management may engage in earnings management to meet profit targets. To mitigate the risks of fraudulent earnings management, effective corporate governance is essential. This study investigates the impact of the board of commissioners' size, independent commissioners, Sharia supervisory board, audit committee, and company size on earnings management. The sample consists of 14 Islamic Commercial Banks registered with the Financial Services Authority from 2013 to 2020, selected using purposive sampling. Hypothesis testing results using the T test reveal that the board of commissioners' size does not significantly impact earnings management (significance level of 0.256). The independent commissioner variable positively and significantly affects earnings management (significance level of 0.000). The Sharia Supervisory Board has no significant impact on earnings management (significance level of 0.964). The audit committee variable also shows no significant effect (significance level of 0.844), and the firm size variable does not affect earnings management (significance level of 0.238).

Keywords: Good Corporate Governance, Board of Commissioners Size, Independent Commissioner, Sharia Supervisory Board, Audit Committee, Company Size, Earnings Management

INTRODUCTION

Sharia banking is an organization that relates to conventional banking. This kind of banking includes Business Unit which runs all of its business activities based on sharia principles. The disclosure of financial statements in sharia banking should be transparant or open for helping the related parties to make decisions (Anggraini, 2019). Based on OJK (Financial Services Authority) data in December 2020, there are 14 Sharia Commercial Banks (BUS) and 34 Sharia Business Units in Indonesia.

The operational activities of a company relate to the preparation and presentation of financial reports. One of the significant elements of financial reports can be used to measure performance and operational target of the company. The element is profit (Puspitowati and Mulya, 2014). Management, especially the manager whose performance is measured by profit level, realizes the tendency of profit to motivate the manager to make profit management (Arifin dan Destriana, 2016).

Prastiti and Meiranto (2013) explained that a way to avoid excessive profit management practices is a good implementation of corporate governance in the company to manage the running of a healthy and clean business, and it can be used as a standard or benchmark in controlling corporate accountability and creating corporate welfare and prosperity. For implementing good corporate governance, there should be a good and accurate controlling and supervising pattern to manage a business (Sulistyanto, 2008).

The company management activities need independent parties for a company manager. Good corporate governance is proxied in the measurement variable of the board of commissioner, independent commissioner, board of sharia supervisor, audit committee, and company size. The research of Rahmadani and Cahyonowati (2022) regarding on *good corporate governance* was measured by the independent commissioner and audit committee.

The purpose of this research is to determine the impact of *good corporate governance* on profit management (a study on sharia commercial banks registered in Financial Services Authority in 2013-2020).

LITERATURE REVIEW

Agency Theory

Agency theory is an agency problem that exists between the owner of a company and manger, especially for companies that implement *manager controlled*. The shareholders have troubles in observing and monitoring the managers' activities because all of them have the equal authorities and voting rights without distinguishing between preferred and common shareholders (Sulistyanto, 2008).

Profit Management

Profit management (or called profit control/handling) is an action that is conducted by management to influence and intervene the financial reports (Sulistyanto, 2008). It can be interpreted as a manipulation of external financial statements only for personal interest and benefit (Kodriyah et al, 2017). Setyani (2020) explained that profit management actions can select the accounting policy method that corresponds to the management's goal.

The profit control is measured by counting *Discretionary Accrual*. Measuring with *discretionary accrual* as a product of profit mangement uses Jones Model that was modified by Dechow et al., 2015. This model is the best way to detect the earning management practices. These are the steps to count the *discretionary accrual*:

1) Counting *Total Accrual*

$$TACit = Nit - CFOit$$

Description:
TACit = *Total Accrual* on company I in t period
N_{it} = *Net Income* on company I in t period
CFO_{it} = *Cash Flow from Operating Activities* on company I in t period

2) Counting *accruals* value with the equation of simple linear regression or *Ordinary Least Square* (OLS):

$$\left(\frac{TAit}{Ait-1}\right) = \beta 1 \left(\frac{1}{Ait-1}\right) + \beta 2 \left(\frac{\Delta REVit}{Ait-1}\right) + \beta 3 \left(\frac{PPEit}{Ait-1}\right)$$

Descrip
TA_{it} = *Total Accrual* on company I in t period
A_{it}-1 = *Total Assets* on company I in t period
ΔREV_{it} = *Earning change* on company I during t period and company I in t-1 period
PPE_{it} = *Fixed Assets Value* on company I in t period

3) Counting *Non Discretionaty Accruals* (NDA) value with the equation:

$$NDAit = \beta 1 \left(\frac{1}{Ait-1}\right) + \beta 2 \left(\frac{\Delta REVit}{Ait-1} - \frac{\Delta RECit}{Ait-1}\right) + \beta 3 \left(\frac{PPEit}{Ait-1}\right)$$

NDA_{it} = *Non Discretionaty Accruals* on company I in t period
A_{it}-1 = *Total Assets* on company I in t period
ΔREV_{it} = *Earning change* on company I during t period and company I in t-1 period
ΔREC_{it} = *Receivable change* on company I during t period and company I in t-1 period
PPE_{it} = *Fixed Assets Value* on company I in t period

4) Counting *Discretionaty Accruals* (DA) with the equation:

$$DAit = P \left(\frac{TAit}{Ait-1} - NDAit\right)$$

Description:
DA_{it} = *Discretionaty Accruals* on company I in t period
A_{it}-1 = *Total Assets* on company I in t period

TA_{it} = *Total Accruals* on company I in t period
NDA_{it} = *Nondiscretionaty Accruals* on company I in t period

The Size of Board of Commissioner
Board of commissioner is the highest internal control mechanism that responsible to monitor the actions of top management. It is an organ of the company that responsible collectively to monitor and give suggestions to the management and it makes sure that the company applies GCG (Thesarani, 2017). The size of board of commissioner here is the total members in the company. The measurement uses nominal scale and formula as follows (Lekok and Febrina, 2021):

$$BOC = \textit{The total Members of Board of Commissioner}$$

Independent Commissioner
Independent commissioner is the part of regulator members that does not have direct relation to directors, part of management, and the other members of board of commissioner. With this independent commissioner, it can help the minority shareholders and other related parties to protect them on the decision-making process, and it will be the mediator in the issue (Rusdiyanto et al, 2019). The measurement of its proportion uses ratio scale and formula as follows (Lekok and Febrina, 2021):

$$K1 = \frac{\textit{Total Independent Commissioner}}{\textit{Total Board of Commissioner}}$$

Board of Sharia Supervisor
Board of sharia supervisor is one of the corporate governance parts that has responsibilities to observe and monitor all activities of banking and financial institutions to ensure that the activities are applied in sharia principle (Rusdiyanto et al, 2019). The measurement of this board uses nominal scale and formula as follows (Lekok and Febrina, 2021):

$$DPS = \textit{Total of Board of Sharia Supervisor}$$

Audit Commissioner
Audit commissioner that has a larger number in an institution, plays role in supervising management (agent) for not harming the company owners (principals) and improves the monitoring function to the management (Nainggolan, 2021). The measurement of audit commissioner uses nominal scale and formula as follows (Lekok and Febrina, 2021):

$$KA = \textit{Total Members of Audit Commissioner}$$ Company Size

Company size is the total assets owned by a company. In short, total assets is a basic of the measurement. The measurement of company size uses ratio scale with the formula as follows (Anggraini and Widjaja, 2021) :

$$FS = Ln\ Total\ Assets$$

HYPOTHESIS

The Impact of Commissioner Board Size on Profit Management
Comission board as the significant organ of a company has a responsibility to supervise and give a guidance to directors and monitor the activities of managers. The board will assist the company for *good corporate governance* to get a better image and to avoid dishonesty. It will minimize the profit management practices (Zarkasyi, 2020).

Studies that were conducted by Mabruroh et al. (2017), Rahmawati et al. (2017), Setiawan (2018), and Kusumastuti and Prasetiono (2020) found that the size of commissioner board has a negative influence on profit mangement. However, studies that were conducted by Pricilia and Susanto (2017), Putra (2019), Syamsudduha (2021) found that the commision board's size has positive influence to profit management. From the exposures above, it is formulated as follows:
H1: The size of commissioner board has significant negative impact on profit management

The Impact of Independent Commissioner on Profit Management

The existence of an independent board of commissioner is as important as the board that oversees and assesses management performance. The presence of a high numbers of independent commissioners provides benefits in agency theory to give transparency to management performance and reduce various actions based on management's personal interests (Indrasari, 2016).

Studies of Ermawati and Anggraini (2020), Putri (2020), Anggreni and Adiwijaya (2020), Kusumastuti and Prasetiono (2020), and Silfi et al. (2021) explained that independent commissioner board has negative impact to profit handling. It means that the members of board have a higher authority to minimize profit management practices. In the contrary, Sutino and Khoirudin (2016), Febrina et al. (2018), Sucitra et al. (2020), and Handini (2021) found that the board has positive influence to profit control. From those exposures, we can formulate them as follows:

H2: Independent commissioners has significant negative impact on profit management

The Impact of Board of Sharia Supervisor on Profit Management

Sharia supervisory board is a group of experts in sharia issue who have authority to give suggestions and advices to management. It also has a responsibility to supervise the existing sharia aspects in the operational activities of sharia banks (Ermawati and Anggraini, 2020).

Dyah et al. (2018), Triady (2019), and Arif and Purwanto (2020) showed their research's results that sharia supervisory board has negative impact to profit management. It is different with the empirical studies of Putra (2019), Novitasari et al. (2019), Ermawati and Anggraini (2020), the board of sharia supervisor has positive influence to profit control. From the explanations above, it can be formulated as follows:

H3: The Board of Sharia Supervisor has significant negative impact on profit management.

The Impact of Audit Committee on Profit Management

The number of audit commissioner should be adjusted to the complexities found in a company. It has tasks to ensure and optimize the performance of board. If the audit board runs its tasks effectively, the statement quality will be qualified and free of dishonesty (Rusdiyanto et al., 2019).

The studies of Putra (2019), Natsir and Badera (2020), Sari and Susilowati (2021), Reni (2022), and Hanafiah et al. (2020) showed that audit board has negative impact to profit handling. It means that the members of the board are able to minimize the practices of profit management. However, the researchers of Sudjatna and Muid (2015), Lufita and Suryani (2018), Zakia et al, (2019), Setyani (2020) showed that audit committee has positive influence to profit control. From the exposures above, it can be formulated as follows:

H4: Audit Committee has significant negative impact on profit management.

The Impact of Company Size on Profit Management

Panjaitan and Muslih (2019) explained that the indicators of big firms can be seen from how they grow to a positive direction. These companies will attract investors to come. A big and stable business will try to maintain and improve its performance, and increase other parties' trust to have partnership with the company.

Big firms do not implement profit control to maintain their shareholders' and investors' trust. Arthawan and Wirasedana (2018), Panjaitan and Muslih (2019), Setyani (2020), and Pramitha (2021) showed that the company size has negative impact to profit handling, the larger companies the smaller tendencies to make profit management practices. In the contrary, the studies of Pricilia and Susanto (2017), Zakia et al (2019), Romadhaniah and Lahaya (2021) showed that the company size has positive influence to the profit control. From the opinions above, it can be formulated as follows:

H5: The company size has significant negative impact on profit management.

METHODS

This research uses quantitative study with descriptive approach. This method is used to test hypotheses. The population of this study is sharia commercial banks in Indonesia and they are registered in Financial Services Authority in 2013-2020. Determining sample of the study uses *Purposive Sampling*.

Table 1. Samples of the Study

No.	Description	Total
1	Sharia Commercial Banks registered in Financial Services Authority in 2013-2020	14
2	Sharia Commercial Banks unregistered in Financial Services Authority consecutively in 2013-2020	(3)
3	Sharia Commercial Banks unpublished their financial statements regularly during 2013-2020	(2)
Total selected samples of the study		9
Total samples during 2013-2020		72

Data source: Author's processeded data

Method of Data Analysis

Descriptive Statistical Test

Descriptive statistics is a statistical method to analyze data by describing data collected as the real data without making exaggerated conclusions to public or generalization (Sugiyono, 2019).

Classical Assumption Test

Before doing the multiple regression analysis, the data is tested by using classical assumption test to get a good regression model, which must be free from normality, multicollinearity, heteroscedasticity, and autocorrelation.

The Analysis of Multiple Linear Regressions

According to Sugiono (2015), the analysis of multiple linear regression is used by researchers to recognize how the position or state of dependent variables (criterium) when two or more independent variables as the prediction factors are manipulated or changed their values. This analysis is used when independent or dependent variables are more than two variables. The equation of multiple liner regression is:

$$EM = \alpha + \beta 1BOC + \beta 2KI + \beta 3DPS + \beta 4KA + \beta 5FS + e$$

Hypothesis Test

This research uses *t-statistical test* (partial). In the multiple regression, it is tested in the significant level < 0.05. The criteria of partial hypothesis test are: If Sig < 0.05 or t-count > t-table on α = 5% (0.05), there is an effect on independent variables (X) to dependent variables (Y). If Sig > 0.05 or t-count < t-table on α = 5% (0.05), there is no effect on independent variables (X) to dependent variables (Y).

Determination Coefficient Test

Determination coefficient (R2) basically measures how the model describes or explains variations of dependent variables (Y) (Ghozali, 2006).

RESULTS

The Results of Descriptive Analysis Test

Table 2. The Result of Descriptive Analysis Test
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
BOC	72	2,00	6,00	3,7361	,88800
KI	72	,00	1,00	,5278	,25741
DPS	72	2,00	4,00	2,3194	,49863
KA	72	,00	8,00	3,5556	1,49071
FS	72	27,91	32,47	30,2318	1,25629
ML	72	-1,11	,79	,0365	,22426
Valid N (listwise)	72				

The results of the study show that the linear regression model on the size of commissioner board, independent commisioner, board of sharia supervisor, audit committee, and the size of company to profit management has points that tend to close and follow the diagonal lines, so it can be concluded that the data used in this study is normally distributed.

Table 3. The Result of *Kolmogrov-Smirnov* Analysis Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		72
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	,19428976
Most Extreme Differences	Absolute	,138
	Positive	,087
	Negative	-,138
Kolmogorov-Smirnov Z		1,168
Asymp. Sig. (2-tailed)		,131

a. Test distribution is Normal.

b. Calculated from data.

Source: Data is processeded by the researcher with SPSS (2022)

Based on the table above, it is observed that Sig > 5% (0.05) is 0.131, so that the data used in this study is distributed normally.

The Result of Multicollinearity Test

Table 4. The Result of Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	1,058	,796		1,329	,188		
	BOC	-,042	,037	-,167	-1,146	,256	,538	1,859
	KI	,419	,110	,481	3,817	,000	,715	1,399
	DPS	-,002	,054	-,005	-,045	,964	,779	1,284
	KA	,004	,020	,026	,197	,844	,647	1,545
	FS	-,036	,030	-,203	-1,191	,238	,393	2,546

a. Dependent Variable: ML

Source: Data is processed by the researcher with SPSS (2022)

Based on the table above, it can be seen that the tolerance value is over 0.10 and VIF is under 10.00, so the entire information is not in multicollinearity condition.

The Result of Heteroscedasticity

Table 5. The Result of Glejser Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	,227	,589		,384	,702
	BOC	-,022	,027	-,133	-,821	,415
	KI	-,126	,081	-,218	-1,555	,125
	DPS	-,004	,040	-,012	-,091	,928
	KA	-,002	,015	-,017	-,115	,908
	FS	,002	,022	,017	,090	,928

a. Dependent Variable: ABS_RES

Source: Data is processed by the researcher with SPSS (2022)

Based on the table above, it can be seen that there is no *heteroscedasticity* viewed by the Sig value on each variable > 5%.

The Result of Autocorrelation Test

Table 6. The Result of Durbin Watson Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,499[a]	,249	,193	,20151	1,997

a. Predictors: (Constant), FS, DPS, KI, KA, BOC

b. Dependent Variable: ML

Source: Data is processed by the researcher with SPSS (2022)

The result of *Durbin-Watson* value is 1.997, so that it can be concluded that DU < DW < (4-DU) are 1.7688 < 1.997 < 2.2312 or it can be said that there is no autocorrelation.

The Result of Multiple Regression Analysis

Table 7. The Result of Multiple Regression Analysis Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1,058	,796		1,329	,188		
	BOC	-,042	,037	-,167	-1,146	,256	,538	1,859
	KI	,419	,110	,481	3,817	,000	,715	1,399
	DPS	-,002	,054	-,005	-,045	,964	,779	1,284

Source: Data is processed by the researcher with SPSS (2022)

Based on Table 7, the equation is:

ML = 1,058 + (-0,042)BOC + 0,419KI – 0,002DPS – 0,004KA – 0,036FS

Description :

ML = Profit Management
BOC = Size of Board Of Commisionner
KI = Independent Commissioner
DPS = Board of Sharia Supervisor
KA = Audit Committee
FS = Size of Company

Based on the equation of multiple linear regression, it can be concluded that constant value is 1.058 that describes variables of BOC, KI, DPS, KA, and FS have values equal to zero (0), so dependent variable of ML is 1.058. The BOC regression coefficient is -0.042 and it has negative value, which means that if the board of commissioner (BOC) size variable decreases by 1 unit, the dependent variable, namely profit management (ML), will also decrease by -0.042 and vice versa. The KI regression coefficient value 0.419 and it has a positive value, which means that if the independent commissioner (KI) variable increases by 1 unit, the dependent variable, namely profit management (ML) will also increase by 0.149 and vice versa. The DPS regression coefficient value is -0.002 and it has negative value, which means that if the sharia supervisory board variable (DPS) decreases by 1 unit, the dependent variable, namely profit control (ML) will also decrease by -0.002 and vice versa. The KA regression coefficient value is -0.004 and it has negative value, which means that if the audit committee (KA) variable decreases by 1 unit, the dependent variable, namely profit management (ML) will also decrease by 0.004 and vice versa. The FS regression coefficient value is -0.036 and it has negative value, which means that if the company size (FS) variable decreases by 1 unit, the dependent variable, namely profit handling (ML) will also decrease by -0.036 and vice versa.

The Result of Hypothesis Test

Table 8. The Result of Hypothesis Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1,058	,796		1,329	,188		
	BOC	-,042	,037	-,167	-1,146	,256	,538	1,859
	KI	,419	,110	,481	3,817	,000	,715	1,399
	DPS	-,002	,054	-,005	-,045	,964	,779	1,284
	KA	,004	,020	,026	,197	,844	,647	1,545
	FS	-,036	,030	-,203	-1,191	,238	,393	2,546

a. Dependent Variable: ML

Source: Data is processed by the researcher with SPSS (2022)

The Impact of The Size of Commissioner Board on Profit Management

Based on the test result on Table 8, it was obtained *t*-value -1.146 that is smaller than *t*-

table of 1.66629, while the significant value = 0.256 > α = 0.05. It can be concluded that the size of commissioner board (BOC) has negative direction and insignificant to profit management. Therefore, the first hypothesis of the study is rejected because there is no impact between the size of commissioner board and profit management.

The Impact of Independent Commissioner on Profit Management
Based on the test result on Table 8, it was obtained *t*-value 3.817 meaning that it is more than *t*-table of 1.66629 which has positive direction with significant value of 0.000 that was smaller than α = 0.05. It can be concluded that independent commissioner (KI) has positive and significant directions to profit management. Therefore, the second hypothesis of the study is rejected. It can be concluded that independent commissioner has significant positive influence to profit management.

The Impact of Sharia Supervisory Board on Profit Management
Based on the test result on Table 8, it was obtained *t*-value -0.045 meaning that it is smaller than *t*-table value 1.66629 with significant level 0.964 that is more than α = 0.05. It can be concluded that sharia supervisory board (DPS) has negative direction and insignificant to profit management. Therefore, the third hypothesis of the study is rejected which means that there is no impact between sharia supervisory board and profit management.

The Impact of Audit Committee on Profit Management
Based on the test result on Table 8, it was obtained *t*-value -0.197 meaning that it is smaller than *t*-table value 1.66629 with significant level 0.844 that is more than α = 0.05. It can be concluded that audit committee has negative direction and insignificant to profit management. Therefore, the fourth hypothesis of the study is rejected which means that there is no impact between audit committee and profit management.

The Impact of the Size of Company on Profit Management
Based on the test result on Table 8, it was obtained *t*-value -1.191 meaning that it is smaller than *t*-table value 1.66629 with significant level 0.238 that is more than α = 0.05. It can be concluded that company size (FS) has negative direction and insignificant to profit management. Therefore, the fifth hypothesis of the study is rejected which means that there is no impact between the size of company and profit management.

The Result of Determination Coefficient Test

Table 9. The Result of Determination Coefficient Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,499[a]	,249	,193	,20151	1,997

a. Predictors: (Constant), FS, DPS, KI, KA, BOC

b. Dependent Variable: ML

Source: Data is processed by the researcher with SPSS (2022)

Based on the result of the study, it can be seen that *R-square* value is 0.249, so it can be concluded that variable capabilities such as the size of commissioner board, independent commissioner, sharia supervisory board, audit committee, and the size of company give impacts to profit management for 24.9% and another 75.1% is influenced by other variables that are not used in this study.

DISCUSSION

The Impact of the Size of Commissioner Board onProfit Management
Based on the hypothesis test results, they shows that the size of commissioner board does not influence significantly on profit management. It is not in accordance with the hypothesis

that has been proposed by the researcher that the size of commissioner board has significant negative impact to profit control. It means that more members of commissioner board do not influence the up-and-down profit management practices, however, it depends on trust, norms, and values that can be accepted by the firms, and the roles of commission board to supervise the management.

The results of the study are in accordance with the studies of Almalita (2017), Pramitha (2021), Idris and Natalylova (2021), and Desta (2021) which explained that the total members of commissioner board do not influence the profit management, meaning that it is not the main reason of the monitoring effectiveness level in the management. Unfortunately, the results of the study are inconsistent with the studies of Mabruroh et al. (2017), Rahmawati et al. (2017), Setiawan (2018), and Kusumastuti and Prasetiono (2020) that found negative impacts on profit management which means that the higher total members of commissioner board will decrease the profit management practices that harms the firm.

The Impact of Independent Commissioner on Profit Management

Based on the results of hypothesis test, they show that independent commission has significant positive influence on profit management. It is not in accordance with the hypothesis proposed by the researcher that stated the independent comission has a significant negative impact on the profit management.

The results of the study are comparably with the studies of Sutino and Khoirudin (2016), Febrina et al. (2018), and Handini (2021). They found the board of independent commissioner has positive influence on profit management. It indicates that more members of independent commissioner board causes higher profit management practices. The results of this study are inconsistent with the studies conducted by Ermawati and Ermawati and Anggraini (2020), Putri (2020), Anggreni and Adiwijaya (2020), Kusumastuti and Prasetiono (2020) and Silfi et al (2021) that found the significant negative impact on profit management. It means that the higher members of independent commissioner will minimize profit control practices.

The Impact of Sharia Supervisory Board on Profit Management

Based on the results of the hypothesis test, they show that sharia supervisory board does not influence significantly on profit management. It is not in accordance with the hypothesis that was proposed by the researcher where the sharia supervisory board gave significant negative impact on profit management. It means that more or less members of DPS will not minimize the profit handling practices in the banks.

The results of this study are comparably with the studies of Kodriyah et al (2017), Nurhayati et al (2019), Setyani (2020), Agustin and Filianti (2021). They found that sharia supervisory board does not any effect on profit management. However, these results are inconsistent with the studies of Dyat et al (2018), Triady (2019), and Arif and Purwanto (2020) found that the sharia supervisory board has negative impact on profit management, which means that the more members of sharia supervisory board will decrease the profit management practices that can harm the companies.

The Impact of Audit Committee on Profit Management

Based on the results of hypothesis test, they show that audit committee does not influence significantly on the profit control. It is not in accordance with the hypothesis that was proposed by the researcher that the audit committee has significant negative impact on profit management. It explains that the numbers of members in the audit committee are not the main reason of the effective controlling and supervising the management.

The results of this study are different with the studies of Kodriyah et al (2017), Prastuti (2019), Desta (2021), Idris and Natalylova (2021), and Silfi et al (2021) that explain about audit committee which do not influence on profit management. Unfortunately, they are inconsistent with the studies of Putra (2019), Natsir and Badera (2020), Sari and Susilowati

(2021), Reni (2022), and Hanafiah et al (2022) that found the negative effects on profit handling. It means that the more members of audit committee will decrease the practices in profit management.

The Impact of the Size of Company on Profit Management

Based on the results of hypothesis test, they show that the size of company does not influence significantly on profit management. It is comparably with the hypothesis proposed by the researcher that it had significant negative impact on profit management.

The results of the study are different with the studies of Almalita (2017), Sucipto and Zulfa (2021), Purwanti et al (2021) and Idris and Natalylova (2021). However, the results of this study are inconsistent with the studies of Giovani (2017), Arthawan and Wirasedana (2018), Panjaitan and Muslih (2019), Setyani (2020) and Pramitha (2021) that found the negative impacts on profit management. It means that the larger size of the company will decrease the practices in profit

CONCLUSIONS

Based on data analysis test and the discussion on the result of data analysis test presented, the conclusions of this study are the size of commissioner board (X1) does not influence significantly on profit management (Y); independent commissioner (X2) does not influence significantly on profit management (Y); sharia supervisory board (X3) does not influence significantly on profit management (Y); audit committee (X4) does not influence significantly on profit management (Y); and the size of company (X5) does not influence significantly on profit management (Y).

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