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Analysis of The Influence of Corporate Governance and Sustainability Reporting on Moderated Earnings Management Tax Compliance

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For test and explain the influence of corporate governance and sustainability reporting on management moderated profit with compliance tax. Data collected in study This is secondary data. Secondary data collection taken through the Indonesian stock exchange website or the official website from each company sample. Research This done in the company publicly listed on the Indonesia Stock Exchange sector industry. Data analysis using statistics inferential with regression multiple regression and moderated regression analysis. Findings in study This succeed prove that size of board of commissioners and ownership institutional as the form of corporate governance has negative influence significant to management profit. However No thus with composition ownership managerial as corporate governance that is not influential to management profit. While That also found influence positive and significant sustainability report on management profit. However compliance tax No to moderate the influence of corporate governance on management profit, on the other hand found that compliance tax strengthen the influence of sustainability reports on management profit. Uniqueness study This proven from effort enter compliance proxy tax with comparison amount of debt to capital. With guard debt to equity ratio is not more from 4:1, then indicated company obedient to Regulation of the Minister of Finance No. 169/PMK.010/2015 concerning Determination The size Comparison Between Company Debt and Equity or Requirements Calculation Tax Income.

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1. Introduction

Earnings management is a method of measuring profit quality, seen as an inverse indicator of high-quality profit, as stated by Schipper and Vincent (2003). Measuring both aspects provides insights into their mutual influence. The phenomenon of earnings management is interesting to study as it reflects managerial behavior in reporting business activities over a specific period. Profit is a performance measurement tool for an entity (Schroeder, Clark, and Cathey, 2011), and is used as a basis for setting compensation and debt agreements (Schipper and Vincent, 2003). Though not explicitly violating accounting standards, earnings management raises ethical concerns (Abdelghany, 2005).

According to the Indonesian Central Securities Depository (KSEI), as of November 2020, the number of stock investors on the Indonesia Stock Exchange (IDX) increased significantly due to the pandemic. This study uniquely uses tax compliance, proxied by the debt-to-equity ratio, to moderate the behavior of earnings management within companies. Tax compliance is indicated when the debt-to-equity ratio does not exceed 4:1, in line with regulations. The performance report of Indonesia's Directorate General of Taxation in 2019 shows that tax compliance remains low, achieving only 60% despite meeting target performance.

Corporate governance defines the relationships between shareholders, managers, creditors, government, employees, and stakeholders, aiming to improve company performance through management accountability and transparency (FCGI, 2003). Various studies in Indonesia have explored the effectiveness of corporate governance in investor protection, including research by Etty (2008), Veronica and Bachtiar (2004), and Boediono (2005).

Sustainability reporting, based on Global Reporting Initiative (GRI) standards, measures a company's accountability in promoting sustainable development, providing valuable insights for both internal and external stakeholders (Weber et al., 2008). It encourages management to strive for desired performance without adverse consequences.

2. Research Method

Study This is study quantitative with type study explanation. Research This take 156 mandatory corporate tax sector industries listed on the Stock Exchange Indonesiawith use purposive sampling technique and determining criteria in study This limited to industry listed manufacturing, not delisted and/ or register during 2015-2019, no experience loss during period observation, presenting report finance in a way complete and deep Rupiah currency. From 156 companies industry reduced with the company that reported with Dollar currency, reported loss and report finance No complete as many as 106, so that companies that meet criteria sample as many as 50 companies for 5 years, so the total sample observed as many as 250 years observation.

3. Result and Discussion

Sample a total of 250 years observation normality test was conducted and found there are 9 years abnormal company so that done healing with take out, then tested return based on Kolmogorov Smirnov test. Final results sample that can used as many as 241 samples observation. Table 1 below This show statistics descriptive describing amount observation in research (N), minimum, maximum and average values and standard deviation from each variable used in study This.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CG1	241	2,000	12,000	4,40249	1.936447
CG2	241	,000	38,000	4.98402	10.677630
CG3	241	,990	99,430	68.99938	21.123718
SR	241	,168	,626	,34199	,136147
PROF	241	,020	60,600	8,33185	9,703740
REP	241	,000	1,000	,32780	,470389
KP	241	,000	1,000	,41494	,493737
EM	241	-1030,185	915,207	52.93079	315.690976
Valid N (listwise)	241				

Source: Processed data

Variables the size of the board of commissioners (CG1) has a mean of 4.40 and a standard of deviation 1.99 and minimum and maximum values 2 and 12. From the results said, the mean value of the CG1 variable is greater big from standard deviation show that the data Good Because own standard small error. The value also shows that all company sample has own sufficient size of the board of commissioners. The proportion ownership managerial (CG2) has a mean of 4.98 and a standard deviation of 10.67 and minimum value 0.00 and value maximum 38 while proportion ownership institutional (CG3) has a mean of 68.99 and a standard deviation of 21.12 and minimum value of 0.99 and value maximum 99.43. Proportion ownership institutional have a sufficient mean high and this to signify that ownership in the company sample This Still dominated by ownership institutional.

The sustainability reporting (SR) variable has a mean of 0.34 and a standard deviation of 0.13 and minimum value of 0.16 and value maximum 0.62. From the results said, the mean value of the SR variable is greater big from standard deviation show that the data Good Because own standard a small error. However thus from mark it also shows that all company sample Not yet disclose in accordance with criteria required disclosures in sustainability reporting. This is Correct existence because of based on observation writer during data collection, that Lots companies that have not to apply report sustainable this, so that writer try for dig it up in report annual company sample.

Measured company performance with its profitability (Prof) through Return on Asset has a mean of 8.33 and a standard deviation of 9.70 and minimum value 0.2 and value maximum 60.60. This result show that the more tall ratio This so the more tall performance company. For quality measured report with auditor reputation (Rep) has a mean of 0.32 and a standard deviation of 0.47. The mean value of the Rep variable is greater small from standard deviation show that the data not enough Good Because own standard big error. This result also shows that company sample more Lots audited by the office accountant public No four big.

Compliance tax (KP) measured with see whether debt ratio with the capital No exceeds 4, has a mean of 0.41 and a standard deviation of 0.49 and minimum value 0.00 and value maximum 1.00. This result show that the mean value of the KP variable is greater small from standard deviation show that the data Good Because own standard a small error. However thus results This also illustrates that the average company sample fulfil DER stay no more from 4:1 according to with rule taxation. While That variable Management Profit (EM) has a mean of 52.9 and a standard deviation of 315.69 and minimum value -1030.18 and value maximum 915.20. This result show that the mean value of the EM variable is greater small from standard deviation show that the data Good Because own standard small error.

Before hypothesis testing is carried out with regression multiple and moderated regression analysis, then moreover formerly assumption test is carried out classic such as tests, normality autocorrelation, heteroscedasticity, and multicollinearity.

Table 2. Normality Test based on Kolomogrov -Smirnov Test

	Unstandardized Residual
Asymp . Sig. (2-tailed)	0.239

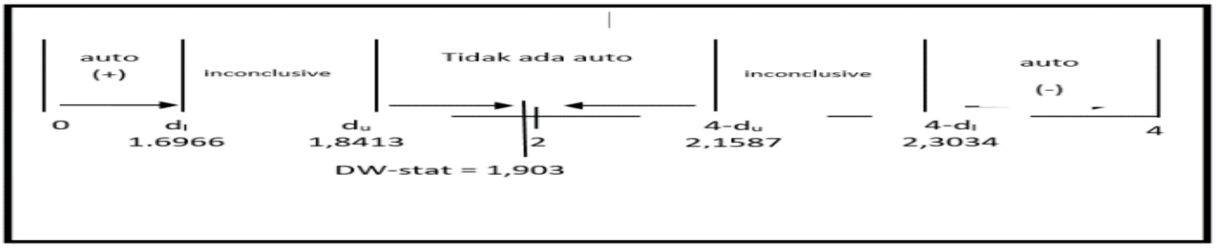
Source: Processed data

Table 3. Testing Multicollinearity

Variables	VIF	Decision
CG1	1,520	Ho accepted
CG2	1,457	Ho accepted
CG3	1,507	Ho accepted
SR	1,092	Ho accepted
PROF	1,243	Ho accepted
REP	1,494	Ho accepted
KP	1,078	Ho accepted

Source: Processed data

Table 4. Testing Assumptions Classic Autocorrelation



Source: Processed data

Table 5. Testing Heteroscedasticity

Variables	**Sig**	**Decision**
CG1	0.460	Ho accepted
CG2	0.605	Ho accepted
CG3	0.845	Ho accepted
SR	0.571	Ho accepted
PROF	0.586	Ho accepted

REP	0.075	Ho accepted
KP	0.852	Ho accepted

Source: Processed data

Table 6. R Square Value

Model	Adjusted R Square
1	0.051

Source: Processed data

Based on normality test results with use Kolomogrov -Smirnov Test (can known that mark significance is 0.239 > 0.05 then the data is normally distributed and Ho is accepted, with thus assumption normality in study This fulfilled so that testing can continued. Based on results processing in table 3. can concluded that all over independent variables used in equality free from disease multicollinearity, because own VIF value below 10. In table 4. The proposed model in study own mark DWstat of 1,903, meaning is in the Area not there is auto, therefore That can concluded model in study This free from disease autocorrelation. Test results heteroscedasticity using the glacier test, and table 5 shows Where results obtained show all variable in study has own sig value > 0.05, p This show that in the model there is no there is heteroscedasticity.

Goodness of fit model shown with Adj R-squared yields coefficient of 0.051 which means behavior or variation from variable independent capable explain behavior or variation from variable dependent by 5.1% and the rest 94.9 % is behavior or variation from variable other independent influences variable dependent but no entered in models. The power of deep models explain the influence of corporate governance and sustainability reporting on management profit can accepted remember Lots variable free researched only 2 variables to variable free, where minimum requirement R2 for 2 variables is 4% (Hair, et.al 2014:297) while in study This found by 5.1%.Table 6. Partial Test

Variables	**Prediction**	**Coefficient**	**Sig.**
(Constant)		89,8710	0.4220
CG1	-	-16,8550	0.1840*
CG2	+	1.5080	0.5020
CG3	-	-2,0190	0.0810*
SR	+	242,3550	0.1130**
PROF		-,6020	0.7920
REP		183,0790	0.0000
KP		75,1860	0.0730

Source: Processed data
Note: * Significance 5%
** Significance 10%)

Based on results testing in table 6 above, then can known a number of matter as following:

Hypothesis 1a: Based on results testing statistics known the magnitude coefficient from Corporate Governance (CG1) is of -16,855 means the more big size of the board of commissioners as the form of Corporate Governance (CG1) then the more small possibility he did Management Profit. Test results show p-value is 0.184 /2 = 0.091 < 0.10 (alpha 10%) then concluded in a way statistics at level 90 percent confidence there is influence negative significant size of the board of commissioners as the form of corporate governance (CG1) towards Management Profit. So hypothesis 1a is supporte, or in other words rejecting H0, the meaning of the research This succeed prove that size of the board of commissioners as the form of corporate governance has negative influence significant to management profit.

Based on results testing statistics known the magnitude coefficient from Corporate Governance (CG2) is of 1,508 means the more tall composition ownership managerial as form of Corporate Governance (CG2) then the more high action too Management Profit. Test results show p-value is 0.502 /2=0.251 > 0.10 (alpha 10%) then concluded in a way statistics at level 90 percent confidence No there is influence significant from composition ownership Corporate Governance (CG2) managerial towards Management Profit. So hypothesis 1b is not supported, or in other words no can reject H0, thing This can it is possible Because small ownership managerial in the company observed samples.

Based on results statistical testing is known the magnitude coefficient from Corporate Governance (CG3) is of -2.019 means the more big composition ownership institutional as the form of Corporate Governance (CG3) then the more low action too Management Profit. Test results show p-value is 0.081 /2=0.0405 < 0.05 (alpha 5%) then concluded in a way statistics at level 95 percent confidence there is influence negative Corporate Governance (CG3) towards Management Profit. So hypothesis 1c is supported, or in other words, rejecting H0 means study This succeed prove that composition ownership institutional as the form of corporate governance has negative influence significant to management profit.

Based on results testing statistics known the magnitude coefficient from the sustainability report is of 242,355 means the more tall the quality of the sustainability report then the more high perception too Management Profit. Test results show p-value is 0.113 /2=0.0565 < 0.10 (alpha 10%) then concluded in a way statistics at level 90 percent confidence there is influence positive sustainability report on Management Profit. So hypothesis 2 is supported, meaning there is influence positive significant sustainability report on management profit.

Before do testing variable moderation has assumption testing was also carried out classic with results normality test results with use Kolomogrov - Smirnov Test (can known that mark significance is 0.303 > 0.05 then the data is normally distributed and Ho is accepted, with thus assumption normality in study This fulfilled so that testing can continued. Multicollinearity test show that all over independent variables used in equality free from disease multicollinearity, because own VIF value is below 10. Likewise with the autocorrelation test own mark DWstat of 1,933, meaning is in the Area not there is auto. Therefore That can concluded model in study This free from disease autocorrelation. Last heteroscedasticity test using the glacier test, where results obtained show all variable in study has own sig value > 0.05, p This show that in the model there is no there is heteroscedasticity.

Table 7. Adj. R Square

Model		Adjusted R Square
1		0.060

Source: Processed data

Goodness of fit model shown with Adj R-squared yields coefficient of 0.060 which means behavior or variation from variable independent capable explain behavior or variation from variable dependent by 6.0% and the rest 94 % is behavior or variation from variable other independent influences variable dependent but no entered in models. The power of deep models explain the influence of corporate governance and sustainability reporting on management profit can accepted remember Lots variable free researched only 2 variables to variable free, where minimum requirement R2 for 2 variables is 4% (Hair, et.al 2014 :297) while in study This found by 6.0%. From the model without moderation and with moderation can seen existence increase, meaning variable compliance tax can to moderate in the research model This.

Table 8. Model Test with Moderation

Variables	Prediction	Coefficient	Sig.
(Constant)		140,0080	0.3650
CG1		5,6400	0.7790
CG2		1,0330	0.7220
CG3		-1.6060	0.3090
SR		-97,8530	0.6320
PROF		-1.3610	0.5610
REP		182,0910	0.0010*
KP		-57,4950	0.7990
CG1_KP	+	-13,7260	0.5470
CG2_KP	+	1,0690	0.8160
CG3_KP	+	-1.0190	0.6500
SR_KP	+	744,1220	0.0150*

Source: Processed data
Note: * Significance 5%
** Significance 10%)

Based on results testing in table 8 above , then can known a number of matter as following:

Hypothesis 3a: Based on results testing statistics known the magnitude coefficient from Corporate Governance (CG1) is of -13,726 means the more strong compliance tax to moderate influence size of the board of commissioners as the form of Corporate Governance (CG1) then the more small possibility he did Management Profit. Test results This No in accordance with the hypothesis proposed Where compliance tax strengthen influence size of the board of commissioners as form of Corporate Governance (CG1) management profit, so hypothesis 3a no supported, or in other words no can reject H0, meaning of research This Not yet succeed prove that compliance tax strengthen size of the board of commissioners as the form of corporate governance towards management profit.
Based on results testing statistics known the magnitude coefficient from compliance tax to moderate influence composition ownership managerial as the form of Corporate Governance (CG2) is of 1,069 means the more tall compliance tax to moderate influence composition ownership managerial as form of Corporate Governance (CG2) then the more high action too Management Profit. Test results show p-value is 0.816 /2=0.481 > 0.10 (alpha 10%) then concluded in a way statistics at level 90 percent confidence compliance tax No to moderate influence significant from composition ownership Corporate Governance (CG2) managerial towards Management Profit. So hypothesis 3b is not supported, or in other words no

can reject H 0, p. This can it is possible happen because of small ownership managerial in the company observed sample so that with There is or No his compliance tax, no will to moderate influence ownership managerial to management profit.

Based on results statistical testing is known the magnitude coefficient from compliance tax to moderate influence ownership institutional as the form of Corporate Governance (CG3) is of -1.019 means the more tall level compliance tax to moderate composition ownership institutional as the form of Corporate Governance (CG3) then the more low action too Management Profit. Test results show p-value is 0.650 /2=0.324 > 0.10 (alpha 10%), if compared to with p- value of compliance tax of 0.799 /2= 0.399 > 0.10 (alpha 10%) which means both of them No significant so statistically can concluded at the level 90 percent confidence compliance tax No strengthen influence ownership institutional as form of Corporate Governance (CG3) towards Management Profit. So hypothesis 3c is not supported, or in other words, rejecting H0 means study This Not yet succeed prove that compliance tax strengthen composition ownership institutional as the form of corporate governance towards management profit.

Based on results testing statistics known the magnitude coefficient from compliance tax moderating sustainability reporting is amounting to 744,122 means the more tall the quality of sustainability reporting then the more high action too Management Profit. Test results show p-value is 0.015 /2=0.0075 < 0.05 (alpha 5%) then concluded in a way statistics at level 95 percent confidence, compliance tax strengthen influence positive sustainability report on Management Profit. So hypothesis 4 is supported, meaning compliance tax strengthen the influence of sustainability reports on management profit.

Based on results testing on, then can known a number of matter as following:

Table 8. t-test for Model with Moderation

Variables	Prediction	Coefficient	Sig.	Decision
H1a CG1	-	-16,8550	0.1840 **	Supported
H1b CG2	+	1.5080	0.5020	Not supported
H1c CG3	-	-2,0190	0.0810 *	Supported
H2 SR	+	242,3550	0.1130 **	Supported
H3a CG1_KP	+	-13,7260	0.5470	Not supported

H3b CG2_KP	+	1,0690	0.8160	Not Supported
H3c CG3_KP	+	-1,019	0.650 0	Not Supported
H4 SR_KP	+	744,122	0.015 0*	Supported

Source: Processed data
Note: * Significance 5%
** Significance 10%)

Influence size of the board of commissioners as the form of corporate governance towards management profit

Board of commissioners in A company functioning as supervisor when board of directors as management operate his job in manage company. Good company performance will also reflected in report his finances. The more many people are watching the way company will the more small the chances manager For do management profit. Size of the board of commissioners independent own mark significant parameter coefficients to practice management profit. In other words, it can also be interpreted as that number of board of commissioners supervising operational company will influential to practice management profit. Test results This consistent with research conducted by Webb (2004) in Said et al. (2009) who researched difference board of commissioners structure between “socially responsible” company with “non-socially responsible” companies. Study the show that commissioner independent hold role important for monitoring and ensuring company managed in a way Correct so that can increase image Good company.

Influence composition ownership managerial as the form of corporate governance towards management profit

Based on results testing study This No can support the hypothesis put forward, the results obtained show the more tall composition ownership managerial as form of Corporate Governance (CG2) then the more high action too Management Profit. Meaning No there is influence significant from composition ownership Corporate Governance (CG2) managerial towards Management Profit. This is No according to with a number of study previous such as (Kouki et al.2011) who revealed that ownership managerial influential negative to management profit and can increase quality from the reporting process finance, things This because of when the manager also has portion ownership, then they will act The same like holder share generally and ensure that report finance has served with reasonable and revealing condition real company. Research results Midiastuty and

Machfoedz (2003), Ujiyantho and Pramuka (2007), Ali et al. (2008), Jao (2014), Mahariana and Ramantha (2014) and Sari (2015) also found that ownership managerial have connection negative with management profit. The results of several study above different with findings in which research can due to its small size composition ownership managerial in the company sample so that No existence action management profit made by the manager plus also with the magnitude size of the board of commissioners that supervises the way company so that manager No own opportunity for do management profit. Even If composition ownership managerial increase in company sample can predicted manager do management profit for profitable himself Alone Because agreement report finance is also his decision myself and manager can to obtain profit two side, besides He act as owner company in agree information in report finance and can also be with method agree the amount of bonus received as manager in company the.

Influence composition ownership institutional as the form of corporate governance towards management profit

Test results ownership institutional to management profit the consistent with study previously carried out by Wedari (2004) who stated that institutional investors have more time Lots For do analysis investment and have access expensive information compared to with individual investors. Therefore, having ability supervise action more management Good compared to with individual investors. Research this also supports study Etty (2010) shows that Good Corporate Governance is ownership managerial and institutional have influence to performance company and research Mangel and Singh (1993) also stated that level good supervision to management in company relate positive with height percentage ownership institutional. With thus proportion ownership institutional act as deterrent to waste that is done management. From several theory the has clear known that the more tall ownership by institutions so will the more small opportunity management do historical data manipulation in form management profit.

The influence of sustainability reporting on management profit

Based on results testing statistics known in a way statistics at level 90 percent confidence there is influence positive sustainability reporting on Management Profit. So hypothesis 2 is supported, meaning there is influence positive significant sustainability report on management profit.

Test results from hypothesis study This supported with Schipper's (1989) statement in Harahap (2004), who stated that one of reason management do reporting social is For reason strategic Where CSR activities can made into shield for management For manipulate income (management) profit). Likewise the results testing hypothesis This in line and complementary results research conducted by Prior et.al (2008) on 593 companies of 26 countries in the world that show that companies that disclose CSR with motivation For cover management profit.

Moderation compliance tax in size of the board of commissioners as the form of corporate governance towards management profit

` The research results did not successfully prove that tax compliance strengthens the influence of the board of commissioners' size, as a form of corporate governance, on earnings management. Tax compliance is proxied by the debt-to-equity ratio (DER), meaning if the ratio does not exceed 4:1, the company is considered tax-compliant. The board of commissioners is expected to limit excessive debt, which would reduce the need for earnings management to inflate profits. However, the study did not find significant support for this hypothesis. Previous studies, such as Yu (2006) and Chtourou et al. (2001), found a negative relationship between the board size and earnings management, but these results were not replicated here. The findings indicate that tax compliance does not strengthen the negative impact of corporate governance (size of the board of commissioners) on earnings management. Thus, the hypothesis that tax compliance moderates this relationship is not supported.

Moderation compliance tax in composition ownership managerial as the form of corporate governance towards management profit

Same as previously results study This Not yet succeed prove that compliance tax strengthen composition ownership managerial as the form of corporate governance towards management profit. Composition ownership managerial will minimize room motion manager in add his debt. A big debt naturally will cause large debt costs, however if the company's debt No more from 4:1 with the total shares, then burden flower The company is also relatively small and meets rule the taxation that is set, so that manager No need do action management profit For create information high profits generated company. So for guard expected debt to equity ratio can strengthen composition ownership managerial as form of corporate governance in do action management profit.

Moderation compliance tax in composition ownership institutional as the form of corporate governance towards management profit

Same as conditions on other corporate governance proxies where the results study This Not yet succeed prove that compliance tax strengthen composition ownership institutional as the form of corporate governance towards management profit. Compliance proxy tax with DER (debt to equity ratio) comparison, which means that if debt to equity ratio is not exceeds 4:1 then company assumed obedient to regulation tax. Composition ownership institutional will minimize room motion manager in add his debt. A big debt naturally will cause large debt cost, however if the company's debt No more from 4:1 with the total shares, then burden flower The company is also relatively small and meets rule the taxation that is set, so that manager No need do action management profit For create information high profits generated company. So for guard expected debt to equity ratio can strengthen composition ownership managerial as form of corporate governance in do action management profit.

Moderation Compliance Tax in Sustainability Reporting Against Management Profit

Sustainability reporting combines financial and non-financial performance analysis (Elkington, 1997). Government regulations, such as PMK 169/PMK.010/2016, limit the debt-to-equity ratio to 4:1, beyond which interest costs are not tax-deductible. Gray, Kouhy, and Adams (1994) state that a company's survival depends on stakeholder support, and sustainability reporting is key for communicating with stakeholders. Statistical results show that higher-quality sustainability reports increase earnings management, with a coefficient of 744.122 and a p-value of 0.0075 (<0.05). This supports the hypothesis that tax compliance strengthens the positive influence of sustainability reporting on earnings management, allowing companies to conceal profit manipulation from stakeholders.

Control Variables Profitability and Reputation of Accounting Firms Public (KAP) Against Management Profit

Based on results testing statistics known the magnitude coefficient from profitability is of -1.361 means the more big profitability so the more small action Management Profit. Test results show p-value is 0.561 > 0.10 (alpha 10%) then concluded in a way statistics at level 90 percent confidence, variable proxied profitability with return on assets No own significant influence to Management Profit. Meaning variable profitability No can control connection variable independent other to management profit. While For reputation office public accountant, based on results testing statistics known the magnitude coefficient from (Rep) is of 182.91 means the more Good auditor 's reputation then the more high action too Management Profit. Test results show p-value of 0.001 > 0.05 (alpha 5%) then concluded in a way statistics at level 95 percent confidence, variable auditor's reputation has significant influence to Management Profit. Meaning good auditor reputation No to lower action management do management profit, thing This it is possible happen Because manager can take shelter behind Name Good auditors and techniques management profit made by the manager Possible is management meaningful profit positive and negative to violate standard applicable accounting.

4. Conclusion

From the results testing multiple linear regression found and concluded a number of matter as among others there are influence negative significant size of board of commissioners and ownership institutional as form of corporate governance (CG1 and CG3) towards Management Profit. So hypothesis 1a and 1c are supported. No there is influence significant from composition ownership Corporate Governance (CG2) managerial towards Management Profit. So hypothesis 1b is not supported, thing This can it is possible Because small ownership managerial in the company observed samples. There is influence positive and significant sustainability reporting on Management Profit. So hypothesis 2 is supported, meaning there is that with existence reporting sustainability so company still do management profit Because rated existence report sustainable can become shield that covers action management profit. Compliance tax No strengthen influence size of the board of commissioners (CG1), composition ownership managerial (CG2), and composition ownership institutional (CG3) as the form of Corporate Governance towards management profit. so Hypothesis 3a, 3b, 3c are not supported, or in other words behavior company For obedient tax No to moderate the influence of corporate governance on management profit. Compliance tax strengthen the influence of sustainability reports on Management Profit. So hypothesis 4 is supported , meaning with existence variable compliance tax will strengthen the influence of sustainability reports on management profit .

Limitations in study This is corporate governance variables represented by the size of the board of commissioners, ownership managerial and ownership institutional. Third variable This Possible not enough can measure in a way comprehensive corporate governance practices in company, so that need existence index certain that reflect corporate governance practices more right. Besides That size of the board of commissioners Not yet notice composition existence commissioner independent and audit committee specific No also included, for example competence, expertise, background behind education, experience commissioner independent and audit committee. When this is sustainability reporting yet become a obligations, so that limitations Obtaining sustainability reporting disclosure data is also a constraint in study This. Based on the limitations faced researchers on the study this, then research advanced can add period study become more long for effect from corporate governance and sustainability reporting mechanisms can more felt in reduce management profit in the company Because criteria about tax in new sustainability reporting applicable start 2019. The need for develop a instrument measurement For count corporate governance index company public in Indonesia, so that comprehensive can describe a form of good corporate governance.

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