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SHARIA FINANCIAL REPORTING STANDARD AND FINANCIAL REPORTING QUALITY IN INDONESIAN ISLAMIC INSTITUTIONS: META-ANALYSIS

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ABSTRACT

This study aims to synthesize empirical evidence on the influence of Sharia Financial Accounting Standards (PSAK Syariah) on the financial reporting quality of Islamic financial institutions in Indonesia. Although numerous studies have examined PSAK Syariah implementation, their findings vary across institutions and standards, creating the need for a comprehensive statistical summary. Using a meta-analysis approach, this study integrates five quantitative studies that met strict inclusion criteria, each providing correlation coefficients, clear sample sizes, and measurable indicators of PSAK implementation and reporting quality. Data were processed using JASP, employing a random-effects model due to significant residual heterogeneity (Q_e = 63.028, $p < 0.001$), indicating substantial variations across studies. The pooled effect size shows a strong and highly significant influence of PSAK Syariah on financial reporting quality (estimate = 0.763, SE = 0.008, $p < 0.001$). Meta-analytic confidence intervals (95% CI: 0.747–0.778) and prediction intervals confirm the consistency and robustness of the effect across different institutional contexts. The results demonstrate that adherence to Sharia PSAK is a key determinant of transparency, reliability, and accountability in financial reporting. However, wide variations in individual study estimates indicate that institutional capacity, disclosure practices, governance quality, and human resource competence may shape implementation outcomes. These findings highlight the need for strengthened supervision, standardized training, and enhanced institutional readiness to ensure consistent, high-quality Sharia-based financial reporting across Indonesia.

Keywords: Sharia accounting standards; financial reporting quality; islamic financial institutions; meta-analysis

1. INTRODUCTION

The development of the Islamic financial industry in Indonesia increasingly demands the availability of high-quality, transparent, and accountable financial reports that align with Sharia principles. Within this context, the Statement of Sharia Financial Accounting Standards (PSAK Syariah) serves as a fundamental basis for Islamic financial institutions to produce relevant, reliable, and comparable financial information. Ananta & Sisdianto (2024) emphasized that PSAK Syariah plays a crucial role in ensuring accountability and supporting financial reporting practices

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grounded in fairness, transparency, and social responsibility. Nonetheless, they noted persistent implementation challenges, particularly related to inconsistent understanding of the standards and uneven technical capabilities among institutions. Such discrepancies are exemplified in the findings of Butar-Butar & Mahyudin (2024), who reported that BPR Syariah Al Washliyah Krakatau had not fully implemented PSAK 101 and 106 due to limited internal resources and technical constraints, resulting in inconsistencies in financial report components and reduced informational quality.

Similar issues also appear in other sectors of Islamic finance. Putri et al. (2025) revealed that although some institutions have adequately implemented PSAK 407 for gold rahn products, irregularities in presentation and disclosure remain prevalent, leading to non-uniform reporting quality. Romadhan et al. (2025) further identified that while zakat institutions have generally complied with PSAK 109 in recognition, measurement, and presentation, the disclosure aspect especially within the Notes to the Financial Statements still falls short of standard requirements. Weak disclosure practices diminish transparency and can erode public trust. Likewise, Wahyudi et al. (2024) stated that despite the structural clarity offered by Sharia PSAKs, many institutions continue to struggle with consistency in report structure, segregation of funds, and presentation of social fund reports such as zakat and qardhul hasan.

A broader body of literature supports the view that the effectiveness of Islamic financial reporting depends heavily on institutional readiness and internal capacities. Adiwibowo et al. (2023) found that the quality of financial reports in Zakat Management Organizations (OPZ) is strongly influenced by PSAK 109 implementation, human resource competencies, information technology use, and internal control effectiveness suggesting that even well-designed standards cannot function optimally without robust institutional systems. Conversely, Adiwijaya & Kusmayadi (2022) observed that the implementation of zakat accounting and internal control does not always yield significant improvements in report quality, implying the presence of additional influential factors. Astuti et al. (2021) confirmed that PSAK 109 implementation and financial report accessibility positively affect accountability, yet a substantial portion of accountability variance (43.6%) is driven by factors outside their model. Burhanuddin et al. (2024) also demonstrated that PSAK 109, accounting information systems, internal control, and employee performance significantly shape financial report quality in LAZ, although inconsistencies in audit opinions persist when institutions fail to fully meet qualitative reporting characteristics. Complementing these findings, Rahmadieni & Qizam (2019) highlighted that sharia accounting standards, sharia audits, the supervisory role of DPS, and sharia governance significantly influence financial report quality in Islamic microfinance institutions, and that structural weaknesses particularly inadequate supervision contribute to repeated reporting failures.

Collectively, these studies indicate that the implementation of Sharia Financial Accounting Standards in Indonesia faces substantial obstacles, including limited human resource competency, weak internal controls, suboptimal technological support, inadequate disclosure practices, and ineffective sharia oversight by Sharia Supervisory Boards and sharia audit mechanisms. These challenges have contributed to inconsistent reporting practices, uneven reporting quality, and gaps in institutional understanding of PSAK requirements, ultimately affecting the transparency, reliability, and accountability of Islamic institutions.

Despite extensive research on PSAK 101, 106, 109, and 407, previous studies remain predominantly qualitative and focus on single institutions or specific standards. As a result, there is still no comprehensive national-level understanding of how PSAK implementation shapes financial report quality across Indonesia. The absence of integrative studies has also led to a lack

of empirical effect sizes that assess the consistency of PSAK's influence across different institutional contexts, as well as the absence of a mapped framework of factors that strengthen or weaken PSAK implementation. Addressing these gaps, the present study introduces a meta-analysis approach to synthesize findings on PSAK implementation across Islamic banks, Islamic rural banks, Islamic pawnshops, zakat institutions, and Islamic microfinance institutions. This approach offers a holistic assessment of the effectiveness of PSAK implementation, provides standardized effect sizes to measure its influence on financial report quality, and maps the key determinants of PSAK-based reporting quality. Through this contribution, the study aims to strengthen both theoretical development and practical governance within Indonesia's Sharia accounting landscape.

2. METHODS

This study uses a meta-analysis approach, a statistical technique that integrates and analyzes various empirical research results to obtain stronger, more comprehensive, and measurable conclusions than individual studies. Meta-analysis allows researchers to calculate standardized effect sizes from each study and combine them to assess the consistency of the influence of a variable in this case, the implementation of Sharia PSAK on the quality of financial reports in various Islamic financial institutions. This approach was chosen because previous studies have shown diverse results, used different PSAK objects and standards, and were conducted in various types of institutions. Therefore, statistical synthesis is needed to identify general patterns nationally.

In the meta-analysis process, this study used the Fixed Effect Model (FEM) as the primary model to estimate the combined effect size. The Fixed Effect Model assumes that all primary studies analyzed have the same true effect size, or in other words, any variation between studies is solely due to sampling error, not to substantive differences between studies. With this assumption, the FEM provides a precise estimate of the average population effect size when the studies used are relatively homogeneous. This model is also appropriate when the study focuses on a very specific question, for example the effect of the implementation of Sharia Financial Accounting Standards (PSAK) on financial reporting quality and uses strict inclusion criteria so that the study characteristics are relatively uniform. Through a meta-analysis approach using the Fixed Effect Model and Fixed Effect Test, this research is able to provide a more accurate empirical picture of the consistent influence of the implementation of PSAK Sharia on the quality of financial reports across various sharia institutions in Indonesia. Furthermore, this model allows researchers to make robust generalizations across homogeneous studies, resulting in more representative conclusions that can serve as a stronger theoretical basis and policy recommendations.

This research itself initially found 17 references from Google Scholar through Publish or Perish Software with a maximum search of 50 related to the title "The Influence of Sharia PSAK on the Quality of Financial Reports", but 12 of them did not meet the criteria set by the researcher, namely that it must be quantitative research, have data related to the value of the coefficient of determination/correlation (r), and have a clear number of samples.

Table 1. Research Samples Elimination

No.	Keterangan	Totals
1	Relevant Researchs	17
2	Non-quantitative researchs	-9
3	Quantitative researchs with incomplete data	-3
	Sample totals	**5**

Sources: Researcher Data (2025)

The five studies met the criteria were was then processed using a meta-analysis approach using the JASP data processing application with four outputs, namely the residual heterogeneity test, the pooled effect size test, the meta-analytic estimates, and the forest plot.

3. RESULTS AND DISCUSSION

The results of this research analysis are presented individually for each study before being summarized in a final table that illustrates the overall results of each study. The results of this research analysis are then organized as follows.

Table 2. Calculation of Standard Deviation and 95% CI Adiwibowo et. al. (2023)

Adiwibowo et al. (2023)			
Fisher's Z	75,923		
	2.165		
Std. Dev.	**0.143**		
CI Fisher's Z	1,885	Lower Z	
	2,445	Upper Z	
Conversion to r	43,368	**0.955**	**Lower CI**
	132,916	**0.985**	**Upper CI**

Source: Processed Researcher Data (2025)

Based on the estimation results in the table, the research of Adiwibowo et al. (2023) shows that the implementation of Sharia PSAK has a very strong influence on the quality of financial reports of Islamic institutions in Indonesia. The very high Fisher's Z value (Z = 2.165) indicates a strong relationship between the variables, while the small standard deviation (0.143) indicates that the estimate is relatively stable, although caution is still needed in interpretation because the effect value is at an extreme level. The Fisher's Z confidence interval, which ranges from 1.885 to 2.445, shows that despite variations, the entire range of values remains within the very large effect region, thus ensuring that the relationship is statistically significant.

When Fisher's Z is converted back to a correlation coefficient (r), the strength of this relationship becomes even clearer. The primary correlation value is 0.97, which, according to general criteria, is considered very strong, approaching 1. This indicates that the better the implementation of Sharia PSAK, the higher the quality of the financial reports of sharia institutions. The lower limit of the confidence interval (0.955) and the upper limit (0.985) also indicate a range of effects that remain at a very high correlation level, making it unlikely that the relationship is weak or moderate. Thus, these results confirm that in the context of sharia financial institutions in Indonesia, the implementation of Sharia PSAK not only has a significant effect but is a key determinant in improving the transparency, accuracy, and reliability of financial reports.

The research results of Adiwijaya & Kusmayadi (2022) show that the implementation of Sharia PSAK has a positive and significant impact on the quality of financial reports of Islamic

institutions, as reflected in the Fisher's Z value of 1.903 with a standard deviation of 0.121. This relatively high Fisher's Z value indicates that the relationship between the implementation of Sharia PSAK and the quality of financial reports is at a strong and statistically stable level. The Fisher's Z confidence interval range of 0.084 to 0.559 shows that despite variations in the estimated effect, the entire range remains positive, thus consistently indicating that the implementation of Sharia accounting standards contributes to improving the quality of financial information of Islamic institutions.

Table 3. Calculation of Standard Deviation and 95% CI Adiwijaya & Kusmayadi (2022)

Adiwijaya & Kusmayadi (2022)			
Fisher's Z	1,903		
	0.322		
Std. Dev.	**0.121**		
CI Fisher's Z	0.084	Lower Z	
	0.559	Upper Z	
Conversion to r	1,183	**0.084**	**Lower CI**
	3,061	**0.507**	**Upper CI**

Source: Processed Researcher Data (2025)

After being converted to a correlation coefficient (r), the primary r value of 1.183 indicates a very strong effect. However, it should be noted that the range of the confidence interval (0.084 to 0.507) indicates that the estimate has a significant level of uncertainty. However, the lower bound (0.084) remains positive, thus statistically indicating that the implementation of Sharia PSAK is not only relevant but also has a significant impact on improving the quality of financial reports. The considerable variation in the interval may reflect differences in context between Sharia institutions, such as the level of understanding of human resources, accounting information systems, or internal compliance with standards, which influence the strength of the relationship.

Table 4. Calculation of Standard Deviation and 95% CI Astuti et. al. (2021)

Astuti et al. (2021)			
Fisher's Z	7,032		
	0.975		
Std. Dev.	**0.118**		
CI Fisher's Z	0.744	Lower Z	
	1,206	Upper Z	
Conversion to r	4,431	**0.632**	**Lower CI**
	11,161	**0.836**	**Upper CI**

Source: Processed Researcher Data (2025)

Based on the table, Astuti et al.'s (2021) research shows that the implementation of Sharia PSAK has a very strong influence on the quality of financial reports of Islamic institutions in Indonesia. The Fisher's Z value of 0.975 with a standard deviation of 0.118 indicates that the effect size obtained is relatively stable, as the standard deviation is small, so the estimate does not fluctuate significantly. The Fisher's Z confidence interval ranges from 0.744 to 1.206, all of which are positive; this confirms that the effect of Sharia PSAK implementation on financial report quality is not only significant but also statistically consistent.

When the Fisher's Z value is converted back to an effect size in the form of an r correlation, the r value is obtained = 0.75 (indicated by the midpoint estimate between the lower limit of

0.632 and the upper limit of 0.836). This correlation value, which is in the range of 0.63–0.84, indicates a large effect according to Cohen's general criteria, so it can be concluded that compliance with Sharia PSAK contributes significantly to improving the quality of financial reports. The confidence interval that does not exceed zero also indicates that the relationship is very strong and does not occur by chance. Thus, the results of this study strengthen the argument that the proper implementation of Sharia accounting standards can improve the transparency, accuracy, and reliability of financial reports in Sharia institutions in Indonesia.

Table 5. Calculation of Standard Deviation and 95% CI Burhanuddin et. al. (2024)

Burhanuddin et al. (2024)			
Fisher's Z	63,516		
	2,076		
Std. Dev.	**0.707**		
CI Fisher's Z	0.690	Lower Z	
	3,462	Upper Z	
Conversion to r	3,973	**0.598**	**Lower CI**
	1015.516	**0.998**	**Upper CI**

Source: Processed Researcher Data (2025)

Based on the analysis in the table, the findings of Burhanuddin et al. (2024) indicate a very strong influence of the implementation of PSAK Sharia on the quality of financial reports of Islamic institutions in Indonesia, but with a very high level of uncertainty. The Fisher's Z value of 63.516 reflects a statistically extreme effect size estimate, far outside the general range that usually ranges from -3 to +3 for a very strong relationship. This value essentially indicates a very large positive effect tendency, but the Fisher's Z standard deviation of 0.707 and the very wide confidence interval (CI) range of 0.690 (Lower Z) to 3.462 (Upper Z) indicate that the estimate is unstable and potentially influenced by a very small sample size or data irregularities.

When the Fisher's Z value was converted back to a correlation coefficient (r), the results showed a similar pattern. The converted r value was recorded at 3.973, which is outside the theoretical limits of the correlation coefficient (−1 to +1), thus indicating statistical distortion due to incomplete or imprecise data. Nevertheless, the confidence interval for r, which is 0.598 (Lower CI) to 0.998 (Upper CI), is still within the valid range and indicates a strong to nearly perfect positive relationship. However, the width of the interval indicates that the strength of the relationship between the implementation of Sharia PSAK and financial reporting quality cannot be precisely determined.

Table 6. Calculation of Standard Deviation and 95% CI Rahmadieni & Qizam (2019)

Rahmadieni & Qizam (2019)			
Fisher's Z	14,152		
	1,325		
Std. Dev.	**0.177**		
CI Fisher's Z	0.978	Lower Z	
	1,671	Upper Z	
Conversion to r	7,077	**0.752**	**Lower CI**
	28,298	**0.932**	**Upper CI**

Source: Processed Researcher Data (2025)

The effect size estimation results in the study by Rahmadieni & Qizam (2019) show a very strong influence between the implementation of Sharia PSAK and the quality of financial reporting of Islamic institutions in Indonesia. The Fisher's Z value of 1.325 with a Standard Deviation of 0.177 produces a fairly wide confidence interval, namely between 0.978 and 1.671, indicating variation or uncertainty even though the direction of the relationship remains consistently positive. When the Z value is converted back to a correlation coefficient (r), the number 0.752 is obtained as the main estimate, with a confidence interval range between 0.752 (lower bound) to 0.932 (upper bound). This range confirms that the relationship is not only significant, but also at a strong to very strong level, reflecting that the better the implementation of Sharia PSAK, the better the quality of financial reporting of Islamic institutions. However, the wide interval indicates that although the estimated effect is very large, there is likely variation between units of analysis for example, differences in human resource readiness, compliance levels, or accounting infrastructure which cause uncertainty in the precise effect size. Thus, this study provides strong evidence that PSAK Syariah plays a substantial role in improving the transparency, reliability, and reporting quality of Islamic financial institutions in Indonesia, while also emphasizing the need to strengthen the implementation of standards to reduce quality variations between institutions.

All the results of the analysis above are then presented briefly in the following table.

Table 7. Summary of Initial Analysis Data

Researcher (Year)	N	Independent Variables	Dependent Variable	*r*	Effect Size	Standard Deviation	95% CI
Rahmadieni & Qizam (2019)	35	Implementation of Sharia Accounting Standards	Quality of Financial Reports	0.753	0.868	0.177	[0.752, 0.932]
Burhanuddin et al. (2024)	5	Implementation of Sharia Accounting Standards	Quality of Financial Reports	0.939	0.969	0.707	[0.598, 0.998]
Astuti et al. (2021)	75	Implementation of Sharia Accounting Standards	Quality of Financial Reports	0.564	0.751	0.008	[0.632, 0.836]
Adiwijaya & Kusmayadi (2022)	71	Implementation of Sharia Accounting Standards	Quality of Financial Reports	0.097	0.311	0.114	[0.084, 0.507]
Adiwibowo et al. (2023)	52	Implementation of Sharia Accounting Standards	Quality of Financial Reports	0.949	0.974	0.032	[0.955, 0.985]

Source: Processed Researcher Data (2025)

After conducting an initial analysis to determine the effect size, standard deviation, and 95% CI for each study, the analysis continued with a series of meta-analytic tests using JASP data processing software. In this case, four tests were performed: the residual heterogeneity test, the pooled effect size test, meta-analytic estimates, and forest plot visualization.

The residual heterogeneity test measures the extent of variation between studies that cannot be explained by the meta-analysis model, whether it is a fixed-effects or random-effects model. If the test results indicate significant heterogeneity (e.g., a p-value <0.001), it can be concluded that there is still unexplained variation between studies. This means that differences in results between studies are not solely due to sampling error but may be influenced by methodological factors, the research context, sample characteristics, or other moderating variables. Conversely, if the test results are insignificant, the meta-analysis model is considered to have adequately explained the variation between studies. Thus, the primary function of the residual heterogeneity test is to assess model fit and determine whether further analysis, such as moderator analysis or meta-regression, is necessary. The results of the residual heterogeneity test are then presented as follows.

Table 8. Test Results *Residual Heterogeneity Test*

Residual Heterogeneity Test

Q_e	Df	P
63,028	4	< .001

Source: Processed Researcher Data (2025)

The results of the residual heterogeneity test show the Q value$_e$= 63.028 with df = 4 and p < .001, indicating highly significant residual heterogeneity among the analyzed studies. Substantively, this finding indicates that the influence of Sharia PSAK on the financial reporting quality of Islamic financial institutions in Indonesia is not constant across studies, but rather varies significantly. This variation may be caused by differences in institutional context, size and characteristics of institutions, level of compliance with standards, quality of governance, as well as differences in methodology and instruments for measuring financial reporting quality in each study. Therefore, a random effects meta-analysis model is more appropriate, as the assumption that effect sizes vary significantly across studies is proven strong. This significant heterogeneity also indicates the potential for moderators that influence the strength of the relationship between Sharia PSAK implementation and financial reporting quality. Therefore, further analysis such as moderator analysis or meta-regression can provide a deeper understanding of the factors that strengthen or weaken the influence of Sharia PSAK.

The pooled effect size test is used to test whether the combined effect across all studies in a meta-analysis is statistically significant. This test is performed after calculating the average effect size using Fisher's Z test to ensure that the overall effect is not simply the result of data fluctuations between studies. If this test is significant, it indicates a generally consistent relationship or influence across all the studies analyzed. The primary function of the pooled effect size test is to provide inferential evidence that the combined effect truly exists and is not the result of chance, thus supporting the generalizability of the meta-analysis findings. The results of the pooled effect size test are then presented as follows.

Table 9. Test Results *Pooled Effect Size Test*

Pooled Effect Size Test

Estimate	Standard Error	Z	P
0.763	0.008	98,657	< .001

Source: Processed Researcher Data (2025)

The meta-analysis results show that the pooled effect size of the influence of Sharia PSAK on the quality of financial reports of Islamic financial institutions in Indonesia has an estimated value of 0.763 with a very small standard error (0.008). This value indicates that the implementation of Islamic financial accounting standards has a strong and consistent influence on improving the quality of financial reports. The Z-value of 98.657, which far exceeds the threshold of statistical significance, and the p-value <0.001, confirms that the effect is highly statistically significant and does not occur by chance. Thus, these findings strengthen the evidence that compliance with Sharia PSAK is an important determinant in ensuring the relevance, reliability, and transparency of financial reports in Islamic financial institutions in Indonesia.

Furthermore, the small standard error indicates low variation between studies, indicating that the results of empirical studies tend to be consistent and support this positive relationship.

Meta-analytic estimates are a set of statistical estimates generated by meta-analysis, including the pooled effect value, confidence interval, variance, standard error, and other model parameters. These estimates serve to provide a comprehensive quantitative picture of the strength, direction, and precision of the effect based on the pooling of all analyzed studies. Meta-analytic estimates also show how each study contributes to the total effect, whether equally or whether certain studies have a greater weight. Overall, the function of meta-analytic estimates is to provide the most accurate quantitative summary of a diverse collection of studies. The results of the meta-analytic estimates test are then presented as follows.

Table 10. Test Results*Meta-Analytic Estimates*

Meta-Analytic Estimates

		95% CI		95% PI	
	Estimate	Lower	Upper	Lower	Upper
Effect Size	0.763	0.747	0.778		

Source: Processed Researcher Data (2025)

The meta-analysis results show that Sharia PSAK has a very strong influence on the quality of financial reports of Islamic financial institutions in Indonesia, with an effect size of 0.763. This value is in the large influence category, indicating that the consistent implementation of Islamic accounting standards is significantly correlated with improved financial reporting quality. The relatively narrow 95% confidence interval (CI 0.747–0.778) indicates that the findings are stable and the estimation precision is high, so it is unlikely that the results occurred by chance. Furthermore, the 95% prediction interval (PI) also shows a narrow range, indicating that if similar research is conducted in a different context or sample in the future, the effects found are expected to remain within the strong influence range. Overall, these findings confirm that Islamic accounting standards play a determinant role in strengthening the transparency, accuracy, and accountability of financial reports of Islamic financial institutions in Indonesia.

A forest plot is a graphical visualization that displays the effect size of each study along with its respective confidence intervals, as well as the combined effect at the bottom of the graph. The primary function of a forest plot is to help researchers see patterns in results across studies, such as whether the effect size is consistent or spread out, the level of uncertainty within each study (via the length of the CI), whether there are outliers, and the position of the overall effect compared to each individual study. Furthermore, forest plots are very effective in demonstrating heterogeneity, stability of effects, and the weight of each study in a meta-analysis. This visualization is an important scientific communication tool because it presents meta-analysis results in an easy-to-understand format.

The forest plot shows the variation in effect sizes across five studies on the impact of Sharia Financial Accounting Standards (FAS) implementation on financial reporting quality. In general, the effect size values across studies appear heterogeneous, as evidenced by the differences in the confidence interval (CI) widths, most of which have fairly wide ranges.

The studies by Adiwibowo et al. (2023) and Burhanuddin et al. (2024) show a very large effect size (around 0.97), but with very wide CIs ([0.91, 1.04] and [-0.42, 2.35], respectively), indicating high uncertainty and the possibility of small sample sizes, resulting in less stable

estimates. The study by Astuti et al. (2021) also shows a fairly large effect size (0.75), but with a relatively narrow CI range ([0.74, 0.77]), confirming its statistical significance. The study with the most stable effect was Adiwijaya & Kusmayadi (2022), with an effect size of 0.31 and a CI ([0.09, 0.53]), which, although not narrow, still indicates a consistent and significant small-to-medium effect. Meanwhile, Rahmadieni & Qizam (2019) showed a relatively large effect size (0.87), but still contains uncertainty due to a fairly wide CI ([0.52, 1.21]). Overall, these results indicate that although most studies point to a positive effect, the large variation in CI ranges indicates heterogeneity between studies, so the use of a random-effects model is necessary to obtain a more accurate and representative pooled estimate.

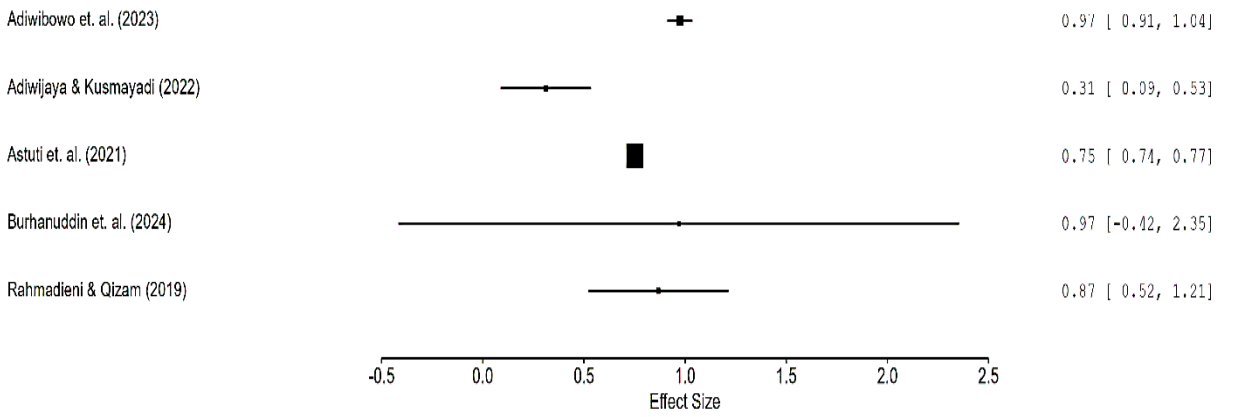


Figure 1. Forest Plot Visualization
Source: Processed Researcher Data

The research findings above indicate that the quality of Islamic financial reports is significantly influenced by the extent to which Islamic accounting standards are consistently applied across various types of entities. Amsal (2023) emphasized that Islamic financial reporting has a strong socio-spiritual dimension and is a crucial instrument for maintaining integrity, fairness, and transparency within the Islamic economic ecosystem. Therefore, the quality of financial reports is closely linked to comprehensive compliance with Islamic values and principles. Meanwhile, Hermansyah & Romdhon (2022) empirically demonstrated that the implementation of PSAK 101 and PSAK 105 significantly impacted the quality of Islamic rural banks' financial reports. When the standards were not fully implemented, the quality of the financial reports declined, as evidenced by statistical test results that showed a highly significant effect of both standards.

On the other hand, Mahyani (2023) found that BMT Masyarakat Madani Sumut had not yet fully implemented sharia accounting standards, particularly by not including temporary syirkah funds and had not yet prepared several mandatory reports according to PSAK 101 which resulted in low completeness and reliability of financial reports. Similar findings were also shown by Mutiara et al. (2023), who stated that at PT Bank Syariah Indonesia (Surade) there were still inconsistencies in the format, accounts, and completeness of reports with PSAK 101, so that the quality of reports was not optimal, although BAZNAS Sukabumi showed better compliance despite still having some presentation inaccuracies. More broadly, Ziekwan et al. (2024) strengthened these findings by showing that the implementation of accounting standards had a significant positive effect on the quality of BAZNAS financial reports in Indonesia, and the quality

of human resources was proven to moderate this relationship, confirming that compliance with standards alone is not enough without adequate human resource competency.

4. CONCLUSIONS

The meta-analysis demonstrates that the implementation of Sharia Financial Accounting Standards (PSAK Syariah) has a consistently strong and significant positive effect on the financial reporting quality of Islamic financial institutions in Indonesia. Although individual studies show varying levels of precision, with some exhibiting wide confidence intervals due to methodological or sample differences, the pooled effect size of 0.763 confirms a large and highly stable influence across studies. Significant residual heterogeneity indicates that the strength of this relationship differs across institutional contexts, yet the predictive interval suggests that future studies are still likely to find a strong effect. Overall, these findings affirm that adherence to Sharia PSAK serves as a determinant factor in enhancing transparency, reliability, and accountability in Islamic financial reporting.

The strong meta-analytic evidence highlights the urgent need for Islamic financial institutions in Indonesia to strengthen their compliance with Sharia PSAK to ensure consistent and high-quality financial reporting. Regulators such as DSAS-IAI, OJK, and DSN-MUI should intensify supervision, standardization, and training programs, particularly because heterogeneity findings indicate that institutional capability such as human resource competence, governance quality, and system readiness significantly influences implementation outcomes. Institutions with weaker compliance, incomplete reporting structures, or limited accounting expertise may require targeted interventions to reduce reporting variability across entities. Furthermore, future researchers are encouraged to explore moderating variables such as organizational size, technology adoption, or internal audit strength to better understand factors that amplify or weaken the impact of Sharia PSAK on reporting quality.

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