

ABSTRACT

This study aims to obtain empirical evidence about the effect of corporate governance structure (institutional ownership, managerial ownership, independent commissioners, independent audit committees), KAP size, firm size and auditor tenure to the integrity of financial statement in manufacturing companies in Indonesia. Integrity of financial statements is defined as the extent to which the financial statements show a true and honest information. Independent variables used in this study is corporate governance structure are analyzed by institutional ownership, managerial ownership, independent commissioners and independent audit committees, KAP size, firm size and auditor tenure. Dependent variable used in this study is the integrity of financial statements analyzed by conservatism, in observation from 2008-2012.

Study's sample was manufacture companies listed in Indonesian Stock Exchange (IDX) period among 2008-2012. Total samples in this study are 59 companies that selected with purposive sampling method. The examination of hypothesis method using logistic regression.

Result of this study indicate that not all of corporate governance structure effect to integrity of financial statement, whereby institutional ownership and independent audit committee had not significant effect to integrity of financial statement. Meanwhile managerial ownership, independent commissioner, KAP size, firm size and auditor tenure had significant effect to integrity of financial statement.

Keyword : Integrity of financial statement, corporate governance, KAP size, firm size and auditor tenure.