

ABSTRACT

The integrity of financial statements is a financial statement that shows the condition of an actual company, without any cover-up or hidden. The integrity of financial statements is one of the products of ethical standards as an impartial and honest moral principle in the form of providing information (financial statements) that must be formally required to be properly published as a means of accountability of the management of the owner's resource management. Highly integrity financial statements can be assessed using the principle of conservatism because from the perspective of opportunistic behavior of positive accounting theory, companies experiencing management failures will cover the company's performance problems by increasing revenues and net assets, so to avoid manipulation, conservative accounting practices are required. Conservatism is the level of prudence in the execution of the necessary assessment in making the necessary forecasts under conditions of uncertainty, so that assets or income are not overstated and liabilities or expenses are not understated. The purpose of this study is to examine the effect of independent commissioners, audit committees, institutional ownership and managerial ownership of the integrity of financial statements. Population in this research is sub sector company property and real estate which listed in Indonesia Stock Exchange year 2012-2015 and obtained sample counted 37 company by using purposive sampling method. The method of analysis of this research is panel data regression using application eviews. The results of this study indicate simultaneously independent commissioners, audit committees, institutional ownership and managerial ownership affects the integrity of financial records. While partially each independent commissioner variable, audit committee, institutional ownership and managerial ownership have no effect on the integrity of financial report.

Keywords: independent commissioner, audit committee, institutional ownership, managerial ownership and financial statement integrity.