

ABSTRACT

The integrity of financial statements is a financial reports that is presented fairly, honestly, based on the actual conditions and does not favor any party. Currently several companies in Indonesia still have a low level of integrity of financial statements so that the financial statements presented are not in accordance with applicable standards and rules, still many companies that manipulate financial statements it can make users of financial statements made a wrong descions.

This study aims to examine simultaneously and partial effect of corporate governance as proxied by independent commissioners, institutional ownership, and audit committees, and company size on the integrity of financial statements in non-financial state owned companies listed on the Indonesia Stock Exchange in 2018-2021. Data collection in this study used secondary data was obtained from the financial statements of non-financial state-owned companies listed on the Indonesia Stock Exchange in 2018-2021.

The method used for sample selection in this study was purposive sampling and obtained 16 samples that were observed for four years so that 64 companies were observed. The data analysis technique in this study was panel data regression analysis using Eviews 12 software.

The results of this study show that independent commissioners, institutional ownership, audit committees, and company size simultaneously affect the integrity of financial statements. Partially, institutional ownership and firm size have a negative effect on the integrity of financial statements, while independent commissioners and audit committees have no effect on the integrity of financial statements.

For further researchers, it is suggested to examine more deeply what factors can affect the integrity of financial statements. Investors are advised to be able to find out information related to the company so that it can be taken into consideration in making a decision. For the company, it is suggested that it can be a consideration to always improve the integrity of financial reports.

Keywords: Financial Statement Integrity, Corporate Governance, Independent Commissioner, Institutional Ownership, Audit Committee, Company Size