

ABSTRACT

The integrity of financial statements is a presentation of financial statements that accurately displays the true condition of the company with the aim of not misleading users of financial statements. Financial reports with integrity in their presentation are related to the application of the prudence principle as a necessary assessment in the face of uncertain conditions. With the existence of financial reports with integrity, it can increase the trust of shareholders.

This study has two independent variables, namely enterprise risk management and intellectual capital. The purpose of this study was to determine the effect of enterprise risk management and intellectual capital on the integrity of financial reports in banking sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2021.

The population in this study is the banking sub-sector listed on the Indonesia Stock Exchange (IDX) for 2018-2021. The sampling technique used was purposive sampling and the number of samples used in this study were 168 total samples consisting of 42 companies with a research period of 4 years. The data analysis method uses panel data regression analysis using Eviews 12 software by carrying out several stages of testing.

The results of this study explain that simultaneously, enterprise risk management and intellectual capital affect the integrity of financial reports in banking sub-sector companies listed on the Indonesia Stock Exchange in 2018-2021. Partially, enterprise risk management has no significant effect on the integrity of financial statements, while intellectual capital has a significant and positive effect on the integrity of financial statements.

From the results of this study, it is hoped that it can be used as a consideration in reporting financial reports with integrity by taking into account enterprise risk management and intellectual capital in companies. This research is also expected to be a source of information and considerations related to the integrity of financial reports as a basis for decision making.

Keywords: *Enterprise Risk Management, Financial Report Integrity, and Intellectual Capital.*