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THE EFFECT OF LEVERAGE, INDEPENDENT COMMISSIONERS, AND AUDIT FEES ON FINANCIAL STATEMENT INTEGRITY WITH AUDIT QUALITY AS MODERATING VARIABLE (EMPIRICAL STUDY ON LQ45 COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2019 - 2023)

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ABSTRAK

Penelitian ini memiliki tujuan utama untuk memberikan strategi khusus yang dapat digunakan untuk meningkatkan penjualan kopi, khususnya Beanspot. Berbagai data menunjukkan bahwa penjualan kopi saat ini terus mengalami peningkatan, sehingga sangat menarik untuk diteliti faktor-faktor apa saja yang harus dipenuhi untuk memenangkan persaingan. Metode penelitian yang digunakan adalah deskriptif kualitatif dengan pengumpulan data melalui wawancara, observasi dan studi dokumentasi. Dengan melakukan analisis internal yang terdiri dari 11 faktor dan analisis eksternal yang terdiri dari 9 faktor, maka diperoleh nilai IFAS = 3.349 dan EFAS = 3.262. Pada diagram SWOT, Beanspot berada pada kuadran III dimana strategi yang paling tepat untuk Beanspot adalah stability/ turn around atau mengubah taktik. Saran utama yang dihasilkan dari penelitian ini bagi perusahaan adalah lebih fokus pada peningkatan sumber daya internal perusahaan terutama sumber daya manusia, sehingga jika ditambahkan dengan kekuatan yang dimiliki seperti jaringan yang kuat dan harga yang kompetitif, Beanspot dapat menguasai pasar.
Kata Kunci: Fee Audit, Kualitas Audit, Integritas Laporan Keuangan, Komisaris Independen, Leverage

ABSTRACT

Abstract: This research has the main objective to provide special strategies that can be used to increase coffee sales, especially Beanspot. Various data shows that current coffee sales continue to increase, so it is very interesting to research what factors must be met to win the competition. The research method used is descriptive qualitative with data collection through interviews, observation and documentation studies. By carrying out internal analysis consisting of 11 factors and external analysis consisting of 9 factors, the IFAS = 3,349 and EFAS = 3,262 were obtained. In the SWOT diagram, Beanspot is in quadrant III where the most appropriate strategy for Beanspot is stability / turn around or changing tactics. The main suggestion resulting from this research for companies is to focus more on improving the company's internal resources, especially human resources, so that when added to its strengths such as strong networks and competitive prices, Beanspot can dominate the market.
Keywords: Audit Fee, Audit Quality, Financial Statement Integrity, Independent Commissioners, Leverage

PENDAHULUAN

The main need for business people is to obtain accurate information. One form of information that is commonly used and considered the most crucial is financial statements (Pratika & Primasari, 2020). According to Statement of Financial Accounting Standards (PSAK) Number 1, financial statements are documents that present information about the entity's financial position, performance, and changes in financial position within a certain period (Yendrawati & Hidayat, 2021). This financial report will later serve as a means of communication with relevant stakeholders. Therefore, companies must prioritise the presentation of financial reports with integrity by fulfilling three qualitative characteristics, namely relevance, objectivity, and reliability (Ningsih et al., 2021).

However, in reality realising financial reports with high integrity remains difficult. Many companies commit fraud by reporting false information in their financial statements (Srikandhi & Suryandari, 2020). One of the latest cases is PT Wijaya Karya and PT Waskita Karya, which were caught in a financial report manipulation scandal in mid-2023. This case was initially revealed after the bank found discrepancies in bills during credit restructuring. The manipulation method applied by the two companies was fairly simple. They hid vendor bills since 2016, so that their debt burden appeared to be reduced and their financial condition looked healthier than it actually (Huljannah & Djamil, 2024).

Another case that is no less astonishing is that PT Garuda Indonesia (Persero) Tbk in 2019 was found to have manipulated its 2018 financial statements. The financial statements showed an unnatural net income growth of USD 809.850. This figure is inversely proportional to the loss of USD 216.5 thousand experienced in 2017. The reason is the recognition of revenue for funds that are still receivable in cooperation with PT Mahata Aero Teknologi amounting to USD 239,940,000. As a result of these actions, PT Garuda Indonesia (Persero) Tbk and the Public Accounting Firm (KAP) Tanubrata Sutanto Fahmi Bambang and Partners were sanctioned (Nazar & Arviana, 2023).

These various phenomena that occur indicate that the layered audit system is not effective enough to preserve the integrity and validity of financial statement. As a result, the information disclosed is inaccurate and unjust to certain users (Auliyah et al., 2022). This not only causes financial losses for investors, but also disrupts market stability and diminishes the company's standing in the publics perception. Referring to previous research, various factors have been identified that can affect the level of financial statement integrity.

The first factor that can affect the financial statement integrity is leverage. Leverage is a financial ratio that assesses the capability of a company to fulfil its obligations, both in the short and long term (Wulan & Suzan, 2022). A high level of leverage can encourage company management to be committed to disclosing information accurately and honestly. This aligns with the findings of Suzan & Bilqolbi (2022), Suzan & Nasution (2023), and Amalia et al. (2024) which propose that leverage significantly positively influences the financial statement integrity. Conversely, research by Abbas et al. (2021), Alpriyatna & Muhyarsyah (2023), dan Meiryani et al. (2023) state that leverage do not affect on financial statement integrity.

The second factor that can affect the financial statement integrity is independent commissioners. Srikandhi & Suryandari (2020) suggest that independent commissioners function as supervisors to increase the reliability of financial reports, so that the information presented has full integrity. This is in line with the research of Yendrawati & Hidayat (2021) and Meiryani et al. (2023) which suggests that independent commissioners have a significant positive effect on financial statement integrity. Meanwhile, according to research by Abbas et al. (2021) shows that independent commissioners have a significant negative effect on financial statement integrity. In addition, research by Srikandhi & Suryandari (2020), Mashuri et al. (2023), Melda et al., (2023),and Suzan & Nasution (2023) assert that independent commissioners have not affect on financial statement integrity.

The third factor that can affect the financial statement integrity is the audit fee. Audit fees are fees paid by companies to public accountants for audit services that have been provided (Auliyah et al., 2022). A high audit fee will improve the quality and objectivity of the auditor's examination, so that the audit opinion issued is more accurate and the financial statement integrity can be guaranteed. This is consistent with the findings of Nurmala et al. (2021) which indicates that audit fees have a significant positive impact on financial statement integrity. Conversely, according research to Susanto & Khairudin (2024), it states that audit fees have a significant negative impact on financial statement integrity. In addition, research Wahyudi & Sabaruddin (2023) states that audit fees do not influence on financial statement integrity.

Another factor that can affect the financial statement integrity is audit quality. According to Amalia et al. (2024), audit quality is the extent to which an auditor is likely to detect errors or irregularities that occur in his client's accounting system. In research Alpriyatna & Muhyarsyah (2023) concluded that audit quality moderates leverage on financial statement integrity. Then, research Srikandhi & Suryandari (2020) states that audit quality moderates independent commissioners on financial statement integrity. Meanwhile, according to research Wahyudi &

Sabaruddin (2023) states that audit quality cannot moderate audit fees on financial statement integrity.

This study will modify the previous research conducted by Yendrawati & Hidayat (2021) titled "Determinants of Financial Statements Integrity." There are several differences between this study and the aforementioned research. First, there is a difference in the research period. Previous studies covered the years 2015-2018, whereas this study focuses on the period from 2019 to 2023. Second, in terms of the research subject, earlier studies examined companies in the infrastructure, utilities, and transportation sectors, while this study looks at firms listed on the LQ45 index. The third difference lies in the choice of independent variables, which include leverage, independent commissioners, and audit fees. Finally, this study introduces audit quality as a moderating variable, which represents a novelty in this research.

The grand theories adopted in this study are agency theory and signalling theory. Financial statement integrity is closely related to agency theory, which highlights the conflicts of interest between managers (agents) and shareholders (principals) that can affect the transparency of financial statements. Managers who possess more information, may use this advantage for personal gain, leading to information asymmetry and reduced trust in financial reports. Oversight mechanisms, such as leverage management, the role of independent commissioners, audit fee determination, and high audit quality, are essential to mitigating these conflicts and promoting transparent reporting (Jensen & Meckling,1976).

On the other hand, signaling theory states that companies use financial statements to provide accurate and honest signals to stakeholders regarding their financial condition and performance. These signals are reinforced by high-quality audits, proportional audit fee structures, and effective governance mechanisms, reflecting the company’s commitment to transparency and integrity. By reducing doubts about the reliability of financial statements, companies can enhance stakeholder trust while strengthening their market reputation (Indrasti, 2020).

RESEARCH METHODS

This researchs hypothesis was prepared based on an analysis of the findings of previous research. Wulan & Suzan (2022) define leverage is a financial metric used to evaluate a firms capacity to satisfy its immediate and future liabilities. According to research conducted by Suzan & Bilqolbi (2022), Suzan & Nasution (2023), and Amalia et al. (2024), leverage has a significant positive effect on financial statement integrity. A higher leverage ratio tends to correlate with a greater likelihood of a company producing financial statements that reflect integrity. H1: Leverage has a positive effect on financial statement integrity.

Yendrawati & Hidayat (2021) suggest that independent commissioners are members of the board of commissioners who are selected from outside the company and have no ties to the company's management or majority share ownership. Research conducted by Nurmala et al. (2021), Yendrawati & Hidayat (2021), and Meiryani et al. (2023) shows that independent commissioners have a significant positive effect on financial statement integrity. This demonstrates that the higher the number of independent commissioners in the company’s structure, the higher the level of financial statement integrity. H2: Independent commissioners have a positive effect on financial statement integrity.

Auliyah et al. (2022) explain that audit fee is the amount of money paid to auditors for the services they have provided in the form of audit services. Research conducted by Nurmala et al. (2021) shows that audit fee has a significant positive effect on financial statement integrity. This indicates that the higher the audit fee, the more likely the financial statements will be presented with integrity. H3: Audit fee has a positive effect on financial statement integrity.

The study by Alpriyatna & Muhyarsyah (2023) states that leverage, when moderated by audit quality, significantly affects financial statement integrity. High-quality auditors are capable of detecting and preventing manipulative actions or misstatements in financial reports, thus maintaining their integrity. In other words, the better the audit quality, the lower the likelihood that financial statements will be distorted by leverage pressures. H4: Audit quality moderates the influence of leverage on financial statement integrity.

The study by Srikandhi & Suryandari (2020) states that independent commissioners, when moderated by audit quality, significantly affect financial statement integrity. High-quality auditors are able to support the role of independent commissioners by providing more accurate and objective information regarding the company's financial condition. H5: Audit quality moderates the influence of independent commissioners on financial statement integrity.

The study by Amalia *et al*. (2024) states that audit quality significantly affects the level of financial statement integrity. Companies that allocate more funds for audit fees tend to have a higher probability of receiving audits with better quality. As a result, the information presented is more reliable and trustworthy to stakeholders, thereby enhancing the financial statement integrity. H6: Audit quality moderates the influence of audit fee on financial statement integrity.

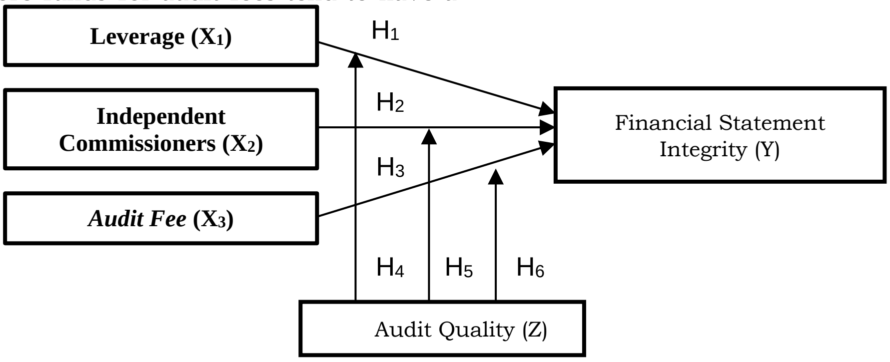

Figure 1. Research Model

Source: Research Data, 2024

Based on the explanation of the research model outlined earlier, this study employs a quantitative approach with scientific characteristics, including clarity, objectivity, reliable measurements, rationality, and a systematically organized methodology. This study focuses on leverage, independent commissioners, audit fees, audit quality, and the financial statement integrity in companies listed on the LQ45 index. It explores one dependent variable, namely financial statement integrity (Y), three independent variables: leverage (X_1), independent commissioners (X_2), and audit fees (X_3), and one moderating variable, audit quality (Z). From a population of 45 LQ45 companies, purposive sampling was used to select 26 companies as the sample. The research data were obtained from secondary sources through literature reviews and documentation.

Table 1. Variable Measurement

Variable	Proxy	Scale
Leverage	$\text{DER} = \frac{\text{Total Liabilities}}{\text{Total Equity}} \text{ x } 100\%$	Ratio
Independent Commissioners	$\frac{\text{Number of Independent Commissioners}}{\text{Total Number of Board Commissioners}}$	Ratio
Audit Fees	Ln (*Audit Fee*)	Ratio
Audit Quality	$\frac{\text{Number of Clients in the Industry Sector}}{\text{Number of Issuers in the Industry}} \text{ x } 100\%$	Nominal
Financial Statement Integrity	$\text{MBV} = \frac{\text{Market Price of Shares}}{\text{Book Value of Shares}}$	Ratio

Source: Some Research, 2024

The process of data analysis and hypothesis testing includes classical assumption tests, such as normality, multicollinearity, heteroscedasticity, and autocorrelation tests. Hypothesis testing is conducted using multiple linear regression analysis, t-tests for partial analysis, F-tests for simultaneous analysis, and the coefficient of determination (R^2) test. Additionally, the method of moderated regression analysis (MRA) is applied. All analyses are carried out using SPSS version 27 software.

The following represents the research model applied for multiple linear regression in this study :

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon}$$

Information:

Y = Financial Statement Integrity
α = Constant
β1 to β3 = Regression Coefficients
X_1 = *Leverage*

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X_2 = Independent Commissioners
X_3 = *Audit Fee*
ε = Error Term

The following represents the research model applied for moderated regression analysis in this study :

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4(X_1{*}Z) + \beta_5(X_2{*}Z) + \beta_6(X_3{*}Z) + \varepsilon}$$

Information:
Y = Financial Statement Integrity
α = Constant
β1 to β6 = Regression Coefficients
X_1 = Leverage
X_2 = Independent Commissioners
X_3 = Audit Fee
Z = Audit Quality
X_1*Z = Interaction between Leverage and Audit Quality
X2*Z = Interaction between Independent Commissioners and Audit Quality
X3*Z = Interaction between Audit Fee and Audit Quality
e = Error Term

RESULTS AND DISCUSSION

During the study, data were collected from all LQ45 companies during the 2019-2023 period. However, only 26 companies met the criteria to be used as the sample, resulting in a total of 130 observational data points.

Table 2. Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
Leverage	130	.15	16.08	2.2618	2.98224
Independent Commissioner	130	.17	.83	.4577	.12924
Audit Fee	130	19.34	25.51	22.3829	1.35506
Financial Statement Integrity	130	.23	60.67	4.2016	9.09813
Audit Quality	130	0	1	.87	.338

Source: Research Data, 2024

Based on the results of the descriptive statistical analysis presented in Table 2, several interpretations can be drawn. The leverage variable (X_1) has values ranging from a minimum of 0,15 to a maximum of 16,08, with a mean of 2,2618 and a standard deviation of 2,98224. The independent commissioner variable (X_2) exhibits values between 0,17 and 0,83, with an average value of 0,4577 and a standard deviation of 0,12924. The audit fee variable (X_3) ranges from 19,34 to 25,51, with a mean of 22,3829 and a standard deviation of 1,35506. Regarding the financial statement integrity variable (Y), the values span from 0,23 to 60,67, with a mean of 4,2016 and a standard deviation of 9,09813. Finally, the audit quality variable (Z) shows values ranging from 0 to 1, with an average of 0,87 and a standard deviation of 0,338.

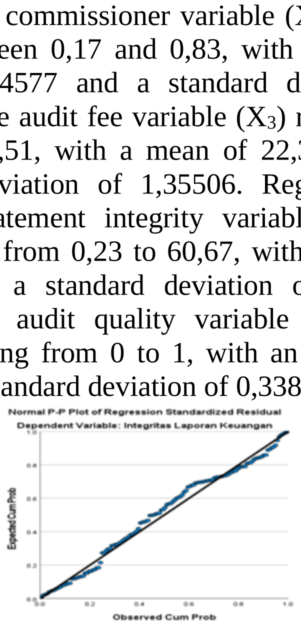

Figure 1. Result of Normality Test
Source: Research Data, 2024

Based on the Normal P-P Plot of Regression Standardized Residuals presented in the normality test, it can be inferred that the regression model used in this study meets the normality assumptions. This is indicated by the points scattered around and following the diagonal line in the figure.

Table 3. Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Leverage	.639	1.564
Independent Commissioner	.630	1.587
Audit Fee	.910	1.099

Source: Research Data, 2024

As presented in Table 3, the multicollinearity test results demonstrate that leverage, independent commissioners, and audit fees, as the independent variables, exhibit tolerance values greater than 0,10 and VIF values less than 10. Therefore, it can be inferred that no multicollinearity exists among these variables, ensuring the suitability of the regression model for subsequent testing.

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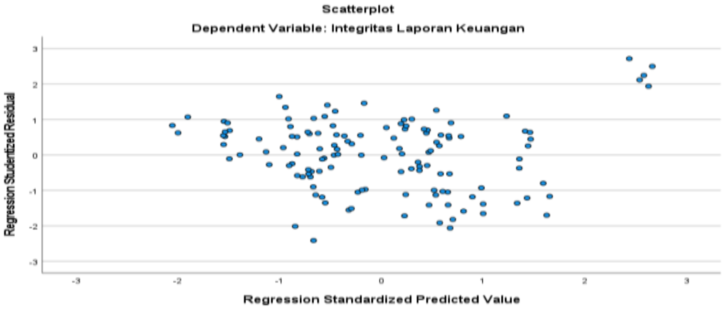

Figure 2. Results of Heteroscedasticity Test
Source: Research Data, 2024

The heteroscedasticity test results presented in Figure 2 indicate that the data points are spread across both positive and negative values on the Y-axis, with no clear clustering on either side. Furthermore, the distribution of these points does not follow a distinct or regular pattern, but appears abstract. Thus, it can be determined that the regression model applied in this study is devoid of heteroscedasticity.

Table 4. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.429[a]	.184	.157	.61842	1.882

Source: Research Data, 2024

From the results of the tests carried out, the Durbin-Watson value is 1,882. Following the calculation with the table of Durbin-Watson, it is established that the value in table 4 is 1,882 which is between DU and 4 - DU, namely 1,7610 < 1,882 < 2,239. As a result, it can be determined that the regression model used in this study is not affected by autocorrelation, so the regression model can be said to be good

Table 5. Results Multiple Linear Regression Analysis and T-Test

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.279	.598		.465	.642
Leverage	-.141	.096	-.128	-1.474	.143
Independent Commissioner	3.061	.694	.398	4.411	.000
Audit Fee	-.051	.069	-.058	-.705	.482

Source: Research Data, 2024

According to the multiple linear regression analysis results displayed in table 5 above, the relationship between the research variables can be explained in the following equation :

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon}$$

The interpretation of the table shows that leverage has a significance value of 0,143, which is above 0,05 and a negative coefficient, leading to the rejection of the first hypothesis (H1). In contrast, independent commissioners have a significance value of 0,000, which is below 0,05 with a positive coefficient, supporting the acceptance of the second hypothesis (H2). On the other hand, audit fees have a significance value of 0,482, which is greater than 0,05 with a negative coefficient, resulting in the rejection of the third hypothesis (H3).

Table 6. Results of Simultaneous F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.677	4	2.669	6.979	.000[b]
	Residual	47.422	124	.382		
	Total	58.099	128			

Source: Research Data, 2024

Based on the results of the F statistical test listed in table 6 above, it shows that the significance value obtained is 0,000. This suggests that the F significance value is below the predetermined significance level of 0,05. In addition, the calculated F value of 6,97 is also greater than the F table value of 2,68. Thus, it can be concluded that independent variables, such as leverage, independent commissioners, and audit fees have a significant influence on the dependent variable, namely the financial statement integrity.

Table 7. Results of Determination Coefficient (R^2) Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.429[a]	.184	.157	.61842

Source: Research Data, 2024

According to the outcomes of the coefficient of determination (R^2) analysis presented in table 6 above, the R Square value is 0,184, which corresponds to 18,4%. This means that the independent variables, including leverage, independent commissioners, and audit fees, account for 18,4% of the explanation of financial statement integrity as the dependent variable. The remaining 81,6% is attributed to other factors or variables not covered in this study

Table 8. Results of Moderated Regression Analysis (MRA)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.153	1.094		1.054	.294
Leverage	.332	.157	.301	2.110	.037
Independent Commissioner	2.532	.881	.329	2.874	.005
Audit Fee	-.144	.118	-.171	-1.217	.226
Audit Quality	-2.560	2.867	-.801	-.893	.374
Leverage*Audit Quality	-1.484	.379	-.539	-3.916	.000
Independent Commissioner *Audit Quality	-2.387	2.075	-.200	-1.150	.252
Audit Fee*Audit Quality	.324	.305	.868	1.061	.291

Source: Research Data, 2024

According to the moderated regression analysis results displayed in table 8 above, the relationship between the research variables can be explained in the following equation :

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 (X_1 * Z) + \beta_5 (X_2 * Z) + \beta_6 (X_3 * Z) + \varepsilon}$$

Based on the results of the moderated regression analysis (MRA) presented in Table 8, several interpretations can be made. The coefficient value for the interaction variable between leverage and audit quality is -1,484, with a significance value of 0,000. Since the significance value is smaller than the 0,05 threshold (0,000 < 0,05), it can be concluded that audit quality moderates the relationship between leverage and the financial statement integrity in a weakening direction, thereby supporting the acceptance of the fourth hypothesis (H4).

In contrast, the coefficient value for the interaction variable between independent commissioners and audit quality is -2,387, with a significance value of 0,252. As the significance value exceeds the 0,05 threshold (0,252 > 0,05), it is concluded that audit quality does not moderate the relationship between independent commissioners and the financial statement integrity, leading to the rejection of the fifth hypothesis (H5). Similarly, the coefficient value for the interaction variable between audit fee and audit quality is 0,324, with a significance value of 0,291. Since this value is also greater than 0,05 (0,291 > 0,05), it is concluded that audit quality does not moderate the relationship between audit fees and the financial statement integrity, resulting in the rejection of the sixth hypothesis (H6).

Tabel 9. Results of Determination Coefficient (R^2) Test After MRA

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.611[a]	.373	.337	.54858

Source: Research Data, 2024

According to the outcomes of the coefficient of determination (R^2) analysis presented in table

8 above, the R Square value is 0,373, or 37,3%. This indicates that the independent variables, including leverage, independent commissioners, and audit fees, contribute 37,3% in explaining the financial statement integrity as the dependent variable, with audit quality acting as a moderator variable. The remaining 62,7% is influenced by other factors or variables not covered in this study.

Leverage does not impact the financial statement integrity. This is reflected in the significance value in table 4 of the T statistical test, where the significance value of leverage is greater than the significance level of 0,05, namely 0,143 > 0,05. Therefore, the initial hypothesis (H1) claim that leverage have a significant positive impact on financial statement integrity is rejected. The outcomes of this study are in agreement with the research findings of Abbas et al. (2021), Alpriyatna & Muhyarsyah (2023), and Meiryani et al. (2023). The magnitude of leverage will not impact the financial statement integrity.

This is because creditors may already possess a thorough understanding of the company's true financial condition. They do not only rely on the leverage ratio in assessing the company, but also consider various other financial indicators, such as profitability, cash flow, and growth prospects (Abbas et al., 2021). From the perspective of agency theory, creditors maintain confidence in the company's financial statements. They possess knowledge of the information they need beyond what is disclosed in the financial statements prepared by management. Thus, the company's liabilities, as reflected in leverage, do not automatically signal that the integrity of the financial statements is questionable. Creditors understand that financial statements represent only a portion of the overall picture of the company's financial health (Abbas et al., 2021).

Independent commissioners have a positive and significant impact on financial statement integrity. This is reflected in the significance value in table 4 of the T statistical test, where the significance value of independent commissioners is lower than the significance level of 0,05, namely 0,000 < 0,05. Therefore, the second hypothesis (H2) which states that independent commissioners have a positive and significant effect on financial statement integrity is accepted. The outcomes of this study are in agreement with the research findings of Yendrawati & Hidayat (2021) and Meiryani et al. (2023). A higher number of independent commissioners within a company correlates with enhanced financial statement integrity.

The role of independent commissioners is very important in ensuring that financial reports are prepared transparently, accurately, and free from manipulation. This is because they act as neutral supervisors and have no personal interest in the company (Abbas et al., 2021). In relation to agency theory, independent commissioners serve as a control mechanism to minimize potential conflicts of interest. They promote transparency in management performance. Their presence helps reduce the risk of information asymmetry and managerial misconduct, while also sending a positive signal that the company is implementing good corporate governance effectively. This, in turn, can enhance stakeholder confidence and achieve optimal financial statement integrity (Yendrawati & Hidayat, 2021).

Audit fee does not impact the financial statement integrity. This is reflected in the significance value in table 4 of the T statistical test, where the significance value of the audit fee is greater than the significance level of 0,05, namely 0,482 > 0,05. Therefore, the third hypothesis (H3) which states that audit fees have a positive and significant effect on financial statement integrity is rejected. The outcomes of this study are in agreement with the research findings of Wahyudi & Sabaruddin (2023). The financial compensation for audit services given by the company to the auditor in carrying out the audit of financial statements does not affect the financial statement integrity.

This is because before the audit is carried out, there is already an agreement between the company and the auditor regarding the amount of audit fees to be paid. This agreement is based on various factors, including the complexity and size of the company, as well as the level of audit risk involved (Auliyah et al., 2022). In relation to agency theory, auditors are required to uphold their independence when receiving audit fees to maintain trust between agents and principals. By issuing an accurate opinion on the company's financial condition, auditors can send a positive signal to stakeholders that the financial statements have been audited transparently and are reliable. Therefore, an auditor must be committed to performing their duties with high objectivity and professionalism, regardless of the amount of audit fee received (Louw & Indah, 2024).

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Audit quality serves as a moderating variable, weakening the relationship between leverage and financial statement integrity. This is indicated in table 7 of the moderated regression analysis, where the moderation coefficient is -1,484 with a significance value of 0,000, which is lower than the 0,05 significance level (0,000 < 0,05). As a result, the fourth hypothesis (H4), which asserts that audit quality moderates the effect of leverage on financial statement integrity is accepted. The outcomes of this study are in agreement with the research findings of Alpriyatna & Muhyarsyah (2023). Audit quality can moderate in the direction of weakening the influence of leverage on financial statement integrity. This is because high leverage often reflects significant financial pressures, such as the obligation to achieve certain performance targets or avoid violating debt covenants. These pressures can encourage management to manipulate financial statements to meet the expectations of external parties (Adhitama et al., 2023).

From the perspective of agency theory, the presence of specialist auditors serves as an effective oversight mechanism to reduce information asymmetry in financial statements. The audit quality provided by specialist auditors can help minimize financial pressures arising from leverage. Meanwhile, from the perspective of signaling theory, companies employing specialist auditors send a positive signal to stakeholders that the transparency and integrity of their financial statements are well ensured (Kusumawardani *et al*., 2021). Specialist auditors possess the ability to detect intentional misstatements, thereby increasing trust in financial statements. High audit quality helps mitigate the potential for false signals that companies might send. This ensures that financial statements continue to reflect the actual condition of the company, even amidst strong pressures to portray better performance to meet debt obligations or stakeholder expectations (Indrasti, 2020).

Audit quality does not function as a moderating variable in the relationship between independent commissioners and the financial statement integrity. This is evident in table 7 of the moderated regression analysis, where the moderation coefficient is -2,387 with a significance value of 0,252, which is higher than the 0,05 significance level (0,252 > 0,05). Therefore, the fifth hypothesis (H5), which suggests that audit quality moderates the effect of independent commissioners on financial statement integrity is rejected. The outcomes of this study do not align with the findings of previous research by Srikandhi & Suryandari (2020), claim that audit quality has the potential to act as a moderator for the effect of independent commissioners on financial statement integrity. Although high-quality audits are conducted by industry-specialised auditors, independent commissioners are often unable to oversee the entire financial reporting process effectively. This is because not all of them have deep accounting and auditing backgrounds or expertise. Thus, they have difficulty in understanding the complexity of the financial reporting process and identifying potential fraud or errors (Melda et al., 2023).

In relation to agency theory, the limited oversight by independent commissioners can exacerbate conflicts of interest between management, which seeks to maintain a positive company image, and owners, who demand transparency in financial reporting. Specialized auditors are expected to act as mediators to address these issues; however, this role is often carried out suboptimally. On the other hand, signaling theory emphasizes that the ineffectiveness of specialized auditors can undermine the reliability of signals conveyed through financial statements and increase the risk of fraud. Consequently, this condition jeopardizes the integrity of the information presented (Tuti & Mulyani, 2021).

Audit quality does not serve as a moderating variable in the relationship between audit fees and financial statement integrity. This is reflected in table 7 of the moderated regression analysis, where the moderation coefficient is 0,324 and the significance is 0,291, which is higher than the 0,05 significance level (0,291 > 0,05). As a result, the sixth hypothesis (H6), which posits that audit quality moderates the influence of audit fees on financial statement integrity is rejected. The outcomes of this study are in agreement with the research findings of Wahyudi & Sabaruddin (2023), which states that audit quality cannot moderate the effect of audit fees on financial statement integrity. The size of the audit fee will not affect the quality of the resulting audit. Industry-specialised auditors still uphold independence and competence when carrying out their duties in auditing financial statements. They do this in the hope that the financial statements presented are not influenced by any party, so that they become accurate and reliable for all interested parties (Louw & Indah, 2024).

From the perspective of agency theory, a high audit fee does not guarantee that auditors possess adequate expertise to detect irregularities in financial statements. While industry-specialized auditors may receive high audit fees, audit quality is more influenced by their independence, experience, applied standards, and the extent of their involvement in the audit process. Signaling theory also asserts that a high audit fee can signal a company's commitment to providing accurate financial statements. However, this signal is only effective if supported by concrete actions demonstrating the auditor's integrity and the reliability of the audit results (Rizki & Sudarno, 2020).

CONCLUSION

Based on the results of hypothesis testing, this study concludes that leverage does not affect on financial statement integrity, whereas independent commissioners have a significant and positive influence on financial statement integrity. Audit fees also do not affect on financial statement integrity. Additionally, audit quality acts as a moderator that weakens the influence of leverage on financial statement integrity but does not moderate the effects of independent commissioners or audit fees on financial statement integrity. These findings support agency theory, which emphasizes the importance of oversight mechanisms, such as the role of independent commissioners, in reducing conflicts of interest between managers and shareholders. From the perspective of signalling theory, audit quality provides a signal to stakeholders regarding the reliability of financial statements, although its influence is limited to the context of leverage

One limitation of this study is the relatively small sample size, which includes only 26 LQ45 companies. This may not be sufficient to represent all companies listed on the Indonesia Stock Exchange, making the findings more relevant to companies with specific characteristics that are part of the LQ45 index. Additionally, this study relies solely on secondary data from publicly available financial reports, without considering other factors that may not be directly reflected in those reports. Future research is recommended to expand the sample size by including more companies, both from different sectors and outside the LQ45 index, in order to generate more generalizable findings. The use of primary data, such as interviews or surveys with company management, could also provide additional insights into factors influencing the financial statement integrity. Furthermore, the integration of other theories, such as positive accounting theory, could deepen the analysis and broaden the understanding of aspects related to corporate transparency and accountability.

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