ABSTRACT

Several cases that occurred regarding the manipulation of financial data that occurred in several companies in Indonesia, showed the low integrity of financial statements presented by the company to users of financial statements. Financial statements that have high integrity can be assessed using the principle of conservatism. To avoid manipulation, prudence accounting practices are needed.

This study aims to determine how the influence of independent commissioner variables, leverage, and institutional ownership on the integrity of financial statements. The population in this study are all mining sector companies listed on the Indonesia Stock Exchange in 2015-2018. The samples produced were 128 samples using purposive sampling. The data in this study were analyzed with descriptive statistical analysis and panel data regression using Softwere Eviews 9.0.

The results of this study indicate that independent commissioners, leverage, and institutional ownership simultaneously influence the integrity of financial statements. Partially, leverage has a significant positive effect on the integrity of financial statements. Whereas independent commissioners and institutional ownership have no significant effect on the integrity of financial statements.

Keywords: Independent Commissioner, Leverage, Institutional Ownership, Integrity of Financial Statements