ABSTRACK

Integrity of financial statements is a principle in which financial statements are presented in accordance with what is happening, honest and impartial. Financial statements which are a tool for users in making decisions play an important role in it. So it is expected that financial statements have high integrity to make sure that users of financial statements can produce the best decisions.

This study aims to determine the effect of corporate governance proxied by institutional ownership, managerial ownership, audit committee, and independent commissioners, financial distress, and company size on integrity of financial statements in the property, real estate, and building construction companies listed on the Stock Exchange Indonesia for the 2014-2018 period.

In this study, the sample selection technique used was purposive sampling and obtained 38 companies with five years of collection and 190 samples were observed. The analysis technique used is panel data regression analysis using the Eviews 10 application.

The results showed that institutional ownership, managerial ownership, audit committee, independent commissioners, financial distress, and company size simultaneously affected integrity of financial statements. While partially, institutional ownership, managerial ownership, audit committee, independent commissioners, and financial distress have no effect on integrity of financial statements. Meanwhile, company size negatively affects integrity of financial statements.

The next researcher is expected to be able to add other independent variables that are considered to have an influence on the integrity of financial statements.

Keywords: Auditee committee, company size, financial distress, independent commissioner, Institutional ownership, integrity of financial statements, managerial ownership.