THE EFFECT OF MANAGEMENT OWNERSHIP, LEVERAGE, FIRM SIZE, AND PROBABILITY ON SOCIAL DISCLOSURE IN ANNUAL REPORTS OF MANUFACTURING COMPANY (EMPIRICAL STUDY ON MANUFACTURING COMPANY LISTED IN IDX)

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Abstract— Products of accounting in the form of financial statement–annual report is the exposure of the report containing the accountability of the management of operational activities to the shareholders, but now need to extend this paradigm to be accountable to all stakeholders. This study is an empirical study conducted in manufacturing companies listed in IDX are intended to identify and examine the effect of management ownership, leverage, size, and profitability on social disclosure (Sustainable Reporting) in their annual reports during the period 2007-2010. The results of this study indicate that management ownership and leverage has no effect on the disclosure of social reporting in annual reports, whereas firm size and profitability have an influence on social disclosure in annual reports.

Keywords: ***Social Disclosure, Sustainable Reporting, Management Ownership, Leverage, Firm Size, Profitability***

I. INTRODUCTION

Company's attention has been focused to the interests of stockholders, while the other party's interests are often ignored. There are several instances in Indonesia that can be widely known about the protest submitted by the public over the environmental pollution resulting from waste or pollution produced by the company to the environment. The incident did not lead to harmonious relationships between the company and its social environment, so that the necessary means to inform the public about the social activity that has been done by companies related to environmental stewardship. Information disclosure is an important and efficient means of protecting shareholders and is at the heart of corporate governance. It is also integral to corporate governance, i.e. an important element of corporate governance, since higher disclosure could be able to reduce the information asymmetry, to clarify the conflict of interests between the shareholders and the management, and to make corporate insiders accountable (Sheila et al., 2012).

Standar Akuntansi Keuangan (SAK) issued by Dewan Standar Akuntansi Keuangan (DSAK) - Ikatan Akuntan Indonesia (IAI) as stated in Pernyataan Standar Akuntansi Keuangan (PSAK) No.1 the ninth paragraph implicitly suggested to the company's responsibility to disclose social and environmental issues. The company can also provide additional statements such as statements about the environment and report value added (value added statement), especially for the industry in which social environmental factors play an important role for an industry that considers employees as a group of users report that plays an important role.

That statement is manifestation of concern for the accounting of the social problems which is a form of corporate social responsibility (CSR), but the phenomenon appears, in fact, have shown that there are still companies that pollute the environment, as in the case of PT Newmont Nusa Tenggara which proved polluted Teluk Buyat (WALHI, 2005). Destruction of the environment on an ongoing basis without realizing it would create a potential disaster in Indonesia will also cause loss of biological diversity (biodiversity) that ultimately led to disaster and crises of food, water, energy and even greater disaster. Therefore, emerging of new accounting concept called Social Responsibility Accounting (SRA) which is expected to be able to accommodate the interests of society at large.

Stop Global Warming. Such an intensive campaign conducted various LSM or Non-Governmental Organizations (NGO's) because of environmental conditions increasingly apprehensive. Industry is a target campaign, this is due to awareness industry's environmental management is still very low. Along with the development, industrialization is increasing rapidly, and extends to the whole world, not exception of Indonesia. Industrialization at first only have an impact environment of the surrounding area, at present already have environmental impacts which can be felt throughout the world. Industry is one of the consumer largest of the oil. Results of combustion fossil fuels is one of largest contributor of carbon gas in the world.

Some countries have established the importance of CSR reporting, though agreement on a measure of social and environmental performance is still not reached unanimously. At this time many companies that have produced annual reports by external audit, which generally include issues of sustainable development and CSR. There are several standard reports that have been known to show good business performance, such as Standard Account Ability (AA1000) is based on the concept of Triple Bottom Line (3BL) was initiated by John Elkington (1998); Reporting Guidelines for Sustainable Global Reporting Initiative (GRI) Guidelines for Monitoring Verite, Social Accountability International (SA8000) and ISO 14000 Environmental Management Standard.

Belkaoui (1989) found results (1) social disclosure has a positive relationship with the social performance of companies which means that the company would disclose the social activities in the social report, (2) there is a positive relationship between social disclosure political visibility, which the large companies that tend to be controlled will reveal more social information than small firms, (3) there is a negative relationship between social disclosure by the level of financial leverage, this means that the higher ratio of debt to equity the lower the social disclosure because the higher level leverage, the greater the likelihood the company will be breaking the credit agreements.

Several studies have been lead to examine the effect of management ownership, leverage, firm size and profitability on the disclosure of social responsibility. Devina et al., (2004) lead a study on the influence of company characteristics, such as firm size, industry type, profitability and firm basis for the disclosure of social responsibility. Sembiring (2005) conducted a study on the effect of firm size, profile, size of the board of commissioners, and leverage on the disclosure of social responsibility. Anggraini (2006) conducted a study of management ownership, leverage, firm size, profitability in social disclosure.

Research on the factors that influence the social reporting is still interesting to do, because there are few companies which reported its CSR activities. In 2005, there were only seven manufacturing companies listed in IDX are reporting the social disclosure activities (NCSR, 2009). Sustainability reporting companies mostly distribute their corporate sustainability report as complement to annual report for shareholders in their annual general shareholders meeting. The reporting companies also distribute the report to other stakeholders such as suppliers, local governments, NGO's, academicians, professional organizations and other interested parties.

This study is an empirical study conducted in manufacturing companies listed in IDX are intended to identify and examine the effect of management ownership, leverage, size, and profitability on social disclosure in their annual reports during the period 2007-2010.

II. LITERATURE REVIEW

Corporate Social Responsibility (CSR)

Echoes from the context of corporate social responsibility (CSR) globally into use since the 1970s and increasingly popular after the presence of the book John Elkington (1998), entitled Cannibals With Forks: The Triple Bottom Line in 21st Century Business by developing the three essential components of sustainable development, namely economic growth, environmental protection and social equity, proposed in the World Commission on Environment and Development (WCED) in the Brundtland Report (1987), Elkington CSR (**Fig. 1)** packed into the 3P (Profit, Planet and People). "Good companies are not just looking for purely economic gain (profit)."

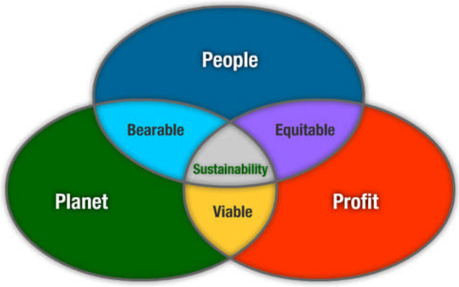

Fig. 1 Triple Bottom Line
Source: Elkington, John. *Cannibals with forks: the triple bottom line of 21st century business*. New Society Publishers, 1998.

Social Disclosure - (Sustainability Reporting)

Traditionally, each company publishes annual financial reports to communicate its financial performance. Unfortunately, the report is not able to satisfy all information needed by the stakeholders especially on the non-financial aspects. In order to meet stakeholders' requirement, for the last ten years there has been a global initiative to develop what is known as Corporate Social Reporting or Sustainability Reporting. Sustainability reporting is intended to communicate economic, social and environmental performances or known as 'the triple bottom line' reporting.

Global Reporting Initiative (2006) defines sustainability reporting (SR) as the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. Sustainability reporting is a broad term considered synonymous with others used to describe reporting on economic, environmental, and social impacts (e.g., triple bottom line, corporate responsibility reporting, etc.). A sustainability report should provide a balanced and reasonable representation of the sustainability performance of a reporting organization – including both positive and negative contributions (Puspitasari, E., 2009).

SR is the reporting on the economic, environmental and social policies, impact and performance of an organization and its product in the context of sustainable development. SR in Indonesia prepared in accordance with the GRI-Global Reporting Initiative which have been developed since the 1990. Corporate not only should concern about their achievement on profit, but also concern about their social responsibility to their people and environment.

GRI emphasized the importance of six principles to consider in making the right CSR reporting (Suharto 2008) are (1) Accuracy; information must be complete and sufficient detail to be assessed by stakeholders in a clear, precise and accurate; (2) Balance, balance that reflects the positive aspects and negative CSR activities are conducted; (3) Comparability, aspects or variables used and reported should be consistent so it can be compared across time; (4) Clarity, the information should be available in the form of a easily understood and accessible to stakeholders; (5) Reliability, and reliable information must remain among the gathered, recorded, analyzed and presented based on the manner or methodology that can be justified, and (6) Timeliness, reports are generated regularly and available on time for stakeholders and other parties that use.

Characteristics of the feasibility of the quality of financial statements listed in the PSAK (Puspitasari, E., 2009) can provide a reference standard in determining the eligibility criteria for sustainability reporting, among others (a) Relevance, these criteria must have value for improving aspects of environmental management and pengamblan useful for management decisions in the future; (b) Reliable, these criteria produce a consistent evaluation and measurement; (c) Neutrality, these criteria are free from bias, ambiguity does not cause the reader's perception of sustainability reporting. (d) Understandably, have a clear criteria, complete the building so it has emampuan conclusion; (e) Completeness, these criteria affect the conclusion readers sustainability reporting; (f) General accounting approach is fit for use for the manufacture of sustainability reporting; (g) Not all criteria of the financial statements can be used to make sustainability reporting; and (h) Criteria established by the legislation that exists and was developed by experts.

SR has been written with reference to the Global Reporting Initiative (GRI), is based on observations of the annual report of manufacturing companies listed on IDX which comprises economic aspects (viability of economic life), environmental aspects (environmental responsibility), and social aspects (human rights, manpower, social activities and product responsibility). This sustainability report is a part of the Annual Report. The sustainability report related to social responsibility comprises 4 (four) sub-aspects: (1) human rights, (2) product responsibility, (3) employee management, and (4) social activities.

Sub-Aspect: Human Rights

Indicators of human rights performance are company activities that support the company’s equal treatment of employees, equality towards suppliers and equality towards customers. Equal treatment of employees begins with the employee recruitment process through the principle of openness from the start of the employee requirement planning in every work unit, the criteria sought and the widespread announcement of vacancies, to the selection process and the final testing involving the work units seeking employees. The decision to employ recruits is not based on gender, race or religion and does not employ underage workers, in accordance with laws in effect in Indonesia.

Sub-Aspect: Product Responsibility

Corporate provides a guarantee for the safety of users and for the safe use of the products and solutions its sells. Actions related to product responsibility start with an investigative study of the location where the product will be installed, such as the availability of an electricity supply, grounding, the path to the product installation location, the availability of room temperature control as required by the product, airfl ow and lighting. Besides this, attention is also given as to whether the installation location is sufficiently far from fire sources in order to guarantee the product can be used as intended.

Sub-Aspect: Employee Management

Management Performance is determined by aim of ensuring that employees carry out their duties in accordance with set work targets. The management performance process includes the drawing up of performance plans; implementing the monitoring process, coaching and counseling by line managers, performance evaluation and the determination of reward and punishment as a consequence of the performance achieved.

Sub-Aspect: Social Activities

The corporate guarantees sustainability through social activities, particularly related to people living around offices and branches, such as donations for people living near the company, blood donations, a fund-raising activity and/or donation for victims of disasters in Indonesia.

SR in Indonesian Accounting Standard (PSAK N0. 1, Paragraph 9) "The company can also provide additional statements such as statements about the environment, especially for industries where environmental factors play an important role." Sustainability disclosure regulation in Indonesia is the statement that the state is required to make reports PKBL (Program Kemitraan dan Bina Lingkungan-Partnership Program and Community Development); BAPEPAM-LK provisions requiring public companies to disclose CSR activities in the annual report and Law No. 40/2007 on Go Public Companies requires go public companies to report the implementation of environmental and social responsibility in the Annual Report. The difference of Sustainability Reporting and Financial Reporting shown in **Table 1.**

Legitimacy Theory

Legitimacy theory is analysed from a managerial perspective in that in focuses on various strategies managers may choose to remain legitimate…" Deegan et al., (2002) insists on shifting the perspective of corporate orientation towards stakeholders.

This suggests that the legitimacy of the

	Bottom Lines	*National Standards and Setter Body*	*International Standards References*	*Audit / Assurances Standards*
Financial Reporting MANDATORY	- *Balance Sheet* - *Income Statement*	Financial Accounting Standards *Setter :* DSAK, IAI	International Financial Accounting Standards *Setter* : IFAC	Financial Auditing Standards Auditor : KAP
CSR / *Sustainability Reporting* VOLUNTARY MANDATORY	- *Environmental* - *Social and* - *Economic Performances*	Sustainability Reporting Guidelines *Setter : NCSR (National Center for Sustainability Reporting)*	Sustainability Reporting Guidelines *Setter* : *GRI based in Netherlands since 2000*	International Standards for assurance Engangement (ISAE)/ AA 1000 Assurer : KAP/Konsultan

Table 1. Differences Sustainability Reporting and Financial Reporting
Source: Darwin, Ali. *Sustainability Reporting.* National Conferrence of Sustainability Reporting. Magister of Accounting Universitas Diponegoro. 2009

company's orientation is the direction of the implications of corporate responsibility which is focused on the stakeholders' perspective. Legitimacy can be obtained when there is a correspondence between the existence of the company in accordance with the existence of the value system in society and the environment. Some day when there was a shift that leads to a mismatch, then at that time threatened the legitimacy of the company.

Legitimacy is an enterprise management system oriented to the alignments of the community (society), governments and individuals. Therefore, the operating company as a system that puts the alignments of the society should work together with community expectations. Legitimacy has shifted in line with the shift in society and the environment, companies must be able to adjust shifts (changes) that occur both in the products, methods and goals.

Stakeholders Theory

The company not only responsible to the owners (shareholders), but more broadly, on social (stakeholders), hereinafter referred to social responsibility. This occurs because of the demands of society arising from negative externalities and the social inequality in society. Therefore, the responsibility of the company that originally measured only limited to economic indicators in the financial statements, the current need to take into account factors including the social aspects of both internal and external stakeholders.

The essence of the stakeholder theory suggests that firms should reduce the expectation gap with the public in order to gain recognition from the community. The company needs to maintain its reputation by changing the orientation is measured solely by economic measurement that tend to be oriented in the direction of the shareholders take into account the social aspects as a form of awareness and favor of social issues (stakeholders orientation).

Management Ownership

Conflicts of interest between managers with owners becomes larger when the ownership of the manager of the smaller firms (Jensen and Meckling,1976). In this case the manager will seek to maximize self-interest than the interests of the company. The larger holdings management ownership in the company, will make manager performance more productive in order to maximizing corporate value. Manager of the company will disclose social information in order to enhance corporate image, even though he had to sacrifice resources for the event (Fraser, 2005).

Leverage

The higher the level of leverage (debt to equity) the more likely it will break the credit agreement so that the company will attempt to report the income is now higher (Belkaoui and Karpik, 1989), so that reported earnings higher than the manager must reduce cost (including costs to disclose social responsibility).

Firm Size

Company size is a predictor variable that is widely used to explain variations in the company's annual report disclosure. Larger companies tend to have a public demand for information is higher than smaller companies. More shareholders also require more disclosure because of the demands of shareholders and stock market analysts (Devina et al., 2004). .

Probability

High profit margins will encourage managers to provide more detailed information, because they want to convince investors of the company's profitability and encourage the compensation of management. The higher the level of corporate profitability, the greater disclosure of social information. (Hackston and Milne, 1996; Belkoui and Karpik, 1989).

The effect of management ownership, leverage, firm size, and profitability on social disclosure in annual reports can be shown in the model of this study as follows:

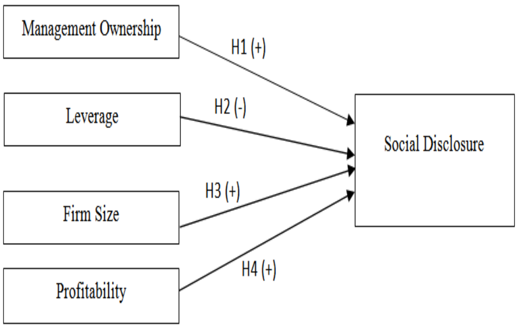

Fig. 2 Model of Research

III. RESEARCH METHOD

Population and Sample

Population of this research all is all of manufacturing companies that have been listed in IDX. Defined as the population of manufacturing firms in this study, because the manufacturing sector has a larger number, when compared with other sectors listed on the IDX in 2010, as many as 146. Sampling method in this study is the judgment sampling method, which is one form of purposive sampling by sampling a pre-determined based on the intent of this study, namely companies have been listed on 2007-2010, have positive NPM and the company publishes the annual financial statements the period 2007-2010. Based on the criteria, observational data there are 140 companies from 35 samples per year .

Measurement of variables

Dependent Variable

The dependent variable in this study is the amount of social disclosure, which is expressed in an index of social disclosure by the company disclosed in its annual report. Calculation of the index of social disclosure will be made in accordance with the categories of social information according to Darwin (2004). Measurement of these variables to measure social disclosure which conducted its annual report with observations regarding the presence or absence of an item of information specified in the annual report. Percentage done by looking at corporate social responsibility disclosure in seven categories: Environment (13), Energy (7), Health and Safety Employment (8), etc. of the labor (29), Product (10), Community Involvement (9), and General (2). This category in the adoption of the research conducted by Hackston and Milne (1996). Twelve deleted due to lack of appropriate items to be applied to conditions in Indonesia so that the remaining 78 items in total disclosure.

SD=Number of Social Information Disclosed

Independent Variables

Independent variables examined in this study are the management ownership, leverage, firm size, and profitability. Management ownership based on stock ownership percentage owned by management. Leverage measured by the ratio of debt to equity. Firm size can be seen from the total asset owned by company in logarithm. Profitability is measured by net profit margin.

Research Model

Examination of the effect of management ownership, leverage, firm size, and profitability toward social disclosure used regression analysis. Structural equation model that proposed as an empirical model is as follows:

$$SD = \alpha + \beta_1 MO + \beta_2 LEV + \beta_3 SZ + \beta_4 PROF + e$$

SD = Social Disclosure
MO = Management Ownership
LEV = Leverage
PROF = Profitability
SZ = Firm size
α = Intercept
β = Coeffisien Regression
e = error

IV. FINDING AND DISCUSSION

Statistic Descriptive

Table 2. shown the minimum value of management ownership of 0.00 which means that the structure of shareholding fully owned by the public, while the maximum value of 25.61 which means that the management has a stake of 25.61%. Minimum value for the variable of social disclosure by 4, which means corporate social disclosure is made only 5 of 78 disclosure items that should be done. The maximum value of 28 which means the disclosure of the company a maximum of 31

items of the total disclosure that should be done. The mean value for 14:49 shows average - average company doing social disclosure as much as 14 or 15 items 78 items of disclosure that should be disclosed.

A good regression model is a homoskedastisitas (**Table 4.)**, the residual variance from one observation to another observation is not fixed or not happen heteroskedasitas.

Table 2. Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Leverage	140	2.90	.04	2.94	.9677	.67936
Profit	140	8.22	.00	8.22	.2461	.80874
MnjOwn	140	25.61	.00	25.61	2.2871	6.29007
SclDscl	140	26.00	5.00	31.00	14.4929	5.37981
FirmSz	140	112795012	61988	112857000	7606852.37	17559727.744
Valid N (listwise)	140					

Source : Output Data of SPSS

Based on the results of testing for normality with a normal P-P plot graph (**Fig. 3)** shows that the data are normally distributed.

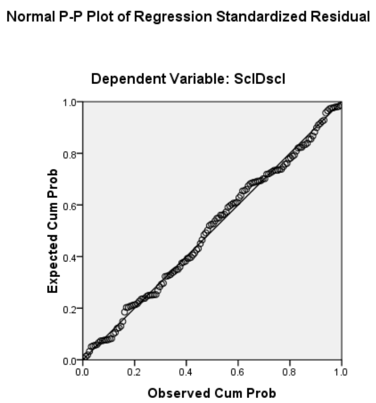

Fig 3. Normal P-P Plot Graph

Test of classic assumptions in this research is done to avoid bias in the estimation of regression models with Multicollinearity, Heteroscedasticity, and Autocorrelation Test.

Table 3. Multicolinearity Test

Model	Collinearity Statistics		Explanations
	Tolerance	VIF	
1 (Constant)			Free Multicolinearity
Leverage	.977	1.024	
Profit	.988	1.012	
MnjOwn	.913	1.096	
LnTAFirmSz	.904	1.106	

a. Dependent Variable: SclDscl

Source : Output Data of SPSS

Table 4. Uji Glejser

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1.577	1.632		-.966	.335
Leverage	-.023	.038	-.045	-.595	.553
Profit	-.015	.019	-.059	-.783	.435
MnjOwn	.874	.260	.256	-.868	.321
LnTAFirmSz	-.953	.889	-.081	-1.072	.285

a. Dependent Variable: abs_res

Source : Output Data of SPSS

There is no autocorrelation (**Table 5.)** in the regression models which can be determined from the value of DW.

Table 5. Durbin-Watson

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.388[a]	.151	.126	5.03025	1.624

a. Predictors: (Constant), LnTAFirmSz, Profit, Leverage, MnjOwn

b. Dependent Variable: SclDscl

Source : Output Data of SPSS

The results of the regression analyst for social disclosure as a dependent variable **(Table 6.)**.

Table 6. Hypothesis Testing

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	4.590	3.004		1.528	.128
	Leverage	-.001	.006	-.017	-.218	.828
	Profit	3.618	1.619	.169	2.234	.027
	MnjOwn	-.027	.069	-.029	-.388	.699
	LnTAFirm Sz	1.287	.478	.206	2.694	.008

a. Dependent Variable: DS

Based on hypothesis testing in regression analysis of management ownership and leverage has a negative coefficient indicates that management ownership, leverage negatively affect social disclosure, while company size, profitability and positive influence on social disclosure.

From the results obtained testing the hypothesis 1 is a negative regression coefficient of 0.27 and the significance test of 0.128> 0.05 indicates that the hypothesis is rejected, so the conclusion does not affect the ownership of the management of social disclosure.

From the results obtained testing the hypothesis 2 is a negative regression coefficient of 0.001 and 0.699 for test of significance value> 0.05 indicates that the hypothesis is rejected, so the conclusion does not affect the disclosure of social leverage.

From the results of testing hypotheses 3 and 4 respectively of the regression coefficients obtained were positive at 1.287 and 0.008 for test of significance value <0.05 indicates that the hypothesis is accepted, it can be concluded that firm size and profitability of the influence of social disclosure with a positive regression coefficient of 3.618 and the value test significance of 0.027 < 0.05.

The Effect of Management Ownership toward Social Disclosure

Based on a hypothesis 1; test results obtained by the t test significance value of 0.128 > 0.05; so it was concluded that the management ownership did not affect to social disclosure. In this study the level of management ownership in most companies are small and there is even a degree of management ownership of the company's zero. So in this case the manager will seek to maximize self-interest than the interests of the company. Conversely, if the larger holdings in the company's managers, the more productive actions of managers in maximizing corporate value. Manager of the company will disclose social information in order to enhance corporate image, even though he had to sacrifice resources for the event (Gray et al., 1998). Results of this study is consistent with research conducted by Anggraini (2006).

The Effect of Leverage toward Social Disclosure

Based on the results of hypothesis 2; test of significance values obtained for 0.699>0.05; so it was concluded that leverage has no effect on social disclosure. No significant effect of leverage on extensive disclosure relating to the different assumptions on leverage. Some users of financial statements assume high leverage as a signal that the company has good prospects of being able to use more debt in their capital structure. However, there are some users of financial statements assume that leverage is an indicator of business risk. Researchers suspect that companies hesitate in making the disclosure in connection with the condition of the company leverage as a result of two different assumptions. These results are consistent with research conducted by Anggraini (2006).

The Effect of Firm Size toward Social Disclosure

Testing the hypothesis 3; test significance value obtained for 0.008 < 0.05 indicating that firm size significantly affects social disclosure. Firm size was measured using total assets. Larger companies tend to have a public demand for information is higher than smaller companies (Jogiyanto, 2003) in Yanti (2008). The results support research conducted by Devina et al., (2004) and Sembiring (2005) which states that firm size (total assets) affect social disclosure in annual reports.

The Effect of Profitability toward Social Disclosure

Testing of hypothesis 4 a significance test values obtained for 0.027 <0.05 which proves that significantly affect the profitability of social disclosures in the financial statements. If the higher level of corporate profitability, the greater the social information will be disclosed. Donovan and Gibson (2000) stated that based on legitimacy, one of the arguments in the relationship between profitability and social responsibility disclosure level is that when a company has a high rate of profit, the company (management) considers not need to report anything that may interfere with information about the financial success company. Conversely, when low levels of profitability, they expect the users of the report will read "good news" the company's performance. These results differ from studies conducted by Devina et al., (2004) and Rosmasita (2007) stated the results showed that profitability was not statistically significant effect on corporate social responsibility disclosure manufacturing.

V. CONCLUSION AND FUTURE RECOMMENDATION

The results of this study indicate that management ownership and leverage has no effect on the disclosure of social reporting in annual reports. This is because of the possibility in data of the management ownership is known to many manufacturing companies whose total ownership by the board of commissioners and directors (management) is very small, even a management that does not have ownership. Firm size and profitability have an influence on social disclosure in annual reports, this suggests that the higher profitability and the larger the company will be more open in the social responsibility activities of conveying information to the public as a form of execution Good Corporate Governance practices in manufacturing companies listed in IDX.

For further research, social disclosure items should be kept up to date as a condition of society and the rules, this can be done with the involvement of social activists and government-related social problems. Accounting as a discipline and profession has a related activity the provision of information in decision-making framework economy. The information may be submitted relating to the social, environmental and financial as well. Report containing the information of social, environmental and financial as well as so-called "triple bottom line reporting" in which the charge is full of them with the issue of "green accounting", thus the nickname the "report finance "is a source of information for decision making will it can be assumed.

This research and the future should have real implications in order to support the Law UU No. 25 Article 15b of 2007 on Investment which states that every investor is obliged to implement corporate social responsibility. Explanation of the legislation states that the definition of corporate social responsibility (CSR) is a responsibility inherent in the investment companies to keep creating a harmonious, balanced, and in accordance with the environment, values, norms, and culture. This law (UU) adds to the strength of CSR disclosure regulation in Indonesia which is a provision of Bapaepam-LK (Otoritas Jasa Keuangan-OJK) requiring public company to disclose CSR activities in the annual report.

The highest award should be given to the National Centre for Sustainability Reporting (NCSR), The Indonesian Netherlands Association (INA) and Indonesian Institute for Management Accounting (IAMI) which has organized Indonesia Sustainability Reporting Awards (ISRA) as a bridge to motivate and accelerate sustainability reporting of Indonesian companies by rewarding outstanding attempts to communicate corporate performance in three aspects (economics, social and environment).

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