

ABSTRACT

This study aims to analyze the effect of corporate governance that influencing integrity of financial statement at the manufacturer companies in Indonesia. Integrity of financial statement define as how far a financial statement disclosure shows truth and honest informations. Corporate governance mechanism that analized the effect to integrity of financial statement are Institusional ownership, manajerial ownership, audit commettee, independent commissioner, audit quality, profitability, leverage, and firm size.

This study used quantitative method to financial statement of manufacturer industry that listed in Bursa Efek Indonesia period 2007-2009. Total samples in this study are 83 companies that selected with purposive sampling method. The examination of hypothesis method using logistic regretion.

Result of this study indicate that not all of corporate governance mechanism effect to integrity of financial statement. However, institutional ownership, audit commettee, audit quality, profitability, leverage, and firm size provided has a significant influence to increasing integrity of financial statement.

Key Words : Integrity of financial statement, corporate governance.