

ABSTRACT

The information presented in financial statements is very useful for users to make economic decisions, so that the financial statements presented must be true, honest, as they are, unbiased, in accordance with financial accounting standards and with integrity. Financial statements are said to have integrity, if the information presented in the financial statements contains the qualitative characteristics of the information so that it is not misleading for the users. The integrity of financial statements is measured using a conservatism proxy. Conservatism is used to avoid manipulation of financial statements.

This study was conducted with the aim of knowing the effect of managerial ownership, independent commissioners and financial distress variables on the integrity of financial statements. The population used is all mining companies listed on the Indonesia Stock Exchange during the 2016-2020 period.

The method used in this study is quantitative with data sourced from audited financial statements and published through the Indonesia Stock Exchange website and the company's official website. The sampling technique used is purposive sampling. This study obtained a research sample of 18 samples with observations for five years, so the total sample as a whole is 90 sample units. The research data were analyzed using descriptive statistical analysis and panel data regression with Software Eviews 10.

The results obtained indicate that the variables of managerial ownership, independent commissioners and financial distress simultaneously affect the integrity of financial statements. And partially managerial ownership variables, independent commissioners and financial distress affect the integrity of financial statements.

For further researchers, they can examine more deeply related factors that can affect the integrity of financial statements. The length of observation or research period should be more than five years with different independent variables, such as gender diversification, company size and other variables.

Keyword: Managerial Ownership, Independent Commissioners, Financial Distress, and Integrity of the Financial Statements