# *ABSTRACK*

Putri Setiawati /37150546/2015 Analysis of The Effect of Audit Tenure, The size of Public Accounting Firm and The Audit Committee on The Integrity of Financial Statements in Manufacturing Companies Listed on The Stock Exchange in 2015-2017/ Advisors: Amelia Sandra, S.E.,M.Si.AK.,M.AK.,

In presenting financial statements, it must be in accordance with applicabel accounting principles and also pay attention to the factors that can influence it. Including audit tenure, size of the public accounting firm and audit committee. So as to obtain the results of financial reports with integrity to attract investors and facilitate the users of the financial statements. The purpose of the study was to obtain empirical eviedence of the effect of audit tenure, the size of the public accounting firm and the audit committee on the integrity of financial statements.

Agency theory and positive accounting theory are used as the basis of theory. Agency theory explains the contractual relationship between principal and agent. Accounting theory positively explains the choice of accounting policy. Integrity of financial statements is a coefficient that measures the level of conservatism. Audit tenure disclosure is a period of engagement of an auditor’s contract with a company. The size of a public accounting firm is the size of the szie of an accounting services office. And the audit committee has duty to oversee a acompany’s financial reporting whether in accordance with accounting policies.

The research object used 54 samples from manufacturing companies registered in indonesian securites for the period 2015-2017. This study used one dependent variable, namely the integrity of financial statements and its independent variables are audut tenure, size of the public accounting firm and audit committee. Sampling technique with purposive sampling. The testing carried out is multiple regression testing with data pooling test, descriptive statistics, t test, f test, coefficient of determination and testing asumsi classic.

The results of this result: Audit Tenure does not affect the Integrity of financial Statements with a coefficient of -0,283 and a sig value 0,335 , the other side size of the public accounting firm has an effect with a sig value of 0,001. While audit committee variable has no effect with 0,2 coefficient and 0,898 sig.

The conclusion that can be taken from this research are audit tenure and audit committee do not affect the integrity of financial statements. While the size of the public accounting firm affect the integrity of financial statements.

Keywords: Audit Tenure, Size of The Public Accounting Firm, Audit Committe.