

# **THE EFFECT OF INTERNAL CONTROL AND GOOD CORPORATE GOVERNANCE ON COMPANY VALUE**

**(Empirical Study of Manufacturing Sector Companies Listed on the Indonesia Stock Exchange) 2015-2019**

**Kamilah Sa'diah**

Department of Accounting, Univeritas Bina Niaga, Bogor

*Author's email : [sadiahkamila@gmail.com](mailto:sadiahkamila@gmail.com)*

*\*Corresponding Author: [sadiahkamila@gmail.com](mailto:sadiahkamila@gmail.com)*

## **ABSTRACT**

The purpose of this study was to examine the effect of internal control and good corporate governance (board of commissioners, audit committee, board, institutional ownership and managerial ownership) on firm value. In the study of the board of commissioners, the board of directors and the audit committee were measured by including the diversity of the board in the form of educational background. The object of the research is the Manufacturing sector companies listed on the Indonesia Stock Exchange for the 2015-2019 period which consists of 6 companies taken using the purposive sampling method. Data analysis was performed using multiple regression procedures. The results showed that internal control, board and ownership have a negative effect on firm value. This study also shows that the board of commissioners, audit committee, and institutional ownership have a positive influence on firm value. This shows that good corporate governance as proxied by these three variables is able to provide assurance to investors on the professionalism of the company and in the end can increase the value of the company.

Keywords: Internal control, good corporate governance, company value