JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

THE EFFECT OF INSTITUTIONAL OWNERSHIP, INDEPENDENT COMMISSIONERS AND DEBT POLICY ON FINANCIAL STATEMENT INTEGRITY

Leny Suzan*[1], Melly Juwita Nasution[2]
Universitas Telkom, Indonesia*[12]
lenysuzan@telkomuniversity.ac.id*[1], mellyjuwita@student.telkomuniversity.ac.id[2]

Abstract: There are still many reporting incidents carried out by many parties, making it difficult for investors to make decisions because the integrity of financial reports cannot be trusted**.** The purpose of this study is to disentangle the partially and simultaneously impacts of institutional ownership, independent commissioners, and debt policy on the reliability of financial statements. This article's secondary data came from the Indonesia Stock Exchange. The population in the study for the years 2017-2021, the sample comprises of 20 coal-focused mining companies trading on the Indonesia Stock Exchange. The study sample was selected by a process of purposive sampling. In this study, the data was analyzed using panel data regression analysis in Eviews 12. The results suggest that independent commissioners, institutional ownership, and debt policy all play significant roles in determining the reliability of financial reporting. Institutional Ownership and Debt Policy partially have a significant effect on the Integrity of the Financial Statements, while the Independent Commissioner does not affect the Integrit y of the Financial Statements. Considering that the adjusted R square rate value is only 0.65 percent and the rest is caused by other variables that may have a greater influence on the application of accounting conservatism, researchers are advised to test other variables that have a greater influence on accounting conservatism, either directly or through use of different proxies such as caution. Management should re-evaluate the role of independent commissioners in managing corporate governance if they want to increase the reliability of financial reports.
Keywords: Institutional Ownership, Independent Commissioner, Debt Policy, Financial Statement Integrity

INTRODUCTION

Mining companies are companies that carry out activities to extract deposits of excavated materials of economic value and valuable from the earth, the surface of the earth, below the surface of the earth and underwater which is carried out either mechanically or manually. Mining consists of several sub-sectors that are the result of mining including oil and gas, coal, tin seeds, nickel seeds, iron sand, bauxite seeds, copper seeds, gold ore, silver and manganese seeds. In this study, researchers chose the coal sub-sector. We chose to research the coal subsector in Indonesia, as it is one of the greatest producers and exporters of coal that affects national income, and the current conditions are a concern for recurring subsector problems, such as global uncertainty that causes falling commodity prices. market conditions. Therefore, coal sub-sector mining companies can be seen as one of the companies that contribute greatly to state revenue.

The last step in the accounting process is the preparation of financial statements, which provide information on the economic activities of a business over a certain time frame against which the success or failure of the enterprise may be judged (Wijaya, 2022).

Submitted: July 08, 2023; Revised: November 07, 2023; Accepted: November 13, 2023; Published: December 29, 2023; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

According to studies (Putri et al., 2022), financial statement integrity is the degree to which a corporation has been truthful and forthright in providing all relevant information to interested parties. Financial statements that have been prepared with the utmost care for accuracy and transparency are guaranteed to satisfy the IFRS requirements for basic quality, specifically *relevance and faithful representation*. Financial statements with integrity must meet the requirements of PSAK 1 as stated by (IAI, 2017), namely understandability, materiality, reliability, honest presentation, more substance than form, impartiality, sound consideration, completeness, and comparability. Lack of integrity during the process of financial statements drafting makes corporate decision making untrustworthy (Fatin & Suzan, 2022; Suzan & Wulan, 2022).

When a company's financial performance is presented in a way that exudes authority and honesty, this is known as financial statement integrity. To what degree can readers of financial statements rely on the information presented? This is what is meant by "financial statement integrity." Ability to accurately explain information in the settings or events reported according to real conditions is a major factor in determining the information's dependability (Istiantoro et al., 2018).

Regarding low integrity in financial statements in the company, there are still a lot of cases related to financial statements manipulation carried out by the company. One of financial statement manipulation case revealed in the year 2019 by PT Adaro Energy Tbk, where PT Adaro Energy Tbk experienced problems based on international reports revealed that the company committed tax evasion through its subsidiary which was rumored to have diverted profits from Indonesian coal to avoid taxes in Indonesia. PT Adaro Energy Tbk paid USD 125 million or less than the obligated amount in Indonesia. Global Witness said its financial statements showed that the total value of sales commissions received by its low-tax subsidiaries in Singapore increased on an annual basis from USD 4 million to USD 55 million. With an average annual tax of 10%, it boosts profits in Singapore. While profits from the company's coal trading commission in Indonesia will be taxed at a higher rate on an annual average basis of 50%, PT Adaro Energy Tbk did not comment on that. Most of the profits listed in Singapore appear to have been transferred overseas, to one of Adaro's subsidiaries in Mauritius, which was not taxed at all before 2017 and may still not have been (Melani & Tulus, 2019). In addition, tax evasion cases also occurred in the year 2019 carried out by mining companies (https://news.ddtc.co.id/Sektor-Pertambangan-Rawan-Manipulasi-Transfer-Pricing-17422) further adding to the row of blacklists of mining companies in Indonesia that commit financial statement fraud (Novriansa, 2019).

Cases like these demonstrate that financial statement manipulation is still a common occurrence, casting doubt on the reliability of these businesses' public disclosures. Users' trust in the reliability of internal businesses might be undermined by financial reports that include inaccuracies. This calls for investigation into the variables, such as debt policies and financial hazards, that might compromise the veracity of financial accounts, as well as the employment of supervisors to keep operations under check. Institutional ownership factors and independent commissioners are used in this research as part of the supervisory role to ensure honest reporting of financial data by enterprises.

When organizations, such as government institution, hospitals, or other large private organizations, possess a significant portion of a company's stock, we say that such shareholders are institutional investors. Both public and commercial institutions, both domestic and international, fall under this category. According to the agency theory, institutional investors delegate authority to manage the company to management and

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

instead focus on the company's financial performance as reported in financial statements; as a result, institutional investors require relevant and complex information in order to make sound investment decisions (Indrasti, 2020). Based on research conducted by Alberto (2021), the results showed that institutional ownership has no effect on the integrity of financial reports. In line with research conducted by Nurdiniah & Pradika (2017) which states that institutional ownership has no influence on the integrity of financial reports. However, this is different from research conducted by Anita (2020) which obtained results that institutional ownership had a positive and significant effect on the integrity of financial statements. This means that if institutional ownership increases, the integrity of financial statements will increase.

Unlike the board of directors, the management, the shareholders, and the other commissioners, the members of an independent commission have no additional ties to the firm that may compromise their impartiality. The independent commissioner is responsible for monitoring the board of directors to ensure that they are carrying out their duties in accordance with the established strategy (Novianti & Isynuwardhana, 2021). The independent commissioner's role as a watchdog over management as a whole suggests that its information should be more trustworthy than that of other government agencies' (Marpaung et al., 2021). Alberto's research (2021) showed that independent commissioners had no effect on the integrity of financial reports. This is not in line with research by Dirvi (2021) which obtained results that independent commissioners partially had a positive effect on the integrity of financial reports.

A company's debt policy (leverage) is a ratio indicating the extent to which it relies on debt to fund its operations. As a result, the company will incur interest expense, which will lower its pre-tax profit and, in turn, reduce the amount of taxation it must pay. Companies may be encouraged to disclose their financials honestly not just via oversight but also through the use of debt financing. High levels of debt used to finance a company's assets are one potential risk to the reliability of financial reports. Making debt policy is not easy because in a company there are many parties who have different interests, so that decision making will not be separated from agency conflicts that occur within the organization (Nabilah, 2019). This is why agency theory is related to debt policy. Based on research conducted by Nabilah (2019), the results showed that debt policy has a significant effect on the integrity of financial reports. In contrast to research conducted by Anita (2020) which obtained results that debt policy had no effect on the integrity of financial reports. This is in line with research conducted by Febrilyantri (2020) which states that debt (leverage) does not affect the integrity of the company.

According to the theory of agencies, agency relationships form when one or more parties (principals) retain the services of another (agents) and entrust the agent with the ability to make decisions on their behalf (Jensen & Meckling, 1976). Shareholders serve as the principals of a corporation, while the board of directors and individual directors serve as the agents. Individual directors may rise to the position of top management by overseeing many departments. According to agency theory, an effective method for keeping tabs on potential conflicts of interest and new information asymmetry may help mitigate these problems (Kristanti et al., 2016).

Submitted: July 08, 2023; Revised: November 07, 2023; Accepted: November 13, 2023;
Published: December 29, 2023; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

METHODS

The sample used in this analysis consists of publicly listed coal mining businesses on the Indonesia Stock Exchange between 2017 and 2021. Companies in the mining sector have several sub-sectors, and financial statement manipulation occurs often in this industry. The study period spans 2017–2021, which was chosen since it's long enough to start seeing trends among organizations that pay attention to Financial Statement Integrity.

This research used a quantitative approach. Methods Employed in the Field of Nonprobability Purposive sampling is a method of selecting samples by taking such concerns into account (Sugiyono, 2019). Purposes of Using Sugiyono's (2019) Sampling Method sampling with intent Since not all samples meet the requirements set by the researchers, we gathered a sample of 20 firms and followed them for 5 years to collect 100 data (20 companies * 5 years). These factors were considered in selecting samples:

1. For the years 2017-2021, the Indonesia Stock Exchange will be home to a mining business focused on the coal industry.
2. Companies in the mining industry's coal subsector that have not been consistent in releasing annual reports between 2017 and 2021.

Five years of observation yielded 100 samples for this investigation. Due to the presence of outliers in the collected observational data, statistical analyses cannot be relied upon as a foundation for making policy decisions. After removing outliers and cleaning the data, we were able to collect 95 observations from 20 representative samples of coal subsector mining companies traded on the Indonesia Stock Exchange throughout the period 2017-2021 using Eviews Version 12 software.

In this study, the reliability of financial records serves as a kind of dependent variable. For this analysis, we utilized the following formula to test the reliability of the financial statements:

$$MBVit = \frac{Stock\ Market\ Price}{Share\ Book\ Value}$$

Source: (Istiantoro et al., 2018)

Institutional ownership, independent commissioners, and debt policies are examples of independent variables in this research. The independent variables utilized in this investigation were calculated as follows:

$$\text{Institutional Ownership} = \frac{\text{Number of institutional shares}}{\text{Total shares outstanding}} \times 100$$

Source: (Indrasti, 2020)

$$\text{Independent Commissioner} = \frac{\text{Number of Independent Commissioners}}{\text{Total Board of Commissioners}} \times 100$$

Source: (Indrasti , 2020)

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Equity}} \times 100$$

Source: (Hery, 2018)

Panel data regression analysis, which has the advantage of being able to obtain

Submitted: July 08, 2023; Revised: November 07, 2023; Accepted: November 13, 2023; Published: December 29, 2023; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

extensive data, is used in this study to reduce the likelihood of significant errors. The regression equation for this analysis is as follows:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + e$$

Information:

Y	= Financial Statement Integrity
α	= Constant
$\beta_1, ..., \beta_3$	= Regression coefficient of each independent variable
X_{1it}	= Institutional Ownership
X_{2it}	= Independent Commissioner
X_{3it}	= Debt policy
e	= Eror Term

When testing the hypotheses in this research, they can be formulated as follows:

$H0$: $\beta 1 \leq 0$ = Institutional Ownership has no positive effect on the Integrity of Financial Statements.
Ha: $\beta 1 > 0$ = Institutional Ownership has a positive effect on the Integrity of Financial Reports.
$H0$: $\beta 2 \leq 0$ = Independent Commissioners have no positive effect on the Integrity of Financial Reports.
Ha: $\beta 2 > 0$ = Independent Commissioners have a positive influence on the Integrity of Financial Reports.
$H0$: $\beta 3 \leq 0$ = Debt Policy has no positive effect on the Integrity of Financial Statements.
Ha: $\beta 3 > 0$ = Debt Policy has a positive effect on the Integrity of Financial Statements.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Table 1. Ratio-scale descriptive statistical analysis

Keterangan	X1	X2	X3	Y
Mean	0,59471	0,43118	2,25548	5,95966
Minimun	0,00000	0,25000	-7,71065	-1,27413
Maksimum	0,97000	0,66667	34,05558	147,83798
Standar Deviasi	0,26047	0,09654	5,18808	17,54464
Observation	95	95	95	95

Source: Data source processed by the author (2023)

Table 1 displays the results of a descriptive statistical study of all companies trading on the Indonesia Stock Exchange in the coal industry from 2017 to 2021. Lowest value, highest value, mean (mean), and standard deviation are all explained by the ratio-scale factors used in this study, which are institutional ownership, independent commissioners, and debt policies.

Submitted: July 08, 2023; Revised: November 07, 2023; Accepted: November 13, 2023;
Published: December 29, 2023; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

Classical Assumption Test
Multicollinearity Test

Table 2. Multicollinearity Test

	KI	KOI	KH
KI	1.000000	-0.260526	-0.324660
KOI	-0.260526	1.000000	0.153535
KH	-0.324660	0.153535	1.000000

Source: Processed data Eviews 12, (2023)

Table 2 displays the results of a multicollinearity test designed to reveal whether or not the independent variables are connected to the regression model. A regression model for multicollinearity may be determined if the correlation coefficient between the independent variables is less than 0.8. The data in this study do not show any evidence of multicollinearity, as shown by the fact that the correlation coefficient between the independent variables is less than 0.8 (see table 2 above).

Heteroscedasticity test

Table 3. Heteroscedasticity test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	**-20.58185**	**10.44242**	**-1.970984**	**0.0518**
KI	**15.93372**	**8.268844**	**1.926959**	**0.0671**
KOI	**14.10246**	**15.74972**	**0.895410**	**0.3729**
KH	**22.60606**	**7.261441**	**3.113165**	**0.1474**

Source: Processed data Eviews 12, (2023)

It is clear from table 3 above that there is no evidence of heteroscedasticity in this research since the probability value for any variable is more than 0.05.

Panel Data Regression Analysis

Based on the results of the Chow Test, the Hausman Test, and the Large Multiplier, it has been determined that the random effect model is the most appropriate for this study.

Table 4. Random Effect Model Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	**-15.93652**	**12.22432**	**-1.303674**	**0.0196**
KI	**13.90849**	**10.19379**	**1.364408**	**0.0128**
KOI	**8.365704**	**17.91893**	**0.466864**	**0.6417**
KH	**18.21088**	**8.391918**	**2.170049**	**0.0326**
R-squared	**0.758524**	**Mean dependent var**		**2.212480**
Adjusted R-square	**0.652879**	**S.D. dependent var**		**11.30646**
S.E. of regression	**11.11299**	**Sum squared resid**		**11238.37**
F-statistic	**7.693647**	**Durbin-Watson stat**		**1.574421**
Prob(F-statistic)	**0.000124**			

Source: Processed data Eviews 12, (2023)

Submitted: July 08, 2023; Revised: November 07, 2023; Accepted: November 13, 2023;
Published: December 29, 2023; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

The panel data regression equation is constructed using the following test results:

Y = -15.93652 + 13.90849(KI) + 8.365704(KOI) + 18.21088(KH) + e

The results of the tests show that the following is the regression equation for the panel data used in this study:

1. If institutional ownership, independent commissioners, and debt policies are all zero or constant, then the sample of mining companies in the coal sub-sector listed on the Indonesia Stock Exchange from 2017 to 2021 will have true and accurate financial statements (the constant value is -15.93652).
2. Under the assumption that other factors remain constant, the KI regression coefficient of 13.90849 shows that an increase of one unit in institutional ownership increases the integrity of financial statements in the sample of coal sub-sector mining businesses listed on the Indonesia Stock Exchange in 2017-2021 by 13.90849.
3. For mining companies in the coal subsector listed on the Indonesia Stock Exchange in 2018-2021, an increase of 1 unit in independent commissioners is associated with an 8.365704 KOI regression coefficient, assuming all other parameters stay constant.
4. The KH regression coefficient reveals that for every unit increase in debt policy, there is an increase of 18.21088 in the honesty of financial statements reported by coal mining companies listed on the Indonesia Stock Exchange throughout the years 2017-2021.

Coefficient of Determination (R^2)

The purpose of the R^2 statistic is to identify the extent to which the independent variable can account for the dependent variable. One such metric is the adjusted R^2 value, where a higher value indicates greater quality. This shows that the degree to which the dependent variable may be explained by independent variability is significant.

Based on table 4 above, the study's adjusted R^2 value is 0.652879, or 65.28%. This number indicates that the independent variable, the integrity of financial statements, is explained by institutional ownership, independent commissioners, and debt policy by 65.28%, with the remaining 34.72% being impacted by external factors outside the research.

Model Feasibility Test (Test F)

Table 4 shows that Prob (F-Statistic) is less than 0.05, with a value of 0.000124. Integrity of financial statements of mining companies in the coal subsector listed on the IDX between 2017 and 2021 is simultaneously influenced by institutional ownership, independent commissioners, and debt policy. This happens because institutional ownership, independent commissioners and debt policy simultaneously have an influence on the integrity of financial statements.

Hypothesis Test (Test t)

The test findings from table 4 above may be used to explain and draw the following conclusion:

1. The probability value of the positive coefficient of 13.90849 for the institutional ownership variable is less than the significance level of 0.05, coming in at 0.0128 0.05. This results rejection H_{01} and accepts H_{a1}, thus we can conclude that institutional ownership, for the years 2017-2021, has a positive effect on the reliability of financial statements in coal subsector mining companies traded on the Indonesia Stock

Submitted: July 08, 2023; Revised: November 07, 2023; Accepted: November 13, 2023;
Published: December 29, 2023; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

Exchange.

2. The independent commissioner variable is significant since its positive coefficient value, 8.365704, and its probability value, 0.6417 > 0.05, the value is greater than the significant level of 0.05. This shows that accepting H_{02} and rejecting H_{a2} means that the independent commissioner partially does not affect the integrity of the financial statements of coal subsector mining companies listed on the Indonesia Stock Exchange for the 2017-2021 period.
3. The debt policy variable has a significant positive coefficient of 18.21088, whereas the probability value is just 0.0326 0.05. This proves rejection H_{03} and accepts H_{a3}, thus we can conclude that debt policy, for the years 2017-2021, has a positive effect on the reliability of financial statements in coal subsector mining companies traded on the Indonesia Stock Exchange.

The Effect of Institutional Ownership on the Integrity of Financial Statements

Table 4 shows the results of a t test, and the coefficient value for institutional ownership is positive at 13.90849. The probability value is 0.0128 0.05, which is less than the significant threshold of 0.05. Rejection H_{01} seems to have accepts H_{a1}. As a result, some institutional ownership is good for the reliability of financial statements. This suggests that the more institutional ownership there is, the more trustworthy the financial statements will be. Institutional ownership has a positive effect on the reliability of financial statements since it may improve the monitoring of management behavior and the detection of fraud. Jensen and Meckling (1976) argue that institutional ownership is crucial in reducing agency conflicts between managers and shareholders. Managers' ability to effectively oversee decision-making and avoid profit manipulation for personal benefit may be aided by institutional ownership. In order to improve the reliability of the company's financial statements owing to institutional ownership, it is important to keep a closer eye on how management is behaving.

Institutional ownership may have an effect on the reliability of financial statements, as shown by earlier research (Indrasti, 2020; Yudiawan et al., 2022). This study's results are in line with those other research. This contrasts the findings of a another research (Novianti & Isynuwardhana, 2021) that showed no relationship between institutional ownership and financial statement reliability.

The Influence of Independent Commissioners on the Integrity of Financial Statements

According to the t test findings in table 4, the independent commissioner has a positive coefficient value of 8.365704 and a probability value of 0.6417 > 0.05, both of which are more than the significance threshold of 0.05. This demonstrates that although H_{02} was accepted, Ha2 was not. Accordingly, impartial commissioners have zero incentive to distort the books. This shows that the number of independent commissioners has no impact on the reliability of the financial statements. Because the existence or lack of internal independent commissioners has no impact on the reliability of a company's financial accounts. Since it has not been shown that having an independent commissioner working inside the business who is expected to monitor management performance in preparing and presenting financial statements will compromise the reliability of such statements. This is because independent commissioners have not impacted the integrity of financial statements since their position and function in carrying out corporate

Submitted: July 08, 2023; Revised: November 07, 2023; Accepted: November 13, 2023; Published: December 29, 2023; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

governance oversight, particularly in the compilation of financial statements, has not been ideal. Therefore, independent commissioners' supervision of financial reports must be further enhanced.

Other research (Alma Sukma Dewi et al., 2022; Indrasti, 2020) also finds that independent commissioners have no effect on the reliability of financial statements. This study's findings corroborate those previous ones. However, the results of this study contradict those of (Abbas et al., 2021), who concluded that financial statements are more accurate when overseen by independent commissioners.

The Effect of Debt Policy on the Integrity of Financial Statements

Table 4 shows that the t test for debt policy yields a probability of 0.0326 0.05 and a coefficient of 18.21088, probability which are less than the 0.05 level needed to be considered significant. This proves rejection H_{03} and accepts H_{a3}. As a result, debt policy's effects on the reliability of financial statements are complex. Companies that maintain a low debt policy ratio do not depend extensively on debt to support their operations, which is good for their value and credibility with investors since it indicates that the numbers in their financial statements are more reliable. On the other hand, a high debt policy ratio may require a company to disclose all relevant information about itself in its financial statements. Since a company's financial risks and likelihood of running into financial difficulties increase in proportion to the amount of debt used to finance the company's assets, it can encourage companies to present financial statements with low integrity through the selection of specific accounting procedures.

This study's results are in line with previous ones (Nabilah, 2019) that revealed the presence of independent commissioners had no effect on the reliability of the financial statements. However, the results of this research contradict the claims of those who say debt policy does not affect the reliability of financial statements (Indrasti, 2020).

CONCLUSION

Because there are many cases of financial report fraud committed by companies, this makes financial reports unreliable by investors. Therefore, this research was carried out with the aim of achieving integrated financial reports. The study and hypothesis testing findings for the period 2017-2021 reveal that the integrity of financial statements in the coal subsector mining businesses listed on the IDX is highly impacted by institutional ownership, independent commissioners, and debt policies. The results of the experiments we ran using panel data regression analysis support this conclusion. Institutional ownership factors and debt policies have a favorable and substantial influence on the integrity of financial statements in coal mining businesses listed on the IDX for the 2017-2021 timeframe, but independent commissioner variables do not. In addition, given that the adjusted R square rate is only 0.65 percent and the rest is by other variables that may have a greater impact on the application of accounting conservatism, researchers are urged to test other variables that have a greater impact on accounting conservatism, either directly or through the use of different proxies like prudence. Management should reevaluate the role of independent commissioners in regulating corporate governance if they want to improve the reliability of financial statements.

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

REFERENCES

Abbas, D. S., Ismail, T., Taqi, M., & Yazid, H. (2021). The influence of independent commissioners, audit committee and company size on the integrity of financial statements. *Studies & Applied Economics Estudios de Economia Aplicada*, *39*(10). https://doi.org/10.25115/eea.v39i10.5339

Alma Sukma Dewi, Ni Wayan Rustiarini, & Ni Putu Shinta Dewi. (2022). Pengaruh Kepemilikan Institusional, Komisaris Independen, Komite Audit Dan Kualitas Audit Terhadap Integritas Laporan Keuangan. *Jurnal Kharisma*, *4*(1), 353–362. Https://Doi.Org/10.55606/Jupsim.V2i1.789

Fatin, A. N., & Suzan, L. (2022). Pengaruh ukuran perusahaan, leverage, komisaris independen dan kepemilikan manajerial terhadap integritas laporan keuangan. *Fair Value: Jurnal Ilmiah Akuntansi Dan Keuangan*, *5*(2), 733–741. https://doi.org/10.32670/fairvalue.v5i2.2110

Hery. (2018). *Analisis laporan keuangan Integrated and comprehensive edition*. PT Grasindo.

Ikatan Akuntan Indonesia. (2017). *PSAK No. 1 Efektif Per 1 Januari 2017*. Ikatan Akuntan Indonesia.

Indrasti, A. W. (2020). Peran Komisaris Independen, Kepemilikan Institusional, Kebijakan Hutang Serta Ukuran Perusahaan terhadap Integritas Laporan Keuangan. *Jurnal Ekonomika Dan Manajemen*, *9*(2), 152–163.

Istiantoro, I., Paminto, A., & Ramadhani, H. (2018). Pengaruh Struktur Corporate Governance terhadap Integritas Laporan Keuangan Perusahaan pada Perusahaan LQ45 yang Terdaftar di BEI. *Akuntabel*, *14*(2), 157.

Jensen, M. C., & Meckling, W. H. (1976). Theory Of The Firm: Managerial Behavior, Agency Costs And Ownership Structure. *Journal of Financial Economics 3 (1976) 305-360*, *3*, 305–360. https://doi.org/10.1177/0018726718812602

Kristanti, F. T., Effendi, N., Herwany, A., & Febrian, E. (2016). Does Corporate Governance Affect the Financial Distress of Indonesian Company? A Survival Analysis Using Cox Hazard Model with Time-Dependent Covariates. *Advanced Science Letters*, *22*, 4326–4329. https://doi.org/10.1166/asl.2016.8138

Marpaung, A. Y. K., Tinambunan, L. R., Bangun, I. N., & Simorangkir, E. N. (2021). Pengaruh Komisaris Independen, Komite Audit, Kepemilikan Institusional Dan Kualitas Audit Terhadap Integritas Laporan Keuangan Di Perusahaan Sub Sektor Transportasi Yang Terdaftar Di Bei Tahun 2017-2019. *Costing:Journal of Economic, Business and Accounting*, *5*(1), 160–168.

Melani, A., & Tulus, B. Y. (2019). *Adaro Tersandung Kasus Dugaan Penggelapan Pajak USD 14 Juta Tiap Tahun Sejak 2009*. Merdeka.Com. https://www.merdeka.com/uang/adaro-tersandung-kasus-dugaan-penggelapan-pajak-usd-14-juta-tiap-tahun-sejak-2009.html

Nabilah. (2019). *Peran Manajemen Laba, Ukuran Perusahaan Dan Kebijakan Hutang Dalam Menentukan Integritas Laporan Keuangan Pada Pt. Transka Dharma Konsultan Bandung*. *1*(1), 1–13.

Novianti, S., & Isynuwardhana, D. (2021). Pengaruh Komisaris Independen, Leverage, Dan Kepemilikan Institusional Terhadap Integritas Laporan Keuangan. *JURNAL PENDIDIKAN AKUNTANSI DAN KEUANGAN*, *9*(1), 64–73. https://doi.org/10.26740/akunesa.v9n3.p64-76

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 7 No. 3 / December 2023
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/jasa.v7i3.2294

Novriansa, A. (2019). *Analisis Transfer Pricing Sektor Pertambangan Rawan Manipulasi Transfer Pricing?* DDTC News. https://news.ddtc.co.id/sektor-pertambangan-rawan-manipulasi-transfer-pricing-17422

Putri, M. N., Gustati, & Andriani, W. (2022). Faktor-Faktor yang Mempengaruhi Integritas Laporan Keuangan (Studi Kasus pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2017-2020). *JABEI (Jurnal Akuntansi, Bisnis Dan Ekonomi Indonesia)*, *1*(1), 8–14.

Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Alphabet.

Suzan, L., & Wulan, D. (2022). Pengaruh Leverage, Kepemilikan Manajerial, Dan Ukuran Perusahaan Terhadap Integritas Laporan Keuangan. *Jurnal Analisa Akuntansi Dan Perpajakan, Volume 6, Nomor 2, September 2022, Hlm 127- 140*, *6*(2), 127–140.

Wijaya, T. (2022). Pengaruh Komisaris Independen, Kualitas Audit Dan Financial Distress Terhadap Integritas Laporan Keuangan Pada Perusahaan Pertambangan Yang Terdaftar Di BEI Tahun 2018-2020 Trisnadi. *Jurnal Ilmiah Ekonomi Dan Bisnis Universitas Multi Data Palembang*, *11*(2). https://doi.org/10.24912/ja.v20i1.79

Yudiawan, I. N., Kepramareni, P., & Pradnyawati, S. O. (2022). Pengaruh Komisaris Independen, Komite Audit, Kepemilikan Institusional, Leverage Dan Ukuran Perusahaan Terhadap Integritas Laporan Keuangan Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2018-2020. *Jurnal Kharisma Vol.*, *4*(3), 302–311.

Submitted: July 08, 2023; Revised: November 07, 2023; Accepted: November 13, 2023; Published: December 29, 2023; Website: http://journalfeb.unla.ac.id/index.php/jasa