ABSTRACT

This study investigated the association between good corporate governance and internal control disclosure. Good corporate governance is represented with the proportion of board, board size, audit committee’s meeting frequency, managerial ownership, and institutional ownership. Internal control disclosure is proxied by Internal Control Disclosure Index based on Peraturan Bapepam No. X.K.6 tentang Kewajiban Penyampaian Laporan Tahunan Bagi Emiten atau Perusahaan Publik and Peraturan Bank Indonesia No. 14/35/DPNP tentang Laporan Tahunan Bank Umum dan Laporan Tahunan Tertentu yang Disampaikan Kepada Bank Indonesia which mentioned some informations that should be reported in annual report. This study was conducted at the banking companies listed in Indonesia Stock Exchange (IDX) for the period 2010-2013. There are 28 companies used as samples. The result of statistical analysis shows that good corporate governance has a significant association with internal control disclosure. Control variables companies size have significant association with internal control disclosure, while profitability is measured using ROE doesn’t have any association with internal control disclosure.

Keywords: The Proportion of Board, Board Size, Audit Committee’s Meeting Frequency, Managerial Ownership, Institutional Ownership, Companies Size, Profitability.