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THE EFFECT OF GOOD CORPORATE GOVERNANCE, COMPANY SIZE, AND LEVERAGE ON THE INTEGRITY OF FINANCIAL STATEMENTS

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ABSTRACT

The Integrity of financial reports is defined as the extent to which the financial statements presented show true and honest information. Two things become the primary qualities in financial reports, namely relevance, and reliability. This study aims to empirically determine the role of good corporate governance and financial performance on the Integrity of financial statements. The variables used in corporate governance are institutional ownership, managerial ownership, and independent commissioners. Financial performance using company size and leverage. The population in this study are property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021. The samples in this study were 16 property and real estate companies determined based on the purposive sampling method. The analytical tool used to test the hypothesis is multiple linear regression. The results of this study indicate that institutional ownership, managerial ownership, and firm size harm the Integrity of financial statements. The amount of institutional and managerial ownership does not make financial reports more relevant and reliable. The presence of an independent commissioner positively affects the Integrity of financial reports, and it can be considered as overseeing the process of making financial reports. While leverage does not affect the Integrity of financial statements, the low level of corporate debt cannot guarantee that financial statements are presented with high Integrity. Future research can develop this research by observing the effectiveness of the company's internal audit team. The internal audit team has an important role in the Integrity of the entity's financial statements.

Keywords: Integrity of financial statements, GCG, company size, leverage

INTRODUCTION

The development of the times is also followed by increasing business competition in this era of globalization. This business competition is inseparable from the influence of developing economic, social, political, and technological advances (Aprila et al., 2022). Every company wants to describe its condition in good condition, even not infrequently manipulating financial statements so that the information in the financial statements becomes ordinary (Alsmady, 2022). Biased information is irrelevant for decision-making because the analysis is not based on factual information. This act of manipulating financial statements is one of the acts of fraud. Financial statement fraud is a material error or omission made deliberately to create false information in the financial statements that deceive readers of the financial statements. Financial statement fraud can occur when assets or income are published higher than the actual state (*overstates*) presented by the company and when liabilities or expenses are lower than the actual state (*understates*) presented by the company (Haryanto & Sudarno, 2019).

The phenomenon in 2020, PT Hanson International Tbk is a company that was involved and became a scandal with two companies in trouble, namely PT Absari (*persero*) and PT Asuransi Jiwasraya (*person*). PT Hanson International Tbk has been proven to have manipulated its financial statements for LKT 2016. The Financial Services Authority (OJK) then sanctioned the president director and PT Hanson International Tbk because the LKT was engineered. The OJK-sanctioned PT Hanson International Tbk. Namely a fine of five hundred million (Rp 500 million), and had to make a restatement with the actual situation for the 2016 Annual Financial Statements. Then Benny Tjokro, the president and director, was fined five billion (Rp 5 M). While another employee, Adnan Tabrani, was also fined one hundred million. Then the auditors from the Public Accounting Firm (KAP) Purwantono, Sungkoro, and Surja, members of Ernst and Young Global Limited (EY), get the punishment by freezing STTD (Surat Tanda Register) for 1 year. (KOMPAS.com, 2020). As a result of the case, the loss of public trust and the decline in stock prices on the Indonesia Stock Exchange. The phenomenon of accounting manipulation is a form of failure of the Integrity of financial statements in presenting information that is important for users of financial statements to know, especially financial analysis, investors, and creditors (Wahyuni et al., 2021). The phenomenon of financial scandal cases in financial statements proves there is still a lack of honesty in producing financial statements with Integrity and presenting information in financial statements with actual conditions (Pradika & Hoesada, 2018). The company made inappropriate decisions resulting in fraud in preparing financial statements. Company management tends to commit scandals due to various factors to keep the company in good condition so as not to worry shareholders (Inayati & Azizah, 2021). Factors that affect the Integrity of financial statements, namely the application of good corporate governance and the principles of good corporate governance (Kurnia Sari, 2016), need to be done by every company so that the company can survive and be resilient in the face of increasingly fierce competition so that companies can apply business ethics consistently and efficiently (Aprilia & Aminatun, 2022).

Financial statements that have Integrity are financial statements that display the actual condition of a company without anything being covered or hidden (Crismunandar, 2020). Financial statement integrity is the quality of information that ensures that information is reasonably free from errors and biases and honestly presents its intended state (Sudarmanto et al., 2021). It can be concluded that the Integrity of a financial statement is a financial statement that displays the actual condition of a company without anything being covered or hidden. So, if an auditor audits financial statements that do not have Integrity (*do not reflect the actual condition of the company*), the chances of an auditor being sued will be greater. Because if financial statements that do not have Integrity turn out to be unhealthy, then covered by displaying or reporting good financial performance (*overstating*) will be very detrimental to users of these financial statements (Savero et al., 2017).

The first independent variable is institutional ownership (Santoso & Andarsari, 2022), the percentage of company share ownership owned by institutions outside the company's management. Institutional ownership is considered to be able to perform an effective monitoring function for company management to make management focus more on company performance so that it can affect the process of preparing financial statements (Rizkiyah et al., 2020). Research conducted by (Savero et al., 2017), (Guang et al., 2017), and (Pande et al., 2017) states that there is a positive influence between institutional ownership on the Integrity of financial statements, while (Hasanuddin & Mubarok, 2018), (Dade & Endra, 2017), dan (E. R. Dewi et al., 2020) states that institutional ownership does not affect the Integrity of financial statements. Research results from (Wardhani & Samrotun, 2020) found that institutional ownership affects the Integrity of financial statements. But research by (Priharta, 2017) found that institutional ownership negatively affects the Integrity of financial statements.

The second independent variable is managerial ownership. Managerial ownership provides a role for management in making decisions related to various company policies including in the presentation of financial statements (Setiawan, 2016). Managerial ownership is the percentage of votes relating to the ownership of shares and options owned by managers and directors of a company (Atiningsih & Suparwati, 2018). With the ownership of shares by the company's management, managers will improve their performance and be more careful in making decisions in managing the company, including determining the Integrity of financial statements. Managerial ownership plays a role in limiting deviant behavior from management, thus giving management greater responsibility for making strategic decisions for the company (Rizkiyah et al., 2020). Research results (Arista et al., 2018), (Febriyanti & Wahidahwati, 2020) Finding managerial ownership positively affects the Integrity of financial statements. These results are contrary to research by (Fajaryani, 2015) dan (Wardhani & Samrotun, 2020), which results in that managerial ownership does not affect the Integrity of the financial statements. (Ismail, 2018) shows that managerial ownership does not affect the Integrity of financial statements.

The third independent variable is an independent commissioner. An independent commissioner is a body that consists of a board of commissioners from outside the company and serves to assess overall management performance (Indrasti, 2020). The existence of an independent commissioner also functions to supervise and protect parties outside management and mediate between internal managers so that an independent commissioner is in the best position to carry out the monitoring function to create a good corporate governance company and produce financial statements with high Integrity (Chandra Babu & Shantharajah, 2019). Entry of the board of commissioners from outside the company (Komisaris Independen) can increase the board's effectiveness in overseeing management to prevent the manipulation of financial statements. Independent commissioners are the best solution to reduce the risk of manipulation by management on the Integrity of financial statements (Putri, 2019) Results of research conducted by (Manik, 2021) State that the Independent Commissioner positively affects the Integrity of the financial statements. However, it differs from the results of research from (Istiantoro et al., 2017) found that the Independent Commissioner negatively influenced the Integrity of the Financial Statements. In research, (Ismail, 2018) and (Atiningsih & Suparwati, 2018) state that the Independent Commissioner does not affect the Integrity of the financial statements. Research results by (Manuari & Devi, 2021) Declare that the Independent Commissioner does not affect the Integrity of the financial statements.

The fourth independent variable that affects the Integrity of financial statements is the company's size. Company size is the company's size by looking at sales and total assets presented in the financial statements at the end of the period (Machdar & Nurdiniah, 2018). According to (ARIANTONI, 2019), The size of the company can be expressed in terms of total assets, sales, and market capitalization. The greater the total assets, sales, and market capitalization, the larger the company's size. The greater the assets, the more capital invested, the more sales, the more money turnover, and the greater the market capitalization, the greater the company is known in society. (Fajaryani, 2015) is supported by research from (Verya et al., 2017), which found that the company's size positively affects the Integrity of financial statements. (Karo & Perlantino, 2017) shows that the company's size has no effect on the Integrity of the financial statements. In research, (Ismail, 2018) found that the company's size does not affect the Integrity of the financial statements. In contrast, research by (Paulina et al., 2018) shows that the company's size negatively affects the Integrity of the financial statements.

The fifth independent variable is leverage, the amount of debt used to finance or buy company assets (Monica & Wenny, 2017). Companies with debt greater than capital are said to have a high level of leverage (Fakhruddin et al., 2015). The presence of debt levels in the funding structure The company will increase supervision by investors and creditors (Fajaryani, 2015). (Susilawati & Murwaningsari, 2021) state that companies with high leverage are more likely to provide greater information than those with lower leverage. This is important to do to build stronger trust from creditors. Results of research conducted by (Mais & Nuari, 2016) show that leverage negatively affects the Integrity of financial statements. Research results from (Karo & Perlantino, 2017), Find that leverage affects the Integrity of financial statements. Research results from (Wardhani & Samrotun, 2020) state that leverage does not affect the Integrity of financial statements. Research from (Widiyarti et al., 2018) Finds results if leverage positively influences the Integrity of financial statements.

The purpose of this study is to investigate how good corporate governance practices, such as transparency, accountability, and the role of the board of directors, affect the integrity of financial statements. This objective can provide insight into the importance of applying the principles of good corporate governance in ensuring the integrity of financial statements.

Agency Theory

(Jensen & Meckling, 1976) Defining agency theory is based on the conflict between agent and principal. The agent is the party entrusted by the principal to operate the company, while the agent entrusts the principal to act on behalf of the principal. The emergence of agency problems is caused by an imbalance in the mastery of information that will trigger the emergence of information asymmetry. As the company's owner, the principal is the party who gives authority or orders to the agent to manage the company and make the best decisions for the principal. In contrast, the agent or manager is the party in charge of managing the company and producing the best performance for the principal. When the agent and principal have the same goal, the agent will support and implement all (Fuhrotun, 2022) instructed by the principal.

The Effect of Institutional Ownership on the Integrity of Financial Statements (Oktaviana & Paramitha, 2021)

Institutional ownership is measured by the percentage of shares owned by an institution divided by the number of shares outstanding. High institutional ownership restricts managers from managing profits and can improve the Integrity of financial statements. This means that institutional ownership in the company can improve the monitoring of manager behavior in anticipation of manipulations that may be carried out to improve the Integrity of financial statements. The amount of institutional ownership in a company will increase supervision to be more optimal on management performance because share ownership represents a source of power that can be used to support or vice versa management performance. The supervision carried out by institutional investors is highly dependent on the amount of investment made. Based on the definition above, it can be concluded that the greater the ownership of the institution, the greater the voting power and encouragement of the institution to supervise management so that it can provide a greater impetus to optimize company value so that company performance will increase (N. Dewi & Putra, 2016). Research results (Fajaryani, 2015), (Mais & Nuari, 2016), (Atiningsih & Suparwati, 2018), State the same thing from the explanation above where institutional ownership has a positive influence on the Integrity of financial statements, where high institutional ownership limits managers in carrying out profit management and can improve the Integrity of financial statements. This shows that institutional ownership in the company can improve the monitoring of manager behavior in anticipation of manipulations that may be carried out to improve the Integrity of financial statements. Based on the description of the explanation above, the hypothesis proposed in this study is:

H1: Institutional ownership positively affects the Integrity of financial statements. The Effect of Managerial Ownership on the Integrity of Financial Statements

Managerial ownership is the ownership of shares by a company's management as measured by the percentage of the number of shares owned by management (Istiantoro et al., 2017). Managerial ownership is a condition that indicates that the manager owns shares in the company or the manager is also a shareholder of the company. This is indicated by the company's management's large percentage of share ownership. Based on the definition above, it can be concluded that managerial ownership is a condition that shows that the manager owns shares in the company or the manager as well as a shareholder of the company. In agency theory, agency relationships occur when one or more people (principals) hire others (agents) to provide a service and delegate authority in deciding on the agent. The relationship between principal and agent can lead to an information imbalance (asymmetrical information) because agents can have more information about the company than principals. The existence of management ownership will improve the balance of information between shareholders and management to reduce the problems posed by agency theory. Ownership by managers can determine policies and decision-makers against accounting methods applied to the companies they manage. Thus, managers in companies with a percentage of managerial ownership will tend to have greater responsibility in running the company, making the best decisions for the company's welfare, and reporting financial statements with true and honest information to have high financial statement integrity (Verya et al., 2017). Research results from (Atiningsih & Suparwati, 2018), (N. Dewi & Putra, 2016) serta (Istiantoro et al., 2017) Stating that managerial ownership has a positive effect on the Integrity of financial statements. This is because the higher the proportion of managerial ownership, the more the Integrity of the financial statements. Based on the description of the explanation above, the hypothesis proposed in this study is:

H2: Managerial ownership positively affects the Integrity of financial statements. The Influence of Independent Commissioners on the Integrity of Financial Statements

An independent commissioner is a body within the company that usually consists of an independent board of commissioners from outside the company that functions to assess the company's performance broadly and as a whole. Independent commissioners aim to balance decision-making, especially in the context of protecting minority shareholders and other related parties. An independent commissioner is an organ of issuers or public companies tasked with conducting general and special supervision per the articles of association and advising the board of directors (*Financial Services Authority (OJK) Regulation Number 33/POJK.04/2014*). Companies with independent commissioners tend to produce financial statements with more Integrity, and this is because, within the company, there is a body that supervises and protects the rights of parties outside the company's management. Based on the definition above, it can be concluded that the independent commissioner supervises and supervises management policies and the course of management in general, both regarding the Issuer or the Company and advising the Board of Directors. In addition, an independent commissioner in a company can be a balancer in economic decision making, especially in protecting minority shareholders and other related parties. The independent commissioner mediates in disputes between internal managers and managers with shareholders (agency conflicts), oversees policies, and advises the manager. Results in Research from (Fakhruddin et al., 2015), (Priharta, 2017), (Atiningsih & Suparwati, 2018), (Mais & Nuari, 2016), and dan (Verya et al., 2017) stated that independent commissioners have a positive effect on the Integrity of financial statements, where higher the proportion of independence commissioners, the fewer manipulation practices so that the quality of the company's financial statements has more Integrity. Based on the description of the explanation above, the hypothesis proposed in this study is:

H3: Independent Board of Commissioners positively affects the Integrity of financial statements. The Effect of company size on the Integrity of financial statements

Company size is a benchmark that describes whether the company is large or small in terms of total assets, stock market value, and log size (Ismail, 2018). Company size is a benchmark that describes whether the company is large or small in terms of total assets, stock market value, and logs. The company's size is highlighted in the financial statements with an Integrity presentation. The larger the company's size, the more information available to investors in decision-making. Large companies are more concerned by the public, so they will be more careful in preparing financial statements (Mais & Nuari, 2016). In addition, the larger the size of the company in terms of total assets, the more the Integrity of the financial statements increases because managers tend to be more conservative in choosing to reduce profits without overstating the value of their assets so that the resulting financial statements will be reliable (Febrilyantri, 2020). Large-sized companies are assumed to have many assets and income levels to generate high profits.

Conversely, the company will suffer losses if sales are smaller than variable and fixed costs. The company's size can affect the completeness of the Integrity of its financial statements. Large companies are also suspected of having qualified expert employees who understand more about the Integrity of financial statements. The supporting factors that small companies have to produce goods are limited. But in reality, small-sized companies can better survive the economic crisis. Small companies may not have the resources to collect and display extensive information on their financial statements because many activities are costly. Thus, companies with larger sizes will disclose more financial statements. Research results from (Fajaryani, 2015), (Saad & Abdillah, 2019) serta (Verya et al., 2017) state that the size of the company has a positive effect on the Integrity of the financial statements. The greater the assets owned by the company (Susilawati & Murwaningsari, 2021). The greater the capital invested. Based on the description of the explanation above, the hypothesis proposed in this study is:

H4: Company size positively affects the Integrity of financial statements. The Effect of Leverage on Financial Statement Integrity

Leverage is the proportion of total debt to average shareholders' equity. This ratio is used to provide an overview of the capital structure owned by the company so that it can be seen the level of risk of uncollectibility of a debt. Companies with high leverage have a high financial risk because it experiences financial difficulties caused by high debt to finance their assets. (Kasmir, 2015) The leverage ratio measures how much a company's assets are financed with debt. Using too high debt will hurt the company because the company will fall into the extreme category of leverage that will be difficult to release the debt burden. Concerning agency theory, investors will find it difficult to predict the company's future sustainability level due to the high liabilities. Companies with high leverage ratios can impact incurring substantial financial risk. Substantial financial risk will slow management to inform company performance and increase fraudulent attempts to manipulate financial statements (Febrilyantri, 2020). Based on the description above and supported by research from (Verya et al., 2017), (Atiningsih & Suparwati, 2018), (Mais & Nuari, 2016), and (Fajaryani, 2015) prove that leverage negatively affects the Integrity of financial statements. Companies with high leverage will also have high financial risks because they experience financial difficulties due to the debt used by the company to finance its assets. Deep (Verya et al., 2017) states that high financial risk will increase the time management required to inform company performance and may increase fraudulent attempts to manipulate financial statements. This will reduce the Integrity of financial statements. Based on the description above, the hypothesis made is:

H5: Leverage negatively affects the Integrity of financial statements.

RESEARCH METHODS

This study was located on the property and real estate companies listed on the Indonesia Stock Exchange (IDX) during 2018-2021, based on data from the official IDX website, www.idx.co.id. The population used in this study is all property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021, totaling 64. The sampling method in this study is the purposive sampling method, data analysis techniques using multiple linear regression analysis.

Table 1
Research Sample Determination

N0	Criterion	Sum
	Population	64
1	Property and real estate companies that are not listed on the IDX consecutively for the period 2018-2021	(10)
2	Property and real estate companies that do not publish consecutive annual financial statements for the 2018-2021 period	(23)
3	Property and real estate companies that do not use rupiah currency in the reporting period 2018-2021	(0)
4	Companies do not have enough data to match research needs	(15)
5	Total companies to be studied	16
6	Observation period 2018-2021	4
7	Sample of companies under study and have the necessary data	64

The Integrity of Financial Statements in this study was measured using the conservatism index (Savitri, 2016). The conservatism index is used to identify conservatism, which presents understated financial statements with less risk than overstated financial statements (Istiantoro et al., 2017).

$$ILK = \frac{Stock\ market\ price}{book\ value\ of\ shares} x100\%$$

Institutional ownership is calculated by calculating the percentage of shares owned by other institutions, such as insurance companies, banks, investment companies, and other institutional holdings (N. Dewi & Putra, 2016).

$$KPI = \frac{Number\ of\ shares\ held\ by\ the\ institution}{Number\ of\ shares\ outstanding} x100\%$$

Managerial ownership is shares owned by management either personally or by subsidiaries of the company concerned. The Calculation of managerial ownership is measured by calculating the percentage of shares owned by management (directors, board of commissioners, and managers involved in decision-making) (Istiantoro et al., 2017).

$$KPM = \frac{Number\ of\ shares\ owned\ by\ management}{Number\ of\ shares\ outstanding} x100\%$$

An independent commissioner is a body within the company that usually consists of an independent board of commissioners from outside the company that functions to assess the company's performance broadly and as a whole. Independent commissioners are measured using the indicator of the percentage of members of the board of commissioners who come from outside the company (independent) with the total members of the board of commissioners (Priharta, 2017). The formula for calculating independent commissioners:

$$KI = \frac{Number\ of\ indefenden\ commussioner}{Number\ of\ members\ of\ the\ company's\ commissioners} x100\%$$

Variable Company size is the size of a company that can be seen from its total assets. The company's size in this study is calculated by the total assets owned by the company (Manuari & Devi, 2021). A company's total assets can indicate that the larger the size or assets of a company means, that the company is getting bigger (Ismail, 2018).

Variable leverage is a measure of the size of assets spent from debt. Leverage calculation is measured using DER, and the formula is as follows, Calculation of company leverage using the ratio of total debt to total debt (debt ratio) (Febrilyantri, 2020).

$$DER = \frac{Total\ debt}{Equity} x100\%$$

This study used multiple linear regression analysis shown by the following equation:

ILK = α + β1KPI + β2KPM + β3KI + β4UP + β5DER + e…………………..(1)

RESULTS AND DISCUSSION

Table 2
Descriptive Statistical Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
KPI	64	0.15	0.90	0.5756	0.19185
KPM	64	0.01	0.42	0.1166	0.10540
KI	64	0.17	0.67	0.4011	0.11414
UP	64	0.14	30.39	9.3463	9.58123
DER	64	0.05	2.52	0.7962	0.63010
ILK	64	0.01	2.04	0.5511	0.38442

Source: Appendix 1, Secondary data processed (2022).

Table 3
Multiple Linear Regression Analysis Test Results

Coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	1.054	.357		2.955	.005		
	KPI	-1.079	.343	-.538	-3.145	.003	.397	2.521
	KPM	-1.462	.574	-.401	-2.545	.014	.469	2.134
	KI	.836	.417	.248	2.002	.050	.757	1.322
	UP	-.012	.006	-.305	-2.057	.044	.529	1.891
	DER	.084	.107	.138	.786	.435	.377	2.652

a. Dependent Variable: ILK

Source: Appendix 2, Secondary data processed (2022)

Based on the results of the multiple linear regression analysis test in Table 3, it can be seen that a multiple linear regression model equation is as follows:

ILK = 1,054 -1,079 KPI- 1,462 KPM +0,836 KI -0,012 UP+ 0,084 DER

Classical Assumption Test

The normality test using the Kolmogorov-Smirnov One-Sample found that the Kolmogorov-Smirnov Z One-Sample value was 0.083 with a significant level of 0.200 so that it can be concluded that the data is normally distributed because of the Asymp.Sig value. (2-tailed) obtained greater than 0.05 or Asymp.Sig. (2-tailed) 0.200> 0.05. Referring to multicollinearity testing, the tolerance value of each variable is greater than 0.10, and the variance inflation factor (VIF) value of each variable is below 10, so it can be concluded that there is no multicollinearity relationship in this regression model. The results of the heteroscedasticity test show that each variable has a significance value of 0.359, 0.253, 0.096, 0.913, 0.268 greater than 5%. (0.05) This shows that the independent variable used in this study did not significantly affect the dependent variable, namely the absolute residual. Therefore, this study was free from symptoms of heteroscedasticity. Referring to autocorrelation testing, the Durbin-Watson (DW) value was 1.849, while the number of independent variables (k = 5) and the number of data were 64 (N = 64). While the amount of DW DU value is 1.767 and du<dw<4-du, 1.767<1.849<2.233, it can be concluded that it is free from autocholeration symptoms.

Coefficient of Determination Test

Based on the test results, it is known that the adjusted value of R2 = 26.8 percent, which means that 26.8 percent of the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021 is influenced by institutional ownership, managerial ownership, independent commissioners, company size, leverage, and the remaining 73.2 percent is influenced by other variables that are not studied in this study.

F Test Results

Based on the test results, it can be seen that the F value is 5.611, and the significance value is

0.000. This indicates that the significance value of 0.000 is lower than the alpha (α) value of 0.05 (0.000<0.05). Thus, it can be concluded that simultaneously institutional ownership, managerial ownership, independent commissioners, company size, and leverage have a significant effect on the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021 and fit regression models with observational data so that they are feasible to be used as analytical tools to test the Effect of independent variables on dependent variables.

The influence of institutional ownership on the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021.

Based on the analysis results of institutional ownership variables, there is a regression coefficient value of -1.079 and a significance value of 0.003<0.05. This means that institutional ownership negatively affects the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021. So H1 is rejected. Institutional ownership negatively affects the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021, indicating that many institutions own high institutional ownership in companies with a small share of shares. So even though the number of institutional owners is large, each institution is not the majority owner who influences a decision and policy determination, which causes managers to lack the urge to align interests with principals, which causes agent conflicts. With many minority owners who do not have a major impact on company decision-making, the Integrity of a financial statement will decrease with the increase in institutional ownership. The results of this study are in line with the results of the study (Wardhani & Samrotun, 2020) dan (N. Dewi & Putra, 2016).

The influence of managerial ownership on the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021.

Based on the results of the analysis of institutional ownership variables having a regression coefficient value of -1.462 and a significance value of 0.014<0.05, this means that managerial ownership negatively affects the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021. So H1 is rejected. This negative influence can be caused by the dual roles held by managers when managers own shares of the company. The dual role in question is the main role for company managers and the dual for shareholders. With this dual role, managers become more flexible in making decisions so that profit-seeking properties can arise. The existence of more power possessed by managers can provide room for the manipulation of financial statements for personal gain. This study's results align with the research results from (Fajaryani, 2015) dan (Wardhani & Samrotun, 2020).

The influence of independent commissioners on the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021.

Based on the results of the variable analysis, the independent commissioner has a regression coefficient value of 0.836 and a significance value of 0.050≤0.05. This means that the independent commissioner positively affects the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021. So H3 is accepted. A positive relationship means a unidirectional relationship. This is because, in the company, there are bodies that supervise and protect the rights of parties outside the company's management. Based on the definition above, it can be concluded that the independent commissioner supervises and supervises management policies and the course of management regarding issuers or companies and advises the board of directors. In addition, an independent commissioner in a company can be a balancer in economic decision making, especially in protecting minority shareholders and other related parties. The independent commissioner mediates in disputes between internal managers and managers with shareholders (agency conflicts), oversees policies, and advises managers. The results of the study are in line with research from (Fakhruddin et al., 2015), (Priharta, 2017), (Atiningsih & Suparwati, 2018), (Mais & Nuari, 2016), and (Verya et al., 2017).

The Effect of company size on the Integrity of the financial statements of Property and real estate companies Listed on the Indonesia Stock Exchange in 2018-202.

Based on the analysis of the company size variable has a regression coefficient value of -0.012 and a significance value of 0.044<0.05. This means that the company's size negatively affects the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021. So H4 is rejected. A negative relationship means a relationship in the opposite direction. In this case, if the company's size increases, the Integrity of the financial statements will decrease. This is because large companies know they are in the public spotlight. With the larger size of the company, access to information available to the public will increase, so interference in the preparation of external financial reporting can aim to benefit oneself and will reduce the Integrity of financial statements. And it can also be because large companies do not have qualified expert employees who understand more about the Integrity of financial statements. The study's results align with the research of (Paulina et al., 2018).

The Effect of Leverage on the Integrity of the financial statements of Property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021.

Based on the results of the variable analysis, leverage has a regression coefficient value of 0.084 and a significance value of 0.435>0.05, and this means that leverage does not affect the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021. So H5 is rejected. This is because companies must still disclose information more widely. High leverage on companies indicates a higher level of debt than own capital (equity). The high level of debt in a company will cause the perception of investors who will invest their capital. It will trigger the company's management to carry out a strategy to improve the value of the securities portfolio (window dressing) on the financial statements. Investors will weigh if the company has high debt because it will impact losses that will occur in the future. Based on the description above, the results of this study are in line with research from (Wardhani & Samrotun, 2020), (Verya et al., 2017), and (Pratika & Primasari, 2020).

CONCLUSION

Based on the results of data analysis and discussion, the conclusions of the research results are as follows: Institutional ownership, managerial ownership, and company size have an Influential negative on the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021, while the independent commissioner has a positive effect on the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-2021, and leverage does not affect the Integrity of the financial statements of property and real estate companies listed on the Indonesia Stock Exchange in 2018-

2021, Based on the results of the study and matters related to the limitations of this study, the researcher can provide advice as For the Company Companies should continue to strive to present financial statements with high Integrity. For institutional investors to be interested in investing in companies, companies should disclose the complete information on capital market conditions. One of the pieces of information that can attract investors is in the form of corporate actions such as dividend distribution, bonus stock issuance, and stock split. And This research has an adjusted R2 value of 26.8%, meaning that there is still a 73.2% influence from independent variables not studied in this study. For further research, it is recommended to add periods such as five periods or six research periods and add research variables such as liquidity, audit tenure, independence, and industry specialization, and increase the number of simple that is not only limited to the property and real estate sector but uses other sectors such as the banking sector, industrial sector, mining sector, and other sectors.

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