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Integrity Of Financial Statements And The Factors

Integritas Laporan Keuangan Beserta Faktornya

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The purpose of this study is to determine the effect of corporate governance, company size, and leverage on the integrity of financial statements partially in essential industrial and chemical manufacturing companies listed on the Indonesia Stock Exchange (IDX) and using the 2013-2017 research period. The study population includes companies. Primary industrial and chemical manufacturing sectors are listed on the Indonesia Stock Exchange for 2013-2017. The sampling technique was using the purposive sampling technique. Based on the predetermined criteria, data obtained a total sample of 35. The type of data used is secondary data obtained from the Indonesia Stock Exchange website. The data analysis method used is panel data regression analysis with the help of Eviews 9.0. Based on this research, the result can conclude that the independent commissioner affects the audit committee on the integrity of financial statements, and leverage has no effect on the integrity of the financial statements.

Keywords: ***Financial Report Integrity, Good Corporate Governance, Company Size, Leverage***

Tujuan dari penelitian ini untuk mengetahui pengaruh good corporate governance, ukuran perusahaan dan leverage terhadap integritas laporan keuangan secara parsial pada perusahaan manufaktur sektor industri dasar dan kimia yang terdaftar di Bursa Efek Indonesia (BEI) dan menggunakan periode penelitian 2013- 2017. Populasi penelitian meliputi perusahaan manufaktur sektor industri dasar dan kimia yang terdaftar di Bursa Efek Indonesia periode 2013-2017. Teknik pengambilan sampel menggunakan teknik purposive sampling. Berdasarkan kriteria yang telah ditetapkan diperoleh jumlah 35 sampel. Jenis data yang digunakan adalah data sekunder yang diperoleh dari situs Bursa Efek Indonesia. Metode analisis data yang digunakan adalah analisis regresi data panel. Hasil penelitian menunjukkan bahwa komisaris independen berpengaruh negatif terhadap integritas laporan keuangan, komite audit berpengaruh positif terhadap integritas laporan keuangan, ukuran perusahaan berpengaruh negatif terhadap integritas laporan keuangan, dan leverage tidak berpengaruh terhadap integritas laporan keuangan.

Keywords: Integritas Laporan Keuangan, Good Corporate Governance, Ukuran Perusahaan, Leverage.

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INTRODUCTION

Every company presents a financial report as a form of accountability to the parties concerned. The Statement of Financial Accounting Standards (IAS) in 2009 explained that the objective of financial statements is to provide information regarding the financial position, performance, and cash flows of companies that one helpful for the majority of reports among users in making economic decisions. Information in financial reports should present accurate, honest, and accountable information to stakeholders and shareholders. Thus, financial statements are required to be presented with high integrity. In realizing the integrity of financial statement information, the 2009 PSAK stipulates the qualitative characteristics that financial statements must have to be used in the decision-making process. The qualitative characteristics that financial statements must have are understandable, relevant, reliable, and comparable.

The phenomenon regarding accounting data manipulation occurred at the Toshiba company, founded in 1975 in Tokyo. It is known that three directors have played an active role in inflating Toshiba's operating profit by ¥ 151.8 billion (equivalent to Rp.15.85 trillion / US $ 1.2 billion) since 2008. manipulation carried out this action with various efforts to result in inappropriate profits with reality. On July 21, 2015, CEO Hisao Tanaka announced his resignation in connection with a scandal accounting which he described as the most damaging event for the Toshiba brand in the 140-year history of Toshiba's establishment. Eight other leaders also stepped down, including the two previous CEOs.

Of course, these problems have resulted in unrest in the business community, namely the irrelevance of integrity in financial reports that even comes from companies that are already worldwide. Before further discussion, a definition of the integrity of financial statements will be described. Integrity in terminology means quality, character, or condition that shows a complete unity so that it has the potential and ability to radiate dignity, honesty. The integrity of financial statements is the extent to which financial statements are presented to show accurate and honest information. Financial statements result from an accounting process that can be used as a tool to communicate between management and parties outside the company about financial data or the company's activities during a specific period. In the 2009 PSAK, it is stated that the purpose of financial statements is to provide information about the financial position, performance, and changes in a company's financial position, which is helpful for a large number of users in making economic decisions. Financial reports with integrity meet the quality of reliability (reliable); that is, the information presented must be free from errors and deviations and assessed and presented appropriately according to the objectives. So far, there has not been a measure of the integrity of financial statements. However, intuitively it can be divided into two, namely measured by conservatism and manipulation of financial statements, which is usually measured by earnings management.

About the explanation above, Signaling Theory is considered to be the basis of this research. The explanation of Signaling Theory suggests that how a company should provide signals to users of financial statements. This signal later is information describing how the management mandated by the owners seeks and realizes the company's assets. This encouragement was caused by the occurrence of information asymmetry between management and external parties. To reduce information asymmetry, companies must disclose the information they have, both financial and non-financial information.

Furthermore, agency theory is thought to underlie the fundamentals of this research. There is a contractual relationship between two or more parties in which one party is called a principal (principal) who hires the other party or is referred to as an agent (agent) to perform several services on behalf of the owner, which includes delegation of authority In this case, the principal delegates accountability for decision-making to the agent—principals who mandate agents, in this case, namely shareholders. Meanwhile, an agent is a party who carries out the mandate of the principal, namely the management that manages the company. A gap of interests between shareholders and management creates a conflict of interest that is difficult to reconcile. Conflict of interest between owner and agent occurs because the agent may not always act by the interests principal's, thus triggering agency costs.

Based on the explanation above, Several factors are identified that are thought to affect the integrity of financial statements in a company, one of which is the independent commissioner. An independent commissioner is a member of the board of commissioners who are not affiliated with the board of directors, other members of the board of commissioners, and controlling shareholders, and is free from business or other relationships that may affect his ability to act independently or act solely for the benefit of the company. The proportion of independent members in the board of commissioners is an indicator of board independence. (Abbas, 2019; Srimindarti & Puspitasari, 2014), independent commissioners have a significant positive effect on the integrity of financial statements. Researcher (Putri Army Lerizki, 2017) states that independent commissioners have a negative and significant effect on the integrity of financial statements. The small number of independent commissioners can undoubtedly affect the monitoring process of the preparation of financial reports. The existence of an independent commissioner is only to fulfill formal requirements, and the appointment of an independent commissioner by a company may only be made for regulatory compliance so that it can decrease the integrity level of the company's financial statements.

H1 : The effect Independent commissioners between the integrity of financial statements.

The next factor is that the presence of an audit committee also complements the existence of the board of commissioners. According to the National Committee for Good Corporate Governance (KNGCG), the audit committee is a committee formed by the board of directors whose task is to carry out independent oversight of the financial reporting process and external audit (Aniktia & Khafid, 2015; Yulinda et al., 2016). In terms of financial reporting, the role and responsibility of the audit committee are to monitor and supervise the audit of financial statements to ensure that applicable financial standards and policies are met. Double-check the financial statements whether they are by these standards and policies and whether they are consistent with other information known by a member of the audit committee and assess the quality of service and fairness proposed cost of external auditors. (Dharma & Suputra, 2013) shows the same results that the audit committee positively influences financial reports. (Dewi & Putra, 2016), the audit committee which comes from independent commissioners, does not have a supporting background for the duties and responsibilities of the audit committee, one of which is to review financial information so that it is less able to realize financial reporting. Thus the audit committee does not affect the integrity of the report finance.

H2 : The effect audit committee between the integrity of financial statements.

Next is The size factor of the company. According to (Abbas, 2019; Monica & Wenny, 2016), company size is a value that shows the size of the company. Company size is one of the critical variables in company management. The size of the company reflects how much total assets the company owns. The total assets owned by the company represent the capital, as well as the rights and obligations it has. The larger the company size, the more assets the company owns can ascertain that the larger the funds are managed, the more complex the management will be. Large companies have a broader base of stakeholders, so that the various policies of large companies will have a more significant impact on the public interest than small companies. (Anggi & Suzan, 2014) states that company size has a positive influence on the integrity of financial statements, which means that the larger the company's company size, the higher the level of integrity of financial statements will be. (Monica & Wenny, 2016) argues that company size does not influence the integrity of financial statements by stating that the financial statements presented have low integrity and cannot be justified.

H3 : The effect Company size between the integrity of financial statements.

And the last factor is leverage. Leverage is also a factor that affects the integrity of financial statements. Leverage also shows the risk the company is exposed to. The greater the risk faced by the company is, the more significant the uncertainty to generate profits in the future. Companies that have large debts tend to violate debt covenants when compared to companies that have smaller debts. (Dharma & Suputra, 2013), in their research, stated that leverage affects the integrity of financial statements. The greater the leverage, the higher the integrity value of the financial statements. Thus is expected to reduce the opportunistic behavior of company management so that financial reports can be presented showing correct and honest information.

H4 : The effect Leverage between the integrity of financial statements.

Many researchers have researched the integrity of financial statements. Topic carried out the research update with one of the audit committees in this variable. The audit committee is tasked with assisting the board of commissioners to ensure that the financial statements are presented relatively by generally accepted accounting principles, the company's internal control structure is well implemented, the implementation of internal and external audits are carried out by applicable audit standards, and follow-up on audit findings and implemented by management. With an audit committee in a company, the company's financial reporting process will be well monitored and have integrity. The presence of the audit committee also complements the existence of the board of commissioners. The audit committee is a body formed by the board of directors to audit the operations and reliability of financial statements. This agency is tasked with assisting the board of commissioners to ensure that financial statements are presented relatively by generally accepted accounting principles, the company's internal control structure is implemented correctly, applicable audit standards carry out internal and external audits, and follow-up on audit findings and implemented by management.

Based on the discussion that has been compiled above, the purpose of this study is to determine the effect of independent commissioners, audit committees, company size, and partial leverage on manufacturing companies in the primary and chemical industry sectors listed on the Indonesia Stock Exchange.

RESEARCH METHODOLOGY

The approach taken in this study is a quantitative approach with a causal associative research type, namely by analyzing the effect of two or more variables. The study population included 50 manufacturing companies in the primary industrial and chemical sectors listed on the Indonesia Stock Exchange for 2013-2017. The sampling technique used purposive sampling techniques. It then selected company data based on predetermined criteria. Then the results obtained from the selection of samples will be used by a purposive sampling method, namely as many as seven companies that are suitable for use in this study. Eight companies were inconsistent in reporting their financial statements for five consecutive years, 13 companies that did not use the rupiah currency (Rp), and 22 companies that did not experience losses for five consecutive years. That way, the total number of research samples is 35 samples from 7 populations used multiplied by five years of observation.

[Table 1 about here.]

The analytical method used to analyze the data that has been obtained, as well as to test the hypotheses that have been proposed in this study is descriptive statistics are statistics used to analyze data by describing or describing the data that has been collected as it is without intention make conclusions that apply to generalizations or generalizations. Descriptive statistics are descriptions or descriptions of data seen from the average (mean), median, mode, standard deviation, maximum, and minimum values, which become clear and understandable information.

After knowing the test descriptive statistical results, then testing the carried out selection of the panel data regression model is. This research uses the panel data regression method. The following summarizes the test results in determining the appropriate regression analysis model to be used in this study.

[Table 2 about here.]

Based on the Eviews 9 output results in table 2, the result can see that the results of the Chow test above indicate that the probability value of Cross-section F and Cross-section Chi-square <α (0.05), the result can conclude that the Fixed Effect Model (FEM) is more feasible to use than the Common Effect Model (CEM). Furthermore, the Hausman test results show that the probability value of random Cross-section <α (0.05), the result can conclude that the Fixed Effect Model (FEM) is more feasible to use than the Random Effect Model (REM). And finally, the Lagrange test results show that the value of the probability Breusch-Pagan Cross-section > α (0.05), the result can conclude that the Common Effect Model (CEM) is more feasible than the Random Effect Model (REM) model. Used in this study, then the next test is a test of classical assumptions. The classic assumption test is a statistical data processing requirement that must carry out in processing regression analysis data if the type of data used is the Ordinary Least Square (OLS) type approach in its estimation technique. In the panel data regression model based on Ordinary Least Squared (OLS) such as the Common Effect Model (CEM) and Fixed Effect Model (FEM), a series of classical assumption tests is required. However, if the regression equation used is more precise by using the Random Effect Model (REM), then it is not obligatory to carry out the classical assumption test because the Random Effect Model (REM) data type uses the General Least Squared (GLS) approach in its estimation technique. Thus, the result can say that not all assumption tests are carried out in panel data regression, only applicable to panel data models based on Ordinary Least Squared (OLS). The following is a summary of the test results from the Multicollinearity Test and the Heteroscedasticity Test.

Based on the Eviews 9 output results in table 2, the test results multicollinearity show that there are no independent variables that have a value of more than 0.8, so it can be concluded that does not occur multicollinearity in the regression model. Furthermore, the test results of heteroscedasticity show that the Breusch-Pagan LM value is 0.1911> 0.05, so H0 is accepted, which means that there is no heteroscedasticity in the panel data regression model.

Based on the results of Output Eviews 9 in table 2, the results of the Model Feasibility Test (F Test) show that the F-value statistic 7.835779, while the F-table with a level of α = 5%, df1 (k-1) = four and df2 (NK) = 30 obtained the F table value of 2.68. Thus the F-value statistic 7.835779> F-table and the Prob value (F-statistic) 0.000019 <0.05, result can conclude that Ha is accepted. So thus, the result can conclude that the model in this study is suitable to see the effect of exogenous variables on endogenous variables. Furthermore, the results of the Adjusted R-squared value appear to have a value of 0.667832; this means that actions to practice Financial Statement Integrity can be explained by the Independent Commissioner, Audit Committee, Company Size, and Leverage by 66% while the remaining 34% is explained by variables - other variables not examined in this study. The following is the regression equation in this study.

RESULTS AND DISCUSSION

[Table 3 about here.]

It is known that the mean or average value of the conservatism variable (IF) in 7 manufacturing companies is 0.149237. At the same time, the standard deviation of 0.173893 shows that conservatism (IF) has poor data distribution because the average (mean) is smaller than the standard deviation value. Maximum on conservatism (IF) with a value of 0.455597. it is proved that conservatism (IF) has a higher risk of experiencing change than other variables. It results in a higher attitude of prudence in financial reporting; it can influence management in making decisions.

It is known that the value means or average value of the Independent Commissioner (IC) variable in 7 manufacturing companies is 0.392381 while the standard deviation is 0.117249, which indicates that the Independent Commissioner has a good data distribution because the mean value is greater than the standard deviation value. . Maximum for the Independent Commissioner with a value of 0.750000. It is indicated that independent commissioners are expected to monitor management performance in the preparation and disclosure of financial statements.

It is known that the mean or average value of the Audit Committee variable (AC) in 7 manufacturing companies is 0.319048 while the standard deviation is 0.031865, indicating that the Audit Committee has a good data distribution because the mean value is greater than the standard deviation value. Maximum on the Audit Committee with a value of 0.333333. It has increased the audit committee's supervisory function so that the quality of financial reporting carried out by management is guaranteed.

It is known that the mean or average value of the firm size variable (SIZE) in 7 manufacturing companies is 2,844,044 while the standard deviation is 1,822,361, indicating that the company size has a good data distribution because the average value (mean) is greater than the standard deviation value. The Maximum Company Size there is 3,183,212. It is shown that the research sample companies have significant total assets.

It is known that the mean or average value of the variable Leverage (LEV) in 7 manufacturing companies is its 0.743579, while the standard deviation is 0.535229, indicating that Leverage has a lousy data distribution because the average value (mean) is smaller than the standard deviation value. Maximum on Leverage with a value of 1,954,942. It is shown that the total equity of the sample companies is available to provide collateral against the company's debt.

[Table 3 about here.]

The Effect of Independent Commissioners between the Integrity of Financial Statements

This study explains that the high proportion of members of independent commissioners makes the integrity of financial statements low due to the existence of independent commissioners only to fulfill formal requirements. The appointment of independent commissioners by the company may only be made for regulatory compliance but not intended to enforce Good Corporate Governance (GCG) within the company. It is not by the actual function of the Independent Commissioner, which is to assess the company's overall and overall performance. The Independent Commissioner aims to balance decision-making, especially in protecting minority shareholders and other related parties. It is inversely proportional to the low percentage of the proportion of independent commissioners. Who will make the integrity of the financial statements high because, with the low proportion of independent commissioners, they maximize their function and role in upholding good corporate governance by assessing the overall performance of the company and balancing in making decisions, especially in the context of protecting minority shareholders and other related parties?. The results of this study are in line with (Putri Army Lerizki, 2017) research, which states that independent commissioners hurt the integrity of financial statements. The small number of independent commissioners can undoubtedly affect the monitoring process of the preparation of financial reports. And in line with (Istiantoro et al., 2018), which states that independent commissioners harm the integrity of financial statements, which shows that the greater the presence of independent commissioners in a company will lead to lower financial statement integrity and vice versa if the more minor the presence of independent commissioners in a company. It will lead to significant financial statement integrity. And contrary to the results of (Wulandari Yani, 2014), the Independent Commissioner does not affect the integrity of financial statements.

The Effect of the Audit Committee between the Integrity of Financial Statements

The results of this study explain that a large number of audit committees can align the interests of management and shareholders so that the audit committee can achieve the company's goal of achieving high corporate value by presenting financial statements with high integrity. The high percentage proportion of audit committee members makes the integrity of financial statements high because many audit committee members maximize its function by being directly involved in solving financial problems faced by the company so that the integrity of financial statements as measured by conservatism increases. The results of this study are in line with the research of (Oktadella, 2010), nine of which states that the audit committee has a significant effect on the integrity of financial statements. According to (Istiantoro et al., 2018), the audit committee has a positive and significant influence on the integrity of financial statements, which shows that the more significant the proportion of audit committee members will lead to greater financial report integrity and vice versa if the smaller proportion of audit committee members will lead to reporting integrity. Finances are getting smaller too.

The Effect of Company Size between the Integrity of Financial Statements.

Companies will face greater demands from stakeholders to present financial reports with integrity. Thus, in this case, to manage the relatively large assets of a company, the supervision of its management is less effective, and earnings management practices will likely occur. So companies that have sufficiently large assets need close supervision in overseeing the management of the company's assets, so that company managers cannot manipulate the company's financial statements. And contrary to research conducted by (Monica & Wenny, 2016), company size does not affect the integrity of financial statements. The results of this study are in line with research conducted by (Dharma & Suputra, 2013), which states that company size influences the integrity of financial statements. However, it is not in line with the research results conducted by (Putri Army Lerizki, 2017), which states that company size has a negative effect because it is considered to have an essential role in presenting financial statements with integrity.

The Effect of Leverage between the Integrity of Financial Statements.

Leverage does not affect the integrity of financial statements. This study fails to prove that leverage affects the integrity of financial statements. The results of this study indicate that the size of the leverage in a company will not interfere with the integrity of financial statements. Leverage does not affect the integrity of financial statements. Can explain this result that the size of the ratio leverage company does not always affect the integrity of the company's financial statements because there is a possibility that the creditors already know the actual condition of the company, so even though there is a lack of disclosure of the ratio leverage presented in the company's financial statements, creditors still believe. Its obligations and do not mean that the integrity of the company's financial statements is in doubt. The results of this study are not in line with (Dewi & Putra, 2016), in which her research states that leverage affects the integrity of financial statements.

CONCLUSION

There are four conclusions in this study. First, An increase or decrease in the number of independent commissioners affects the integrity of financial statements. A large number of independent directors capable of aligning the interests of small or management and shareholders, thereby achieving the company's value by presenting the financial statements with high or low integrity, can be achieved. Second, A large number of audit committees can align the interests of management and shareholders so that A large number of audit committees can achieve the company's goal of achieving high corporate value by presenting financial reports with high integrity. The high percentage proportion of audit committee members makes the integrity of financial statements high because many audit committee members maximize its function by being directly involved in solving financial problems faced by the company so that the integrity of financial statements as measured by conservatism increases. Third, If the more significant the total assets, which indicates the more extensive the company's size, it does not mean that the company is more conservative in preparing its financial statements so that it does not reflect the company being able to show its actual financial condition. fourth, The size of a ratio leverage company's does not always affect the integrity of the company's financial statements. Because there is a possibility that the creditors already know the actual condition of the company, so even though there is a lack of disclosure of the ratio leverage presented in the company's financial statements, creditors still believe that the company will be able to fulfill its obligations and does not mean the integrity of the company's financial statements is in doubt.

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LIST OF TABLE

TABLE 1 / Operational definition of variables

	Variable	Indicator	Measurment	Scale
1.	the integrity of financial statements (Y)	Financial reports with integrity meet the reliability (reliable) quality, namely the information presented must be free from errors and irregularities and has been assessed and presented correctly according to the purpose. There is no measure of the integrity of financial statements so far. However, it can be intuitively divided into two, namely, measured by conservatism and manipulation of financial statements, usually measured by earnings management.	$KNSV = \frac{L - AKO - Depretiation}{Total\ Asset} x(-1)$	Ratio
2.	Independent Commissioners (X_1)	The existence of independent commissioners within the company can supervise and protect parties outside the company's management, mediate in disputes between internal managers and oversee management policies, and provide advice to management so that independent commissioners are in the best position to carry out the monitoring function. To create a company with good corporate governance and produce financial reports with high integrity.	$IC = \frac{Number\ of\ members\ of\ the\ Board\ of\ Commissioners}{Total\ existing\ board\ of\ com}$	Ratio
3.	Audit Commitee (X_2)	The audit committee is tasked with assisting the board of commissioners to ensure that the financial statements are presented relatively by generally accepted accounting principles, the company's internal control structure is well implemented, the implementation of internal and external audits are carried out by applicable audit standards, and follow-up on audit findings and implemented by management.	$AC = \frac{Number\ of\ members\ of\ the\ Audit\ Committee\ who\ com}{All\ Members\ of\ the\ Audit\ Committee}$	Ratio
4.	Company Size (X_3)	Large companies have a broader stakeholder base, so that the policies of large companies will have a more significant impact on the public interest than small companies.	$SIZE = Ln\ (Total\ Asset)$	Nominal
5.	Leverage (X_4)	It is expected that after the company applies this leverage, the company's wealth level will also increase. The company will always face the problem of leverage. Leverage policy arises if the company, in operational financing activities, uses borrowed funds or funds with a fixed burden such as interest expense.	$Lev = \frac{Total\ Liabilites}{Total\ Equity} x100\%$	Ratio

TABLE 2 / Summary of Results of Testing method

		Chow Test		
Effects Test	Statistic	d.f.		Prob.
Cross-section F	3.908229	(6,24)		0.0073
Cross-section Chi-square	23.856333	6		0.0006
		Hausman Test		
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.		Prob.
Cross-section random	10.657255	4		0.0307
		Lagrange Multiplier Test		
		Test Hypothesis		
		Cross-section	Time	Both
Breusch-Pagan	0.351778	0.690881	1.042659	0.351778
	(0.5531)	(0.4059)	(0.3072)	(0.5531)
		Multikolinearity Test		
	KNSV	KI	KMA	SIZE
KNSV	1.000000	-0.418203	0.443406	-0.543950
KI	-0.418203	1.000000	-0.117457	0.198905
KMA	0.443406	-0.117457	1.000000	-0.137049
SIZE	-0.543950	0.198905	-0.137049	1.000000
		Heteroskedastisity Test		
Test		Statistic	d.f.	Prob.
Breusch-Pagan LM		26.41451	21	0.1911
		Fit Model Test (Uji F)		
F-statistic	7.835779	>	F-tabel	2,68
Prob(F-statistic)	0.000019	<	Degree of Freedom (D.F)	0,05
		Coefecient Determination Test		
R-squared				0.765528
Adjusted R- squared				0.667832

TABLE 3 | *Descriptive Statistics*

	IF	IC	AC	SIZE	LEV
Mean	0.149237	0.392381	0.319048	2.844.044	**0.743579**
Median	0.168386	0.333333	0.333333	2.866.478	**0.635582**
Maximum	0.455597	0.750000	0.333333	3.183.212	**1.954.942**
Minimum	0.235139	0.200000	0.250000	2.579.571	**0.160824**
Std. Dev.	0.173893	0.117249	0.031865	1.822.361	**0.535229**
Observations	**35**	**35**	**35**	**35**	**35**

TABLE 4 | *Research Hypothesis Summary Results*

No	Hypothesis	Significance	Results	Model
1	H1: Independent Commissioners have a negative and significant effect between the integrity of financial	t-statistic 3.156284 Prob. 0.0043	Accepted	**IF = 5.534226 - 0.799173IC + 1.662228AC - 0.199690SIZE + 0.104272LEV+ε it**
2	H2: The Audit Committee has a positive and significant effect between the Integrity of Financial Statements	t-statistic 2.107531 Prob. 0.0457	Accepted	
3	H3: Company size has a negative effect and Significant between the Integrity of Financial Statements	t-statistic -3.129787 Prob. 0.0045	Accepted	
4	H4: Leverage has a positive and effect between the Integrity of Financial Statements	t-statistic 0.778636 Prob. 0.4438	Rejected	