Available on: https://jefrr.ep-journals.org/ E-ISSN: 3051-3650 P-ISSN: 3051-3642

Journal of Economic Finance Research and Review

Volume: 01 Issue: 06 December 2025

The Role of Good Corporate Governance Mechanisms in Supporting SDGs Implementation: Evidence from Various Countries

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Published Date: December 31, 2025 **Article DOI: 10.65150/EP-jefrr/V1E6/2025-06**

ABSTRACT: This study aims to identify and analyze the role of corporate governance in controlling the implementation of SDGs in companies. This study uses a qualitative approach using a systematic literature review with several stages starting from formulating research questions, collecting research data, analyzing research data, and describing research results. This research data is articles published in international journals indexed by Scopus. The results of previous studies mostly concluded that the presence of a board of commissioners has a positive effect on the implementation of SDGs in companies. Second, the role of the audit committee is very important for the implementation of SDGs for both large and small companies. The third conclusion is that internal auditors and KAP must be at the forefront to improve manager performance to be able to improve the performance of SDG implementation

KEYWORDS: Good governance, audit committee, board of commissioners, internal audit, SDGs

1. BACKGROUND STUDY

The implementation of SDGs has walk for a decade since started 2015. SDGs have 17 goals and 169 targets that will be achieved. give impact positive for people people and the planet (United Nations, 2015). This agenda has adopted by several countries in the world both in the sector public and sector private . However in implementation there is a number of constraint Good from both internal and external sides external (Gusmão Caiado et al. 2018) . For That need existence evaluation and monitoring for can evaluate effectiveness and efficiency implementation of this agenda . Still a little researchers who link between implementation of SDGs with supervision its implementation . Kaur et al. (2025) state that important For understand relatedness between SDG disclosure in the sector quality private high and audit practices towards implementation of the SDGs. Cordery, Arora, and Manochin (2023) also stated that implementation and commitment to SDGs in government must there is active monitoring Good from national and international audits . The same thing expressed by Guillán Montero, A. Le Blanc (2019) that role important from the Audit Agency Finance (BPK) for audit and monitor implementation of SDGs in the sector public in develop framework work and in a independent and proactive . However the problem Still A little research that reveals the role of auditors in SDGs implementation . SDGs implementation audit in several developing countries Still there is lack skills and competencies (Kaur et al., 2025) . Important for company For can pay attention to audits of implementation of SDGs. Besides disclosure of SDGs can maintaining company sustainability (Lewa, Gatimbu, and Kariuki 2025) and (Pozzoli, Pagani, and Paolone 2022) , good implementation of the SDGs can increase performance finance companies in the US (Alareeni and Hamdan 2020) . This supported by (Vázquez et al. 2025) and (Di Tommaso, Mazzuca, and Pacelli 2025) state that company more insurance Lots reveals that the SDGs have performance more finances Good .

Study This try identify the role of audit in implementation of SDGs in the sector private based on evidence empirical evidence that exists in various countries in the world. Motivation study This is For can give a number of contribution new in study about SDGs. First , we complete studies conducted by (Hariyani et al. 2025) about How framework Work implementation of comprehensive ongoing audits and research from (Kaur et al. 2025) who studied How role accounting and reporting in implementation of SDGs. Furthermore , research This will study How the role of continuous audit in implementation SDGs based on proof from various countries. Second , research This study the role of continuous audit in implementation SDGs with use approach interpretive qualitative literature review that has not been done get attention study previously . Research previously conducted by (Samaha, Khlif, and Hussainey 2015) with meta- analysis approach identify connection between characteristics of the board of directors and audit committee , as well as disclosure voluntary .

2. RESEARCH METHODOLOGY

Methodology research used in study This with approach qualitative with use systematic literature review. Approach This The same with The approach used by (Gusmão Caiado et al. 2018) consists of from a number of stage among them is as following : stages First that is formulate question research , stage second is research data collection ; stage third is research data analysis ; and stages fourth is description results research . At this stage formulation question study formulated that is How SDGs monitoring in the private sector. Research data This is articles published in journals international indexed Scopus . Article obtained from the targeted Electronic Database (ED) such as Elsevier (sciencedirect.com), Scopus (scopus.com), emerald and Springer (springerlink.com) as well as other databases that contain journal indexed Scopus . In search article with enter keywords such as SDGs, governance , internal audit, audit committee , auditor and other relevant terms . Furthermore, the data that has been obtained will analyzed data starting from from title , author , review abstract until read content relevant articles . Next steps is discuss with team researchers and experts about SDGs and governance company For identify results research . Then , the results analysis study written and explained in script results study this . In a way more clear can depicted in figure 1 below This :

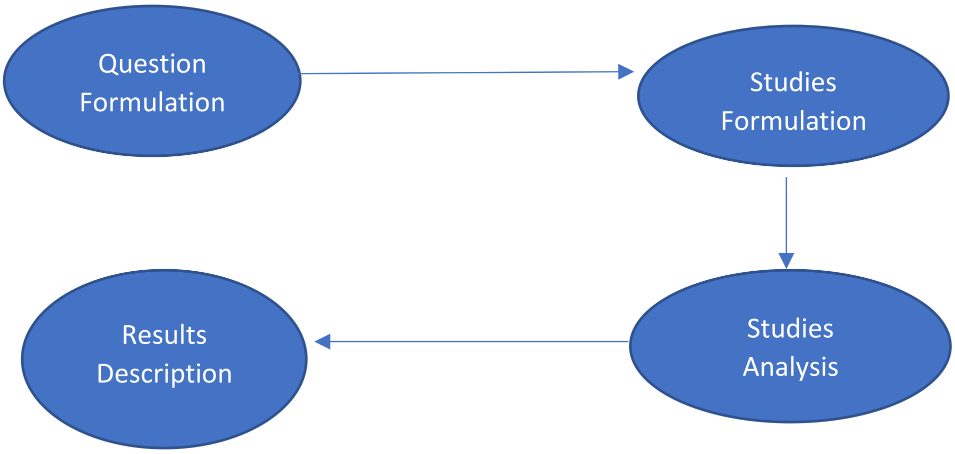

Figure 1: Literature Review Steps

3. SUSTAINABLE DEVELOPMENT GOALS (SDGS) & PENGENDALIAN

SDGs are a series goals set by the Union United Nations (UN) for reach a better life better and better sustainable for everyone on the planet . In 2015 the United Nations Nations has establish 17 interconnected SDGs goals related and interconnected support For overcome various global challenges faced by the world. All party has promote development sustainable , maintaining environment , fighting inequality , and ensure decent life for everyone . Starting from little things in life daily up to the big one in global policy . All from We must Can contribute in create change positive . (Bebbington and Unerman , 2018) stated that the implementation of the Sustainable Development Goals (SDGs) by 2015 has accepted with good and accepted globally . The 17 goals namely : (1) Without Poverty ; (2) Without Hunger ; (3) Healthy and Prosperous Life ; (4) Quality Education ; (5) Gender Equality ; (6) Clean Water and Adequate Sanitation ; (7) Energy Clean and Affordable ; (8) Decent Work and Economic Growth ; (9) Industry , Innovation and Infrastructure ; (10) Reduced Gap ; (11) Sustainable Cities and Settlements ; (12) Responsible Consumption and Production ; (13) Handling Climate Change ; (14) Ecosystem Ocean ; (15) Ecosystem Land ; (16) Peace , Justice and Strong Institutions ; (17) Partnership For Achieving the Goals. Definition of SDGs in study This also includes ESG which has been Lots conducted by researchers previously for example (Alareeni and Hamdan 2020) . ESG as a Contribution Tool for SDGs where company apply ESG principles as method For contribute to the achievement SDGs goals .

In its implementation , SDGs are needed A supervision or control For ensure achievement objective SDGs That itself (Kaur et al. (2025) . This For can maintaining company sustainability (Lewa, Gatimbu, and Kariuki 2025) (Pozzoli, Pagani, and Paolone 2022) , and improve performance finance company (Alareeni and Hamdan 2020) , (Vázquez et al. 2025) and (Di Tommaso, Mazzuca, and Pacelli 2025) . In agency theory , supervision performance agent carried out by the principal through good governance mechanisms (Jensen and Meckling 1976) . Governance good company can increase level disclosure and reducing asymmetry information between management companies and investors (Akhtaruddin and Haron 2010). Governance mechanisms good company can carried out by the board of commissioners independent , audit committee , internal audit, and independent auditor (Son of 2024) . Meanwhile governance mechanisms good governance For can supervise implementation SDGs sector public includes internal auditors and external auditors (Haliah and Nirwana 2019) . Even A adequate compensation with work can become A governance mechanisms good company (Adu , D.A. , AlNajjar, B., Sitthipongpanich , T., 2022).

4. SDGS MONITORING IN THE PRIVATE SECTOR

Supervision implementation of SDGs in organizations sector has carried out by various party among them are the board of commissioners , audit committee , internal audit, and independent auditor (Son of 2024) . Even there is also a committee special that is committee not quite enough answer social company (CSR) can push ESG performance in companies (Kateb, I. and Alahdal , WM, 2024). In chapter This will discussed How SDGs monitoring is carried out by each party .

4.1 Supervision Implementation of SDGs by the Board of Commissioners

(Allegrini and Greco 2013) show that existence mutual relationship complete between governance and disclosure . Control This can nature internal and external controls that can carried out by the company For can control implementation of SDGs. Michelon, G., Parbonetti , A., 2012 finds that governance good company will increase disclosure sustainability company . In the company's organ structure limited in Indonesia consists of from the board of directors , meeting general holder shares and board of commissioners . This as listed in Invite Law No. 40 of 2007 concerning company limited . Functions of the board of commissioners is supervise performance of the board of directors to be in line with interest holder shares . Supervision this also includes SDGs implementation . SDGs oversight carried out by the board of commissioners independent has studied by several researchers previously , including Ahmad et al. (2024) found that proof that the Board of Commissioners independent influential positive to SDGs performance . This show that role of the board of commissioners in ensure SDGs implementation is underway in accordance with SDGs goals should be . Similar results found by Alodat , AY, Nobanee , H., Salleh, Z., & Hashim, HA (2023) found evidence in Australia that longer Board terms long cause improvement disclosure sustainability . However Ahmad et al. (2024) found results that if the board of commissioners independent moderated with dual -gender impact negative to ESG disclosure . Research results previously majority conclude that the existence of a board of commissioners influential positive to implementation of the company's SDGs . However , there is something interesting in study This related combination women and men on the board of commissioners precisely reduce ESG disclosure . Research furthermore can take action continue This is on another state object .. as it happens results research This happened in Australia. Of course just will produce different research in different countries that have difference culture and characteristics of the board of commissioners . Research next also can research more carry on whether chairman of the board of commissioners men and women will different or The same related with implementation of SDGs in companies

4.2 Supervision from audit committee

Audit committee in governance mechanisms good company become effective internal control (Allegrini and Greco 2013) and (Akhtaruddin and Haron 2010) . The role of the audit committee is can seen from aspect skill (Othman et al. 2014) , and (Mohammadi, Saeidi, and Naghshbandi 2021), gender aspects (Ahmad et al. (2024) and Alodat , AY, Nobanee , H), as well as aspect characteristics other audit committees (Alodat , AY, Nobanee , H., Salleh, Z., & Hashim, HA (2023, and Dahmen, I., & Chouaibi , J. (2024)). Various aspect the must give belief that existence the audit committee can become Internal controllers can increase performance company .

Related with SDGs, the role audit committee in supervision The implementation of the SDGs is fundamental. Sahu, Mishra, and Alahdal (2025) find proof that role audit committee is very significant For can increase performance environmental , social , and governance (ESG) in support SDGs performance of companies in 34 OECD countries in 2017 sapmai with 2022. Companies that have professional audit committee own better ESG and SDGs performance strong . This is caused by Because the audit committee can reduce asymmetry information and improve governance . The results of research conducted by Alodat, AY, Nobanee , H. , Salleh , Z. , & Hashim, HA (2023) actually find proof that existence influential audit committee positive to disclosure sustainability . Tumwebaze, Z., Bananuka , J., Kaawaase , TK, Bonareri , CT, Mutesasira , F., 2021 shows that existence audit committee in company relate positive and significant with practice reporting sustainability . However Alodat , AY, Nobanee , H., Salleh, Z., & Hashim, HA (2023) no capable find evidence in Australia that the term of office chairman the audit committee has correlation positive to disclosure sustainability when moderated by size company . This is means can concluded existence the audit committee plays a very important role important for good implementation of SDGs for company big and company small . The size company No become an important point in implementation of SDGs.

SDGs audit is an audit that requires skills and experience independent in its field . The audit committee understands and has skill special about the SDGs will give greater impact maximum in implementation his duties in supervise implementation of SDGs. Yorke, SM, Donkor, A., & Appiagyei , K. (2023) found proof that audit committee who are experts in the field finance influential positive towards performance sustainability in companies in the United States. (Zaman et al. 2021) found proof that skill industry /market of the audit committee can increase quality guarantee sustainability in companies listed in Australia and New Zealand New from 2017 to 2019. (Pozzoli, Pagani, and Paolone 2022) stated that There is influence significant positive from skill audit committee on ESG performance of companies in the uni Europe . (Albabwat 2022) relations positive between expertise in the field finance from member audit committee observed relate in a way significant with disclosure voluntary company non-financial companies in Jordan . (Mohammadi, Saeidi, and Naghshbandi 2021) shows that skill finance member the audit committee has significant influence towards CSR. However different results shown by (Buallay and Al-Ajmi 2020) who stated that there is connection negative between skill finance and reporting sustainability in companies in banks in the Gulf Cooperation Council (GCC) . This Of course cause possible problems can studied by researchers previously . Is caused by Because type industry his company or size company or country where this audit committee located . Research results This can concluded that important for audit committee for own skill in supervise implementation of SDGs in companies . Although however , still seldom study previously linked skill audit committee on SDGs. Research furthermore For can schedule topic study about That .

Activity audit committee in supervise implementation of SDGs is also a lot studied by researchers previously for example Dahmen, I., & Chouaibi , J. (2024), and Appuhami , R., & Tashakor , S. (2017a). Dahmen , I. , & Chouaibi , J. (2024) found proof that that amount meetings held by the audit committee are influential positive to implementation of SDGs in companies sector producer greenhouse gas emissions the largest greenhouse gas (GHG) , namely oil and gas, chemicals , and coal in several countries. These results supported by Appuhami , R., & Tashakor , S. (2017a) who proved that regular meetings by the audit committee can increase level CSR disclosure in companies in Australia . (Arif et al. 2020) is also able to prove that impact activism audit committee on quality and quantity disclosure environmental , social , and governance (ESG) for company sector energy in Australia is sufficient significant . (Zaman et al. 2021) found proof amount meeting the audit committee can increase quality guarantee sustainability in 100 companies top listed in Australia and New Zealand New from 2017 to 2019. (Arif et al. 2020) also added that activism from influential audit committee positive to quality and quantity disclosure environmental , social , and governance (ESG) for company sector energy in Australia. The results of show that important for audit committee for can do activity Good from aspect amount meeting or number of audits in particular related with implementation of SDGs carried out by the company . So the audit committee must increase his activities in do supervision implementation of SDGs for can guard sustainability companies in the future come . Research previously Still rarely researched topic discussion about meeting related audit committee with the SDGs. Important For study furthermore concentrate on the discussion This .

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There are two different views related amount audit committee within company . Views First state that amount large audit committee will impact positive to performance company . This is caused by Because the more big amount the audit committee will give certainty great oversight Because own choice audit members for done scheduling in audit implementation . However second view state that amount large audit committee precisely can lower performance company . This is caused by Because the more big amount audit committee in company tend can increase conflict interests in body audit committee , so that performance audit committee in do supervision No effective . Likewise with role audit committee of aspect amount member in supervise implementation of SDGs. Appuhami , R., & Tashakor , S. (2017) found that size the audit committee has influence significant positive to level CSR disclosure in companies in Australia . (Mohammadi, Saeidi, and Naghshbandi 2021) shows that size the audit committee has significant influence towards CSR. However different with Dahmen, I., & Chouaibi , J. (2024) no capable prove that amount influential audit committee positive to implementation of SDGs in companies sector producer greenhouse gas emissions the largest greenhouse gas (GHG) emissions . (Othman et al. 2014) also shows that size the audit committee does not relate with disclosure ethics volunteer companies in Malaysia . (Zaman et al. 2021) also found proof that size the audit committee does not influencing 100 companies top listed in Australia and New Zealand New from 2017 to 2019. (Al-Shaer and Zaman 2018) proves that reporting sustainability become burden for company small . Difference study This can become opportunity study furthermore For can enter intervening variable or variables moseration related with support implementation of SDGs in companies

Currently the one that becomes question about role existence the audit committee is whether the audit committee becomes party capable independent supervise performance board of directors so that in accordance with what to expect principal . Therefore That study This many are researching about independence audit committee in control SDGs performance . For example (Zaman et al. 2021) found proof that independence the audit committee can increase quality guarantee sustainability in the company top listed in Australia and New Zealand New from 2017 to 2019. These results supported by research from Appuhami , R., & Tashakor , S. (2017a) who found that independence the audit committee has influence significant positive to level CSR disclosure in companies in Australia . Likewise , (Lewa, Gatimbu , and Kariuki 2025) found proof that independence the audit committee has effect positive on reporting sustainability in companies in ten Sub-Saharan African (SSA) countries from 2016 to 2021. (Pozzoli, Pagani, and Paolone 2022) stated that There is influence significant positive from independence audit committee on ESG performance of companies in the uni Europe . (Al-Shaer and Zaman 2018) proves that independence the audit committee can increase guarantee sustainability . (Arif et al. 2020) proves that There is influence significant positive from independence audit committee on level compliance to GRI guidelines and quality ESG reporting . (Albawwat 2022) prove There is connection positive between independent audit committee with disclosure voluntary company . (Mohammadi, Saeidi, and Naghshbandi 2021) show that independence the audit committee has significant influence towards CSR. However research conducted by Dahmen, I., & Chouaibi , J. (2024) found contrary evidence , where independence the audit committee does not influential to implementation of SDGs in companies sector producer greenhouse gas emissions the largest greenhouse gas (GHG) emissions . (Othman et al. 2014) shows that independence the audit committee does not influential significant to disclosure ethics volunteer company companies in Malaysia . Appuhami , R., & Tashakor , S. (2017 a) found that independence committee influential significant positive to level CSR disclosure in companies in Australia . However , the chairman independent audit committee No influence CSR disclosure . Research results This show that audit committee improves credibility and helpfulness increase reporting sustainability through independence , expertise , and oversight they

The role of women in current audit committee this also becomes enough topic attractive . Women are considered become assertive and energetic personality as well as own ethos more work good . Therefore That No amazed study about implementation of SDGs is linked with female audit committee . For example, Yorke, S.M., Donkor, A., & Appiagyei , K. (2023) found that women's audit committee own performance sustainability more Good compared to male audit committees in companies in the United States . Even Yorke, S.M., Donkor, A., & Appiagyei , K. (2023) were also able to prove that audit committee who are experts in the field financial and various types sex woman own influence more Good rather than an expert audit committee finance various sex men . Appuhami , R., & Tashakor , S. (2017 a found that gender diversity has influence significant positive to level CSR disclosure in companies in Australia . However , Dahmen, I., & Chouaibi , J. (2024) did not capable prove that presence Woman No influential significant to to implementation of SDGs in companies sector producer greenhouse gas emissions the largest greenhouse gas (GHG) , namely oil and gas, chemicals , and coal in several countries.

Other research that links role audit committee with SDGs is regarding the term of office audit committee . Paolone, F., Pozzoli, M., Cucari , N., & Bianco, R. (2023) conclude that the term of office a larger audit committee long can increase performance environmental impact on companies in the European Union (EU). (Albabwat 2022) found that position disclosure audit committee voluntary company non- financial companies in Jordan . So the results study This indicates that rotation high audit committee , then performance environment company can more high . Meanwhile That on the other hand , if rotation low audit committee , then company will own performance environment low too. (Othman et al. 2014) show that the term of office influential audit committee to disclosure ethics volunteer companies in Malaysia .

Beside a number of characteristics audit committee that has discussed previously , (Bose et al. 2022) find that interlocking CEO or A experience as audit committee impact positive to company's CSR performance . Even according to (Dwekat et al. 2020) show that CSR disclosure depends on a combination of from a number of characteristk from good audit committee That independence , members expert finance , independence chairman of the board of directors , size and activity . (Khan, Muttakin, and Siddiqui 2013) state that governance attributes company play role important in ensure legitimacy organization in disclose CSR.

4.3 SDGs Monitoring by Internal Auditors

For create efficient governance mechanisms , audit committees within company need cooperate with internal audit. This collaboration For ensure that company own system adequate internal control , reporting accurate finances , as well as avoided from unfair practices , in line with governance principles Good Corporate Governance . The Role of Internal Auditors in Support The Audit Committee is as delivery Audit Information and Results, Performance Monitoring and Assessment , Review Audit Findings , Granting Recommendations , Watchdog Functions and Assistance Data Provision . Related with implementation of the SDGs is important for internal auditors to can watching him . Some research related implementation of SDGs and internal audit of share countries in the world.

(Amoako et al. 2023) conclude that internal audit effectiveness , management process risk and sensitivity sustainability own connection significant positive with sustainability audits . So, it is important for company For increase the existence of internal audit for monitor /audit the implementation of SDGs sustainable . Same results shown by HaoYue, L., Kok Loang , O., 2023 and (Gherai et al. 2024) who found proof that the existence of internal audit is important For can increase SDGs performance in companies in Romania. This For can increase achievement SDG goals in general effective . Simpson, SNY, Aboagye-Otchere, F., Lovi, R., 2016 added that company must realize that internal audit must can give guarantee to CSR reports on companies in Ghana. Aboagye-Otchere, F., Lovi, R., 2016 also stated that important for internal audit to own own knowledge and skills about CSR for can create higher audit quality Good . Tumwebaze, Z., Bananuka , J., Kaawaase , TK, Bonareri , CT, Mutesasira , F., 2021 shows that influence positive internal audit of practice reporting sustainability in Uganda. However, Al- Qadasi , AA, Ghaleb, BA, Qaderi, SA, 2025 found proof that quality internal audit function has an impact negative to quality reporting integrated in companies in Malaysia . However, Al- Qadasi , AA, Ghaleb, BA, Qaderi, SA, 2025 found proof existence influence positive significant from variables moderation committee not quite enough answer social company to connection between quality internal audit and quality functions reporting integrated . Based on the results research previously This can concluded that internal auditors must be at the forefront can repair performance manager For can increase performance implementation of SDGs.

4.4 SDGs Monitoring by Independent Auditors independent auditors besides For ensure report finance company arranged in accordance with standard existing accounting , independent auditors must also play a role important in SDGs implementation . Independent auditor usually conducted by the Public Accounting Firm (KAP). This use increase supervision company in support SDGs activities can walk in a way maximum . In practice in Indonesia , KAP is selected in General Meeting of Shareholders (GMS) on recommendation of the board of commissioners . As explained previously that information audit committee on the appropriate KAP will delivered to the Board of Commissioners .

The role of KAP in the company's SDG implementation has also been studied by several researchers previously among them is (Al-Shaer and Zaman 2018) prove that the existence of the Big Four KAP can increase guarantee sustainability company . Same results shown by (Buallay and AlAjmi 2020) who stated that independent auditor relate positive with reporting sustainability company . (Bacha, Ajina, and Ben Saad 2021) also shows that audit quality can improve CSR performance in French banks . Big 4 auditors are more can give certainty guarantee quality report , so that can increase profile risk company . Chen, L., Srinidhi, B., Tsang, A., Yu, W., 2016; (Al-Shaer and Zaman 2018) ; and (Hammami and Hendijani Zadeh 2020) also show that quality audit can increase corporate ESG transparency in Canada. However, different results shown by (Del Giudice and Rigamonti 2020) who found that the Company whose report audited by the party third No influential significant to quality company ESG information . Research results This majority conclude that independent auditors must also can support company in support implementation of SDGs.

5. CONCLUSION

Implementation of SDGs for 1 decade since started 2015 to moment This has bring impact Enough significant towards the world. Evaluation and monitoring of the implementation of this agenda has carried out by various parties . In the sector industry , the implementation of the SDGs carried out by the functioning party as controller company . Supervision performance manager in agency theory is carried out through good governance mechanisms for can increase performance and reduce asymmetry information . Governance mechanisms good company started from the board of commissioners , audit committee , internal audit, and independent auditor . Based on the related literature review with supervision implementation of SDGs carried out by various party the concluded that First , research results previously majority conclude that the existence of a board of commissioners influential positive to implementation of the company's SDGs . Second , the role the audit committee plays a very important role important for good implementation of SDGs for company big and company small . Third conclusion is the internal auditor and KAP must be at the forefront can repair performance manager For can increase performance SDGs implementation . Research it also has a number of limitations , including is first , research This only based on literature review results research previously . Second , research This only focuses on implementing SDGs in the sector private sector . Research next so that you can research the role of good governance in support implementation of SDGs from other sources and on other objects , for example on the sketcher the public who have characteristics difference with sector private .

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