

**THE INDEPENDENCE OF AUDITOR, CORPORATE
GOVERNANCE, AUDIT QUALITY, AND AUDIT TENURE ON
THE INTEGRITY OF FINANCIAL STATEMENT**



BACHELOR THESIS

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STATE ISLAMIC UNIVERSITY SUNAN KALIJAGA
YOGYAKARTA
2016**

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BACHELOR THESIS

**SUBMITTED TO THE FACULTY OF ISLAMIC ECONOMICS AND
BUSINESS
STATE ISLAMIC UNIVERSITY SUNAN KALIJAGA YOGYAKARTA
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
ATTAINING
THE BACHELOR DEGREE IN SHARIA FINANCE (S.E.I.)**

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2016**

ABSTRACT

This study was aimed to analyze the influence of the independence of auditor, corporate governance (institutional ownership, audit committees, independent commissioners), audit quality, and audit tenure on the integrity of financial statements in companies listed on the Jakarta Islamic Index. Independent variables were used in this study is the independence, corporate governance, audit quality, and audit tenure. While the dependent variable is the integrity of financial statement analyzed by conservatism. This study used 48 companies listed on the Jakarta Islamic Index in 2010-2014. Samples obtained using a purposive sampling method. Data were processed using SPSS Software (PASW 18). The analytical method used is linear regression analysis. The result showed that audit tenure had a negative significant impact on the integrity of financial statement, while independence of auditor, institutional ownership, audit committee, independent commissioners, and audit quality had no significant effect on integrity of financial statement.

Keywords: independence of auditor, corporate governance, audit quality, audit tenure, integrity of financial statements

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh independensi auditor, corporate governance (kepemilikan institusional, komite audit, komisaris independen), kualitas audit, dan audit tenur terhadap integritas laporan keuangan perusahaan yang terdaftar pada Jakarta Islamic Index. Variabel independen yang digunakan dalam penelitian ini adalah independensi auditor, corporate governance, kualitas audit, dan audit tenur. Sementara variabel dependen ialah integritas laporan keuangan yang diukur dengan indeks konservatisme. Penelitian ini menggunakan 48 perusahaan Jakarta Islamic Index periode 2010-2014 sebagai sampel. Metode yang digunakan dalam pemilihan sampel menggunakan purposive sampling. Data diolah menggunakan SPSS (PASW Statistic 18.0). Metode analisis menggunakan analisis linier berganda. Hasil menunjukkan bahwa: audit tenur memiliki pengaruh signifikan negatif terhadap integritas laporan keuangan, sementara independensi auditor, kepemilikan institusional, komite audit, komisaris independen, dan kualitas audit tidak memiliki pengaruh signifikan terhadap integritas laporan keuangan.

Kata kunci: independensi auditor, corporate governance, kepemilikan institusional, komite audit, komisaris independen, kualitas audit, audit tenur, integritas laporan keuangan



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Judul : **“The Independence of Auditor, Corporate Governance, Audit Quality, and Audit Tenure on the Integrity of Financial Statement”**

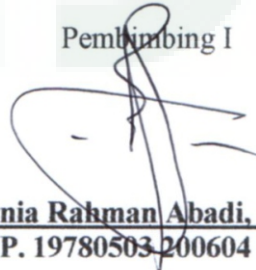
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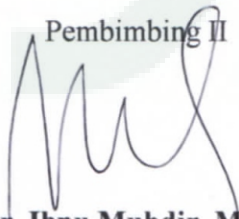
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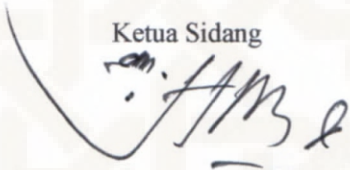
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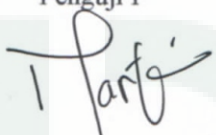
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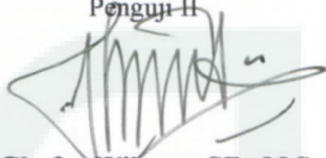
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A FINAL PROJECT STATEMENT

I certify that this bachelor thesis is definitely my own work. I am completely responsible for the content of this bachelor thesis (*skripsi*), other writers' opinions of findings include in the bachelor thesis are quoted or cited in accordance with ethical standards.

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The Writer



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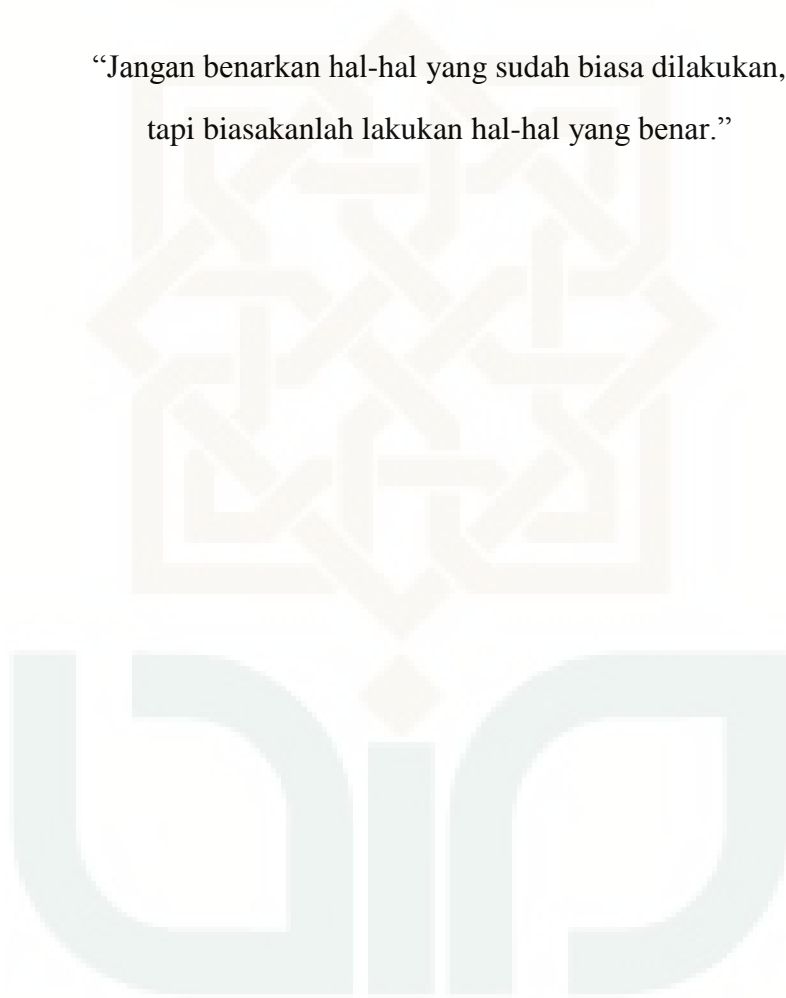
Jundi Nuri Azhar

MOTTO

“You can if you think you can.”

(Normant Vincent Peale)

“Jangan benarkan hal-hal yang sudah biasa dilakukan,
tapi biasakanlah lakukan hal-hal yang benar.”



DEDICATION

This bachelor thesis is dedicated to my beloved parents,

Esti Widyastuti and Siyamto.

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2. The dean of the Faculty of Islamic Economics and Business State Islamic University Sunan Kalijaga Yogyakarta.
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6. Mr. Dr. Ibnu Muhdir, S.Ag, as the paper writing advisor.
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10. All people who have deserved to arrange this bachelor thesis that could not be cited one by one.

Hope all the good deeds that given could be accepted by God side and the gives abundant grace, amen.

Yogyakarta, December 28th, 2015

Researcher



Jundi Nuri Azhar

NIM. 11390015



ARABIC-LATIN TRANSLITERATION GUIDELINES

Common Decision of Religious Affairs Ministry and Educational and
Cultural Ministry Number: 158/1987 and 0543b/U/1987.

A. Consonant

Arabic	Name	Latin	ض	Dād	ḍ
ط			ط	Ṭā'	ṭ
ظ			ظ	Zā'	ẓ
ع			ع	‘Ain	‘
غ			غ	Gain	g
ف			ف	Fā'	f
ق			ق	Qāf	q
ك			ك	Kāf	k
ل			ل	Lām	l
م			م	Mīm	m
ن			ن	Nūn	n
و			و	Wāw	w
هـ			هـ	Hā'	h
ء			ء	Hamzah	’
ي			ي	Yā'	Y
ا	Alif	-			
ب	Bā'	b			
ت	Tā'	t			
ث	Ṡā'	ṣ			
ج	Jīm	j			
ح	Ḥā'	ḥ			
خ	Khā'	kh			
د	Dāl	d			
ذ	Ẓāl	ẓ			
ر	Rā'	r			
ز	Zāi	z			
س	Sīn	s			
ش	Syīn	sy			
ص	Ṣād	ṣ			

B. Low Vocal

-----َ-----	Fathah	<i>a</i>
-----ِ-----	Kasrah	<i>i</i>
-----ُ-----	Ḍammah	<i>u</i>

فَعَلَ	Fathah	<i>fa'ala</i>
ذُكِرَ	Kasrah	<i>żukira</i>
يَذْهَبُ	Ḍammah	<i>yazhabu</i>

C. Long Vocal

1. Fathah + alif جَاهِلِيَّة	<i>ā</i>	<i>ā : jāhiliyyah</i>
2. Fathah + yā' mati تَنْسَى	<i>ā</i>	<i>ā : tansā</i>
3. Kasrah + yā' mati كَرِيم	<i>ī</i>	<i>ī : karīm</i>
4. Ḍammah + wāwu mati فُرُوض	<i>ū</i>	<i>ū : furūd</i>

D. Double Consonant

1. Fathah + yā' mati بَيْنَكُمْ	<i>ai</i>	<i>bainakum</i>
2. Fathah + wāwu mati قَوْل	<i>au</i>	<i>qaul</i>

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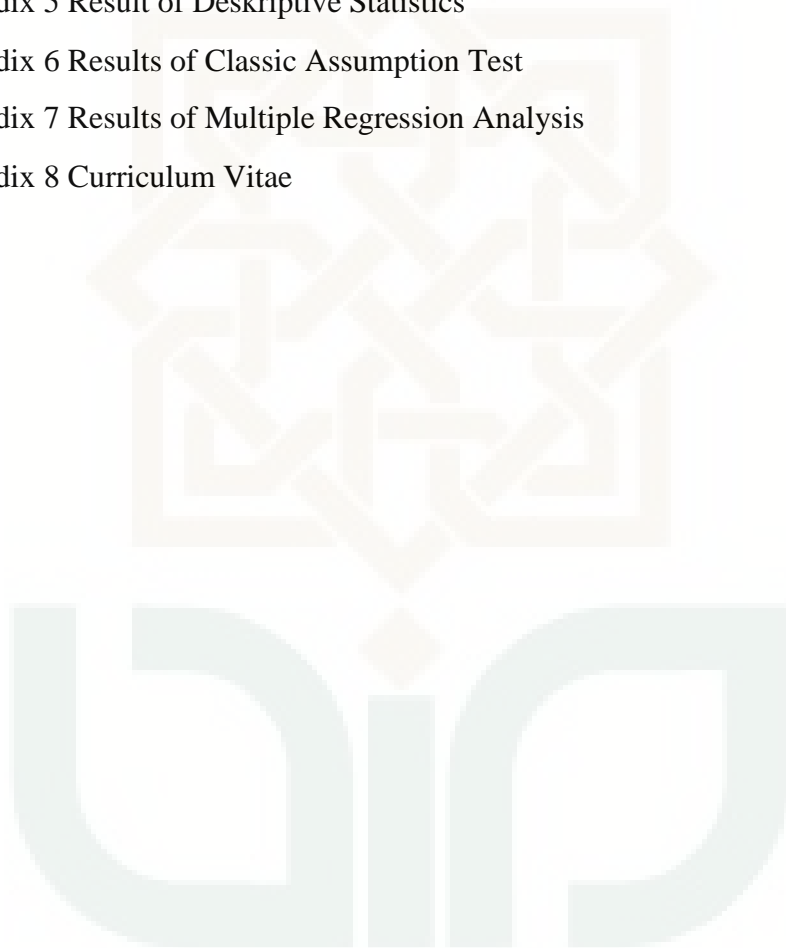
Appendix 4 Data of Independent Variable

Appendix 5 Result of Deskriptive Statistics

Appendix 6 Results of Classic Assumption Test

Appendix 7 Results of Multiple Regression Analysis

Appendix 8 Curriculum Vitae



CHAPTER I

INTRODUCTION

A. Background of Study

In 2011, according to Okezon.com¹ entitled “Bapepam LK Periksa Katarina Utama”, *Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK)* had investigated PT Katarina Utama Tbk related to notion of fund manipulation in Initial Public Offering (IPO). The management of the company was assumed manipulating 33,6 billion rupiah of IPO fund. Based on investigation, it just spent 4 to 5 billion rupiah from 33,6 billion rupiah of IPO fund. So 28 to 29 billion rupiah were manipulated.

The manipulation of IPO fund cause by the lack of PT Katarina Utama Tbk internal control. The internal management intencionally manipulated financial statement to attrack investor. From the eksternal management, there were involvment of auditor (KAP Budiman, Wawan, Pamudji, dan Rekan) in giving present fairly. However KAP Akhyadi Wadisono gave disclaimer opinion on 2010 annual report because the company can't show the validity of their transaction record.

Liputan 6.com² entitled “Enron, Skandal Besar Perusahaan Energi yang Cekik Investor”, the world's most infamous accounting scandal was

¹ See at <http://okezone.com/read/2011/01/04/278/410110/bapepam-lk-periksa-katarina-utama>

² See at <http://liputan6.com/bisnis/read/2031867/enron-skandal-besar-perusahaan-energi-yang-cekik-investor>

bankruptcy of Enron in 2001. The energy trader's unfathomable accounts had obscured huge debts stashed off its balanced sheet. Once these were revealed, the company imploded, wiping out 74 billion US dollar of shareholders funds and the pensions and jobs of thousands of employees Enron's auditor, Arthur Andersen –one of the big five auditor at that time– also collapsed.

Couple months ago, based on detik.com³ entitled “Kasus Skandal Keuangan, CEO Toshiba Mundur”, retrieved September 18, 2015 from, the 140 years old Japanese electronics company, Toshiba, was bracing for huge losses as it counts the cost of an accounting scandal. The firm was expected to announce an operating loss of 90 billion yen (740 million US dollar) for the six month through to September, according to a report in the Nikkei business daily. The losses are Toshiba's first for six years and compare with 137,8 billion yen profit in the same period last years.

In publicly held companies, management produces the financial statements showing the result of operations and the financial position of the company. The management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking fraud and other irregularities. Tia Astria (2011) maintained that “the financial statement should present honestly, uncover facts, and fair that clearly

³ See at <http://detik.com/finance/read/2015/07/21/181140/2972287/1036/kasus-skandal-keuangan-ceo-toshiba-mundur>

justified for investors or other readings' needs" (p.2). The financial statement should be communicated with high integrity.

Related to the case above, accounting scandal leads to many serious problem. Its not only causes problem for the perpetrator, but also everyone around them. CEO involvement, audit committee, comisioner, internal audit, even external audit have proved that fraud did by insiders. Accounting fraud will not happened if the company have good corporate governance. Internal corporate governance control play a vital role in ensuring the success of a business organization and preventing corporate fraud. The fondation of effective corporate governance start with investor access to the information needed to evaluate managerial performance. Corporate governance is a mandatory requirement for companies going public. As a going public company, it has some consequences in transparency, accountability, and responsibility due to the principles implementation of good corporate governance.

Good governance is about the processes for making and implementing decisions with the profesional ethics. In principle, the goal of corporate governance is creating a value to stakeholders. Tia Astria (2011) found "corporate governance essentially involves balancing the interests of many stakeholders (these including its shareholders, management, customers, supplies, and investor)" (p.13). Corporate governance also provides the framework for attaining a company objectives, it encompasses practically every sphere of management, from action plans, and internal controls to performance measurement and corporate disclosure. By doing

this, it also provides the structure through which the company objectives are set and the means of attaining those objectives and monitoring performance (OECD, 2004)

Furthermore, related to the case above, Okezon.com⁴ entitled “Bapepam LK Periksa Katarina Utama”, there were a collaborationism between a CPA (Certified Public Accountant) and PT Katarina Utama Tbk in manipulating financial statement. Since giving a present fairly in the PT Katarina Utama Tbk’s annual report 2010, the integrity of KAP Budiman, Wawan, Pamudji dan Rekan was quistionable. If this case is a pure CPA mistake in audit financial statement transactions, it means a pure competence mistake of CPA. CPA have a vital role to play in commercial success, by using their increasingly valuable knowledge in a way which gives their organisation or clients a competitive advantage. But it is critical that this information is used in away which is both fair and honest.

Investors or other readings’ needs should be consider CPA as the competent and the independent because it can affect the quality of services that give by auditor. The public accounting profession regulatory agencies have long recognized the importance of independence of the external auditors in performing attestation services. Independence is the state of mind that permits a member to perform anattest service without being affected by influences that compromise prefessional judgement, thereby allowing an individual to act with integrity and exercise objectively and

⁴ See at <http://okezone.com/read/2011/01/04/278/410110/bapepam-lk-periksa-katarina-utama>

professional skepticism (AICPA, 2015, p.9). Auditor must be without bias with respect to the client under audit. Further, independence does not imply the attitude of a prosecutor but rather a judicial impartiality. Independence measured by a dummy variable. CPA implement audit services coded 1 (one), while CPA carry out the audit and non-audit services coded 0 (zero).

Therefore audit is a discipline that relies on competent individuals using their experience and applying integrity, objectivity, and skepticism to enable them to make appropriate judgements that are supported by the fact and circumstances of the engagement. The qualities of perseverance and robustness are also important in ensuring that necessary changes are made to the financial statements, or where such changes are not made, to ensure that the auditor's report is appropriately qualified (IASB, 2013, p.15). One of audit quality determined by CPA's measurement. As a big CPA that have good reputation, they would have pay attention to their performance and they also try to protect and increase their clients. Audit quality measured by a dummy variable. Companies that audited annual report in The Big Four coded 1 (one), while companies that audited annual report in non The Big Four coded 0 (zero).

CPA's are able to perform the audit more efficiently and effectively when they have prior knowledge of the company's operation; past dealing and transactions; and the company's systems, personnel, and processes. On the other hand, auditors often get to know the client closely through many years of services and working together during late nights and weekends. This familiarity ultimately may pose a threat to an auditor's independence

in appearance if, by the CPA's actions, it appears the auditor knows the client too well. Consequently, Margi and Abdul (2014) stated, "heightened risk arises that auditor is unduly influenced by the client, which, in turn, raises questions regarding the auditor's integrity, objectivity, and ability to exercise professional skepticism" (p.1). Augustine (2014) stated, "audit tenure is the length of the auditor-client relationship" (p.70). Audit tenure was measured by calculating the total length of time of the auditor engagements with clients in succession before clients move.

This study is replication study by Widodo (2013). The study used independence, audit committee, independent commissioner, managerial ownership, and institutional ownership as the independent variable. The study showed an R^2 value of 0,204 (Widodo, 2013, p.9).

In this study, the researcher put in audit quality and audit tenure as the additional independent variable. Differences in this study with the study conducted by Widodo is the use of variable independence. In Widodo's study tested the influence of variable independence against first hypothesis (H1) by adding up the total length of time of audit engagement before switching auditors. Other differences are the object of the study. Widodo researched on manufacturing company, while this study tested the companies listed on Jakarta Islamic Index (JII). This difference also answered the limitations of Widodo's study and he also suggested that adds to the fundamental variables in order to increase the value of the coefficient determinant.

Research studies on the integrity of financial statement are still relevant to be done based on the number of study of study conducted at intervals of 2009-2013. This study will use the companies listed on JII as objects which is expected to add a reference to the topic about the integrity of financial statement because previous study used manufacturing companies listed on Bursa Efek Indonesia (BEI) as objects. Another consideration, JII is an index of shares of companies that meet the criteria for investing in the stock market based on sharia system so great attention to the current Islamic economics revival.

Based on the analysis above, the writer interested in conducting study with the title “THE INDEPENDENCE OF AUDITOR, CORPORATE GOVERNANCE, AUDIT QUALITY, AND AUDIT TENURE ON THE INTEGRITY OF FINANCIAL STATEMENTS”

B. Formulation of the Problem

Based on the background above, the problem of this study are as the following:

1. Does the independence of auditor influence the integrity of financial statements?
2. Does the corporate governance (institutional ownership, audit committee, and independent commissioner) influence the integrity of financial statements?
3. Does the audit quality influence the integrity of financial statements?
4. Does the audit tenure influence the integrity of financial statements?

C. The Objectives and Benefits Study

1. The Objectives Study

Based on the analysis of the causes of the problem, the objectives of this study is:

- a. To analyze the independence of auditor affect on the integrity of financial statements.
- b. To discuss the influence of corporate governance (institutional ownership, audit committee, and independent commissioner) for the integrity of financial statements.
- c. To study the influence of audit quality for the integrity of financial statements.
- d. To find the influence of audit tenure for the integrity of financial statements.

2. The Benefit of Study

This study is expected to provide several benefits as follows:

1. For the Students

This research can function as additional references or sources to carry out or conduct further research about the influence of independence, corporate governance, audit quality, and audit tenure for the integrity of financial statement.

2. For the Auditors and Management of the Company

This study is expected to the auditors to improve their audit quality resulting in the integrity of financial statement. For management of the company can be used to improve the implementation of corporate governance principles.

3. For Researchers

This finding is expected to provide benefits to the researcher as a course and references to implement the theories that have been received during the lectures into the real world.

D. Research Structure

The forming of this study will be presented in research structure consisting of five chapters. Chapter one of this thesis provides a general introduction to the integrity of financial statements and introduces the study. The chapter further discusses the background of study and considers research question called formulation of the problem. The objectives and

benefit of study also discussed. Research structure explain a brief description of each chapter of the material.

Chapter two provides the background and rationale to the research and introduce the preliminary theoretical framework for the study. The chapter identifies agency theories, integrity of financial statement, conservatism, independence, corporate governance, audit quality, audit tenure, and sharia capital market. So it can be assembled into hypothesis.

Chapter three discussed the research methodology. The chapter identified research variable and operational variable definition. This study use secondary data. The population is companies listed on Jakarta Islamic Index. This study use purposive sampling methods.

Chapter four presents the findings of the research study, and interprets their significance based on the data analysis, then presents the results to identify the components and construct a theoretical framework supporting the integrity of financial statements, based on the data analysis.

Finally, chapter five systematically presents the findings of the research study, and draws quantitative conclusions and implication from the survey data analysed in chapter four. It also presents the results of this analysis in order to identify the influence of independence, corporate governance, audit quality, and audit tenure for the integrity of financial statements, and outlines the limitations of the study and possible future research opportunities emanating from this study.

CHAPTER V

CONCLUSIONS, LIMITATIONS, AND SUGGESTIONS

A. Conclusions

This study was aimed to determinate the influence of independence, corporate governance, audit quality, and audit tenure to the integrity of financial statement listed on Jakarta Islamic Index period 2010-2014. This study managed to conclude that:

1. Independence of auditor does not have an influence on the integrity of financial statement of companies listed on Jakarta Islamic Index period 2010-2014.
2. Institutional ownership does not have an influence on the integrity of financial statement of companies listed on Jakarta Islamic Index period 2010-2014.
3. Audit committee does not have an influence on the integrity of financial statement of companies listed on Jakarta Islamic Index period 2010-2014.
4. Independent commissioner does not have an influence on the integrity of financial statement of companies listed on Jakarta Islamic Index period 2010-2014.
5. Audit quality does not have an influence on the integrity of financial statement of companies listed on Jakarta Islamic Index period 2010-2014.

6. Audit tenure have an influence on the integrity of financial statement of companies listed on Jakarta Islamic Index period 2010-2014.

B. Limitations

1. This study, corporate governance is only measured by 3 variable, institutional ownership, audit committee, and independent commissioner, this is due to the limited data available.
2. Companies that the sample is 49 companies listed on Jakarta Islamic Index. This study classified short study period, is 5 years.

C. Suggestions

Based on the result of the study, there are some suggestions put forward for:

1. This study is expected to the auditors to improve their audit quality resulting in the integrity of financial statement. For management of the company can be used to improve the implementation of corporate governance principles.
2. For other researchers, due to the limited data regarding corporate governance index, then next study is expected to add another variable, add sample, and extending the period of study.

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APPENDICES

Appendix 1. Translation of *Ayat*

No.	Page	Translation
1	20	Fill up the measure, and be not of the cheaters, And weigh (things) with a right balance, And do not defraud people in their (due) goods, and do not act corruptly in the earth, making mischief.
2	22	Indeed, those who have said, “Our Lord is Allah,” and then they stand firm, on them the angels will descend [at the time of their death, saying]: “Fear not, nor grieve! But receive the glad tidings of Paradise which you have been promised!
3	30	And indeed if you ask them: “Who created the heavens and the earth?” Surely they will say: “Allah.” Say: “Tell me then, [Have you thought about] the things that you invoke besides Allah? [Indeed] if Allah intended some harm for me, could they remove His harm? Or if He intended some Mercy for me, could they withhold His Mercy?” Say: “Sufficient for me is Allah. In Him those who trust must put their trust.
4	31	Verily, We have sent Our Messengers with clear proofs and sent with them the Scripture and the Balance that mankind may keep up justice. And we brought forth iron wherein is

		mighty power as well as many benefits for mankind that Allah may test who it is that will help Him and His Messengers in the unseen. Verily, Allah is All-Mighty, All-Invincible.
5	36	And when you are greeted with a greeting, greet you with a better (greeting) than it, or at least return it. Verily Allah takes account of all things.

Appendix 2. List of the Company's Sample

No	Years	Company's Code	Company's Name
1	2010	CPIN	Charoen Pophand Indonesia Tbk
2		INTP	Indocement Tunggul Perkasa Tbk
3		KLBF	Kalbe Farma Tbk
4		SMGR	Semen Gresik Tbk
5		UNTR	United Tractors Tbk
6		UNVR	Unilever Indonesia Tbk
7		LSIP	PP London Sumatra Indonesia Tbk
8		PTBA	Tambang Batubara Bukit Asam (Persero) Tbk
9	2011	AALI	Astra Agro Lestari Tbk
10		CPIN	Charoen Pophand Indonesia Tbk
11		ICBP	Indofood CBP Sukses Makmur Tbk
12		INTP	Indocement Tunggul Perkasa Tbk
13		KLBF	Kalbe Farma Tbk
14		SMGR	Semen Gresik Tbk
15		UNTR	United Tractors Tbk
16		UNVR	Unilever Indonesia Tbk
17		LSIP	PP London Sumatra Indonesia Tbk
18		PTBA	Tambang Batubara Bukit Asam (Persero) Tbk
19	2012	AALI	Astra Agro Lestari Tbk
20		AKRA	AKR Corporindo Tbk
21		ANTM	Aneka Tambang Tbk
22		CPIN	Charoen Pophand Indonesia Tbk
23		ICBP	Indofood CBP Sukses Makmur Tbk
24		INTP	Indocement Tunggul Perkasa Tbk
25		KLBF	Kalbe Farma Tbk
26		SMGR	Semen Gresik Tbk

27		UNTR	United Tractors Tbk
28		UNVR	Unilever Indonesia Tbk
29		INDF	Indofood Sukses Makmur Tbk
30		LSIP	PP London Sumatra Indonesia Tbk
31		PTBA	Tambang Batubara Bukit Asam (Persero) Tbk
32	2013	AALI	Astra Agro Lestari Tbk
33		AKRA	AKR Corporindo Tbk
34		CPIN	Charoen Pophand Indonesia Tbk
35		ICBP	Indofood CBP Sukses Makmur Tbk
36		INTP	Indocement Tungal Perkasa Tbk
37		KLBF	Kalbe Farma Tbk
38		SMGR	Semen Gresik Tbk
39		UNTR	United Tractors Tbk
40		UNVR	Unilever Indonesia Tbk
41	2014	AALI	Astra Agro Lestari Tbk
42		AKRA	AKR Corporindo Tbk
43		ANTM	Aneka Tambang Tbk
44		CPIN	Charoen Pophand Indonesia Tbk
45		KLBF	Kalbe Farma Tbk
46		UNVR	Unilever Indonesia Tbk
47		SMSS	Sawit Sumbermas Sarana Tbk
48		PTPP	PP (Persero) Tbk

Appendix 3. Data of Dependent Variable

Cash Assets and Total Investment

2010			
No.	Company	Cash Assets	Total Investment
1	AALI	1,240,781,000,000	1,390,878,000,000
2	ANTM	4,308,242,737,000	430,014,991,000
3	CPIN	1,316,840,000,000	387,346,000,000
4	INTP	4,684,869,689,764	435,832,645,144
5	KLBF	1,901,871,765,050	232,133,807,946
6	SMGR	3,664,278,065,000	1,771,239,508,000
7	UNTR	1,343,220,000,000	1,165,300,000,000
8	UNVR	286,901,000,000	1,310,023,000,000
9	LSIP	1,160,688,000,000	402,144,000,000
10	PTBA	5,054,075,000,000	505,003,000,000

2011			
No.	Company	Cash Assets	Total Investment
1	AALI	838,190,000,000	2,026,977,000,000
2	CPIN	876,198,000,000	1,435,558,000,000
3	ICBP	4,420,644,000,000	547,827,000,000
4	INTP	6,864,567,000,000	504,789,000,000
5	KLBF	2,291,335,810,101	630,953,593,118
6	SMGR	3,375,645,424,000	4,295,179,378,000
7	UNTR	7,135,386,000,000	7,664,971,000,000
8	UNVR	336,143,000,000	1,433,138,000,000
9	LSIP	2,063,982,000,000	420,884,000,000
10	PTBA	6,791,291,000,000	505,003,000,000

2012			
No.	Company	Cash Assets	Total Investment
1	AALI	227,769,000,000	2,630,545,000,000
2	AKRA	1,884,943,309,000	1,203,978,532,000
3	ANTM	3,868,574,769,000	3,495,941,139,000
4	CPIN	954,694,000,000	1,772,354,000,000
5	ICBP	5,484,318,000,000	1,492,041,000,000
6	INTP	10,474,126,000,000	959,008,000,000
7	KLBF	1,859,662,706,073	914,531,718,897

8	SMGR	3,022,124,696,000	4,774,273,945,000
9	UNTR	3,995,265,000,000	6,122,135,000,000
10	UNVR	229,690,000,000	1,102,030,000,000
11	INDF	13,343,028,000,000	5,077,928,000,000
12	LSIP	1,799,137,000,000	1,023,086,000,000
13	PTBA	5,917,265,000,000	1,182,464,000,000

2013			
No.	Company	Cash Assets	Total Investment
1	AALI	709,090,000,000	2,630,545,000,000
2	AKRA	820,064,736,000	1,203,978,532,000
3	CPIN	1,146,852,000,000	2,155,498,000,000
4	ICBP	5,526,173,000,000	2,378,918,000,000
5	INTP	12,595,187,000,000	2,005,318,000,000
6	KLBF	1,426,460,966,674	882,146,088,649
7	SMGR	4,070,492,871,000	2,675,188,649,000
8	UNTR	7,935,870,000,000	3,497,071,000,000
9	UNVR	261,202,000,000	1,129,148,000,000

2014			
No.	Company	Cash Assets	Total Investment
1	AALI	611,181,000,000	3,586,952,000,000
2	AKRA	896,590,624,000	777,007,604,000
3	ANTM	2,619,910,283,000	1,639,021,756,000
4	CPIN	884,831,000,000	3,586,399,000,000
5	KLBF	1,894,609,528,205	676,505,875,521
6	UNVR	859,127,000,000	1,006,941,000,000
7	SSMS	157,296,809,000	1,228,084,117,000
8	PTPP	2,408,126,221,637	525,444,455,654

Total Debts, Total Stocks, and Total Dividends

2010				
No.	Company	Debt	Stock	Dividen
1	AALI	1,334,542,000,000	7,211,687,000,000	1,031,458,000,000
2	ANTM	2,730,633,874,000	9,580,098,225,000	241,722,835,000
3	CPIN	2,036,240,000,000	4,482,036,000,000	643,774,000,000
4	INTP	2,268,755,521,218	13,077,390,156,519	828,277,132,275
5	KLBF	1,260,361,432,719	5,373,784,301,200	19,524,750,000
6	SMGR	3,423,246,058,000	12,006,438,613,000	1,829,577,344,000

7	UNTR	13,535,508,000,000	831,720,000,000	1,165,300,000,000
8	UNVR	4,692,249,000,000	76,300,000,000	3,044,370,000,000
9	LSIP	1,007,328,000,000	4,554,105,000,000	285,195,000,000
10	PTBA	2,281,451,000,000	6,366,736,000,000	1,235,841,000,000

2011				
No.	Company	Debt	Stock	Dividen
1	AALI	1,778,337,000,000	8,426,158,000,000	1,522,255,000,000
2	CPIN	2,658,734,000,000	6,189,470,000,000	652,640,000,000
3	ICBP	4,513,084,000,000	10,709,773,000,000	40,066,000,000
4	INTP	2,417,380,000,000	15,733,951,000,000	968,163,000,000
5	KLBF	1,758,619,054,414	6,515,935,058,426	54,669,300,000
6	SMGR	5,046,505,788,000	14,615,096,979,000	652,640,000,000
7	UNTR	18,936,114,000,000	27,503,948,000,000	6,023,188,000,000
8	UNVR	6,801,375,000,000	3,680,937,000,000	4,532,220,000,000
9	LSIP	952,435,000,000	5,839,424,000,000	416,194,000,000
10	PTBA	3,342,102,000,000	8,165,002,000,000	1,218,752,000,000

2012				
No.	Company	Debt	Stock	Dividen
1	AALI	3,054,409,000,000	9,365,411,000,000	1,456,639,000,000
2	AKRA	7,577,784,981,000	4,209,740,018,000	250,343,828,000
3	ANTM	6,876,224,890,000	12,832,293,696,000	8,675,501,297,000
4	CPIN	4,172,163,000,000	8,176,464,000,000	688,716,000,000
5	ICBP	5,766,681,000,000	11,986,798,000,000	985,431,000,000
6	INTP	3,336,422,000,000	19,418,738,000,000	1,078,601,000,000
7	KLBF	2,046,313,566,061	7,371,643,614,897	74,194,050,000
8	SMGR	8,414,229,138,000	18,164,854,648,000	1,962,720,885,000
9	UNTR	18,000,076,000,000	32,300,357,000,000	2,463,844,000,000
10	UNVR	8,016,614,000,000	3,968,365,000,000	4,547,480,000,000
11	INDF	25,181,533,000,000	34,142,674,000,000	1,536,575,000,000
12	LSIP	1,272,083,000,000	6,279,713,000,000	682,286,000,000
13	PTBA	4,223,812,000,000	8,505,169,000,000	1,613,116,000,000

2013				
No.	Company	Debt	Stock	Dividen
1	AALI	4,695,331,000,000	10,267,859,000,000	968,468,000,000
2	AKRA	9,269,980,455,000	5,363,160,926,000	291,054,563,000
3	CPIN	3,444,249,000,000	9,950,900,000,000	754,306,000,000

4	ICBP	8,001,739,000,000	13,265,731,000,000	1,084,557,000,000
5	INTP	3,629,554,000,000	22,977,687,000,000	1,656,544,000,000
6	KLBF	2,815,103,309,451	8,499,957,965,575	74,194,050,000
7	SMGR	8,988,908,217,000	21,803,975,875,000	2,181,263,329,000
8	UNTR	21,713,346,000,000	35,648,898,000,000	2,461,889,000,000
9	UNVR	9,093,518,000,000	4,254,670,000,000	5,066,320,000,000

2014				
No.	Company	Debt	Stock	Dividen
1	AALI	6,720,843,000,000	11,837,486,000,000	943,272,000,000
2	AKRA	8,830,734,614,000	5,961,182,563,000	253,723,698,000
3	ANTM	10,114,640,953,000	11,929,561,267,000	92,237,426,000
4	CPIN	9,919,150,000,000	10,943,289,000,000	754,308,000,000
5	KLBF	2,607,556,689,283	9,817,475,678,283	796,877,075,870
6	UNVR	9,681,888,000,000	4,598,782,000,000	5,394,411,000,000
7	SSMS	1,028,285,900,000	3,004,599,513,000	49,500,708,000
8	PTPP	12,221,594,675,479	2,390,270,175,491	126,212,347,641

Total Costs of Research and Development; Depreciation; NOA; dan Conservatism Index

2010					
No.	Company	RP	Depreciation	NOA	C _{it}
1	AALI	10,099,000,000	237,318,000,000	6,946,028,000,000	0,04
2	ANTM	120,959,942,000	509,949,133,000	7,814,197,206,000	0,08
3	CPIN	4,503,000,000	11,214,000,000	5,457,864,000,000	0
4	INTP	2,737,154,449	6,612,921,451,286	11,053,720,475,104	0,6
5	KLBF	94,926,170,307	115,950,666,443	4,519,664,910,923	0.05
6	SMGR	6,201,511,000	5,165,175,000	11,823,744,442,000	0
7	UNTR	101,641,000,000	9,991,722,000,000	13,024,008,000,000	0,77
8	UNVR	386,316,000,000	913,074,000,000	6,215,995,000,000	0,21
9	LSIP	148,256,000,000	198,119,000,000	4,283,796,000,000	0,08
10	PTBA	327,560,000,000	33,421,000,000	4,324,950,000,000	0,08

2011					
No.	Company	RP	Depreciation	NOA	C _{it}
1	AALI	54,678,000,000	46,720,000,000	8,861,583,000,000	0,01
2	CPIN	4,372,000,000	10,444,000,000	7,189,088,000,000	0
3	ICBP	15,377,000,000	2,403,882,000,000	10,294,452,000,000	0,24
4	INTP	4,049,000,000	7,250,994,000,000	11,750,138,000,000	0,62

5	KLBF	91,211,579,687	1,324,424,087,758	5,406,934,009,621	0,26
6	SMGR	5,231,509,000	3,790,711,000	13,476,038,419,000	0
7	UNTR	230,158,000,000	3,428,272,000,000	37,662,893,000,000	0,1
8	UNVR	2,598,339,000,000	278,811,000,000	13,245,251,000,000	0,22
9	LSIP	150,731,000,000	231,232,000,000	4,723,187,000,000	0,08
10	PTBA	491,820,000,000	34,262,000,000	5,429,562,000,000	0,10

2012					
No.	Company	RP	Depreciation	NOA	C _{it}
1	AALI	11,008,000,000	59,602,000,000	11,018,145,000,000	0,01
2	AKRA	33,295,543,000	1,429,126,041,000	8,948,946,986,000	0,16
3	ANTM	79,526,766,000	1,429,126,041,000	21,019,503,975,000	0,07
4	CPIN	4,728,000,000	10,882,000,000	10,310,295,000,000	0
5	ICBP	356,860,000,000	416,994,000,000	11,762,551,000,000	0,07
6	INTP	6,591,000,000	46,533,000,000	12,400,627,000,000	0
7	KLBF	90,754,826,941	1,444,582,291,565	6,717,956,805,988	0,23
8	SMGR	396,931,000	5,319,930,000	20,745,406,030,000	0,28
9	UNTR	417,645,000,000	4,172,213,000,000	42,646,877,000,000	0,11
10	UNVR	2,949,710,000,000	292,000,000,000	15,200,739,000,000	0,21
11	INDF	1,586,115,000,000	1,512,570,000,000	42,439,826,000,000	0,07
12	LSIP	266,966,000,000	246,307,000,000	5,411,859,000,000	0,09
13	PTBA	1,236,500,000,000	48,686,000,000	7,242,368,000,000	0,18

2013					
No.	Company	RP	Depreciation	NOA	C _{it}
1	AALI	7,331,000,000	68,969,000,000	12,592,023,000,000	0,01
2	AKRA	67,790,912,000	1,886,300,000,000	12,900,152,676,000	0,15
3	CPIN	6,384,000,000	11,231,000,000	10,847,105,000,000	0
4	ICBP	32,812,000,000	507,013,000,000	14,446,936,000,000	0,04
5	INTP	7,769,000,000	69,245,000,000	13,663,280,000,000	0,01
6	KLBF	135,388,356,694	1,629,284,921,533	9,080,648,269,703	0,19
7	SMGR	1,860,416,000	5,255,898,000	26,228,465,901,000	0
8	UNTR	227,975,000,000	4,414,501,000,000	48,391,192,000,000	0,1
9	UNVR	3,092,853,000,000	457,046,000,000	17,024,158,000,000	0,21

2014					
No.	Company	RP	Depreciation	NOA	C _{it}
1	AALI	6,043,000,000	75,394,000,000	15,303,468,000,000	0,01
2	AKRA	41,232,723,000	2,202,322,242,000	13,372,042,647,000	0,17

3	ANTM	2,000,000,000	694,579,165,000	17,877,507,607,000	0,04
4	CPIN	9,013,000,000	14,671,000,000	17,145,517,000,000	0
5	KLBF	143,175,406,909	1,874,810,267,561	10,650,794,039,710	0,19
6	UNVR	2,924,847,000,000	354,454,000,000	17,809,013,000,000	0,18
7	SSMS	6,461,565,000	75,767,521,000	2,697,005,195,000	0,03
8	PTPP	5,323,367,241	1,878,545,276	11,804,506,521,320	0



Appendix 4. Data of Independent Variable

No	Company (2010)	IND	KI	KA	KoI	KuA	AT
1	CPIN	1	55.53	5	3	1	2
2	INTP	1	64.03	3	2	1	2
3	KLBF	1	56.64	3	2	1	1
4	SMGR	1	51.01	3	3	1	4
5	UNTR	1	59.5	3	3	1	1
6	UNVR	0	85	3	3	1	1
7	LSIP	1	59.48	3	3	1	2
8	PTBA	1	86.791	3	2	1	1

No	Company (2011)	IND	KI	KA	KoI	KuA	AT
1	AALI	1	79.7	3	3	1	3
2	CPIN	1	55.53	5	2	1	3
3	ICBP	1	80.58	4	3	1	2
4	INTP	1	64.03	3	3	1	3
5	KLBF	1	56.63	3	2	1	2
6	SMGR	1	51.01	3	2	1	5
7	UNTR	1	59.5	3	3	1	2
8	UNVR	1	85	3	4	1	2
9	LSIP	1	59.48	2	3	1	3
10	PTBA	1	83.759	3	2	1	2

No	Company (2012)	IND	KI	KA	KoI	KuA	AT
1	AALI	1	79.68	3	3	1	4

2	AKRA	1	59.22	3	1	1	3
3	ANTM	1	65	6	2	1	6
4	CPIN	1	55.53	5	2	1	4
5	ICBP	1	80.58	4	3	1	4
6	INTP	1	64.03	3	3	1	4
7	KLBF	1	56.63	3	2	1	3
8	SMGR	1	51.01	3	2	1	6
9	UNTR	1	59.5	3	3	1	3
10	UNVR	0	85	3	3	1	3
11	INDF	1	50.07	4	3	1	3
12	LSIP	1	59.48	3	4	1	4
13	PTBA	1	86.791	3	2	1	3

No	Company (2013)	IND	KI	KA	KoI	KuA	AT
	AALI	1	79.68	3	3	1	5
	AKRA	1	59.18	3	1	1	4
	CPIN	1	55.53	5	2	1	5
	ICBP	1	80.58	3	3	1	5
	INTP	1	64.03	3	3	1	5
	KLBF	1	56.71	3	3	1	4
	SMGR	1	51.01	3	2	1	1
	UNTR	1	59.5	3	3	1	4
	UNVR	0	85	3	4	1	4

No	Company (2014)	IND	KI	KA	KoI	KuA	AT
1	AALI	1	79.68	3	2	1	6
2	AKRA	1	58.78	4	1	1	5

3	ANTM	1	65	4	2	1	2
4	CPIN	1	55.53	5	2	1	6
5	KLBF	1	56.71	3	2	1	5
6	UNVR	0	85	3	3	1	1
7	SMSS	1	67.41	3	1	1	3
8	PTPP	1	51	4	2	0	5



Appendix 5. Result of Descriptive Statistics

Descriptive Statistics

Variable	N	Min	Max	Mean	Std. Deviation
IND	48	0	1	.96	.202
KI	48	.5000	.8700	.653521	.1193776
KA	48	3	6	3.37	.755
KoI	48	1	4	2.50	.799
KuA	48	0	1	.98	.144
AT	48	1	6	3.37	1.496
IC	48	.00	.77	.1298	.16445
Valid N (listwise)	48				

Appendix 6. Results of Classic Assumption Test

1. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		48
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.14709236
Most Extreme	Absolute	.138
Differences	Positive	.138
	Negative	-.135
Kolmogorov-Smirnov Z		.959
Asymp. Sig. (2-tailed)		.317

a. Test distribution is Normal.

b. Calculated from data.

2. Heteroscedasticity Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.224	.165		1.354	.183
	IND	.036	.075	.071	.473	.639
	KI	-.262	.131	-.309	-2.004	.052
	KA	-.017	.020	-.125	-.833	.410
	KoI	.019	.019	.148	.972	.337
	KuA	.096	.102	.136	.941	.352
	AT	-.019	.011	-.285	-1.812	.077

a. Dependent Variable: AbsUt

3. Multicollinearity Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Const)	.261	.265		.983	.331		
IND	.128	.121	.157	1.054	.298	.884	1.131
KI	-.166	.210	-.120	-.787	.436	.836	1.196
KA	-.047	.032	-.218	-1.468	.150	.889	1.125
KoI	.029	.031	.143	.950	.348	.865	1.156
KuA	.059	.163	.052	.363	.718	.948	1.054
AT	-.035	.017	-.318	-2.043	.047	.806	1.240

a. Dependent Variable: IC

4. Autocorrelation Test

Runs Test

	Unstandardized Residual
Test Value ^a	-.03900
Cases < Test Value	24
Cases >= Test Value	24
Total Cases	48
Number of Runs	26
Z	.146
Asymp. Sig. (2-tailed)	.884

a. Median

Appendix 7. Results of Multiple Regression Analysis

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	KI, IND, KuA, KA, Kol, AT ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: IC

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.447 ^a	.200	.083	.15749

a. Predictors: (Constant), IND, KI, KA, Kol, KuA, AT

b. Dependent Variable: IC

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.133	7	.133	5.359	.025 ^a
	Residual	1.138	40	.025		
	Total	1.271	47			

a. Predictors: (Constant), IND, KI, KA, Kol, KuA, AT

b. Dependent Variable: IC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.261	.265		.983	.331
	IND	.128	.121	.157	1.054	.298
	KI	-.166	.210	-.120	-.787	.436
	KA	-.047	.032	-.218	-1.468	.150
	Kol	.029	.031	.143	.950	.348
	KuA	.059	.163	.052	.363	.718
	AT	-.035	.017	-.318	-2.043	.047

a. Dependent Variable: IC

Appendix 8. Curriculum Vitae

PERSONAL INFORMATION

Name : Jundi Nuri Azhar

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FORMAL EDUCATION

2000-2005 : SD Negeri 1 Kowangan

2006-2008 : SMP Negeri 1 Temanggung

2009-2011 : SMA Negeri 1 Temanggung

2011-2016 : UIN Sunan Kalijaga Yogyakarta