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**THE EFFECT OF AUDIT QUALITY, AUDIT TENURE AND
GOOD CORPORATE GOVERNANCE ON THE INTEGRITY
OF FINANCIAL REPORTS**

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ABSTRACT

This study was conducted by analyzing the financial statements of companies in the LQ45 sector listed on the Indonesia Stock Exchange (IDX) during the period 2019 to 2023. The sample used in this study was 18 LQ45 sector companies listed on the Indonesia Stock Exchange during the period 2019 to 2023 using a purposive sampling technique. The panel data regression method was used as the research methodology in this study. Analysis of the research results using the help of EViews 10 Student Version Lite software. The results of this study indicate that Audit Quality partially has no effect on the Integrity of Financial Statements, Audit Tenure partially has an effect on the Integrity of Financial Statements, Company Size partially has no effect on the Integrity of Financial Statements, and simultaneously Audit Quality, Audit Tenure, and Good Corporate Governance have an effect on the Integrity of Financial Statements.

Keywords : Auditor Quality, Audit Tenure, Good Corporate Governance, Financial Report Integrity

ABSTRACT

Penelitian ini dilakukan dengan menganalisis laporan keuangan perusahaan-perusahaan pada sektor LQ45 yang terdaftar di Bursa Efek Indonesia (BEI) selama periode tahun 2019 hingga tahun 2023. Sampel yang digunakan dalam penelitian ini sebanyak 18 perusahaan sektor LQ45 yang terdaftar di Bursa Efek Indonesia selama periode tahun 2019 hingga tahun 2023 dengan menggunakan teknik pengambilan sampel *purposive sampling*. Metode regresi data panel digunakan sebagai metodologi penelitian pada penelitian ini. Analisa hasil penelitian menggunakan bantuan perangkat lunak EViews 10 Student Version Lite. Hasil pada penelitian ini menunjukkan bahwa Kualitas Audit secara parsial tidak berpengaruh terhadap Integritas Laporan Keuangan, *Audit Tenure* secara parsial berpengaruh terhadap Integritas Laporan Keuangan, Ukuran Perusahaan secara parsial tidak berpengaruh terhadap Integritas Laporan Keuangan, dan secara simultan Kualitas Audit, *Audit Tenure*, dan *Good Corporate Governance* berpengaruh terhadap Integritas Laporan Keuangan



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Kata Kunci: Kualitas Auditor, *Audit Tenure*, *Good Corporate Governance*,
Integritas Laporan Keuangan

1. INTRODUCTION

Every company is responsible for reporting its financial activities in each period in the form of financial reports. According to (Ayem and Yuliana, 2019) the purpose of financial reports is to provide information regarding the financial position, performance and changes in the financial position of an entity that is useful for a large number of users in making economic decisions. In other words, the integrity of financial reports provides accurate information and does not depend on deliberate actions by management to manipulate financial reports. Financial reports with high integrity mean that the financial reports are true, accurate and avoid manipulation of financial data during the process of preparing financial reports. phenomena related to the integrity of financial reports, namely those carried out by the Ministry of Communication and Information (Kemenkominfo) for the 2020-2022 period. Citing official data from news.republika.co.id, on Tuesday, March 14, 2023. Investigators from the Deputy Attorney General for Special Crimes (Jampidsus) confirmed the suspicion of manipulation in the construction and provision of 4G BAKTI BTS infrastructure project of the Ministry of Communication and Information (Kemenkominfo). Director of Investigation of Jampidsus, there is an allegation of falsification of financial reporting in the accountability of the implementation of the project worth Rp 10 trillion. The alleged falsification of the reporting, the Head of the Corruption and Money Laundering Crime (TPPU) Investigation Sub-Directorate, the eight companies include PT Fiberhome, PT Telkom Infra, Multi Trans Data, PT Aplikasi Lintas Arta, PT Huawei Technology, PT Surya Energi Indotama, PT Infrastruktur Bisnis Sejahtera, and ZTE. Of the eight companies that won the tender, they subcontracted work to dozens of companies providing 4G BTS infrastructure which were also suspected of corruption. The parties to the companies have been questioned, some in prevention. Including some of them are citizens of Chinese origin. Of the managers of the companies, and the recipients of their subcontracts, some have also become suspects.

The auditor who performs this audit service is an *assurance service* that functions to improve the quality of the company's financial information. The auditor in conveying an opinion for. Affiliated with the services provided by the auditor, the quality of the audit provided will convey an influence on the quality of the financial statements or the integrity of the financial statements. Audit quality is a systematic process for obtaining and evaluating evidence objectively regarding statements about economic activities and events, with the aim of determining the level of conformity between these statements and predetermined criteria, and conveying the results to interested users. According to research (Wahyuni, 2022) and (Fathin and Arif, 2022) Audit quality has a positive and significant effect on the integrity of financial statements. This is in line with agency theory where when it comes to agency interests, auditors can also be hit by problems. The institutional mechanism between auditors and management is a source of agency problems for auditors. Auditors are asked by management to conduct audits for the benefit of the principal. On the other hand, the manager pays and bears the audit services.

Audit tenure is the period of engagement (involvement) between the Public Accounting Firm (KAP) and the client regarding the agreed audit services or can also be interpreted as the number of years of the auditor and client relationship in the audit engagement. In the results of *the audit tenure variable research* that have been put forward by Selviana and Wenny (2021) and (Anggoro, 2024) Longer audit tenure allows auditors to better understand the company's conditions and operations so that supervision becomes



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more effective. This reduces the opportunity for manipulation and improves audit quality, so that the resulting financial statements have more integrity. Auditors who have a long-term relationship with the company tend to have a deeper understanding of potential risks and internal controls, which contributes to increased accuracy and reliability of financial statements.

Good Corporate Governance (GCG) is a set of rules, practices, and processes used to direct and control a company. *Good Corporate Governance* aims to improve the performance and accountability of the company by ensuring that the company is managed in an ethical, transparent, and responsible manner. Independent commissioners function to assess the overall performance of the company. Independent commissioners act as mediators in the event of a dispute between internal managers, and have the authority to provide advice to management. According to research (primasari and pratika, 2020) The existence of independent commissioners in agency theory can increase transparency regarding management performance, so as to minimize management actions from any form of deviation that may occur. According to research conducted by (Ayem and Yuliana, 2019) and (Karina Sucitra¹ *, Retna Sari², Shinta Widyastuti³, 2020) that independent commissioners have a significant positive effect on the integrity of financial statements, meaning that with the existence of independent commissioners, the company will increase supervision of the company's management performance because independent commissioners are more optimal in carrying out their duties. The existence of independent commissioners can also help companies to improve the integrity of financial reports because the supervision of independent commissioners will have a good impact on protecting minority shareholders, disclosing reliable and impartial company information, being able to supervise management policies and being able to act as a mediator if there is a dispute between internal managers in the company. This certainly has an impact on disclosing more reliable and impartial company information.

According to (Suroya et al, 2024) Institutional ownership is a condition where an institution owns shares in a company. According to Christiana et al (2021) and (Suroya et al, 2024) institutional ownership will result in good financial reporting integrity, because it is considered capable enough to carry out supervision of manager performance to realize financial reports with integrity so that the higher the institutional ownership, the lower the integrity of the financial report. , so that the results of this study can overcome agency theory, namely if the shares of institutional investors are smaller, management will not be interested so that it will reduce the opportunity for earnings management in a company with a low institutional share value, institutional investors will be more optimal in supervision so as to minimize management from committing fraud or problems arising from misunderstandings between the two parties due to poor integrity of financial reports.

This study presents five different problem formulations, such as: Do audit quality, audit tenure and good corporate governance simultaneously affect the integrity of financial statements? Does audit quality affect the integrity of financial statements? Does audit tenure with independent commissioner proxies affect the integrity of financial statements? Does good corporate governance with independent commissioner proxies affect the integrity of financial statements? Does good corporate governance with institutional ownership proxies affect the integrity of financial statements?

Here are our five main objectives in conducting this study To find out whether audit quality, audit tenure and good corporate governance simultaneously affect the integrity of financial statements. To find out whether audit quality affects the integrity of financial statements. To find out whether audit tenure with the proxy of Independent Commission affects the integrity of financial statements. To find out whether good corporate governance with the proxy of independent commissioners affects the integrity of



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financial statements. To find out whether good corporate governance with the proxy of institutional ownership affects the integrity of financial statements

2. THEORETICAL FRAMEWORK AND HYPOTHESIS (IF ANY)

Based on the theory and previous research that has been described above, this study will try the effect of audit quality, *audit tenure* and *Good Corporate Governance* on the integrity of financial statements. Agency Theory was first proposed by Jensen and Meckling in 1976. Jensen stated that an *agency relationship* occurs when one or more people (*principals*) employ another person (agent) to provide a service and then delegate decision-making authority. According to (Kurnia and Lastanti, 2024) One form of duty and responsibility given to the Agent is to submit financial reports that can describe the company's financial condition in a certain time period. So that external parties can see information from the financial report in assessing the company's financial condition, if the company records a fairly high profit over a long period of time, then it can be said that the company can carry out its operational activities well and the company can distribute dividends to each of its investors.

The following structure can be developed from the problem context and theoretical basis given above:

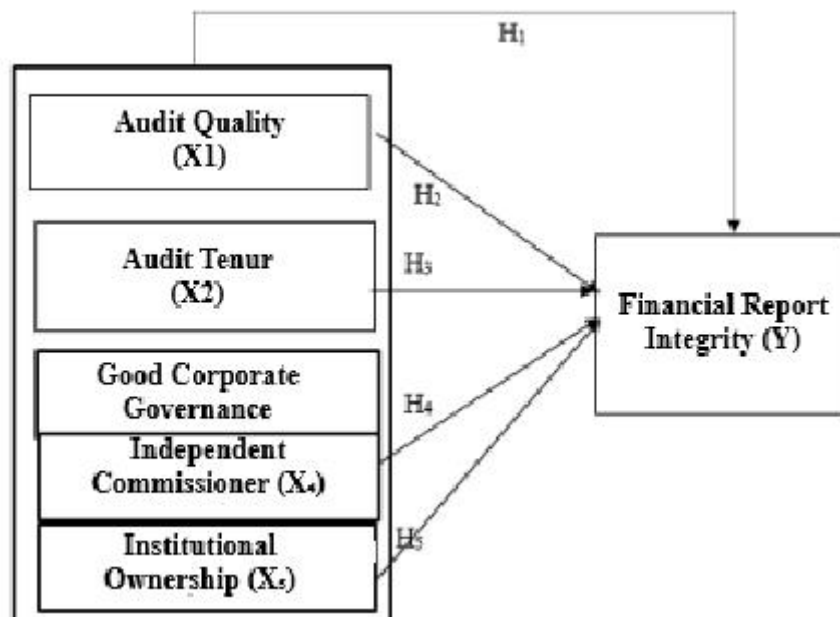


Figure 1. Framework of Thought

Source: Data processed by researchers

Quality is a systematic process of obtaining and evaluating evidence objectively regarding statements about economic activities and events, with the aim of determining the level of conformity between these statements and established criteria, and communicating the results to interested users. The relationship between audit quality and the integrity of financial statements shows that audit quality is reflected in the reputation of the auditor used. The reputation of a proper public accounting firm is expected to increase the trust of



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users of financial statements in the integrity of financial statements (Machdar & Nurdiniah, 2019). *Long tenure can be considered by auditors as income, but it can create an emotional relationship between the auditor and the client, which can reduce independence and audit quality (Anggoro, 2024).* According to research conducted by (Ayem and Yuliana, 2019) and (Karina Sucitra1 *, Retna Sari2, Shinta Widyastuti3, 2020) that independent commissioners have a significant positive effect on the integrity of financial statements, meaning that with the presence of independent commissioners, the company will increase supervision of the company's management performance because independent commissioners are more optimal in carrying out their duties. According to Christiana et al (2021) and (Suroya et al, 2024) institutional ownership will result in good financial statement integrity, because it is considered capable enough to carry out supervision of manager performance to realize financial statements with integrity so that the higher the institutional ownership, the lower the integrity of the financial statements.

H₁ : It is suspected that audit quality, *audit tenure* and *good corporate governance* have a significant effect on the integrity of financial reports.

According to research (Wahyuni, 2022) and (Fathin and Arif, 202) Audit quality has a positive and significant effect on the integrity of financial statements. This is in line with agency theory where when it comes to agency interests, auditors can also be hit by problems. The institutional mechanism between auditors and management is a source of agency problems for auditors.

H₂ : Audit quality has a significant effect on the integrity of financial reports .

Long tenure can be considered by auditors as income, but it can create an emotional relationship between the auditor and the client, which can reduce independence and audit quality (Anggoro, 2024). In the results of the *audit tenure* variable research that have been put forward by Selviana and Wenny (2021) and (Anggoro, 2024) Longer audit tenure allows auditors to better understand the company's conditions and operations so that supervision becomes more effective. This reduces the opportunity for manipulation and improves audit quality, so that the resulting financial statements have more integrity.

H₃ : *Audit tenure* has a significant effect on the integrity of financial reports .

According to research conducted by (Ayem and Yuliana, 2019) and (Karina Sucitra1 *, Retna Sari2, Shinta Widyastuti3, 2020) that independent commissioners have a significant positive effect on the integrity of financial statements, meaning that with the presence of independent commissioners, the company will increase supervision of the company's management performance because independent commissioners are more optimal in carrying out their duties. The existence of independent commissioners can also help companies to improve the integrity of financial statements because the supervision of independent commissioners will have a good impact on protecting minority shareholders, disclosing reliable and impartial company information, being able to supervise management policies and being able to act as a mediator if there is a dispute between internal managers in the company. This certainly has an impact on the disclosure of company information more reliably and impartially.

H₄ : Independent commissioners have a significant influence on the integrity of financial reports .

According to Christiana et al (2021) and (Suroya et al, 2024) institutional ownership will result in good financial report integrity, because it is considered capable enough to carry out supervision of manager performance to realize financial reports with integrity so that the higher the institutional ownership, the lower the integrity of the financial report. The lower the institutional ownership, the better the integrity of the



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financial report will be. The higher the institutional ownership greatly affects the high and low integrity of the financial report, so that the results of this study can overcome agency theory, namely if the shares of institutional investors are smaller, management will not be interested so that it will reduce the opportunity for earnings management in a company with a low value of institutional shares, institutional investors will be more optimal in supervision so as to minimize management from committing fraud or problems arising from misunderstandings between the two parties due to poor integrity of financial reports.

H₅: Institutional ownership has a significant effect on the integrity of financial reports .

3. RESEARCH METHOD

In this study, the researcher used a quantitative research type because the data the researcher used were in the form of numbers and figures. Quantitative research types can be processed or analyzed using statistical calculation techniques and variables to be tested using the *Eviews application* . This research method uses *associative research* which has a form of causality relationship used to determine the causal relationship between two or more variables, variables that influence and are influenced.

Table 1. Operational Variables

No	Variables	Indicator	Scale
1	Audit quality (X ₁) (Source: Permana and Noviyanti, 2022)	AQMS By proxy a) Big 4 = Scored 1 if audited by a KAP affiliated with a Big 4 KAP, and given 0 otherwise. b) SPCL = Scored 1 if it has the largest industry share, measured by the ratio of the number of KAP client assets in a particular industry divided by the total client assets of all KAPs in one industry, and given a score of 0 otherwise. c) TENURE = scored 1 if the KAP assignment period interval is > 3 years and 9 years; and given a score of 0 otherwise. d) $CI = \frac{CI_{it}}{SIZE_{it} / \{i - 1\} \sum SIZE_{it}}$ e) RQA = (i) If KAPj provides a GC opinion in year t, and client i in year 1+1 experiences negative operating cash flow or loss. net as an indication of financial distress; and (ii) If the KAPJ does not provide a GC opinion in year 1, and client i in year 1+1 does not experience negative operating cash flow or net loss. Audit Quality Metric Score is the total score of all 5 audit quality proxies. KAPx against client y in year t, which is assessed by obtaining the highest score on the AQMS value, namely 5.	Nominal
2	Audit tenure (Source: Khurotu Ainiyah et al.,	Value 1 = Auditor's term with the client if it has been running for 1 year 2. Value 2 = Auditor's term with the client if it has been running for 2 years 3.	1. Dummy



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	2021)	Value 3 = Auditor's term with the client if it has been running for 3 year 4. Value 4 = Auditor's term with the client if it has been running for 4 years	
3	Good corporate governance (X ₃) (Source: Azzaha and Trianib, 2021) (Sucitra et al., 2020)	Independent Commissioner KMI = number of independent commissioners of the company / total number of members of the company's board of commissioners x Ratio Kepemilikan institusional = $\frac{\text{Jumlah saham yang dimiliki institusional}}{\text{Jumlah saham yang beredar}} \times 100\%$	Ratio
4	Financial report integrity (Y) (Source: Azzaha and Trianib, 2021)	ILK = $\frac{\text{Stock Market Price}}{\text{Book Value of Stocks}}$	Ratio

The population in this study is banking companies that have been listed on the Indonesia Stock Exchange (IDX) in 2019 - 2025. Not all populations will be the object of research, so further sampling is needed. Statistical programs such as Excel 2010 are used to control these data factors. Using EViews 10.0, we conducted research using a multiple linear regression technique approach. Review of EViews 10.0 capabilities for panel data multiple linear regression.

4. DATA ANALYSIS AND DISCUSSION

The population of the study was LQ45 companies listed on the Indonesia Stock Exchange (IDX). This study utilized the annual financial reports of business entities on the IDX available through the official platform www.idx.co.id and containing all complete financial files required for the investigation. Since the annual financial report offers comprehensive and detailed information about a company's finances, the report was included in the study. In addition, this study also applied data from the IDX because the IDX is the only stock market in Indonesia that offers comprehensive and optimally organized information.



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Table 2. Descriptive Statistics

	ILK (Y)	KA (X1)	AT (X2)	COMMAN D (X3)	KEMINS (X3)
Mean	1.91113 4	3.087500	2.725000	46.20991	58.62868
Median	1.67788 9	3.000000	3.000000	45.45455	57.49320
Maximum	4.77774 8	4.000000	5,000,00 0	66.66667	80.53295
Minimum	0.12869 4	1,000,00 0	1.395971	30,00000	50.06708
Std Dev.	1.13151 5	0.749578	1.395971	9.695984	7.681101
Skewness	1.08079 2	-0.68672 3	0.274733	0.091272	1.304324 2
Kurtosis	3.50307 9	3.528613	1.816755	1.980871	4.700624
Jarque-Bera	16.4184 3	7.219280	5.673267	3.573153	32.32452
Probability	0.00027 2	0.027062	0.058623	0.167533	0.000000
Sum	152.890 7	247.0000	218.0000	3696.793	4689.494
Sum Sq. Dev.	101.145 7	44.38750	153.9500	7426.956	4660.495
Observations	80	80	80	80	80

Integrity of Financial Reporting

The results of the descriptive analysis in table 4.3 show that the financial report integrity variable is measured by a sample size of 80. The results show a standard deviation value of 1.131515 which is smaller than the average value of 1.911134, this shows that the ILK is homogeneous, which means that the data distribution is less diverse or close to the average. It is known that the highest value (maximum) is 4.777748 at PT. Bank Central Asia Tbk in 2023, then the lowest value (minimum) of 0.128694 was obtained at PT. Perusahaan Gas Negara Tbk in 2023.

Audit Quality

The results of the descriptive analysis in table 4.3 show that the Audit Quality variable with a sample size of 80. The results show a standard deviation value of 0.749578. smaller than the average value of 3.087500 , this shows that KA is homogeneous, which means that the data distribution is less diverse or close to the average. It is known that the highest value (maximum) ,000000 was obtained at PT. Bank Central Asia Tbk in 2023 ,



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then the lowest value (minimum) of 1,000000 was obtained at PT. Bank Negara Indonesia Tbk in 2021.

Tenure Audit

The results of the descriptive analysis in table 4.3 show that the *Audit Tenure variable* with a sample size of 80. The results show a standard deviation value of 1.395971 which is smaller than the average value of 2.725000 , this shows that AT is homogeneous, which means that the data distribution is less diverse or close to the average. It is known that the highest value (maximum) of 5,000000 was obtained at PT. Bank Central Asia Tbk in 2023 , then the lowest value (minimum) of 1,000000 was obtained at PT. PT. Bank Negara Indonesia 2019.

Independent Commissioner

The results of the descriptive analysis of table 4.3 show that the independent commissioner variable is measured by a sample size of 80. The results show a standard deviation value of 9.695984 which is smaller than the average value of 46.20991 , this shows that KOMINDP is homogeneous, which means that the data distribution is less diverse or close to the average. It is known that the highest value (maximum) of 66.66667 was obtained at PT. Indocement Tungal Perkasa Tbk in 2019 , then the lowest value (minimum) of 30.00000 was obtained at PT. Tambang Batubara Bukit Asam Tbk in 2019.

Institutional ownership

The results of the descriptive analysis of table 4.3 show that the institutional ownership variable is measured by a sample size of 80. The results show a standard deviation value of 7.681101 which is smaller than the average value of 58.62868 , this shows that KEMINST is homogeneous, which means that the data distribution is less diverse or close to the average. It is known that the highest value (maximum) of 80.53295 was obtained at PT. Indofood CBP Sukses Makmur Tbk in 2019 , then the lowest value (minimum) of 50.06708 was obtained at PT. Indofood Sukses Makmur Tbk in 2023.

Tabel 3. Result of T-Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.764648	1.620707	2.322843	0.0236
KA	0.028130	0.051779	0.543272	0.5890
AT	-0.128127	0.026960	-4.752534	0.0000
COMMAND	0.009485	0.006019	1.575754	0.1203
KEMINS	-0.034622	0.027178	-1.273926	0.2076

Effects Specification

Cross-section fixed (dummy variables)			
R-squared	0.956214	Mean dependent variable	1.911134
Adjusted R-squared	0.942349	SD dependent var	1.131515
SE of regression	0.271685	Akaike information criterion	0.443968



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Sum squared residual	4.428750	Black criterion	1.039475
Log likelihood	2.241284	Hannan-Quinn critter.	0.682724
F-statistic	68.96348	Durbin-Watson stat	2.016411
Prob(F-statistic)	0.000000		

The panel data regression equation based on table 4.15 is as follows.

$$ILK = 3.764648 + 0.028130 KA - 0.128127 AT + 0.009485 KOMIND - 0.034622 KEMINS + e$$

1. The constant value is 3.764648 can be concluded from the regression equation model above. This illustrates that the integrity of the financial report remains constant at 3.764648 if it is assumed that the audit quality, *audit tenure*, and *good corporate governance variables* are worth 0.
2. The audit quality variable increased by 0.028130 units for every one unit increase in the audit quality variable, in accordance with the audit quality regression coefficient of 0.028130.
3. *audit tenure* variable will decrease by -0.128127 units for every one unit decrease in the *audit tenure variable*, in accordance with the regression coefficient of -0.128127.
4. Independent Commissioner variable will increase by 0.009485 units for every one unit increase in the Independent Commissioner variable, in accordance with the regression coefficient of 0.009485.
5. Institutional Ownership variable will decrease by -0.034622 units for every one unit decrease in the Independent Commissioner variable, in accordance with the regression coefficient of -0.034622.

DISCUSSION

The influence of auditor quality, audit tenure and good corporate governance on the integrity of financial reports

Audit quality, *audit tenure*, and independent commissioners and institutional commissioners have a simultaneous influence on the financial report integrity variable in LQ45 companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023. This is based on the results of the panel data regression test. The F-count value is 68.96348 greater than the F-table value of 2.72494 or the probability value (F-statistic) of 0.000000, indicating that the value is smaller than the significant value of 0.05. Thus, it can be concluded that the independent variables in this study are audit quality, *audit tenure*, independent commissioners and institutional commissioners. Therefore, the derived regression equation can be used to estimate the accuracy of financial reporting or the appropriate model to be applied in this study.

The effect of auditor quality on the integrity of financial reports (H2)

t-statistic test *output illustrates the influence of audit quality on the integrity of financial reports as shown in the hypothesis test output* in table 4.18, producing a calculated t value of 0.543272 with a probability value of 0.5890. The error rate of 0.05 is used in the data processing procedure. The collected data shows a probability value of $0.5890 > 0.05$ which illustrates the rejection of the hypothesis and the conclusion that the



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integrity of the financial statements is not affected by the integrity of the financial statements.

The effect of audit tenure on the integrity of financial reports (H3)

The findings of the t-statistic test illustrate the influence of *audit tenure* on the integrity of financial reports as shown by the results of the hypothesis test in table 4.18. The t-value obtained is negative at 4.752534. with a probability value of 0.0000. The error rate of 0.05 is used in the data processing procedure. The collected data shows a probability value of $0.0000 < 0.05$ which illustrates the acceptance of the hypothesis. As a result, it can be concluded that the integrity of the financial statements is negatively affected by the audit period. Audit tenure is the length of the audit engagement period of a Public Accounting Firm (KAP) in providing audit services to its clients. Audit tenure is the period of cooperation between the KAP and the auditee.

The influence of good corporate governance proxied by independent commissioners on the integrity of financial reports (H4)

The results of the t-statistic test illustrate the influence of *good corporate governance*, which is proxied by independent commissioners and institutional ownership on the integrity of financial accounts. Independent commissioners with a t-value obtained is positive at 1.575754 with a probability value of 0.1203. An error rate of 0.05 is used in the data processing procedure. The collected data shows a probability value of $0.1203 > 0.05$, which illustrates the acceptance of the hypothesis and the conclusion that the integrity of financial statements does not affect independent commissioners.

The influence of good corporate governance as proxied by institutional ownership on the integrity of financial reports (H5)

Institutional Ownership with a t-value obtained is negative at 1.273926 with a probability value of 0.2076. An error rate of 0.05 is used in the data processing procedure. The collected data shows a probability value of $0.2076 > 0.05$, which illustrates the acceptance of the hypothesis and the conclusion that the integrity of financial statements has no effect on institutional commissioners. According to (Suroya et al., 2024) Institutional ownership is a condition where an institution owns shares in a company. Institutional ownership has the ability to control management through an effective monitoring process so that it can improve company performance. Institutional ownership has the ability to reduce the incentives of self-interested managers through an incentive level of supervision. So that institutional ownership is expected to be able to suppress the tendency of management to manipulate financial statements.

5. CONCLUSION & SUGGESTION

Conclusion

Judging from *the output of* the analysis, discussion and hypothesis testing that occurred in the previous chapters. Thus the following conclusions are drawn:

1. Audit quality, audit tenure, independent commissioners and institutional ownership simultaneously influence the integrity of financial reports.
2. Audit quality does not affect the integrity of financial statements.
3. Audit tenure has a negative effect on the integrity of financial reports.
4. Independent commissioners have no influence on the integrity of financial reports.
5. Institutional ownership does not affect the integrity of financial statements.

Research limitations



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Despite following established scientific procedures, there are still a number of problems in this study that can reduce the validity of the conclusions. There are several problems in this study, including:

1. The population used in this study only had observation years starting from 2019 to 2023.
2. It can be said that the findings of this study do not provide a comprehensive picture of the entire LQ45 sector of companies listed on the Indonesia Stock Exchange because the sample size is very small compared to the number of companies listed there.
3. The integrity of financial reports is only examined and tested in this study in relation to the influence of audit quality, audit tenure, independent commissioners and institutional ownership.

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