

ABSTRACT

The integrity of financial statements is the presentation of financial statements correctly and honestly and submitted by management as a form of accountability to stakeholders or users of financial statements. Financial reports are information media used by users of financial statement to find out the state of a company and use it as a basis for decision making. Financial statements are said to have high integrity when they meet the qualitative characteristics of financial statements, which are understandable, relevant, reliable, and comparable. The integrity of financial statements is calculated using the conservatism proxy. Conservatism is the precautionary principle in dealing with company uncertainty so that there is no fraud in the presentation of financial statements.

This study aims to determine the effect of managerial ownership, institutional ownership, and company size on the integrity of financial statements partially and simultaneously in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2019. The data in this study comes from the annual report on the Indonesia Stock Exchange and the company's official website.

The method used in this research is quantitative. The sampling technique used purposive sampling and obtained a research sample of 18 companies with five years of observation and produced 87 samples. The data analysis technique in this study is panel data regression using Eviews 12 software.

Based on the results of this study, managerial ownership, institutional ownership, and firm size simultaneously affect the integrity of financial statements. Partially, firm size has a positive effect and institutional ownership has a negative effect on the integrity of financial statements. Meanwhile, managerial ownership has no effect on the integrity of the financial statements of the food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2019 period.

Keywords : Company Size, Integrity of Financial Statements, Institutional Ownership, Managerial Ownership.