

ABSTRACT

Integrity of financial statements is a financial report that describes financial data correctly and honestly and does not favor any party. The financial data presented is in accordance with the actual condition of the company without any things being covered up or kept secret. Therefore, financial statements are expected to have integrity and have an important role in making decisions for their users.

This study aims to determine the effect of intellectual capital, leverage, and audit quality on the integrity of financial statements in consumer goods industrial sector companies listed on the Indonesia Stock Exchange in 2016-2020. This research uses secondary data to collect data. Secondary data in this study was obtained from the financial statements of companies in the consumer goods industry sector listed on the Indonesia Stock Exchange in 2016-2020.

The method used for sample selection was purposive sampling and 32 samples were observed for five years so that 160 were observed. In analyzing research data, the analytical technique used is panel data regression analysis using Eviews 12 software.

The results of this study inform that the independent variables, namely intellectual capital, leverage, and audit quality simultaneously (simultaneously) affect the integrity of financial statements. Furthermore, the intellectual capital variable partially has a positive effect on the integrity of the financial statements, while the leverage and audit quality variables partially have no effect on the integrity of the financial statements.

Keywords: *audit quality, integrity of financial statements, intellectual capital, leverage*