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## Implementation of Good Corporate Governance in The Winning Company Asia Sustainability Reporting Rating (ASRRAT) 2023

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**Abstract:** The evaluation of organizational structures and corporate governance practices within companies reveals opportunities for refinement and improvement. While most companies have comprehensive organizational structures, there is a need for optimization to enhance efficiency and effectiveness. Despite widespread adoption of GCG principles, implementation could be improved, emphasizing the importance of fortifying oversight mechanisms and transparency. Strengthening internal control systems is crucial for bolstering efficiency, effectiveness, and accountability in risk management and goal achievement. Additionally, companies honored with awards in ASRRAT 2023 have opportunities to enhance sustainability performance by identifying areas for improvement and strategizing for long-term sustainability goals. Collaborative efforts among companies to share knowledge and best practices in sustainability and corporate social responsibility can accelerate progress in these areas.

**Keyword:** Good Corporate Governance, Asrrat, Internal Control, Awards

### INTRODUCTION

The research background regarding the implementation of Good Corporate Governance (GCG) in the company awarded the Asia Sustainability Reporting Rating (ASRRAT) 2023 is rooted in the critical understanding of the correlation between effective corporate governance methodologies and the longevity of business operations. ASRRAT serves as a distinguished accolade, acknowledging firms that excel in their comprehensive sustainability reporting, encompassing environmental, social, and corporate governance dimensions. Recipients of the ASRRAT award showcase a profound dedication to sustainability and operational transparency. Consequently, investigating the implementation of GCG within the ASRRAT 2023 awardee will yield invaluable insights into how adept governance strategies can shape the company's sustainability trajectory, fortify stakeholder confidence, and propel sustainable

business expansion. Thus, this research stands poised to offer a substantial contribution to the body of knowledge surrounding GCG and the sustainable evolution of businesses.

The significance of organizational structure in achieving Good Corporate Governance (GCG) is undeniable. A sound organizational framework provides a sturdy groundwork for embedding GCG principles within a company. A well-structured setup enables a clear delineation of tasks, responsibilities, and authority across different management tiers, including the board of directors, executive management, and operational staff. Through such an effective structure, the board of directors can ensure the adoption and integration of GCG principles that harmonize with the company's objectives and ethos. Executive management shoulders the responsibility of enforcing policies and procedures that uphold GCG in day-to-day operations. Furthermore, a robust organizational structure also facilitates effective oversight of company activities, thereby ensuring accountability, transparency, and adherence to regulations. Hence, a resilient organizational framework serves as the cornerstone for fostering a robust and sustainable GCG culture within a company.

The application of Good Corporate Governance (GCG) principles is paramount in a company as it directly influences its long-term success and business sustainability. GCG principles guarantee that the company is managed in a transparent, accountable, and integrity-driven manner, capable of creating value for all stakeholders, including shareholders, employees, customers, and the broader community. By adhering to GCG principles, companies can mitigate the risk of failure, enhance operational efficiency, and garner trust from capital markets and society at large. Additionally, the implementation of GCG fosters an ethical work environment, safeguards the company's reputation, and heightens its appeal to investors and business partners. Thus, the application of GCG principles is not merely a legal obligation but also a vital long-term investment for the company's success and sustainability in the future.

Internal controls play a pivotal role in bolstering the attainment of Good Corporate Governance (GCG) in a company. Internal controls encompass a suite of procedures, policies, and practices designed to ensure the effective, efficient, and compliant operation of company processes. With a robust internal control system, companies can more effectively identify, evaluate, and manage risks, thereby preempting deviations, misappropriations, or fraudulent activities that could jeopardize the company and its stakeholders. Moreover, effective internal controls also serve to enhance the company's accountability, transparency, and integrity, thereby fortifying trust among shareholders, investors, and society. Thus, internal controls constitute a crucial foundation for realizing sound GCG practices within an organization, preserving the company's reputation, and enhancing long-term value for all stakeholders.

The accolades bestowed upon a company can be viewed as an acknowledgment of the company's commitment to upholding Good Corporate Governance (GCG) principles. When a company receives recognition for its GCG-related endeavors, it signifies that the company has effectively established and operated a transparent, integrity-driven management system. Such accolades reflect the company's adoption of best practices in corporate governance, including timely and transparent information disclosure, clear delineation of responsibilities and authorities, effective risk management, and decision-making aligned with the long-term interests of diverse stakeholders. By receiving accolades for GCG implementation, companies also receive external validation of their endeavors and commitments to fostering a positive corporate culture and ensuring sustainable business continuity. This enhances the company's reputation in the eyes of stakeholders, such as investors, employees, customers, and the general public, potentially unlocking avenues for long-term growth and success. Consequently, such accolades not only serve as recognition of the company's accomplishments but also as an impetus to continuously enhance the implemented GCG practices.

Research on the importance of Good Corporate Governance has been extensively conducted, indicating its significant role in achieving sustainability for companies. The current studies on Good Corporate Governance have been carried out by J. Hanafi, R. Breliastiti (2016), C. G. Ntim, T. Soobaroyen, M. J. Broad (2017), Suhadak, Kurniaty, S. R. Handayani, S. M. Rahayu (2019), S. Rajeevan, R. Ajward (2019), F. Fabiani, R. Breliastiti (2020), R. Breliastiti, S. Putri, S. Valentina (2020), I. Permatasari (2020), N. A. M. Ghazali (2020), M. Magdalena, T. Setiawan (2021), T. Setiawan, L.J. Selly, D. Harianto (2022), T. Olivia, T. Setiawan, P. R. Sihombing (2022), G. A. Bahar, T. Setiawan (2022), J. Andrian, T. Setiawan (2022), R. N. Boateng, V. Tawiah, G. Tackie (2022), K. Nyakurukwa, Y. Seetharam (2022), E. J. Lee, S. Kim, Y. Jang (2022), G. Nicolo, G. Zampone, G. Sannino, S. De Iorio (2022), P. K. Ozili (2023), G. Morri, R. Anconetani, L. Pistrutto (2023), B. McNally, T. O'Connor (2023), E. Klepczarek (2023), N. A. A. Effah, M. Asiedu, O. A. S. Otchere (2023).

## **METHOD**

### **Research Type**

Qualitative descriptive research is a type of research aimed at understanding and explaining specific phenomena or events within their natural contexts. This method emphasizes a deep understanding of the context, processes, and experiences of individuals or groups. This research is often conducted using observation, interviews, or document analysis to gather data in the form of text, images, or sounds. Subsequently, the data is analyzed inductively to identify patterns, themes, or concepts that emerge from the data itself. Qualitative descriptive research is often used in social sciences, psychology, anthropology, and other fields where researchers are interested in understanding and explaining the meaning and context of the phenomena under study. This method provides in-depth and comprehensive insights into the research subject, although the results may not always be statistically testable as in quantitative research.

### **Research Stages**

The stages in conducting this research are as follows:

- 1 **Research Planning:** This stage involves determining the research problem, research objectives, identifying research subjects or participants, involving the proper data collection technique such as interviews, observations, or document analysis, and formulating relevant research questions.
- 2 **Data Collection:** In this stage, the researcher collects data from research subjects or participants using the chosen methods. This may involve in-depth interviews, participant observation, direct observation, or document analysis such as archives, records, or transcripts.
- 3 **Data Analysis:** The collected data is then analyzed in-depth to identify patterns, themes, or emerging concepts. The analysis process may include data coding, searching for patterns or relationships between data, and developing deep interpretations of the data's meaning.
- 4 **Interpretation and Conclusion:** After data analysis, the researcher interprets the results in the context of research questions and relevant literature. This interpretation helps in drawing conclusions that describe the research findings and their implications for related theory or practice.
- 5 **Reporting Results:** The final stage is to compile a research report systematically describing the research process, main findings, interpretations, and conclusions. This report should be adequate to enable others to understand the research clearly and replicate or expand upon the research.

## Research Subject

ASRRAT stands for "Annual Sustainability and Responsibility Reporting Awards in Indonesia." This award is given to companies that have excellent sustainability and social responsibility reports. Presenting the eleven sectors listed on the Indonesia Stock Exchange, eleven companies that received awards in ASRRAT 2023 were selected as follows.

**Table 1. The Winning Company of ASRRAT 2023**

No	Companies	Sectors
1	PT Kimia Farma	Healthcare
2	PT Blue Bird	Transportation & Logistic
3	PT Mitra Pinasthika Mustika	Consumer Cyclical
4	PT Sentul City	Property & Real Estate
5	PT Timah	Basic Materials
6	PT Telkom Indonesia	Infrastructures
7	PT Bank Rakyat Indonesia	Financials
8	PT Austindo Nusantara Jaya	Consumer Non-Cyclical
9	PT United Tractors	Industrials
10	PT GoTo Gojek Tokopedia	Technology
11	PT Bukit Asam	Energy

Source: National Center for Corporate Reporting, 2024

## RESULTS AND DISCUSSION

### Organizational Structure

**Table 2. The Organizational Structure of the Winning Companies of ASRRAT 2023**

No	Companies	Board of Directors	Board of Commissioners	Independent Commissioners	Audit Committee	Nomination and Remuneration Committee	Risk Committee	GCG Committee
1	PT Kimia Farma	6	4	2	4	4	4	3
2	PT Blue Bird	3	6	5	3	3	NA	NA
3	PT Mitra Pinasthika Mustika	4	3	2	3	3	NA	3
4	PT Sentul City	9	5	3	3	3	NA	NA
5	PT Timah	5	5	2	4	4	6	
6	PT Telkom Indonesia	8	6	4	5	7	8	NA
7	PT Bank Rakyat Indonesia	12	4	7	7	11	8	21
8	PT Austindo Nusantara Jaya	5	8	8	3	NA	NA	NA
9	PT United Tractors	6	4	2	NA	3	5	1
10	PT GoTo Gojek Tokopedia	7	6	3	3	3	4	NA
<b>Business Risk Committee, Post-mining, CSR, Nomination, Remuneration &amp; Human Resources Development Committee</b>								
11	PT Bukit Asam	6	6	1	4		6	

Source: Research data

**PT Kimia Farma** has six directors on its Board of Directors (BOD); four members on its Board of Commissioners (BOC) and completed by two peoples as independent commissioners to comply with regulations regarding the number and presence of Independent

Commissioners. The company also has four committees that support the role of the Board of Commissioners: the audit committee, the nomination and remuneration committee, the risk committee and the GCG Committee.

The Board of Directors of **PT Blue Bird** consists of three members. There are six members in the Board of Commissioners, with Noni Sri Ayati Purnomo serving as the Chief Commissioner. Independent Commissioners include four individuals. The Audit Committee is chaired by one of the Independent Commissioners, accompanied by two other members. The Nomination and Remuneration Committee, led by Daniel Budiman, consists of two additional members. The company lacks Risk and GCG Committees.

**PT Mitra Pinasthika Mustika** has four individuals serving as Directors on its Board. Among them, one holds the position of President Director, while the others are Directors. The Board of Commissioners comprises three members, with one serving as the Chief Commissioner and the rest as Commissioners. Additionally, there are Independent Commissioners. The Audit Committee is chaired by one of the Independent Commissioners and includes other members. Moreover, there is a Nomination and Remuneration Committee, led by the same Independent Commissioner, with other members. Furthermore, there is a GCG Committee chaired by one member and supported by others. However, the company does not have a Risk Committee.

**PT Sentul City** has nine individuals serving on its Board of Directors. Among them, one holds the position of President Director, while others are Vice President Directors and Directors. The Board of Commissioners consists of five members, with one serving as the President Commissioner and others as Vice President Commissioners. Additionally, there are Independent Commissioners. The Audit Committee is comprised of a Chairman and two members. Moreover, there is a Nomination and Remuneration Committee led by a Chairman and supported by other members. However, the company does not have Risk and GCG Committees.

**PT Timah** has five individuals serving on its Board of Directors. Among them, one holds the position of President Director, while the others are Directors. The Board of Commissioners comprises five members, with one serving as the Chief Commissioner and the rest as Commissioners. Additionally, there are Independent Commissioners. The Audit Committee consists of several members. Moreover, there is a Nomination and Remuneration Committee comprised of several members. Furthermore, there is a GCG & Risk Committee with several members.

**PT Telkom Indonesia** has eight Directors on its Board of Directors. Ririek Ardiansyah acts as President Director. The Board of Commissioners consists of six members. Bambang Permadi Soemantri Brodjonegoro acts as Chief Commissioner). The company also has four committees that support the role of the Board of Commissioners: the audit committee, the nomination and remuneration committee, the risk committee and the GCG Committee.

**PT Bank Rakyat Indonesia** has twelve Directors on its Board of Directors, four member on its Board of Commissioners. The company also has four committees that support the role of the Board of Commissioners: the audit committee, the nomination and remuneration committee, the risk committee and the GCG Committee.

**PT Austindo Nusantara Jaya** has five Directors on its Board of Directors consist of Indonesia citizen and non citizen. And also the board of commissioners. The company has an audit committee but there is no Nomination and Remuneration, Risk, and GCG Committees.

**PT United Tractors** has six Directors on its Board of Directors, four members of the boards of Commissioners, Nomination and Remuneration Committee, GCG Committee but does not have an Audit Committee.

**PT GoTo Gojek Tokopedia** has seven Directors on its Board of Directors, six members of Commissioners, The Independent Commissioners which are consist of citizens



and foreigners, The Nomination and Remuneration Committee, The Risk Committee. The company does not have a GCG Committee.

**PT Bukit Asam**, similar to PT GoTo Gojek Tokopedia, has six Directors on its Board of Directors, who are also members of the Board of Commissioners. Additionally, there is an Independent Commissioner serving as Chairman. The Audit Committee includes a Vice Chairman and two other members. Moreover, PT Bukit Asam has a Business Risk, Post-Mining, CSR, Nomination, Remuneration & Human Resource Development Committee.

From the review of the organizational structure and existing committees, PT Telkom Indonesia and PT Bank Rakyat Indonesia stand out for having solid structures with full support from complete Audit, Nomination and Remuneration, Risk, and GCG Committees. Meanwhile, PT Blue Bird, PT Mitra Pinasthika Mustika, and PT United Tractors also have strong structures with the presence of Audit and Nomination and Remuneration Committees. PT Kimia Farma, PT Sentul City, PT Timah, PT GoTo Gojek Tokopedia, and PT Bukit Asam also have adequate structures, although some of them lack GCG Committees. The importance of the GCG Committee's role should not be underestimated as it plays a role in upholding the principles of good corporate governance. Therefore, these companies may consider strengthening their structures by paying attention to the presence and function of the GCG Committee.

### **Implementation of Good Corporate Governance Principles**

**PT Kimia Farma** applies the basic principle of transparency by conducting decision-making openly and disclosing relevant information to stakeholders. They ensure timely, clear, and accurate disclosure of information, including vision, mission, financial, and other aspects that may affect the company's condition. Moreover, the company enforces accountability by establishing clear tasks and responsibilities, ensuring the competence of each individual according to their role, and having an effective internal control system. They also uphold prudence, comply with Indonesia's laws, and act as good corporate citizens by eliminate bad impacts and fulfilling social responsibilities. Furthermore, independence is maintained by executing corporate organ functions in accordance with applicable rules and avoiding domination and conflicts of interest. Fair treatment is given to all stakeholders according to the benefits and contributions they provide.

**PT Blue Bird** diligently applies GCG principles. They emphasize transparency by providing clear, accurate, and timely information to shareholders and other stakeholders through the company's website and the Indonesia Stock Exchange. Accountability is ensured by defining the functions, tasks, and authorities of various elements within the organization and holding them accountable. Every policy made is based on laws and regulations and principles of good business management, demonstrating the company's responsibility to legal regulations and ethical business practices. Independence is upheld by ensuring the company is managed professionally without influence or pressure from any party that could lead to conflicts of interest. Additionally, Blue Bird also ensures fair and equal treatment to all stakeholders, especially shareholders, in accessing information about the company, following applicable laws and regulations.

**PT Mitra Pinasthika Mustika** applies the principle of transparency by ensuring openness in decision-making and disclosing relevant, accurate, and timely information through the Indonesia Stock Exchange website and the company's website. The principle of accountability emphasizes the clarity of the company's organizational functions and responsibilities. MPM also considers legal, ethical, and business standards in every significant decision, ensuring compliance with applicable regulations and corporate social responsibility. The principle of independence asserts the management of business free from conflicts of interest and external interventions that violate the law and business ethics, with every organ required to carry out its duties objectively and independently. MPM also

emphasizes equality, balance, and fairness in fulfilling the rights of stakeholders, providing equal rights to shareholders in General Meetings of Shareholders and creating a safe and conducive working environment for employees.

**PT Sentul City** applies the principle of transparency by developing accounting systems based on best practices to ensure the quality of financial reports, as well as developing Enterprise Wide Risk Management to identify and measure risks comprehensively. The principle of accountability is carried out by redefining the internal audit function as a strategic business partner conducting risk-based audits and maintaining responsible contract management. The company also has a code of ethics complying with OJK regulations to prevent power abuse. Independence is maintained by avoiding conflicts of interest between directors, commissioners, audit committees, and employees with the company, and issuing policies to protect shareholders and prevent fraud and conflicts of interest.

**PT Timah** upholds the principle of transparency by providing adequate access to all stakeholders to important, relevant, and accurate company information transparently and in a timely manner, in accordance with regulations and applicable laws. They emphasize accountability by managing business activities according to best business practices and achieving set priority targets, as well as implementing adequate internal control systems to ensure the company's integrity and compliance with regulations. Responsibility is held high by upholding the trust of all stakeholder, ensuring in line with laws and regulations, while encouraging active participation from all organizational elements. They are also committed to making independent decisions, avoiding undue influence or pressure from any party, and ensuring fair and equal treatment to shareholders and other stakeholders to build harmonious relationships.

**PT Telkom Indonesia** implements transparency by publishing financial reports, annual reports, and other material information to facilitate investors' access to important information transparently. They enforce accountability by providing charters, guidelines, or manuals explaining the functions, implementation, and responsibilities of shareholders, commissioners, directors, committees, and the company secretary. Responsibility is held high by complying with laws, tax regulations, healthy competition, industrial relations, health and safety standards, as well as salary regulations and other related regulations. They ensure independence by executing professionalism without conflicts of interest and free from influences that are not in accordance with regulations and by adhering to healthy corporate principles. Principles of equality and fairness are applied in fulfilling the rights of stakeholders according to agreements and applicable laws and regulations.

**PT Bank Rakyat Indonesia** upholds the principle of transparency by disclosing information accurately, timely, and clearly to stakeholders according to their interests and rights, and having written policies to disclose various important information as needed. They ensure accountability by setting business targets accountable to shareholders and stakeholders, and regularly submitting annual reports and financial accountabilities. BRI also firmly holds its responsibility by adhering to cautionary principles, preserving the environment, and acting as good corporate citizens through social and environmental responsibilities. They maintain independence by avoiding domination, conflicts of interest, and external pressures, and providing fair and equal treatment to stakeholders according to the benefits and contributions given to BRI. Moreover, BRI open opportunities for stakeholders to give new insight and review for the benefit of BRI and maximizing access to information transparency.

**PT Austindo Nusantara Jaya** is a company engaged in agriculture, forestry, and renewable energy sectors in Indonesia. They apply transparency by disclosing information accurately, timely, and clearly to stakeholders and having written policies to disclose important information. The company's responsibilities cover various areas, such as environmental, social, corporate governance, supply chain, and economic. ANJ is also

committed to maintaining independence in corporate governance, financial, and strategic matters. The concept of fairness is manifested in fair treatment of employees, ethical business practices, positive social influence, and environmental sustainability. To better understand ANJ's accountability and responsibility practices, it is advisable to review their official website and view their sustainability reports or other disclosures they provide.

**PT United Tractors** implements transparency by disclosing the company's ownership to major shareholders and controllers, as well as ultimate beneficial owners with a minimum share ownership of 5%. As a form of accountability, the company has a Whistleblowing System to report fraud or abuse of authority. GCG oversight and evaluation mechanisms are carried out by the GCG Committee tasked with improving the quality of GCG implementation and ensuring policies are in line with the company's culture and values. The company also maintains independence in the voting process and prevents insider trading to ensure equality and fairness for shareholders and investors.

**PT GoTo Gojek Tokopedia** emphasizes transparency by disclosing the company's communication policies to shareholders and investors through the website in accordance with applicable laws. They also implement a sustainable risk monitoring system to ensure risks are managed according to established standards. The company's responsibilities include issuing annual sustainability reports to ensure compliance with regulations and maintaining transparency to shareholders and other stakeholders. GoTo also emphasizes independence in various aspects, including committee performance assessments, AGM implementation, and appointment of audit committee members from independent parties. Additionally, they apply fairness principles by implementing a dual-class voting structure that provides balanced voting rights for all shareholders.

**PT Bukit Asam** implements Good Corporate Governance (GCG) principles through various initiatives aimed at promoting transparency, accountability, independence, and fairness within the company. This includes disclosing important information accurately and timely to stakeholders, establishing clear roles and responsibilities for the Board of Commissioners, Directors, and other organizational elements, maintaining independence in decision-making processes, and ensuring equal treatment of all stakeholders. Additionally, Bukit Asam upholds its social and environmental responsibilities, further enhancing its reputation as a trustworthy and responsible corporate entity committed to sustainable practices.

PT Kimia Farma, PT Blue Bird, PT Mitra Pinasthika Mustika, PT Sentul City, PT Timah, PT Telkom Indonesia, PT Bank Rakyat Indonesia, PT Austindo Nusantara Jaya, PT United Tractors, PT GoTo Gojek Tokopedia, and PT Bukit Asam demonstrate strong commitment to implementing Corporate Governance Principles (Good Corporate Governance/GCG). They consistently prioritize transparency by providing clear, accurate, and timely information to stakeholders, ensuring accountability through clear division of tasks and responsibilities, and maintaining independence in decision-making and business management. Additionally, social and environmental responsibilities are also the focus of these companies, with various CSR and sustainability initiatives. By implementing these GCG principles, they strengthen their reputation as trustworthy, responsible, and sustainable companies in conducting their business.

## Internal Control

At **PT Kimia Farma**, the internal control system is designed to ensure effectiveness, efficiency, and compliance in the company's operations. As a company in the pharmaceutical sector with significant impact on public health, Kimia Farma exercises tight control over various operational aspects. This includes control over drug production, distribution, storage of raw materials and finished products, patient data security, compliance with industry regulations, and risk management related to product safety. The system involves various



parties, including senior management, internal audit units, audit committees, and operational staff at all levels of the organization. Kimia Farma also applies relevant standards and frameworks for internal control and regularly evaluates and monitors to ensure the system runs smoothly and can address changes in the business environment and evolving regulatory demands in the pharmaceutical industry.

At **PT Blue Bird**, the Internal Control System (SPI) is operated by several organs in the Company, as informed before in their company structure, with a focus on several key aspects. This includes protecting the Company's assets such as insured operational fleets and buildings, financial controls monitoring cost budgets, operational controls by promoting compliance with SOPs, and in line with applicable standards and regulation through communication with the Company Secretary to ensure activities comply with legal provisions.

**PT Mitra Pinasthika Mustika** conducts comprehensive evaluations of its internal control system through the Internal Audit Unit. This evaluation includes analyzing components of the control environment, risk assessment, control activities, and relevant information and communication. The evaluation results indicate that the company's internal control system achieves scores in the range of 75%-94%, demonstrating the effectiveness of the system. However, the company continues to evaluate and improve its internal control system continuously, with strict monitoring to ensure the achievement of set internal control objectives.

**PT Sentul City** implements internal controls by adhering to accounting policies, such as preparing consolidated financial statements in accordance with Indonesian financial accounting standards. The preparation of consolidated financial statements according to these standards requires management to make considerations, estimates, and assumptions that affect the financial statements.

At **PT Timah**, the Board of Directors is responsible for ensuring the adequate implementation of internal control and risk management systems in the company, with support from the SPI unit for continuous monitoring and evaluation. The implementation of the company's internal control system is carried out using the COSO. Additionally, the implementation of financial control systems, including the preparation of RKAP (Annual Work Plan and Budget), allows shareholders to monitor and assess the potential risks of asset and investment losses, and provide input as a proactive measure.

**PT Telkom Indonesia** implements an internal control system as a mechanism for continuous supervision, led by the President Director and Finance Director, and collectively executed by the Board of Directors, management, and other personnel. The SPI aims to ensure the reliability of financial reports, the availability of complete and timely reports, in accordance with the Financial Accounting Standards set by the Indonesian Institute of Accountants (IAI), and compliance with SOX Section 404 requirements as Telkom's shares are listed on the New York Stock Exchange. In addition to financial aspects, the SPI also ensures operational efficiency and effectiveness and compliance with regulations, including Telkom's internal regulations and government regulations. Through the use of SPI, Telkom ensures compliance with applicable regulations and laws, and controls its operational activities according to the applicable workflows in each function.

**PT Bank Rakyat Indonesia** implements an internal control system in accordance with the COSO Internal Control Framework. By implementing this framework, BRI ensures that the control environment within the company supports the effectiveness of the control system, potential risks are identified and assessed, appropriate control activities are established and implemented, relevant information and effective communication are available, and monitoring processes are continuously conducted to ensure the reliability and effectiveness of the internal control system implemented.

**PT Austindo Nusantara Jaya** implements a comprehensive internal control system with a focus on several key elements. The Control Environment is strengthened by instilling core values and ANJ Code of Ethics throughout the organization, supported by internal audit activities, internal promotion programs, Values Champions network, and whistleblowing system. Operational and strategic risks are continuously monitored and evaluated, with any changes in the risk environment promptly detected and analyzed. Control Activities are carried out through sustained reinforcement of procedures and policies, such as task segregation, access restrictions, adequate documentation, and gradual review systems. Information about the internal control system is regularly communicated through various meetings and reports, including Audit Committee meetings, internal audit reports, management meetings, and reports from the Values Champion team, as well as to relevant external stakeholders. All internal control components are periodically reviewed to ensure their existence and effective functioning, with relevant managers promptly informed if deficiencies are found to take corrective action.

**PT United Tractors** implements financial and operational internal control systems in accordance with IIA and COSO Framework standards, and refers to an Enterprise Risk Management Framework based on ISO 31000:2009 and Astra Risk Management Policy. Implementation efforts include clear management structures, periodic risk assessment and management by the Risk Management Committee, CIA audits of all work units, reporting on the effectiveness of internal control implementation to relevant parties, follow-up monitoring of audit findings, and periodic evaluations by the Board of Commissioners through the Audit Committee. The Board of Commissioners assesses that the internal control system has been adequately implemented, supported by the Code of Ethics, policies, SOPs, Work Instructions, and KPI assessments.

**PT GoTo Gojek Tokopedia** is committed to implementing a comprehensive internal control system by adopting the Integrated Internal Control Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The company's internal control process encompasses the following areas: control environment, risk assessment, control activities, information and communication, and monitoring activities throughout the organization. By adhering to these COSO standards, PT GoTo Gojek Tokopedia ensures that all aspects of internal control are integrated and effectively implemented to support the achievement of corporate goals and minimize potential risks in its operations.

**PT Bukit Asam** endeavors to uphold its compliance with Indonesian laws and standards through an evolving internal control system, aiming to furnish precise, comprehensive, and punctual financial and management reports, and to optimize business operations' efficiency and efficacy. This dedication forms a cornerstone in attaining performance goals, amplifying stakeholder value, mitigating loss risks, and upholding adherence to relevant laws and regulations. The company's approach to internal control aligns with globally acknowledged frameworks.

These companies demonstrate various approaches in realizing Good Corporate Governance (GCG). PT Kimia Farma, a pharmaceutical company, emphasizes control over operational aspects related to public health. PT Blue Bird demonstrates commitment to GCG by focusing on asset protection, legal compliance, and operational control. PT Mitra Pinasthika Mustika shows good performance in evaluating the internal control system through the Internal Audit Unit. PT Sentul City emphasizes compliance with accounting standards and transparency. PT Timah demonstrates good performance in implementing internal control systems and risk management. PT Telkom Indonesia shows continuous supervision over financial reporting and regulatory compliance. PT BRI implements an internal control system in accordance with the COSO framework. PT ANJ demonstrates commitment to internal control by implementing continuous policies and evaluations. PT

GoTo Gojek Tokopedia and PT Bukit Asam also affirm their commitment to internal control by adopting relevant frameworks and ensuring compliance with regulations.

### **Awards Received**

**PT Kimia Farma** has garnered several prestigious awards in Indonesia. Among them, the company was named as the Best State-Owned Enterprise (BUMN) 2022 with the Best Financial Performance and Advancement in Health Product and Service Innovation in the Healthcare Category at the Healthcare Indonesia Best BUMN Awards 2022. Additionally, PT Kimia Farma was also recognized as the Most Innovative Healthcare Company for Comprehensive Digital Service Development at the Indonesia Digital Innovation Awards 2022: Leading Through Innovation. Another award received was as a Leading Company in Indonesia 2022 with Outstanding Innovation in Health Products and Services (Health Services Category) at the Indonesia Most Acclaimed Companies Awards 2022: Go Further Growth Stronger.

**PT Blue Bird** has received several prestigious awards in 2022, reflecting its commitment to sustainability and innovation. One of them is the Top SDGs Award 2022, highlighting the company's contributions to energy savings, environmental conservation, and social activities, supporting the achievement of Sustainable Development Goals. Additionally, Ms. Noni Purnomo, the company's President Commissioner, was named Woman Entrepreneur of The Year by ACES Award, honoring leadership and advocacy for sustainability. PT Blue Bird Tbk also won the METI Award for the best and fastest commitment to electric mobility development, demonstrating its commitment to improving environmental quality through the use of electric fleets.

**PT Mitra Pinasthika Mustika** successfully received an award as one of the Top 50 Companies with the best Corporate Governance at the 10th CG Conference & Award event organized by the Indonesian Institute for Corporate Directorship (IICD). This award reaffirms MPM's commitment to implementing good corporate governance practices and ensuring high-quality governance in its operations.

**PT Sentul City** has received several awards that affirm its position as a high-achieving company committed to quality business practices. These awards include a certificate of appreciation from Warta Ekonomi as the Living Legend Company Green City Initiator Company 2019, and the Indonesia Corporate Secretary Award 2018 for Top GCG Issues in the property sector. Furthermore, PT Sentul City also received recognition from Investor Magazine as The Best Listed Company (property sector) in the Investor Award 2018, and a certificate of appreciation from Economic Review Magazine as The 2nd Best Sales & Marketing 2017 in the Indonesia Sales & Marketing Award 2017. Recognition for their achievements also came from Rumah123.com in the Property Developer Consumer Choice Award 2017 for The Most Preferred Apartment Sentul Bogor category, Housing Estate Magazine for the Green Property Award 2017 in the Green Design Commercial Category Shopping Center, as well as from Property Indonesia Magazine in the Property Indonesia Award 2017 in the Prospective Condo Development In Bogor category. Lastly, PT Sentul City also received the Best Affordable Housing award at the Property Guru Indonesia Property Awards 2023.

**PT Timah** has received several awards affirming its commitment to responsible and sustainable business practices. These awards include the TOP CSR Awards 2022 in the Four-Star category with the theme "The Responsible Company is a Key Strategy for Sustainable Business Growth," and the award for The Best GRC Overall For Corporate Governance & Performance 2022 (Mining Industries). PT Timah also received the ESG Disclosure Awards 2022 with a Management BB predicate, and received recognition for its Sustainability Report 2021 with a GOLD RANK rating. Other awards include ASEAN Asset Class PLCs

(Indonesia) and TOP GCG as well as Best Corporate Secretary in the Diversified Metals & Minerals Industry.

**PT Telkom Indonesia** has been recognized with various accolades for its effective adoption of Good Corporate Governance (GCG) principles. One notable recognition came from the 13th IICD Corporate Governance Award 2022, where Telkom was honored as The Best State-Owned Enterprise among the Top 50 Issuers with the Largest Market Capitalization. This acknowledgment was bestowed by the Indonesian Institute for Corporate Directorship (IICD) to commend companies that have successfully implemented sound corporate governance practices. Additionally, Telkom was also bestowed with the Excellence Good Corporate Governance Implementation on Strengthening the Company's Business Lines award by Warta Ekonomi in the Information, Technology, and Communication category. Through the Indonesia Excellence Good Corporate Governance Awards 2022: Implementing a Continuous Process, Telkom received recognition for its consistent application of GCG in managing its business operations. The implementation of good corporate governance at Telkom is expected to have a positive impact on business growth, company value, shareholder sustainability, and contribute to Indonesia's development through the creation of healthy market competition and a conducive business climate.

**Bank Rakyat Indonesia** has received several awards affirming its reputation as a trustworthy company with good Corporate Governance practices. One of them is the designation as a Top 3 PLC with The Most Trusted Company predicate in the ASEAN Corporate Governance Scorecard (ACGS) assessment by the ASEAN Capital Market Forum (ACMF) in 2022. This award demonstrates the high level of trust from stakeholders in BRI. Additionally, BRI also received the Best Financial Sector award at The 13th IICD CG Award event, affirming its commitment to implementing good Corporate Governance practices in the financial sector. With this award, BRI continues to strengthen its position as a leader in the banking industry recognized both nationally and internationally.

**PT Austindo Nusantara Jaya** received the Indonesia Excellence GCG Awards 2022 in the category of "Implementing a Continuous Process." This award reaffirms the company's commitment to implementing Good Corporate Governance with consistency and continuity. Therefore, PT Austindo Nusantara Jaya is recognized for its sustainable GCG practices in managing its business activities. This reflects the company's commitment to maintaining the highest standards in corporate governance, which has the potential to have a positive impact on long-term business growth and strengthen the trust of shareholders and other stakeholders.

**PT United Tractors** has garnered several prestigious awards, underscoring the company's achievements and unwavering dedication across diverse domains. These accolades encompass the Indonesia Best Corporate Secretary Award 2022 conferred by The Economics, the Asia Sustainability Reporting Rating (ASRRAT) 2022 by the National Center for Sustainability Reporting (NCSR), and the HC on Resilience Award 2022 in multiple categories such as Excellence in Talent Management, HC in Digital Transformation, and Leadership Development Focus on HC awarded to Mr. Edhie Sarwono by First Indonesia Magazine. Additionally, the company received the CSA Awards 2022 from the Indonesian Securities Analysts Association, earning the distinction of "The Best of Big Capitalization in The Industrial Sector". These accolades underscore PT United Tractors' steadfast commitment across various realms, spanning corporate governance, sustainability, human resources management, and financial performance.

**PT GoTo Gojek Tokopedia** became the runner-up for the Risk Champion Award and Risk Innovation Award at the ASEAN Risk Awards 2022, affirming the company's commitment to managing risks effectively and innovatively. This reflects GoTo's seriousness in developing best practices in risk management to ensure the safety and sustainability of its business amid a dynamic and complex environment.



**PT Bukit Asam** was awarded the Indonesia Excellence GCG Awards 2022 on February 24, 2022. This award was received in the category of Excellence Good Corporate Governance Implementation on Developing Sustainable Business - Category Energy and Mining Industry. This confirms PT Bukit Asam Tbk's commitment to implementing good Corporate Governance in developing sustainable business in the energy and mining industry. With this award, PT Bukit Asam Tbk is recognized for its consistent GCG practices that have a positive impact on business growth and its contribution to sustainable development.

Several leading companies including PT Kimia Farma, PT Blue Bird, PT Mitra Pinasthika Mustika, PT Sentul City, PT Timah, PT Telkom Indonesia, PT Bank Rakyat Indonesia, PT Austindo Nusantara Jaya, PT United Tractors, PT GoTo Gojek Tokopedia, and PT Bukit Asam have received various prestigious awards in Indonesia. These awards reflect the strong commitment and outstanding performance of these companies in various fields, ranging from product and service innovation, contribution to sustainability, good corporate governance practices, to effective and innovative risk management. Their success in receiving these awards demonstrates their sustained commitment to improving business quality and making a positive impact on society and the environment.

## **CONCLUSION**

All companies have organizational structures consisting of the Board of Directors and Board of Commissioners with varying numbers of members. These companies also have a management led by the President Director and members of the Board of Commissioners responsible for strategic decision-making and overseeing the company. Most companies have implemented GCG principles by forming committees such as the Audit Committee, Nomination and Remuneration Committee, and Risk Committee. This demonstrates the company's commitment to improving corporate governance transparently, accountably, and responsibly. Some companies have paid attention to the implementation of internal controls by forming Audit Committees and Risk Committees to ensure that the company's operational processes run efficiently, effectively, and in compliance with applicable regulations. These victories reflect their commitment to sustainable, transparent, and responsible business practices.

While many companies boast fairly comprehensive organizational structures, complete with Boards of Directors and Boards of Commissioners, there remains an opportunity for some to optimize the composition and functionality of these structures to bolster efficiency and effectiveness. Although most companies have embraced the principles of Good Corporate Governance (GCG), there is still potential for enhancement in the execution of these practices. Companies can further fortify oversight mechanisms and transparency to ensure adherence to GCG principles. Enhancing internal control systems is paramount for companies to improve efficiency, effectiveness, and accountability in risk management and the attainment of corporate objectives. For those honored with awards in ASRRAT 2023, there exists a continual opportunity to refine sustainability performance by pinpointing areas ripe for improvement and strategizing for the realization of long-term sustainability objectives. Companies should actively seek opportunities for collaboration and knowledge-sharing with peers who have excelled in adopting best practices in sustainability and corporate social responsibility. This collaborative effort can yield valuable insights and expedite progress in sustainability endeavors.

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