

THE EFFECT OF AUDIT COMMITTEE, INDEPENDENT COMMISSIONERS, LEVERAGE, AUDIT QUALITY AND AUDIT TENURE ON THE INTEGRITY OF FINANCIAL REPORTS (EMPIRICAL STUDY ON MINING COMPANIES IN THE OIL, GAS & COAL SUB-SECTOR LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE PERIOD 2019 - 2022)



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Abstract

This study empirically tests the influence of the Audit Committee, Independent Commissioners, Leverage, Audit Quality, and Audit Tenure on the Integrity of Financial Statements in Mining Companies in the Oil, Gas & Coal Sub-Sector listed on the Indonesia Stock Exchange during 2019 - 2022. The object of this study use Mining Companies in the Oil, Gas & Coal Sub-Sector listed on the Indonesia Stock Exchange during 2019 - 2022. The sample of this study is 92 samples from 23 companies that meet the sampling criteria. The purposive sampling method was used in this study. The method used in this study is multiple linear analysis consisting of Independent variables and Dependent variables using SPSS 25 software. The results of this study indicate that the Audit Committee does not affect the Integrity of Financial Statements, Independent Commissioners have an effect on the Integrity of Financial Statements, Leverage has no impact on the Integrity of Financial Statements, Audit Quality has no effect on the Integrity of Financial Statements, Audit Tenure has no effect on the Integrity of Financial Statements.

Keywords: Audit Committee, Independent Commissioner, Leverage, Audit Quality, Audit Tenure, Financial Statement Integrity

INTRODUCTION

Indonesia currently has many legal cases involving financial report manipulation. The phenomenon of financial scandals that still occur shows a form of failure of financial report integrity to meet the information needs of financial report users. The ongoing financial scandal phenomenon shows a form of failure of the integrity of financial reports to meet the information needs of users of financial reports. PT Perusahaan Gas Negara Tbk or abbreviated as PGAS experienced 4 cases of tax disputes in 2012 and 2013 together which ended up having to pay Rp 3.06 trillion for the demands of the case in 2021 by the Supreme Court (Kompas.com 2021).

There is also another case related to earnings management that is currently being hotly discussed in 2023, namely the case of PT. Waskita Karya Tbk. The company with the stock code WSKT is suspected of manipulating financial reports so that it appears that the company has been profitable for years. WSKT's cash flow has never been positive. (indonesiaauditor-waskita-dalam-skandal-wanaartha). During the 2021 and 2022 periods, WSKT recorded losses of IDR 1.83 trillion and IDR 1.67 trillion, respectively. WSKT also recorded an operating cash flow of IDR 192.78 billion and minus IDR 106.58 billion in each of the two periods (www.bloombergtechnoz.com, 2023).

Research conducted by Ayem et al. (2023), The Audit Committee functions to assist and carry out the duties of the board of commissioners in carrying out the task of supervising the management of the company following the principles of good corporate governance. The audit committee is also responsible for ensuring whether the financial statements made by management have presented a true picture of generally accepted accounting principles.

Research conducted by (Praktika Intan 2020) independent commissioners have a positive impact on the integrity of financial reports. While research (Sembiring et al. 2022b), Independent commissioners have a negative effect on the integrity of financial reports. The number of independent commissioners in the Company affects the integrity of the financial reports presented to parties who need the Company's financial reports.

Research conducted by (Suzan et al. 2021), leverage is an important tool for a financial manager in planning company profits and determining the best alternative funding source options to increase the company's business capital in line with the company's expected

or budgeted growth for the coming years. Companies that have a high level of leverage have a large financial risk.

Research conducted by (Risqurrahman RezhaE et al. 2020) that audit Tenure is the audit engagement period of a Public Accounting Firm (KAP) in providing services to its clients. The auditor conducts an audit of management performance to ensure that it is following the objectives that have been set.

REVIEW OF LITERATURE

Agency Theory

Jensen and Meckling developed agency theory in 1976 to understand the issue of Corporate Governance. This theory is based on the conflict between managers (agents) and principals. Jensen and Meckling explained that agency theory is a relationship in which there is a contract between one or more investors (principals) who delegate their work to managers (agents) to carry out tasks on behalf of the principal and give authority to the agent to make the best decisions for the principal.

Integrity of Financial Reporting

According to Hasanuddin (2019:7), integrity is a reflection of honesty, this is the basis of the most important actions that must be taken to ensure there is no conflict of interest and prioritize the interests of the company over individual interests. In addition, financial reports are also presented by describing the actual condition of the company, honestly, and can be accounted for and have met the qualitative characteristics of financial reports.

Audit Committee

According to Tugiman (1995:8), An audit committee is a group of people selected by a larger group to do certain work or to carry out special tasks or several members of the client company's Board of Commissioners who are responsible for assisting the auditor in maintaining its independence from management.

Independent Commissioner

An Independent commissioner according to Agoes & Ardana (2014:110) is a person appointed to represent independent shareholders (minority shareholders) and the appointed party is not in the capacity of representing any party and is solely appointed based on the

background of knowledge, experience, and professional expertise that he/she has to fully carry out duties in the interests of the company.

Audit Quality

The Financial Accounting Committee (2000) stated that audit quality is determined by two things, namely competence and independence. Audit quality is a possibility (joint probability) where an auditor will find and report violations in the client's accounting system. Audit quality can be interpreted as the results found by the auditor after examining a company.

Tenure Audit

Audit tenure is the term of office of a Public Accounting Firm (KAP) in providing audit services to its clients. Provisions regarding audit tenure have been explained in the Decree of the Minister of Finance of the Republic of Indonesia Number 359/KMK.06/2003 article two, namely the term of office for KAP is a maximum of five consecutive years and by a public accountant is a maximum of three consecutive financial years.

RESEARCH METHOD

This study uses a causal research method (Causal Research), which is a model used to determine the influence between two or more variables using a quantitative approach. The data source used is secondary data obtained from the annual report of the Mining Sub-Sector Oil, Gas & Coal companies listed on the Indonesia Stock Exchange for the 2019 - 2022 period, where in this study the SPSS 25 application is used as a program to analyze data.

Research Population

Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are determined by researchers to be studied and then conclusions drawn (Sugiyono 2017). The population in this study is the Mining Sub-Sector Oil, Gas & Coal companies listed on the Indonesia Stock Exchange for the 2019 - 2022 period. To obtain the necessary data information regarding the related companies, the research location used by the author is through the official website www.idx.co.id.

Research Sample

A sample is a part of the number and characteristics possessed by the population. If the population is large and researchers cannot possibly study everything in the population, then researchers can use samples taken from the population (Sugiyono, 2017:81). The sampling method in this study uses the purposive sampling technique. According to Sugiyono (2017:117), purposive sampling is a sampling technique using certain criteria or considerations. The sampling criteria are as follows:

- a. Mining Companies in the Oil, Gas & Coal Sub-Sector listed on the Indonesia Stock Exchange in 2019 – 2022.
- b. Mining Companies in the Oil, Gas & Coal Sub-Sector that had profits during the observation period 2019 - 2022.
- c. The financial report contains complete information related to all the variables studied.

RESULTS AND DISCUSSION

Classical Assumption Test Results

Normality Test

In this study, the first classical assumption test conducted was the normality test. The normality test aims to test whether, in the regression model, the interfering variables or residuals have a normal distribution (Ghozali, 2021:196). The results of the data normality test are as follows:

Table 1.
Normality Test Results Before Outliers
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		92
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	5.41082043
Most Extreme Differences	Absolute	.300
	Positive	.300
	Negative	-.200
Test Statistics		.300
Asymp. Sig. (2-tailed)		.000c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Based on Table 1 above, the results of the normality test show that the Kolmogorov Smirnov test value is known as the Asymp. The Sig (2-tailed) value is 0.000 which means $\leq 5\%$ so the results of the residual data test are not normally distributed. So it can be concluded that the data is not normally distributed. To overcome the data that is not normally distributed in this study using transform. Normality test treatment is carried out when the data does not meet the assumption of homogeneity of variance. In other words, the root transformation (SQRT) functions to make the variance homogeneous and approach a normal distribution. However, in this study, after the data transformation was carried out, the results of the data were still not normal.

Furthermore, treatment is carried out with outliers, there are several ways to check whether there are outlier observations in the data, in this study using boxplots, namely by removing 11 sample data. As for the data used for outliers, namely PT Bukit Asam Tbk in 2019, 2020, and 2022 PT Petrosea Tbk in 2020-2022 PT Soiche Lines Tbk in 2022, and PT Transcoal Pacific Tbk in 2019-2022. So, the sample data used in this study was 81 data.

Table 2.
Normality Test Results after Outliers
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		81
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.42478162
Most Extreme Differences	Absolute	.057
	Positive	.052
	Negative	-.057
Test Statistics		.057
Asymp. Sig. (2-tailed)		.200 ^{c,d}

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Based on Table 2 above, the results of the data normality test with the Kolmogorov-Smirnov test after outliers show a Significant Asymp. Sig. (2-tailed) value of 0.200 which is higher than 0.05. So, it can be concluded that the data is normally distributed. In other words, the regression mode used in this study meets the assumption of normality.

Multicollinearity Test

The multicollinearity test aims to test whether the regression model finds a correlation between the independent variables (Ghozali, 2021:157). The following are the results of the Multicollinearity Test in this study:

Table 3.
Multicollinearity Test Results
Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	SQRT_X1	.884	1.131
	SQRT_X2	.853	1.172
	SQRT_X3	.796	1.257
	SQRT_X4	.903	1.108
	SQRT_X5	.948	1,055

a. Dependent Variable: SQRT_Y

Based on the results of the multicollinearity test in Table 3 above, show that all independent variables in the calculation of the Tolerance value do not have a value of less than 0.100, which means there is no correlation between independent variables and the results of the calculation of the Variance Inflation Factor (VIF) value show that all independent variables do not have a VIF value of more than 10. So it can be concluded that there is no multicollinearity between independent variables in the regression model.

Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model, there is a correlation between the disturbance error in period t with the disturbance error in period t-1 (previously). Autocorrelation arises because sequential observations over time are related to each other. A good regression model is a regression that is free from autocorrelation. The method that can be used to detect the presence or absence of autocorrelation is to use the Durbin-Watson (DW) test (Ghozali, 2021:162). In this study, the autocorrelation test used the Durbin-Watson (DW) test. With the following results:

Table 4.
Autocorrelation Test Results
Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.438a	.192	.138	.43871	1,795

a. Predictors: (Constant), SQRT_X5, SQRT_X1, SQRT_X4, SQRT_X2, SQRT_X3

b. Dependent Variable: SQRT_Y

Based on the results of the autocorrelation test in table 4. above shows that DW (durbin-watson) is 1.795 this value will be compared with a significance value of 0.05. For the number of data $N = 81$ and $K = 5$, the dL value is 1.5109 and the dU is 1.7720. Using this standard, the dL value is 1.5109 and dU is 1.7720 so $4 - dU = 2.2280$ Because the DW value is between Du and $4 - Du$ ($1.7720 < 1.795 < 2.2280$). So if a decision is taken, there is no autocorrelation either positive or negative.

Heteroscedasticity Test

The Heteroscedasticity Test aims to test whether in the regression model, there is an inequality of variance from the residual of one observation to another observation. If the variance from the residual of one observation to another observation remains, then it is called Homoscedasticity and if it is different it is called Heteroscedasticity. A good regression model is Homoscedastic or does not have Heteroscedasticity (Ghazali, 2021:178). The following are the results of the glacier test:

Table 5.
Heteroscedasticity Test Results Before Transform
Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1,436	1.151		1,247	.216
SQRT_X1	.097	.542	.021	.179	.858
SQRT_X2	-1,536	.730	-.246	-2.103	.039
SQRT_X3	-.025	.442	-.007	-.056	.955
SQRT_X4	.190	.112	.194	1,704	.093
SQRT_X5	.088	.147	.066	.595	.554

a. Dependent Variable: SQRT_Y

Based on the heteroscedasticity test in Table 5 above, shows that variable X1, namely the Audit Committee, it has a significant value of 0.858, variable X2, namely Independent Commissioner, has a significant value of 0.039, and variable X3, namely Leverage, it has a significant value of 0.955, and variable X4, namely Audit Quality, has a significant value of 0.093, and variable X5, Audit Tenure, has a significant value of 0.55. For the variables Audit Committee, Leverage, Audit Quality, and Audit Tenure, it has a significance of more than 0.05 so that heteroscedasticity does not occur. However, the Independent Commissioner

variable has a significance of less than 0.05 so heteroscedasticity occurs. The method used to overcome heteroscedasticity in this study is by performing an Absolute Residual transform.

Table 6.
Heteroscedasticity Test Results After Transform
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.257	.618		.416	.678
SQRT_X1	.102	.291	.041	.352	.726
SQRT_X2	-.736	.392	-.224	-1.876	.065
SQRT_X3	.425	.237	.222	1,790	.077
SQRT_X4	-.003	.060	-.006	-.049	.961
SQRT_X5	.062	.079	.089	.784	.436

a. Dependent Variable: abs

Based on the heteroscedasticity test in table 6 above, after the Absolute Residual transform is carried out, it shows that for variable X1, namely the Audit Committee, it has a significant value of 0.726, variable X2, namely Independent Commissioner, has a significant value of 0.065 and for variable X3, namely Leverage, it has a significant value of 0.077, and variable X4, namely Audit Quality, has a significant value of 0.961, and variable X5, namely Audit Tenure, has a significant value of 0.436. Each has a significant value of more than 0.05 so it can be concluded that the Audit Committee, Independent Commissioner, Leverage, Audit Quality, Audit Tenure do not experience heteroscedasticity.

Hypothesis Test Results

Coefficient of Determination Test (R2)

The coefficient of determination (R2) is essentially used to measure how far the model's ability to explain the variation of the dependent variable. The contribution of the influence of the independent variable on the dependent variable, the value of the coefficient of determination is between zero and one. A value approaching one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable (Ghozali 2018). The following are the results of the Determination Coefficient Test (R2).

Table 7.
Determination Test Results (R2)
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.438a	.192	.138	.43871	1,795

a. Predictors: (Constant), SQRT_X5, SQRT_X1, SQRT_X4, SQRT_X2, SQRT_X3

b. Dependent Variable: SQRT_Y

Based on the Determination Coefficient (R2) test in Table 7, it is known that the R Square value is 0.192, this shows that only 19.2% of the financial report integrity variables are carried out by the company. The Oil, Gas & Coal Sub-Sector Listed on the Indonesia Stock Exchange for the 2019 - 2022 Period can be explained by the five independent variables (namely audit committee, independent commissioner, leverage, audit quality, and audit tenure. and the remaining 80.8% (the result of 100% - 19.2%) is influenced by other variables that are not in the object of this study.

F Test

The F test is used to determine whether independent variables simultaneously or jointly affect the dependent variable. If the calculated $F > F$ table, then H_0 is rejected and H_a is accepted, which means that all independent variables simultaneously have a significant effect on the dependent variable using a significance level of 5%. It can also be done by looking at the probability value. Independent variables simultaneously affect the dependent variable, if the probability value is less than 0.05 (for a significance level = 5%) Ghazali (2021:148). The following are the results of the F test:

Table 8.
F Test Results
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.434	5	.687	3,569	.006b
	Residual	14,435	75	.192		
	Total	17,869	80			

a. Dependent Variable: SQRT_Y

b. Predictors: (Constant), SQRT_X5, SQRT_X1, SQRT_X4, SQRT_X2, SQRT_X3

Based on the F test in Table 8 above, it shows the calculated F value is 3.569 with a significance value of 0.006. While the F table value at a significance level of 0.05 is 2.34 obtained from $df_1 = k-1$ where k is the number of variables studied ($6-1 = 5$) and $df_2 = n - k$

where n is the number of samples ($81 - 6 = 75$). Because the calculated F is $3.569 > 2.34$ with a significance of $0.006 < 0.05$, it can be concluded that this model is feasible to be tested and the research can be continued.

T-Test

The t-statistic test is used to show how far the influence of one independent variable individually in explaining the variation of the dependent variable Ghozali (2021:148). The following are the results of the t-statistic test:

Table 9.
Statistical Test Results t
Coefficientsa

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.138	1,058		2,967	.004
	SQRT_X1	-.457	.498	-.101	-.918	.362
	SQRT_X2	-2.009	.671	-.337	-2.995	.004
	SQRT_X3	-.610	.406	-.175	-1.502	.137
	SQRT_X4	.034	.103	.036	.329	.743
	SQRT_X5	.117	.135	.092	.863	.391

a. Dependent Variable: SQRT_Y

Based on Table 9 above, the results of the t-statistic test can be seen between each independent variable and the dependent variable, which can be explained as follows:

- a. The Audit Committee has a significance value of 0.362. This value shows $0.362 > 0.05$ with a coefficient value of -0.457. So, it can be concluded that the audit committee does not have a negative effect on the integrity of financial statements or in other words H1 is rejected.
- b. Independent Commissioners have a significance value of 0.004. This value shows $0.004 < 0.05$ with a coefficient value of -2.009. So it can be concluded that independent commissioners have a negative effect on the integrity of financial reports or in other words H2 is accepted.
- c. Leverage has a significance value of 0.137. This value shows $0.137 > 0.05$ with a coefficient value of -0.610. So it can be concluded that leverage does not have a negative effect on the integrity of financial statements or in other words H3 is rejected.

- d. Audit Quality has a significance value of 0.743. This value shows $0.743 > 0.05$ with a coefficient value of 0.034. So it can be concluded that audit quality does not have a positive effect on the integrity of financial statements in other words H4 is rejected.
- e. Audit Tenure has a significance value of 0.391. This value shows $0.391 > 0.05$ with a coefficient value of 0.117. So it can be concluded that audit tenure does not have a positive effect on the integrity of financial statements in other words H5 is rejected.

Multiple Regression Analysis Test Results

Multiple regression analysis is used to determine whether there is an influence between the Audit Committee, Independent Commissioners, Leverage, Audit Quality, and Audit Tenure on the Integrity of Financial Reports. The following are the results of the Multiple Linear Regression test:

Table 10.
Multiple Linear Regression Analysis Test Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Toleranc e	VIF
1	(Constant)	3.138	1,058		2,967	.004		
	SQRT_X1	-.457	.498	-.101	-.918	.362	.884	1.131
	SQRT_X2	-2.009	.671	-.337	-2.995	.004	.853	1.172
	SQRT_X3	-.610	.406	-.175	-1.502	.137	.796	1.257
	SQRT_X4	.034	.103	.036	.329	.743	.903	1.108
	SQRT_X5	.117	.135	.092	.863	.391	.948	1,055

a. Dependent Variable: SQRT_Y

Based on Table 4.10, the following multiple linear regression can be obtained:

Y = Financial Report Integrity

X1 = Audit Committee

X2 = Independent Commissioner

X3 = Leverage

X4 = Audit Quality

X5 = Tenure Audit

e = Error

$\alpha = 3.138$

$\beta_1 = -0.457$

$$\beta_2 = -0.2009$$

$$\beta_3 = -0.610$$

$$\beta_4 = 0.034$$

$$\beta_5 = 0.117$$

so that the following linear regression equation is obtained:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$
$$Y = 3.138 - 0.457 - 0.2009 - 0.610 + 0.034 + 0.117 + e$$

- a. The constant value of 3.138 states that if the independent variable has a value of 0, then the integrity value of the financial report is 3.138.
- b. The audit committee regression coefficient value is -0.457 with a negative value meaning that the audit committee variable has a negative relationship with the integrity of financial reports.
- c. The regression coefficient value of independent commissioners is -2.009 with a negative value meaning that the independent commissioner variable has a negative relationship with the integrity of financial reports.
- d. The leverage regression coefficient value is -0.610 with a negative value meaning that the leverage variable has a negative relationship with the integrity of financial reports.
- e. The value of the audit quality regression coefficient is 0.034 with a positive value, meaning that the audit quality variable has a positive relationship with the integrity of financial reports.

The value of the audit tenure regression coefficient is 0.117 with a positive value, meaning that the audit tenure variable has a positive relationship with the integrity of financial reports.

The Influence of the Audit Committee on the Integrity of Financial Reports

Based on the results of the individual parameter significance test, it was found that the audit committee variable has a significance value of 0.362, which is above 0.05, so H1 is rejected. With a regression coefficient value of -0.457, this means that the audit committee partially does not have a negative effect on the integrity of financial statements, where a decrease in one value from the audit committee can affect a decrease in the integrity of financial statements by -0.457.

These results are in line with research conducted by Marpaung et al. (2021) which states that the audit committee does not affect the integrity of financial statements. This shows that no matter how many audit committees there are, they do not affect the integrity of the company's financial statements, the existence of the audit committee is only to fulfill the rules or regulations for companies going public.

However, these results are not in line with research conducted by Istutik et al. (2022) which states that the audit committee affects the integrity of financial reports. This shows that the existence of an audit committee is considered to be able to supervise, prevent deviations, and provide a good influence on financial reports so that the financial reports presented have integrity.

The Influence of Independent Commissioners on the Integrity of Financial Reports

Based on the results of the individual parameter significance test, it was found that the independent commissioner variable has a significance value of 0.004, which is below 0.05, so H2 is accepted. With a regression coefficient value of -2.009, this means that independent commissioners partially have a negative effect on the integrity of financial statements, where a decrease in one value from independent commissioners can affect a decrease in the integrity of financial statements by -2.009.

These results are in line with research conducted by Wijaya (2022) which states that independent commissioners have a significant negative effect on the integrity of financial reports. The existence of independent commissioners is considered less effective in supervising and ensuring the preparation of financial reports with integrity in the company. A large number of independent commissioners will cause conflict and differences of opinion between them, which will have an impact on decreasing the integrity of financial reports.

However, these results are not in line with research conducted by Istutik et al. (2022) which states that independent commissioners do not affect the integrity of financial reports. This shows that there is a function of independent commissioners that is not directly related to financial reports so that it does not affect the integrity of financial reports.

The Effect of Leverage on the Integrity of Financial Reports

Based on the results of the individual parameter significance test, it was found that the leverage variable has a significance value of 0.137, which is above 0.05, so H3 is rejected.

With a regression coefficient value of -0.610 , this means that leverage partially does not have a negative effect on the integrity of financial statements, whereas a decrease in one value of leverage can affect a decrease in the integrity of financial statements by -0.610 .

These results are in line with research conducted by Khristiana & Maharani (2020) which states that leverage does not affect the integrity of financial statements. The higher the leverage in a company, the higher the supervision of managers by creditors because the higher the level of leverage in a company, the higher the risk of fraud committed by managers and has an impact on decreasing the integrity of financial statements.

However, these results are not in line with research conducted by (Wulan & Suzan 2022) which states that leverage affects the integrity of financial reports. This shows that if the leverage ratio is high, it will be difficult for the company to handle the company's operations, which can result in manipulation to appear profitable to investors.

The Influence of Audit Quality on Financial Report Integrity

Based on the results of the individual parameter significance test, it was found that the audit quality variable has a significance value of 0.743 , which is above 0.05 , so H_4 is rejected. With a regression coefficient value of 0.034 , this means that audit quality partially has no positive effect on the integrity of financial statements, where an increase in one value from the audit committee can affect the increase in the integrity of financial statements by 0.034 .

These results are in line with research conducted by Santoso & Andarsari (2022) which states that audit quality does not affect the integrity of financial statements. This is because the selection of big four or non-big four KAP as an external party to the company that audits the company's financial statements is good because any KAP has the same standards according to the Professional Accounting Standards (SPAP) so that any KAP does not affect the integrity of financial statements.

However, these results are not in line with research conducted by Wahyuni (2022) which states that audit quality affects the integrity of financial statements. This shows that large audit firms will maintain their reputation by providing high audit quality. Audits serve to provide adequate assurance of the fairness of financial statements so as to reduce the

occurrence of fraud in financial statements which ultimately results in financial statements with integrity and quality.

The Impact of Audit Tenure on the Integrity of Financial Reports

Based on the results of the individual parameter significance test, the results show that the audit tenure variable has a partial audit tenure significance value that does not have a positive effect on the integrity of financial statements of 0.391, where this value is above 0.05 so H5 is rejected. With a regression coefficient value of 0.117, this means that an increase in one value of audit tenure can affect the increase in the integrity of financial statements by 0.117.

These results are in line with research conducted by Purba & Fuadi (2023) which states that audit tenure does not affect the integrity of financial statements. This indicates that short or long tenure of KAP does not affect the integrity of financial statements. The absence of influence between audit tenure and the integrity of financial statements explains that the length of the KAP assignment period is not because the KAP can provide constructive advice to management which can ultimately improve company performance.

However, these results are not in line with research conducted by Selviana & Wenny (2021) which states that audit tenure affects the integrity of financial statements. This shows that the longer a Public Accounting Firm is associated with a company, the more the auditor will understand and gain more knowledge about the company, so that the auditor can work more carefully, effectively, and efficiently in examining financial statements.

CONCLUSION

Based on the hypothesis testing and discussion on the Influence of Audit Committee, Independent Commissioner, Leverage, Audit Quality, and Audit Tenure on the Integrity of Financial Reports (Empirical Study on Mining Companies in the Oil, Gas & Coal Sub-Sector Listed on the Indonesia Stock Exchange for the 2019-2022 Period), the following conclusions can be drawn:

1. The audit committee does not have a negative effect on the integrity of financial reports, meaning that the existence of the audit committee is only to fulfill the rules or regulations

for public companies, and no matter how many there are, it does not affect the integrity of the company's financial reports.

2. Independent commissioners have a negative impact on the integrity of financial reports, meaning that a large number of independent commissioners will cause conflict and be considered less effective in supervising and ensuring the preparation of financial reports with integrity in the company, thus having an impact on decreasing the integrity of financial reports.
3. Leverage does not have a negative effect on the integrity of financial reports, meaning that the higher the level of leverage in a company, the higher the risk of fraud committed by managers and the impact on decreasing the integrity of financial reports.
4. Audit quality does not have a positive effect on the integrity of financial reports, meaning that selecting a big four or non-big four KAP as the one auditing the company's financial reports is good because any KAP has the same standards according to the Professional Accounting Standards (SPAP).
5. Audit tenure does not have a positive effect on the integrity of financial reports, meaning that the length of the KAP assignment period is not because the KAP can provide constructive advice to management which can ultimately improve company performance, where short or long KAP tenure does not affect the integrity of financial reports.

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