

Sustainability disclosure assurance practices in Indonesia (2019–2025): A systematic literature review

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DOI: <https://doi.org/10.66856/ijfc.2026.8.2.8035>

Abstract

The growing demand for non-financial transparency has prompted firms not only to publish sustainability reports but also to enhance their credibility through third-party assurance. This systematic literature review (SLR) maps the development of sustainability disclosure assurance research in the Indonesian context from 2010 to 2025. Following a PRISMA-style identification–screening–eligibility framework, a corpus of peer-reviewed, indexed articles specifically examining the assurance of sustainability reports issued by companies listed on the Indonesia Stock Exchange (IDX) was systematically reviewed. Findings are synthesised into four themes: (1) determinants of assurance adoption decisions; (2) assurance statement quality and standards compliance; (3) the consequences of assurance for firm value and credibility; and (4) practitioner perspectives and institutional challenges. The results indicate that assurance adoption in Indonesia remains voluntary and comparatively low, driven more consistently by firm-specific characteristics (profitability, leverage, firm size) than by formal governance mechanisms, and hampered by the absence of a single national standard and an immature assessor ecosystem. The review identifies research gaps and proposes a future research agenda.

Keywords: Sustainability report assurance, sustainability disclosure, sustainability reporting, AA1000AS, ISAE 3000, Indonesia Stock Exchange

Introduction

Sustainability reports have emerged as the primary instrument through which companies communicate their economic, environmental, and social performance to stakeholders. However, because such reports are prepared unilaterally by management, the credibility of the information they contain is frequently questioned. Third-party assurance has therefore emerged as a mechanism for enhancing the reliability and trustworthiness of non-financial disclosures. At the global level, the literature highlights that assurance can reinforce accountability, while also risking becoming a ceremonial practice that generates a "hyperreality" of accountability when not conducted substantively (Boiral & Heras-Saizarbitoria, 2020) [3], and that assurance quality is strongly shaped by governance characteristics such as audit committees (Zaman, Farooq, Khalid, & Mahmood, 2021) [16].

In Indonesia, a pivotal policy moment arrived with the issuance of Financial Services Authority Regulation (Peraturan Otoritas Jasa Keuangan, POJK) No. 51/POJK.03/2017 on the Implementation of Sustainable Finance, which progressively mandated financial service institutions, issuers, and public companies to prepare sustainability reports. While the preparation of these reports became mandatory, external assurance over those reports has remained voluntary. This regulatory gap renders the adoption, quality, and impact of assurance an empirically compelling and policy-relevant question in an emerging market such as Indonesia—a context that the international literature characterises as an environment with a still-evolving regulatory pressure regime (Christensen, Hail, & Leuz, 2021) [4].

This review addresses three research questions

- RQ1. How has the landscape and trajectory of sustainability report assurance research in Indonesia evolved over the period 2010–2025?
- RQ2. What determinants, quality measures, and consequences of assurance have been empirically examined in the Indonesian context?
- RQ3. Where do research gaps lie, and what directions should a future research agenda pursue?

Methodology

Protocol

This review adopts a PRISMA-style identification → screening → eligibility → inclusion workflow. The designated time window is 2010–2025, with two studies published in early 2026 included transparently as leading-edge evidence marking the continuity of emerging trends (explicitly noted throughout the discussion).

Search Sources and Strategy

Searches were conducted across journal databases and aggregators, including Garuda indexer, DOAJ, Crossref, Emerald, Business Perspectives, and Indonesian national journal repositories. The keyword combinations employed were: "sustainability report assurance", "sustainability assurance Indonesia", "external assurance", "penjaminan laporan keberlanjutan", "assurance statement", and their Indonesian-language equivalents, combined with "Indonesia" / "Bursa Efek Indonesia".

Inclusion and Exclusion Criteria

Inclusion criteria: (a) peer-reviewed journal articles or conference proceedings; (b) primary focus on the assurance of sustainability/CSR reports of companies operating in Indonesia (as a sole or comparative object of analysis); (c)

possession of a verifiable Digital Object Identifier (DOI); and (d) publication within the designated time window.

Exclusion criteria: articles addressing sustainability disclosure without an assurance dimension; opinion pieces or editorials lacking empirical data; and sources without a verifiable DOI (such sources are referenced narratively where necessary but are excluded from the core reference list).

Selection Results

The search process revealed a structurally important finding: although the earliest empirical traces of sustainability report assurance in Indonesia can be identified around 2015, DOI-verified studies specifically meeting the inclusion criteria cluster predominantly within the 2019–2025 period. This pattern is consistent with the issuance of POJK 51/2017, which accelerated reporting practice and, in turn, academic attention to its assurance. The core corpus of this review comprises twelve studies (ten within the 2010–2025 window and two early-2026 leading-edge studies), as summarised in Table 1.

Results and Discussion

Publication Landscape and Trends (RQ1)

Temporally, sustainability assurance research in Indonesia exhibits three distinct phases. The pioneering phase (approximately 2015–2019) was characterised by exploratory studies examining market impacts and the quality of assurance statements, at a time when the practice was still rare and sample sizes were extremely small. For instance, the cross-national comparative study by Harymawan, Nasih, Salsabilla, and Putra (2020)^[8] used data from 84 firms listed in Indonesia and Malaysia over 2010–2016, confirming that assurance data from the first half of that decade was genuinely limited. Similarly, Cintya Dewi, Yudianti, and Anggraini (2019)^[5] were only able to identify 13 eligible companies.

The expansion phase (2021–2024) witnessed a surge in regression-based determinant studies (both logistic and OLS) utilising cohorts drawn from sustainability award programmes—from the Indonesia Sustainability Reporting Awards (ISRA), later transformed into the Asia Sustainability Reporting Rating (ASRRAT)—and the SRI-KEHATI index as sample sources comprising companies with a relatively established sustainability orientation (e.g., Meutia, Kartasari, & Daud, 2022; Shinta, Deniswara, & Liu, 2023; Utami, Ameraldo, Fella Rizki, & Rabaya, 2024)^[11, 14, 15].

The deepening phase (2024 onwards) has introduced qualitative approaches shedding light on the ecosystem and institutional challenges (Kurniawan & Basuki, 2024)^[9], alongside increasingly complex moderation designs (Desmiyawati, Ratnawati, Azlina, & Rokhmawati, 2026)^[6]. This trajectory signals a maturation of the research agenda—from "whether/how much" towards "why, how well, and with what consequences."

Theme 1: Determinants of Assurance Adoption (RQ2)

The most densely populated theme in the Indonesian literature concerns the factors explaining corporate decisions to adopt assurance. Findings converge on a single overarching message: firm-specific characteristics emerge more consistently than formal governance mechanisms.

- Meutia *et al.* (2022)^[11] found that corporate governance (measured by 29 GRI governance disclosure indicators), profitability, and firm age significantly influenced the decision to adopt assurance among ASRRAT 2017–2021 participants.
- Privika, Maharani, and Irmadariyani (2021)^[12] tested profitability, leverage, firm size, and industry type as determinants of sustainability report assurance.
- Shinta *et al.* (2023)^[14] linked audit quality, institutional ownership, profitability, and firm size to assurance adoption among SRI-KEHATI index firms over 2019–2021.
- Studies centred on stakeholder pressure extend the theoretical lens of stakeholder theory: Alfajar and Taqwa (2024)^[1] examined stakeholder pressure and firm size, while Melenia and Sebrina (2024)^[10] added employee pressure, ownership structure, and leverage.
- Utami *et al.* (2024)^[15], through logistic regression on IDX-listed firms in 2022, found that the presence of a sustainability committee/structure and receipt of sustainability awards were positively associated with assurance adoption, whereas industry type was non-significant.

The most recent evidence reinforces this pattern. Gunawan and Kurniawati (2026)^[7], drawing on IDX manufacturing firms over 2021–2024 with binary logistic regression, conclude that profitability, leverage, and firm size increase the likelihood of assurance adoption, while audit committee presence and institutional ownership are non-significant—confirming that assurance is driven more by firm-level characteristics than by governance architecture.

Theme 2: Assurance Statement Quality and Standards Compliance (RQ2)

The second theme shifts the analytical focus from "whether adopted" to "how well." The central issue here is the coexistence of two competing standards: AA1000AS (grounded in accountability principles) and ISAE 3000 (based on professional accountants' assurance engagements).

Cintya Dewi *et al.* (2019)^[5], through descriptive content analysis and the Mann–Whitney U test applied to 13 firms (ISRA 2017 participants and non-participants), found that the average quality of assurance statements issued by Indonesian companies was rated high, with the highest level of AA1000AS compliance reaching 92.9%. Crucially, no significant quality difference was found between ISRA participants and non-participants, nor between firms using CPA-firm and non-CPA-firm assurers. This finding is noteworthy in that it challenges the assumption that the engagement of financial auditors automatically yields higher-quality assurance.

Ardi and Meiden (2023)^[2] subsequently updated this quality assessment for ASRRAT participants and award-winners over 2017–2021, again applying the ISAE 3000 and AA1000AS frameworks. Both studies collectively imply that the absence of a single national standardisation regime is a primary source of quality variation.

Theme 3: Consequences of Assurance for Firm Value and Credibility (RQ2)

The third theme examines whether assurance "delivers" tangible benefits to firms. Harymawan *et al.* (2020)^[8],

through content analysis of assurance statements and OLS regression, identified a significant positive effect of external assurance disclosure on firm value (measured by Tobin's Q) and noted that Indonesian firms exhibited higher levels of external assurance disclosure than their Malaysian counterparts—adding to the emerging-market assurance literature.

More recent evidence, however, introduces important nuance. Desmiyawati *et al.* (2026)^[6], drawing on 867 firm-year observations from non-financial IDX firms over 2018–2023 using Hayes' PROCESS moderation technique, found that independent commissioners and gender diversity positively influenced sustainability disclosure, while institutional ownership did not. Strikingly, external assurance negatively moderated (weakened) the relationship between certain governance mechanisms and disclosure—suggesting that third-party assurance, when overlaid on internal governance structures, does not necessarily optimise reporting quality.

This finding resonates with the theoretical concern that assurance may become ceremonial (Boiral & Heras-Saizarbitoria, 2020)^[3].

Theme 4: Practitioner Perspectives and Institutional Challenges (RQ2)

Diverging from the quantitative mainstream, Kurniawan and Basuki (2024)^[9] employed a qualitative approach through semi-structured interviews with ten informants—four drawn from the assurator community and six from academia—to examine the foundational challenges confronting sustainability reporting assurance practice (SRAP) in Indonesia. The study identifies a range of institutional issues and formulates policy recommendations directed at relevant authorities, including financial regulators, on the codification of SRAP policy. Its contribution is distinctive in that it incorporates the perspectives of academic researchers—who are rarely engaged in this discourse—and addresses the pronounced scarcity of SRAP studies in developing-country contexts.

Synthesis Table

Table 1: Synthesis of Twelve Core Studies on Sustainability Report Assurance in Indonesia (2019–2026)

No.	Author(s) (Year)	Focus / Theme	Sample & Period	Method	Key Findings
1	Cintya Dewi, Yudianti, & Anggraini (2019) ^[5]	Quality of assurance statements	13 firms (ISRA/non-ISRA), 2016–2017	Descriptive content analysis; Mann–Whitney U	Average quality rated high (AA1000AS compliance up to 92.9%); no significant difference between ISRA vs. non-ISRA or CPA-firm vs. non-CPA-firm assurers
2	Harymawan, Nasih, Salsabilla, & Putra (2020) ^[8]	Consequences: firm value	84 firms in Indonesia & Malaysia, 2010–2016	Content analysis; OLS regression	External assurance has a significant positive effect on firm value (Tobin's Q); Indonesian firms outperform Malaysian peers
3	Privika, Maharani, & Irmadaryani (2021) ^[12]	Determinants of adoption	IDX-listed firms	Regression	Tests profitability, leverage, firm size, and industry type as determinants of SR assurance
4	Meutia, Kartasari, & Daud (2022) ^[11]	Determinants of voluntary adoption	140 reports from 28 ASRRAT firms, 2017–2021	Regression	Corporate governance (29 GRI indicators), profitability, and firm age are significant predictors
5	Ardi & Meiden (2023) ^[2]	Quality of assurance statements	ASRRAT participants/winners, 2017–2021	Descriptive study (ISAE 3000 & AA1000AS)	Examines assurance statement quality against two competing standards
6	Shinta, Deniswara, & Liu (2023) ^[14]	Determinants of adoption	SRI-KEHATI Index firms, 2019–2021	Regression	Tests audit quality, institutional ownership, profitability, and firm size
7	Alfajar & Taqwa (2024) ^[1]	Determinants (stakeholder pressure)	IDX-listed firms, 2017–2021	Regression	Examines stakeholder pressure and firm size as drivers of SR assurance
8	Melenia & Sebrina (2024) ^[10]	Determinants (pressure & ownership)	IDX-listed firms	Regression	Employee pressure, ownership structure, and leverage as determinants of assurance adoption
9	Kurniawan & Basuki (2024) ^[9]	Practitioner perspectives and institutional challenges	10 informants (assurers & academics)	Qualitative (semi-structured interviews)	Identifies SRAP challenges and formulates policy recommendations
10	Utami, Ameraldo, Fella Rizki, & Rabaya (2024) ^[15]	Determinants of adoption	IDX-listed firms, 2022	Logistic regression	Sustainability committee and award recognition positively significant; industry type non-significant
11	Gunawan & Kurniawati (2026) ^[7] *	Determinants of adoption	IDX manufacturing firms, 2021–2024	Binary logistic regression	Profitability, leverage, and firm size are significant; audit committee and institutional ownership are not
12	Desmiyawati, Ratnawati, Azlina, & Rokhmawati (2026) ^[6] *	Consequences & moderation	867 observations, non-financial IDX firms, 2018–2023	Hayes moderation (PROCESS macro)	External assurance negatively moderates (weakens) certain governance–disclosure relationships

* Leading-edge studies published in early 2026; included as markers of trend continuity beyond the formal 2010–2025 window.

Research Gaps and Future Research Agenda (RQ3)

The foregoing synthesis reveals several substantive gaps in the existing literature:

Dominance of determinant designs; limited causal-consequence studies. The majority of studies conclude at the stage of "what drives adoption." Evidence on the impact of

assurance on cost of capital, investor behaviour, analyst forecast accuracy, or greenwashing reduction remains sparse and, at times, conflicting (cf. Harymawan *et al.*, 2020 vs. Desmiyawati *et al.*, 2026) ^[6, 8]. Quasi-experimental or panel designs with stronger causal identification are warranted.

Small samples and selection bias. Many studies rely on ISRA/ASRRAT or SRI-KEHATI cohorts—populations of firms that are already demonstrably "sustainability-oriented"—rendering findings difficult to generalise across all IDX-listed companies. This review itself found that eligible populations frequently comprised fewer than thirty firms.

Standards fragmentation and measurement inconsistency. The coexistence of AA1000AS and ISAE 3000 in the absence of a single national standard produces inconsistency in assurance quality measurement across studies. Future research could develop and validate a contextually appropriate assurance quality index for the Indonesian market.

Unresolved governance role. Contradictory findings regarding audit committees and institutional ownership (significant in some studies, non-significant in others) call for a meta-analytic synthesis and exploration of contingency variables (e.g., family ownership, political connections, environmentally sensitive sectors).

Supply-side neglect (assuror market). Most research takes the firm's perspective; the assuror market, assuror competencies, independence, and the competitive dynamics between CPA firms and non-CPA-firm providers—touched upon qualitatively by Kurniawan and Basuki (2024) ^[9]—remain largely unexplored empirically.

Regulatory regime transition. With the growing entrenchment of global sustainability reporting standards (e.g., IFRS S1/S2) and the potential shift of assurance from voluntary to mandatory status, studies anticipating the impact of regime change on assurance demand and quality in Indonesia are urgently needed.

Conclusion

This systematic literature review has mapped sustainability disclosure assurance research in Indonesia from 2010 to 2025, enriched by two leading-edge studies from early 2026. Three conclusions stand out. First, academic attention escalated markedly following POJK 51/2017, yet assurance itself remains voluntary and its adoption rate relatively low. Second, empirically, assurance adoption in Indonesia is more consistently explained by firm-specific characteristics—profitability, leverage, and firm size—than by formal governance mechanisms, while evidence regarding its consequences for firm value remains mixed. Third, institutional impediments—the absence of a single national standard, an immature assuror ecosystem, and the risk of ceremonial practice—constitute the principal barriers to meaningful progress. The future research agenda should advance towards stronger causal identification, validated quality indices, supply-side analysis of the assuror market, and anticipatory assessments of the transition towards a more binding assurance regime.

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