AKSY
Journal of Sharia Accounting and Business
Volume 7, Number 1, January 2025, Pages 69-85

FACTORS AFFECTING THE INTEGRITY OF FINANCIAL STATEMENTS ON INDONESIAN SHARIA COMMERCIAL BANKS

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Abstract

This study aims to determine the influence of Islamic corporate governance and company size on the integrity of financial statements in Indonesian Islamic commercial banks in 2020-2023. This study uses quantitative research. The kind of data used in this study is secondary data obtained from data on good corporate governance reports and annual reports of Indonesian Sharia commercial banks registered with the Financial Services Authority in 2020-2023. The data collection techniques in this study are documentation and literature studies. The data analysis method used is multiple linear regression using the IBM SPSS Version 25 tool. The results of this study show that Islamic corporate governance does not affect the integrity of financial statements. The size of the company does not affect the integrity of the financial statements. Islamic corporate governance and company size simultaneously do not affect the integrity of financial statements. Islamic corporate governance must be carried out in accordance with Sharia principles as stated in the Qur'an surah Al-Baqarah verse 282. Allah commands that every business activity be carried out with transparency and accountability.

Keywords: *Company Size, Financial Statement Integrity, Islamic Corporate Governance*

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Accepted: December 30, 2024; Revised: January 17, 2025, Accepted: January 21, 2025; Published: January 29, 2025

1. Introduction

The information available in financial statements is indispensable for users not only for the company's internal parties but also for external parties, parties who have interests in the company, and the government. Therefore, financial statements must be presented accurately and carefully when disclosing accurate information so as not to mislead users of financial statements. The integrity of financial statements is the extent to which the company's information presented financial statements honestly (Safitri & Suwarno, 2023). SFAC emphasizes that relevance and reality are qualitative characteristics of financial statements. Reliable financial statements can be assessed based on the principle of conservatism, where financial statements are conservative and overstated so that the information presented in them does not cause losses to any party (Hifnelda & Sasongko, 2021).

Cases of irregularities such as those that occurred in PT Bank Bukopin are suspected of having violated financial statements after the public accounting firm Ernst & Young (EY) issued an investigative audit report. PT Bank Bukopin manipulated credit card data of more than one hundred thousand cards, which caused Bukopin's credit position and commission-based income to increase unduly. Bank Bukopin's subsidiary is also Bank Bukopin, namely Bank Syariah Bukopin, adds to the reserve balance for losses in the depreciation of specific debtors so that the burden of allowance for losses on financial assets increases (Suhayati & Rahmatillah, 2022).

From this phenomenon, it can be seen that this case has caused distrust among users of financial statements and doubts about the correctness of the presentation of financial statements. The number of cases of manipulation of financial statements is caused by a lack of supervision and good governance because good governance in a company can affect the preparation of the resulting financial statements (Pusparini et al., 2020). The importance of implementing GCG is that it is an effort to protect the interests of stakeholders and increase compliance with applicable laws and regulations, as well as ethical values that apply in general to the Islamic banking industry. On this basis, the idea of Islamic corporate governance has begun to be introduced, which seeks to elaborate Islamic corporate governance by prioritizing and synchronizing the pillars of conventional and sharia corporate governance (Kurniawan et al., 2024). With the development of Islamic banking, the implementation of Islamic corporate governance has become an obligation that aims to overcome various kinds of risks and problems.

In addition to Islamic corporate governance, company size influences the integrity of financial statements. The size of the company is recognized as one of the factors that affect the company's management in presenting financial statements

(Novyarni et al., 2022). Large-scale companies will also face great demands from their stakeholders to prepare financial statements in accordance with their actual financial conditions (Novyarni et al., 2022). The size of a company can show how much information is contained in it and reflect the management's awareness of the importance of information for both external and internal parties of the company (Pratiwi et al., 2021).

Research on corporate governance variables conducted by Putri Dwi Wahyuni Putri Dwi Wahyuni states that corporate governance affects the integrity of reports (Wahyuni, 2022). Meanwhile, research conducted by Juliana states that corporate governance does not affect the integrity of financial statements (Juliana & Radita, 2020). Regarding the research on company size variables conducted by Oky, it was stated that company size affects the integrity of financial statements (Putra et al., 2022). There is a difference between this study and the previous research, namely in the research conducted at the Indonesian Sharia Commercial Bank, related to the integrity of financial statements from the results of data processing; one of the influencing factors is that the components in the implementation of Islamic Corporate Governance only meet government regulations but have not effectively carried out their role correctly, or maybe the components of Islamic Corporate Governance only carry out supervision of corporate governance so that it does not have a direct effect on parts of the measurement of the integrity of financial statements.

2. Literature Review

2.1 Islamic Corporate Governance on The Integrity of Financial Statements

Bhatti & Bhatti defines Islamic corporate governance as corporate governance based on Islamic principles, where business and operational activities must be based on sharia morals and values (Bhatti & Bhatti, 2009). Islamic corporate governance is not only related to structure but also to corporate governance mechanisms. The mechanism that distinguishes between conventional and sharia companies is the decision-making mechanism. Decision-making in Sharia companies is based on Islamic law, namely the Qur'an and the Sunnah of the Prophet (saw). In contrast, companies with conventional corporate governance emphasize compliance with government laws and regulations (Endraswati, 2015). The implementation of Islamic Corporate Governance is needed to overcome this problem. It is required to ensure that the rights and relationships between all stakeholders are guaranteed (C. Z. Ananda & NR, 2020). The implementation of good Corporate Governance will make it difficult for management to manipulate accounting because there is supervision of the company's management so that the financial statements produced are in accordance with the actual situation and have integrity (Juliana & Radita, 2020). The better the implementation of Islamic Corporate Governance carried out by the company, it will be expected to reduce opportunistic corporate management behavior so that the financial statements presented show accurate, honest, and unbiased information (Wahyuni, 2022).

The previous research that can be the basis for the hypothesis in this study is a study conducted by Putri Dwi Wahyuni, which obtained the results that Corporate Governance has a positive effect on the integrity of financial statements (Wahyuni, 2022). Other research that supports the research is in line with the research of Cindy et al. found that Corporate Governance has a positive effect on the integrity of financial statements (C. R. Ananda et al., 2020). The research is in line with Muhammad Fajar's research, which states that Corporate Governance affects the integrity of financial statements (Fajar & Nurbaiti, 2020). Based on this description, the first hypothesis in this study is as follows:

H1: Islamic Corporate Governance has a positive effect on the integrity of financial statements

2.3 The Company's Measure of The Integrity of Financial Statements

Company size is a scale on which large and small companies can be classified in several ways, including through total assets, log size, stock market value, and others (Rifan et al., 2015). The size of the company shows the amount of experience and growth ability of a company, which demonstrates the ability to manage the level of risk in managing the investments provided by stakeholders. Companies with large sizes are assumed to have a large number of assets and income levels so that they generate high profits (Novius, 2023). The size of the company has a vital role in the presentation of financial statements; the larger the size of the company, stakeholders will give the more demands to present financial statements with high integrity (Nazar & Arvianaí, 2023). Large companies are also suspected of having qualified expert employees who understand more about the integrity of financial statements. By disclosing more information items in financial reporting, it is hoped that it will be able to produce financial reports with integrity (Pratiwi et al., 2021). In addition, the larger the size of the company seen from total assets, the more integrity of the financial statements will increase because the manager tends to be more conservative in choosing to reduce profits without overstating the value of its assets so that the resulting financial statements will be reliable (Febriyanti & Wahidahwati, 2020).

The hypothesis of this study is supported by previous research conducted by Muhammad Fajar et al. (Fajar & Nurbaiti, 2020). The results of the study are in line with the research that was conducted by Siti et al., which found that the size of the company has a positive effect on the integrity of financial statements (Fatimah et al., 2020). Research by Verawaty et al. found that the size of the company affects the integrity of financial statements (Verawaty & Robika, 2023). Based on these statements, the second hypothesis in this study is as follows:

H2: The size of the company has a positive effect on the integrity of the financial statements

2.3 The Influence of Islamic Corporate Governance and Company Size on The Integrity of Financial Statements

The quality of financial information presented by a company depends largely on how well the company implements good corporate governance and how large the company itself is. Large companies have a broader stakeholder base, so the policies of large companies will have a more significant impact on the public interest than small companies. The larger the company faces high political costs, the greater the demands from stakeholders to present more transparent financial reports (Febrilyantri, 2020). Therefore, a control and supervision mechanism is needed that can balance the differences in interests between the two parties, namely, a corporate governance mechanism carried out using the Islamic Corporate Governance Disclosure Index and its scoring (Putri & Yanti, 2022).

The hypothesis in this study is supported by previous research conducted by Annisa et al., which found that Corporate Governance and company size simultaneously affect the integrity of financial statements (Nurbaiti et al., 2021). The results of the study are in line with the research of Muhammad Fajar et al., who found that corporate governance and company size simultaneously affect the integrity of financial statements (Fajar & Nurbaiti, 2020). Another study that supports the research that has been conducted by Mohammad Rafki et al., has found that Corporate Governance and company size have a simultaneous effect on the integrity of financial statements (Nazar & Arvianaí, 2023). Based on this description, the third hypothesis in this study is as follows:

H3: Islamic Corporate Governance and Company Size Simultaneously Affect the Integrity of Financial Statements.

Based on the flow of thought and the relationship of variables that have been described above, the framework of thought is defined as follows :

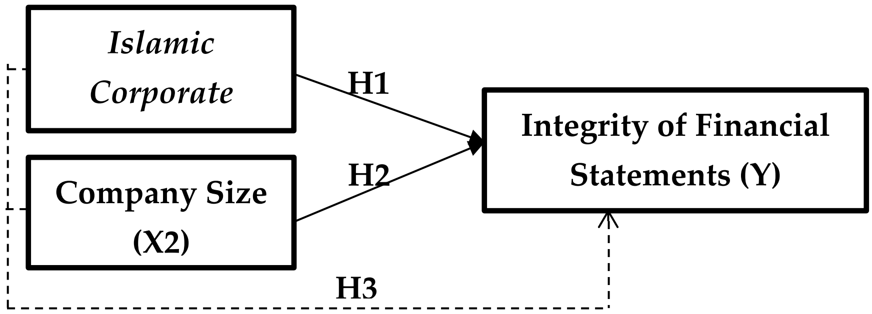

Figure 1 Thinking Framework

3. Research Methods

This study uses a quantitative approach (Siyoto, 2015). This study uses a type of research that has a descriptive nature (Pandjaitan, D., & Ahmad, 2017). The population in this study is the Indonesian Sharia Commercial Bank for the 2020-2023 period, which totals 13 populations. Sampling in this study uses the purposive sampling technique. Purposive sampling is a technique for determining samples with specific considerations (Sugiyono, 2015). The data planning techniques used in this study are documentation techniques and literature studies (Priadana & Sunarsih, 2021). The data used in this study is secondary data (Setya Mustafa et al., 2020). The secondary data used in this study is the annual report and financial statements of the Indonesian Sharia Commercial Bank through the official website of the Financial Services Authority: https://www.ojk.go.id/id/Default.aspx, the official website of the Islamic Commercial Bank. The dependent variable in this study is the integrity of financial statements, while the independent variable in this study is Islamic Corporate Governance and company size. The variable measurements in this study are:

Table 1 Variable Measurements

Variable	Measurement
Dependent Variable Integrity of Financial Statements (Y) (Savitri, 2016)	Measured by the CONACC formula: **(NIO + DEP – CFO) X (-1)** **Thanks** Information: CONACC = Degree of accounting conservatism based on accrued items NIO = Profit before extraordinary items DEP = Depreciation of fixed assets for the current year

	CFO = Cash flow from operating activities for the current year FY = Total Assets
Independent Variable : Sharia corporate governance (Komite Nasional Kebijakan Governance, 2011) Company Size (Savitri, 2016)	$\frac{\text{Number of items disclosed X 100\%}}{\text{Maximum Number of Scores}}$ **Ln total Aset**

The technique used in this study is to use multiple linear regression analysis techniques with the help of the SPSS 25 program to get a comprehensive picture of the influence of independent variables on dependent variables. The regression equation is as follows:

Y = a + b1X1 + b2X2 + e

Information:
Y: Dependent Variable
a: Constant Variable/Number
β: Coefficient of independent variables
X: independent variable
e: Error

4. Results and Discussion

4.1 Result

4.1.1 Descriptive Statistics

The results of the research that were included were the output of IBM SPSS Version 25, and the explanation was narrated directly based on the results.

Table 2 Descriptive Statistical Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ICG	36	0,87	0,88	0,8759	0,00840
Up	36	29,82	33,50	30,9125	1,00895
LIKE	36	-0,15	0,26	0,0043	0,07690
Valid N (Listwise)	36				

Source: Data processed through SPSS 25 of 2024

Based on the results of the descriptive statistical test in the table above, it is known that the number of data taken for the test is 36 data. The dependent variable, namely Financial Statement Integrity, has a mean of 0.0043 and a standard deviation value of 0.07690. The maximum value of Financial Statement Integrity at Bank Muamalat Indonesia is 0.26 in 2021, and the minimum value of Financial Statement Integrity is -0.15 at Bank Mega Syariah in 2021. The first independent variable, namely Islamic corporate governance, which uses the measurement of the Islamic corporate governance index, shows a mean value of 0.8759. It has a standard definition value of 0.00840. The maximum value of the Islamic Corporate Governance variable is 0.88, and the minimum Islamic Corporate Governance variable, with the measurement of the Islamic Corporate Governance Index in Indonesian Islamic commercial banks, will be 0.87 in 2020-2023. The second independent variable, Company Size, which measures total assets, shows a mean value of 30.9125. Its standard definition value is 1.00895. In 2023, the maximum value of the variable Company Size with Ln total assets at Bank Syariah Indonesia will be 33.50. The minimum variable value of Company Size with Ln total assets at Bank Jabar Banten Syariah will be 29.82.

4.1.2 Classical Assumption Test

Normality Test

This study used the Kolmogorov-Smirnov (K-S) non-parametric statistical test to interpret its results. Furthermore, the test results will be compared to determine the results.

Table 3 Kolmogorov-Smirnov

		Non-Standard Residue
N		36
Parameter Normala,b	Mean	0,0000000
	Std. Deviation	0,07820181
The Most Extreme Differences	Absolute	0,141
	Positive	0,141
	Negative	-0,090
Test Statistics		0,141
Asymp. Sig. (2-echo)		0.067c

a. The test distribution is Normal
b. Calculated from data
c. Koreksi Signifipsi Lilliefors

Source: Data processed through SPSS 25 of 2024

This study uses a significance value of 0.05 or 5%. Based on Table 3, the results of asymp. Sig. (2-tailed) or the probability value of the residual value shows that this study is 0.067, where the value is greater than the significance value (0.067 > 0.05) (sig

> α). This shows that the residual value of this regression value meets the assumption of normality so that this test is normally distributed.

Multicollinearity Test

The detection of the presence or absence of multicollinearity can be done by looking at the tolerance and variance inflation factor (VIF) values of each variable used.

Table 4 Molecular Proximity Test

Coefficient			
Pattern		Collinearity Statistics	
		Tolerance	BRIGHT
1	ICG	0,899	1,112
	Up	0,899	1,112
a. Dependent Variable: ILK			

Source: Data is processed through SPSS 25 of 2024

Based on the results of the multicollinearity test in the table above, it can be seen that the tolerance value of Islamic corporate governance is 0.899, and the size of the company with total assets is 0.899. The VIF value in Islamic Corporate Governance is 1,112; the Company Size is 1,112. So, it can be concluded that from the tolerance value, if > from 0.01 and VIF < 10, then there is no multicollinearity.

Heteroscedasticity Test

The test is carried out by regressing the square residual log value as a dependent variable with its independent variable.

Table 5 Heteroscedasticity Test Results

Coefficient						
Pola		Non-standard Coefficients		Standard Coefficient	T	Mr.
		B	STD error.	Beta		
1	(Konstan)	49,714	42,470		1,171	0,250
	ICG	-87,050	51,114	-0,296	-1,703	0,098
	Up	0,634	0,426	0,259	1,491	0,146
a. Dependent Variables: LN_RES						

Source: Data processed through SPSS 25 of 2024

Based on the results of the heteroscedasticity test in Table 4.4, the significance value of Islamic corporate governance is 0.098, and the significance value of company size is 0.146, so there is no heteroscedasticity.

4.1.3 Uji Autokorelasi

In this study, the Autocorrelation test was used through the Run Test.

Table 6 Autocorrelation Test

Running the Test	
	Non-Standard Residue
Test Scores	-0,00461
Case < Test Scores	18
Case >= Test Score	18
Total Cases	36
Number of Runs	24
With	1,522
Asymp. Sig. (2-echo)	0,128
a. Median	

Source: Data processed through SPSS 25 of 2024

Based on the results of the autocorrelation test of Table 4.5, the value of asymp. Sig. (2-tailed) or the probability value in the residual value shows that this study is 0.128, where the value is more excellent than the significance value (0.128 > 0.05) (sig > α). This indicates that the residual value of this regression value meets the assumption, so it can be concluded that there is no autocorrelation.

4.1.4 Multiple Linear Regression Analysis

The results of the multiple linear regression test in this study are as follows:

Table 7 Multiple Linear Regression Analysis

Coefficient						
Pola		Non-standard Coefficients		Standard Coefficient	t	Mr.
		B	STD error.	Beta		
1	(Konstan)	0,088	1,397		0,063	0,950
	ICG	-0,089	1,681	-0,010	-0,053	0,958
	Up	0,000	0,014	-0,002	-0,013	0,990
a. Dependent Variable: ILK						

Source: Data processed through SPSS 25 of 2024

The results of the multiple linear regression test in Table 4.6, Islamic Corporate Governance variables, Company Size to Financial Statement Integrity are as follows:

$$\mathbf{Y = 0,088 - 0,089\ X1 + 0,000\ X2 + e}$$

The results of the multiple linear regression test above show that the constant value is 0.088 while the sequential value for the Islamic corporate governance variable is -0.089, and the Company Size is 0.000. Based on the above model, the influence of independent variables on dependent variables can be interpreted as follows: The regression test results showed that the constant value was 0.088, which showed a positive (unidirectional) direction between the independent and dependent variables. This indicates that if the independent variable (X), namely Islamic corporate governance and the size of the company, is worth 0 units or does not change, then the integrity of the financial statements is 0.088. The regression coefficient value for the Islamic corporate governance variable is -0.089. This value shows a negative relationship (opposite direction) between the Islamic corporate governance variable and the integrity of financial statements. The negative coefficient can be interpreted as if the Islamic corporate governance variable increases by 1 unit, then the financial statement integrity variable will decrease by 0.089 units. The regression coefficient of the company size variable is 0.000. This value shows a positive (unidirectional) relationship between the company size variable and the integrity of the financial statements. The positive coefficient can be interpreted as follows: If the company size variable increases by 1 unit, then the financial statement integrity variable will increase by 0.000 units.

4.5 Partial Test (T-Test)

The following are the results of the Partial Test (T-Test) using IBM SPSS 25.

Table 8 Partial Test (T)

Coefficient						
Pola		Non-standard Coefficients		Standard Coefficient	t	Mr.
		B	STD error.	Beta		
1	(Konstan)	0,088	1,397		0,063	0,950
	ICG	-0,089	1,681	-0,010	-0,053	0,958
	Up	0,000	0,014	-0,002	-0,013	0,990
a. Dependent Variable: ILK						

Source: Data processed through SPSS 25 of 2024

Based on the output results of SPSS, the explanation from Table 4.7 is as follows, results of the partial test (t-test) showed that the significance value of the variable of the influence of Islamic corporate governance on the integrity of financial statements was 0.958 > 0.05. The result of the t-value of the Islamic corporate governance variable is -0.053, and the t-value of the table with df 33 (n-k-1=36-2-1=33) is 1.692. So, the t-table < result from t-count was -0.053 < 1.692 with a significance value of 0.958. Therefore, it can be concluded that the Islamic corporate governance variable does not affect the integrity of financial statements. The results of the partial test (t-test) showed that the significance value of the variable influencing the size of the company on the integrity of the financial statements was 0.990 > 0.05. The result of the t-value of the variable calculation of the company size variable is -0.013, and the t-value value of the table with df 33 (n-k-1=36-2-1=33) is 1.692. So, the t-table < result from the t-count was -0.013 < 1.692 with a significance value of 0.990. Therefore, it can be concluded that the variable of company size does not affect the integrity of financial statements.

4.6 Simultaneous Significance Test (F)

The F test in multiple linear regression analysis aims to determine the influence of independent variables simultaneously on dependent variables.

Table 9 Simultaneous Test

ANOVA						
Pola		Sum Squared	Df	Square Average	F	Mr.
1	Regression	0,000	2	0,000	0,002	0.998 billion
	Remnant	0,207	33	0,006		
	Entire	0,207	35			

a. Dependent Variable: ILK
b. b. Predictors: (Constant), UP, ICG

Source: Data is processed through SPSS 25 of 2024

Based on the results of the simultaneous significance test of table 4.8, which show that the F-table value is 3.28 and the F-count is 0.948, with a significance value of 0.948 > 0.05, it can be concluded that the *Islamic corporate governance* variable and the size of the company together cannot affect the financial statement integrity variable.

4.7 Coefficient of Determination (R^2)

The determination coefficient (R^2) is to determine the contribution *of* the free variable (X) to the variation (up-down) of the Y variable from the regression equation. The larger the n (sample size), the smaller the R^2 value tends to be. The following are the results of the determination coefficient test:

Table 10 Determination Coefficient Test Results (R^2)

Model Summary				
Pattern	R	R square	Customized R Square	Forecast errors

1	0.011a	0,000	-0,060	0,07919
a. Predictors: (Constant), UP, ICG				

Source: Data processed through SPSS 25 of 2024

Based on the results of the determination coefficient test in Table 4.9, the value obtained at the adjusted R square is -0.060. According to Gujarati (2003), if there is a negative value of adjusted R square in the test, it is considered a value of zero (Situmorang & Lufti, 2014). The value of -0.060 means that 0% of the dependent variable, namely the integrity of financial statements, can be explained by two independent variables, namely Islamic corporate governance and company size, which means that there is no relationship between independent variables and dependent variables. Therefore, it can be concluded that other variables outside the study explain independent variables.

4.2 Discussion

4.2.1 The Influence of *Islamic Corporate Governance* on the Integrity of Financial Statements

Based on a partial test (t-test), the results were obtained that Islamic Corporate Governance had no effect on the integrity of financial statements, so the first hypothesis was rejected. This is because the t-count value of Islamic corporate governance is greater than the t-table value of -0.053 < 1.69236 with a significance value of 0.958 > 0.05. The results of this study are not in line with the agency theory that states that agents have a conflict of interest with the principal (Jensen and Meckling, 1976). Islamic Corporate Governance is expected to assess the performance of agents as objectively as possible to supervise the agents' movements. However, if the supervision of the Islamic Corporate Governance mechanism is not adequate, then the agent has the opportunity to commit fraud in financial statements. The lack of influence of Islamic Corporate Governance on the integrity of financial statements can be due to the components in the implementation of Islamic Corporate Governance only meeting government regulations but not effectively carrying out their roles properly, or perhaps the components of Islamic Corporate Governance only supervise corporate governance so that they do not have a direct effect on the parts in measuring the integrity of financial statements (Juliana & Radita, 2020).

Although the term Good Corporate Governance is relatively new, the concept already exists in the Qur'an; although it is not merged into one, it is still interrelated and supportive. This concept is explained implicitly in the Qur'an, Surah Al-Baqarah verse 282, which is one of the verses in the Qur'an that can be used as a basis and guideline for Islamic life in business activities (Komite Nasional Kebijakan

Governance, 2011). In Surah al-Baqarah verse 282, Allah explains that the recording function is not just information used for decision-making. However, every party involved in the business practice must be accountable for its mandate and actions to other parties (Sahrullah et al., 2022). The results of this study are in line with the research conducted by Juliana and Michelle Radita (Juliana & Radita, 2020), Tasya Milda Putri and Harti Budi Yanti (Putri & Yanti, 2022), and Annisa Nurbaiti research et al. (Nurbaiti et al., 2021), which shows that Corporate Governance has no effect on the integrity of financial statements.

4.2.2 The Effect of Company Size on the Integrity of Financial Statements

Based on a partial test (t-test), the results were obtained that the size of the company did not affect the integrity of the financial statements, so the second hypothesis was rejected. This is because the t-value of the company size calculation is greater than the t-table value, which is -0.013 < 1.69236 with a significance value of 0.990 > 0.05. The results of this study show that the larger the company, the more it does not guarantee that the financial statements produced will have good integrity. This means that the larger the size of the company, the more conservative the company is in terms of preparing financial statements, which causes financial statements not to be presented in fact (Hifnelda & Sasongko, 2021). The enormous demands from investors to large companies are a burden that results in the management manipulating the financial statements so that the financial statements are not integrity and cannot be accounted for (Pratika & Primasari, 2020). The results of this study support the research of Intan Pratika and Nora Hilmia Primasari (Pratika & Primasari, 2020), research by Muthia Hifnelda and Noer Sasongko (Hifnelda & Sasongko, 2021), Yossi Ayu's research *et al* (Pratiwi et al., 2021) stated that the size of the company did not affect the integrity of the financial statements.

4.2.3 The Simultaneous Influence of Islamic Corporate Governance and Company Size on the Integrity of Financial Statements

Based on the F test, the results were obtained that Islamic Corporate Governance and company size had no effect on the integrity of financial statements, so the third hypothesis was rejected. This is because the value of the F-table is 3.28, and the F-count is 0.002, with a significance value of 0.998 > 0.05. This result is contrary to the hypothesis in this study. Namely, Corporate Governance and company size affect the integrity of financial statements. The ineffectiveness of Islamic Corporate Governance and the size of the company together explain that these two variables are not able to improve the integrity of financial statements because the lower the level of integrity of financial statements, the lower the level of trust of shareholders to invest in the company so that shareholders will not give their processing responsibilities to parties who are unable to improve the integrity of financial statements. Islamic commercial banks tend to have stricter regulations compared to other companies. Sharia Commercial Banks that are in the stage of rapid growth may have more significant pressure to achieve performance targets, making them more vulnerable to manipulation of financial statements. The results of this study are consistent with the results of research that has been carried out by Juliana and obtained the results that Corporate Governance and the size of the company simultaneously do not affect the integrity of the financial statements (Juliana & Radita, 2020).

5. Conclusion

This study was conducted with the aim of analyzing the influence of factors contained in a company on the integrity of financial statements at the Indonesian Sharia Commercial Bank for the 2020-2023 period. The Islamic Corporate Governance variable does not affect the integrity of financial statements. In the Qur'an, Surah Al-Baqarah verse 282, Allah commands that every business activity is carried out with transparency and accountability; this motivates companies to integrate Islamic values in GCG practices so that the goal of stakeholders in Sharia Commercial Banks is not only to pursue profits but to the pure realization as a caliph who is responsible for the earth in accordance with the commands of Allah SWT and has been in accordance with Islamic sharia written in the Qur'an. The variable of company size does not affect the integrity of financial statements. Islamic Corporate Governance and company size simultaneously do not affect the integrity of financial statements.

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