

ABSTRACT

The integrity of financial statements is a financial report that shows the actual condition of a company without being covered up or hidden so that the financial statements are not misleading for its users. Conservatism can be interpreted as the precautionary principle in financial reporting where the company is not in a hurry to recognize and measure assets and profits and immediately recognize losses and debts that have the possibility of occurring.

This study aims to determine the effect of Enterprise Risk Management, Financial Distress and Audit Quality on the Integrity of Financial Statements of Transportation Companies listed on the Indonesia Stock Exchange in 2016-2018. This research uses quantitative methods. The sampling technique in this study was purposive sampling. The sample of this study is the financial statements of 24 companies that are consistently listed on the Indonesia Stock Exchange in 2016-2018, so that 72 sample financial statements are obtained. The data analysis technique used is panel data regression using the EViews 10 application.

Based on research conducted by Enterprise Risk Management, Financial Distress and Audit Quality variables simultaneously have a significant effect on the integrity of financial statements. Partially the Enterprise Risk Management and Audit Quality variables do not affect the Integrity of Financial Statements, while the Financial Distress variable influences the Integrity of Financial Statements.

Keywords: Enterprise Risk Management, Financial Distress, Audit Quality, Integrity of Financial Statements