

ABSTRACT

Financial statements are reports that contain records of all types of transactions conducted by a company, whether they are sales or purchase. The purpose of financial statements is to assess the overall financial condition of a company. Therefore, financial statements must be prepared and presented accurately to reflect what is happening within a company with integrity so that the information in them can be used as a reference for financial statement user.

This research aims to investigate the influence of good corporate governance, proxied by managerial ownership, institutional ownership, independent commissioners, and audit committees, as well as auditor switching on the integrity of financial statements. The research subjects are companies in the raw materials sector listed on the Indonesia Stock Exchange for the period from 2017 to 2021.

The research population consists of companies in the raw materials sector listed on the Indonesia Stock Exchange from 2017-2021. The research data is secondary data sourced from the annual reports of companies in the raw materials sector. The research method used is quantitative, with a sample size of 115 samples from 23 companies. Data collection techniques use purposive sampling, and the regression analysis used is panel data regression processed using Eviews 12 software.

The results of this research conclude that managerial ownership, institutional ownership, independent commissioners, audit committees, and auditor switching collectively influence the integrity of financial statements. Partially, managerial ownership has a negative impact on the integrity of financial statements, while institutional ownership, independent commissioners, audit committees, and auditor switching do not have a significant impact on the integrity of financial statements.

For the future researchers, it is hoped that they can delve deeper into factors affecting the integrity of financial statements. For investors, it is recommended to carefully research information about companies to use as a reference for investment decisions. And for companies, it is expected that they will continue to pay attention to and enhance the integrity of their financial statements.

Keywords: Financial Statement Integrity, Institutional Ownership, Managerial Ownership, Audit Committee, Independent Commissioners, Auditor Switching.