INFLUENCE OF AUDIT TENURE AND SIZE OF PUBLIC ACCOUNTING FIRM ON BEHAVIOR OF INTEGRITY FINANCIAL STATEMENTS INTEGRITY WITH THE COMMITTEE AUDIT AS MODERATING VARIABLE IN SUB COMPANIES COMPUTER SERVICES AND ELECTRONIC DEVICES SECTOR

Hendra Raza\textsuperscript{A}, Putri Indriani\textsuperscript{B}, Rico Nur Ilham\textsuperscript{C}

<table>
<thead>
<tr>
<th>ARTICLE INFO</th>
<th>ABSTRACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article history:</td>
<td>Purpose of the Study: This study aims to examine the effect of audit tenure, the size of Public Accounting Firm (KAP) on the integrity of financial statements moderated by the audit committee of the computer services &amp; other equipment sub-sector.</td>
</tr>
<tr>
<td>Received 03 April 2023</td>
<td>Theoretical framework: The study is based on a review of the literature and makes some reports confirmation from the field of this research, which is described in the article. Use all methods to retain personnel. Integrity of Public Accounting Officer must be researched whether it enhances Audit Tenure, audit committee, and Financial Reporting Quality.</td>
</tr>
<tr>
<td>Accepted 04 July 2023</td>
<td>Design/methodology/approach: The sample selection technique used purposive sampling and obtained 7 sub-sector companies of computer &amp; other equipment services listed on the Indonesia Stock Exchange (IDX) used in this study. This study uses a balance panel with 35 observations and estimates (common effect model).</td>
</tr>
<tr>
<td>Keywords: Audit Tenure; Size of Public Accounting Firm (KAP); Audit Committee; Integrity of Financial Statements.</td>
<td>Findings: The results of this study found that the audit tenure variable has an effect on the integrity of the financial statements. Meanwhile, the size of the KAP has no effect on the integrity of the financial statements.</td>
</tr>
</tbody>
</table>

Research, Practical & Social implications: Today, almost every organization is driven by technology, but human resources are needed to do work through technology. It is the challenge of an Public Accounting Officer to keep working for a long time for integrity in an organization in a dynamic environment.

Originality/value: The value of the study reveals that, The auditor's task in this case is to examine the financial statements that have been made by the manager, and provide the final result in the form of an opinion on the fairness of the financial statements.

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RESUMO
Objetivo do estudo: Este estudo tem como objetivo examinar o efeito da duração da auditoria, o tamanho da empresa de contabilidade pública (KAP) sobre a integridade das demonstrações financeiras moderada pelo comitê de auditoria do subsector de serviços de informática e outros equipamentos. Estrutura teórica: O estudo baseia-se em uma revisão da literatura e faz algumas confirmações de relatórios do campo desta pesquisa, que é descrita no artigo. Usar todos os métodos para reter pessoal. A integridade do contador público deve ser pesquisada para saber se ela melhora o mandato de auditoria, o comitê de auditoria e a qualidade dos relatórios financeiros. Projeto/metodologia/abordagem: A técnica de seleção da amostra utilizou amostragem intencional e obteve 7 empresas do subsector de serviços de informática e outros equipamentos listados na Bolsa de Valores da Indonésia (IDX) utilizadas neste estudo. Este estudo usa um painel de equilíbrio com 35 observações e estimativas (modelo de efeito comum). Conclusões: Os resultados deste estudo constataram que a variável de mandato de auditoria tem um efeito sobre a integridade das demonstrações financeiras. Enquanto isso, o tamanho do KAP não tem efeito sobre a integridade das demonstrações financeiras.

Implicações sociais, práticas e de pesquisa: Atualmente, quase todas as organizações são movidas pela tecnologia, mas os recursos humanos são necessários para realizar o trabalho por meio da tecnologia. É o desafio de um contador público continuar trabalhando por muito tempo pela integridade de uma organização em um ambiente dinâmico.

Originalidade/valor: O valor do estudo revela que, nesse caso, a tarefa do auditor é examinar as demonstrações financeiras feitas pelo gerente e fornecer o resultado final na forma de uma opinião sobre a imparcialidade das demonstrações financeiras.


INFLUÊNCIA DA DURAÇÃO DA AUDITORIA E DO TAMANHO DA EMPRESA DE CONTABILIDADE PÚBLICA NO COMPORTAMENTO DE INTEGRIDADE DAS DEMONSTRAÇÕES FINANCEIRAS COM O COMITÊ DE AUDITORIA COMO VARIÁVEL MODERADORA EM SUBEMPRESAS DO SETOR DE SERVIÇOS DE INFORMÁTICA E DISPOSITIVOS ELETRÔNICOS

RESUMEN
Objetivo del estudio: Este estudio pretende examinar el efecto de la duración de la auditoría, el tamaño de la empresa de contabilidad pública (KAP) sobre la integridad de los estados financieros moderado por el comité de auditoría en el subsector de servicios informáticos y otros equipos. Marco teórico: El estudio se basa en una revisión bibliográfica y realiza algunas confirmaciones de informes del ámbito de esta investigación, que se describen en el documento. Utilizar todos los métodos para retener al personal. La integridad del contable público debe investigarse para saber si mejora el mandato de auditoría, el comité de auditoría y la calidad de la información financiera. Diseño/metodología/enfoque: La técnica de selección de la muestra utilizó un muestreo intencionado y obtuvo 7 empresas del subsector de servicios informáticos y otros equipos que cotizan en la Bolsa de Indonesia (IDX) utilizadas en este estudio. Este estudio utiliza un panel de equilibrio con 35 observaciones y estimaciones (modelo de efecto común). Conclusiones: Los resultados de este estudio revelan que la variable del mandato de auditoría tiene un efecto sobre la integridad de los estados financieros. Mientras tanto, el tamaño del KAP no tiene ningún efecto sobre la integridad de los estados financieros.

Implicaciones sociales, prácticas y de investigación: Hoy en día, casi todas las organizaciones se rigen por la tecnología, pero se necesitan recursos humanos para realizar el trabajo a través de la tecnología. Es un reto para un contable público seguir trabajando durante mucho tiempo por la integridad de una organización en un entorno dinámico.
INTRODUCTION

Financial statements are a structured presentation that originates from the finance section and the financial performance of an entity or company. Where the aim is to provide illustrative information regarding the financial position, financial performance, and cash flows of entities that are useful to the majority of users of financial statements in making economic decisions (Santia & Afriyenti, 2019). Financial statement information can be said to have high integrity if it can influence users’ decisions by strengthening or changing decision makers, is reliable, free from misstatement, causing users to depend on the information. Financial report information is said to have integrity if it is presented fairly and honestly informs the actual situation. Therefore, financial reports must have high integrity so as not to mislead users of financial statements (Amrulloh et al., 2016).

Sipahutar, (2017) defining the behavior of financial report integrity is the behavior of financial report integrity is the extent to which financial reports are presented correctly and honestly, with nothing to hide. The information presented in the financial statements can be used as material for consideration in making economic decisions by users of financial statements if the information contained in the financial statements meets the qualitative characteristics of accounting information.

Based on stakeholder theory, companies are obliged to present financial reports with high integrity. According to Chariri and Ghozali (2014: 439) stakeholder theory says that a company is not an entity that only operates for its own sake but must provide benefits to its stakeholders (shareholders, creditors, consumers, suppliers, government, community, analysts and other parties).

Contrary to the objective of financial reports according to PSAK, namely presenting information honestly and not misleading, at this time there is a lot of manipulation of financial reports. Cases of manipulation of accounting data have occurred in several large companies in America such as Enron, Tyco, Global Crossing, and Worldcom as well as several large companies in Indonesia such as PT. Kimia Farma, Bank Century and Bank Lippo previously had good audit quality (Akbar, 2013).
Recently there has been a case regarding a company that was caught in a case of fraud in its financial statements, namely PT. Envy Technologies Indonesia Tbk (ENVY). In 2021 PT Envy Technologies Indonesia Tbk (ENVY) opened its voice regarding allegations of manipulation of the 2019 Annual Financial Statements (LKT). The company is known to have attached financial figures from its subsidiary PT Ritel Global Solusi (RGS), along with RGS's 2019 annual financial report documents which has been signed by the authorized official. In fact, RGS did not prepare the 2019 LKT, so RGS filed a subpoena for this action.

In this regard, the Corporate Secretary of Envy Technologies Indonesia, Jovana S. Deil explained, the consolidated LK was fully approved by the management in office during that period. Meanwhile, the current management did not know exactly the process that was carried out at that time, which resulted in the emergence of the consolidated LK. However, management is currently asking for clarification from the auditors on several doubts. This includes LK RGS in the IDX information disclosure. In a meeting between the Board of Directors of the Company and RGS and discussed the matter. The Company again emphasized that the 2019 annual financial statements, including the inclusion of LK RGS in the Company's consolidated LK, were fully approved by the management who responded during that period and the current management also has some doubts about this report. The company's management, which is responsible for the continuity of the company, is currently researching the truth of the company's 2019 LKT made by the company's previous management.

The emergence of various cases of accounting fraud is related to the problem of the integrity of the financial statements, meaning that the information contained in the financial statements is not presented in accordance with the actual situation. This is also shown through many previous studies that examined the relationship between audit tenure, KAP size, audit committee and financial statement integrity behavior.

Audit tenure is a period of engagement (engagement) between a Public Accounting Firm (KAP) and a client regarding audit services agreed upon by Arista et al., (2018). In Saad & Abdillah's research, (2019) states that tenure audits have a negative and significant effect on the behavior of the integrity of financial statements. Then in Rosliana et al.'s research, (2019) stated that tenure audits have a significant effect on report integrity. Meanwhile, in Fatimah et al.’s research, (2020) stated that tenure audits have a positive effect on financial statement integrity behavior. In addition, research (Damayanti & Triyanto, 2020) states that tenure audits have no significant effect on the behavior of the integrity of financial statements.
The size of the KAP is the difference in the size of the KAP, where the size of the KAP is divided into two, namely large KAPs in Indonesia affiliated with KAPs (big-four) and small KAPs Qoyyimah et al., (2015). In a study by Lubis et al., (2018) stated that KAP size has a positive but not significant effect on the behavior of the integrity of financial statements. Meanwhile, in Sukanto & Widaryanti's research, (2018) states that KAP size has a significant positive influence on the behavior of the integrity of financial statements. In addition, in Selviana & Wenny's research, (2021) states that KAP size has no significant effect on the behavior of the integrity of financial statements.

The existence of the research gap above creates an opportunity for researchers to propose hypotheses by presenting the audit committee as moderator. The audit committee is a committee formed by and is responsible to the Board of Commissioners in assisting in carrying out the duties and functions of the Board of Commissioners. The audit committee is chaired by an Independent Commissioner Indrasari et al., (2016). Previous research using the audit committee as a moderating variable was research conducted by Ardani, (2017) stating that the audit committee does not moderate the relationship between audit tenure and audit quality or it can be said that the audit committee variable does not strengthen or weaken the relationship between audit tenure and audit quality. Meanwhile, according to Nurintiati & Purwanto's research,

Based on the description of the phenomenon and previous research, it shows that this research is relevant for further research. So that it can be asked whether the audit tenure and KAP size affect the behavior of financial report integrity and whether the audit tenure and KAP size affect the behavior of the integrity of financial reports with the audit committee as a moderating variable. So the researcher is interested in taking the title of research about "The Influence of Audit Tenure and KAP Size on the Behavior of Integrity of Financial Statements With the Audit Committee as a Moderating Variable in Computer Services & Other Devices Sub-Sector Companies Listed on the Indonesia Stock Exchange for the 2016-2020 Period".

THEORETICAL FRAMEWORK

Theoretical Basis

According to Chariri and Ghozali (2014:439) theorystakeholders said that a company is not an entity that only operates for its own sake but must provide benefits to its stakeholders (shareholders, creditors, consumers, suppliers, government, community, analysts and other parties).
Behavioral Integrity of Financial Statements

According to Yulinda, (2016) the behavior of the integrity of financial reports is the extent to which financial reports are presented correctly and honestly, where all information relating to financial position, performance, and cash flow must be true as it is because it will be accountable to stakeholders.

Tenure Audits

According to Santia & Afriyenti, (2019) audit tenure is the tenure of a public accounting firm (KAP) in providing audit services to its clients. Meanwhile, according to Silalahi, (2020) audit tenure is the period of engagement (engagement) between a Public Accounting Firm (KAP) in providing audit services to its clients. So, in general, audit tenure is the length of the relationship or engagement period between the auditor in providing audit services and his client (the company being audited by the auditor).

Size of Public Accounting Firm (KAP)

According to Monica & Wenny, (2015) KAP size is a measure used to determine the size of a Public Accounting Firm. The size of a Public Accounting Firm can be said to be large if the KAP is affiliated with the Big 4, has branches, and clients are large companies and has a professional staff of more than 25 people.

Audit Committee

According to Indrasari et al., (2016) an audit committee is a committee formed by and responsible to the Board of Commissioners in assisting in carrying out the duties and functions of the Board of Commissioners. The audit committee is chaired by an Independent Commissioner. According to Santia & Afriyenti, (2019) an audit committee is a committee formed by the board of commissioners in order to help carry out its duties and functions.
Conceptual Framework

Figure 1. Conceptual Framework

HYPOTHESIS DEVELOPMENT

The Effect of Tenure Audit on the Behavior of the Integrity of Financial Statements

tenure auditisis the length of the auditor's engagement with his client. The second general standard states that in all matters relating to the engagement, independence in mental attitude must be maintained by the auditor. This standard emphasizes that the auditor must be able to act independently (not easily influenced), because in the implementation of the services he provides for the public interest. If the auditor is unable to resist pressure from the client such as personal, emotional or financial pressure, then the auditor's independence can be reduced and can affect audit quality because over time, there will be a tendency for the auditor to adjust audit procedures to various management requests. As a result, it will affect the behavior of the integrity of financial statements.(Silalahi, 2020).

H1: Tenure Audit has an effect on the behavior of the integrity of financial statements.

The Effect of KAP Size on the Behavior of the Integrity of Financial Statements

Large KAPs such as the big four are considered more capable of maintaining auditor independence than small KAPs. Therefore, it is expected that large KAPs can contribute to increasing the behavior of the integrity of an entity's financial statements(Pratika & Primasari, 2020).

Research resultPratika & Primasari, (2020) produce a KAP size that has a positive and significant effect on the behavior of the integrity of financial statements. Using the services of KAPs affiliated with the Big Four KAPs in conveying information about financial performance
to users of financial statements can increase the credibility of related parties thereby increasing the integrity of the company's financial statements and increasing trust in the principal parties.

H2: CAP size influence the behavior of the integrity of financial statements.

The Influence of Tenure Audit on the Behavior of Integrity of Financial Statements with the Audit Committee as a Moderating Variable

The existence of an audit committee in a company plays a role in helping the auditor maintain its independence by implementing mandatory auditor rotation regulations. If the audit committee obeys and actively carries out its role in implementing mandatory auditor rotation regulations in the company, then concerns about weak auditor independence due to long tenure can be resolved. Weak independence due to long tenure can lead to kinship between auditors so that it can reduce the quality of the financial reports presented.

The results of research conducted by Putri and Wiratmaja (2015: 583) found that the higher the quality of the audit committee, the shorter the engagement period between KAP and its clients. This is because a qualified audit committee will carry out its duties effectively when supervising external auditors. A quality audit committee will tend to shorten the audit engagement period between the auditor and his client to maintain auditor independence.

H3: Audit Tenure affects the behavior of the integrity of financial statements which is moderated by the Audit Committee.

The Effect of KAP Size on the Behavior of Integrity of Financial Statements with the Audit Committee as a Moderating Variable

Public accounting firms affiliated with big four public accounting firms are considered to have high independence and good audit quality when compared to small (non-big four) public accounting firms. Auditors who come from KAPs with high reputation will tend to display high audit quality with opinions that are in accordance with the annual financial reports and are reliable. High audit quality is when the auditor discloses actual events from the financial statements so as to produce audited financial reports that reflect the actual situation without any misstatement or fraud. Large KAPs must also maintain their reputation to maintain public trust.

H4: KAP size influences the behavior of the integrity of financial statements which is moderated by the Audit Committee.
METHODOLOGY

Population and Sample

Population

The population in this study are Computer Services & Other Devices Sub Sector Companies listed on the Indonesia Stock Exchange. Number of population in this study There are 10 companies in the Computer Services & Other Devices Sub-Sector that are listed on the Indonesia Stock Exchange. The period used as observation is data for the period 2016-2020 with the following population criteria:

<table>
<thead>
<tr>
<th>Information</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies in the Computer Services &amp; Other Devices sub-sector listed on</td>
<td>10</td>
</tr>
<tr>
<td>the Indonesia Stock Exchange during the 2016-2020 period</td>
<td></td>
</tr>
<tr>
<td>Computer Services &amp; Other Equipment Sub Sector Companies that do not</td>
<td>(3)</td>
</tr>
<tr>
<td>publish complete annual financial reports from 2016-2020</td>
<td></td>
</tr>
<tr>
<td>Companies in the Computer Services &amp; Other Devices sub-sector that meet</td>
<td>7</td>
</tr>
<tr>
<td>the sample criteria, Number of Observations 5 x 7</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: Research Data 2022

Sample

According to Siyoto & Sodik, (2015) The sample is part of the number and characteristics possessed by the population, or a small part of the population taken according to certain procedures so that it can represent the population. The sample in this study is the Annual Financial Report of Computer Services & Other Devices Sub-Sector Companies Listed on the Indonesia Stock Exchange for 2016-2020. The selection of the sample was carried out using a census technique, namely the technique of determining the sample when all members of the population are used as samples. The samples in this study were selected as many as 7 companies listed on the Indonesia Stock Exchange with an observation period of 5 years so that the number of observations was 35 samples.

Data Collection Technique

The data collection technique used in this research is the documentation method, namely by collecting, recording and reviewing secondary data in the form of annual reports of computer & other equipment service sub-sector companies registered on the IDX for 2016-2020 which are published through the official website of the Indonesia Stock Exchange (IDX) with the website address www.idx.co.id. The data collected is in the form of variables, namely the behavior of integrity of financial statements, audit tenure, KAP size, and audit committee.
Variable Operational Definitions

Table 2 Variable Operational Definition

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Definition</th>
<th>Indicator</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Financial report integrity behavior (Y)</td>
<td>The behavior of the integrity of financial reports is the extent to which financial reports are presented correctly and honestly, without anything being hidden (Sipahutar, 2017).</td>
<td>Harga Pasar Saham = \frac{Nilai Buku Saham}{Nilai Buku Saham} (Fatimah et al., 2020).</td>
<td>Ratio</td>
</tr>
<tr>
<td>2.</td>
<td>Tenure audits (X1)</td>
<td>tenure audits is the length of the auditor's engagement with his client (Damayanti &amp; Triyanto, 2020).</td>
<td>Tenure = Total length of the audit engagement before the auditor moved. (Damayanti &amp; Triyanto, 2020).</td>
<td>Ratio</td>
</tr>
<tr>
<td>3.</td>
<td>KAP Size (X2)</td>
<td>The size of the KAP is the difference in the size of the KAP, where the size of the KAP is divided into two, namely large KAPs in Indonesia affiliated with KAPs (big-four) and small KAPs (Qoyyimah et al., 2015).</td>
<td>KAP size = dummy measurement (1 for big 4 KAP and 0 for non big 4 KAP). (Sukanto &amp; Widaryanti, 2018).</td>
<td>Nominal</td>
</tr>
<tr>
<td>4.</td>
<td>Audit Committee (Z)</td>
<td>The audit committee is a committee formed by and is responsible to the Board of Commissioners in assisting the carrying out of the duties and functions of the Board of Commissioners (Indrasari et al., 2016).</td>
<td>KA = number of audit committee members in the company. (Sukanto &amp; Widaryanti, 2018).</td>
<td>Ratio</td>
</tr>
</tbody>
</table>

Source: Processed data (2022)

RESULTS AND DISCUSSION

Modification of the Research Model

In this study, researchers modified the research model in which the moderating variable, namely the audit committee, was removed and re-tested. This is due to the condition of the moderating variable data, namely the audit committee has homogeneous data, so deep data processing applications cannot process data. Then the moderating test cannot be continued. So the results of the model used after model modification are as follows:
Influence of Audit Tenure and Size of Public Accounting Firm on Behavior of Integrity Financial Statements Integrity with the Committee Audit as Moderating Variable in Sub Companies Computer Services and Electronic Devices Sector

Raza, H., Indriani, P., Ilham, R. N. (2023)

Descriptive Statistical Analysis

Descriptive statistics are statistics that provide an overview or description of a data seen from the average, standard deviation, maximum, and minimum. The results of descriptive statistics can be seen in the following table.

<table>
<thead>
<tr>
<th></th>
<th>Y</th>
<th>X1</th>
<th>X2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Means</td>
<td>3.645255</td>
<td>2.600000</td>
<td>0.428571</td>
</tr>
<tr>
<td>Median</td>
<td>2.075916</td>
<td>2.000000</td>
<td>0.000000</td>
</tr>
<tr>
<td>Maximum</td>
<td>15.46731</td>
<td>5.000000</td>
<td>1.000000</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.317127</td>
<td>1.000000</td>
<td>0.000000</td>
</tr>
<tr>
<td>std. Dev.</td>
<td>3.852413</td>
<td>1.418367</td>
<td>0.502096</td>
</tr>
<tr>
<td>Skewness</td>
<td>1.819580</td>
<td>0.421668</td>
<td>0.288675</td>
</tr>
<tr>
<td>kurtosis</td>
<td>5.582274</td>
<td>1.884836</td>
<td>1.083333</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>29.03780</td>
<td>2.850757</td>
<td>5.843461</td>
</tr>
<tr>
<td>probability</td>
<td>0.000000</td>
<td>0.240417</td>
<td>0.053840</td>
</tr>
<tr>
<td>sum</td>
<td>127.5839</td>
<td>91.00000</td>
<td>1500000</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>504.5968</td>
<td>68.40000</td>
<td>8.571429</td>
</tr>
<tr>
<td>Observations</td>
<td>35</td>
<td>35</td>
<td>35</td>
</tr>
</tbody>
</table>

Based on the statistical test results in table 3 above, it shows that the number of observations on companies listed on the Indonesia Stock Exchange during a 5-year period is 35 data. Descriptively, the behavior of the integrity of the financial statements as the dependent variable has a minimum value of 0.317127 which is owned by Limas Makmur International Tbk (LMAS) in 2020. Meanwhile, the maximum value is 15.46731 owned by Arkadia Digital Media Tbk (DIGI) in 2018. The average value financial report integrity behavior of 3.645255 with a standard deviation of 3.852413 where the average value is smaller than the standard deviation, which means that the integrity behavior of financial statements has high fluctuations of the entire data.
tenure audits as the first independent variable has a minimum value of 1, while the maximum value is 5. The average tenure audit value is 2.6 with a standard deviation of 1.4183 where the average value is greater than the standard deviation, which means that tenure audit has fluctuations low of the whole data.

Then the size of KAP as the first independent variable has a minimum value of 0. While the maximum value is 1. The average value of KAP size is 0.4285 with a standard deviation of 0.5020 where the average value is smaller than the standard deviation, which means size KAP has a high fluctuation of the entire data.

**Determination of Panel Data Estimation Techniques**

Chow test

<table>
<thead>
<tr>
<th>Effect Test</th>
<th>Statistics</th>
<th>df</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period F</td>
<td>1.394304</td>
<td>(4.28)</td>
<td>0.2615</td>
</tr>
<tr>
<td>Period Chi-square</td>
<td>6.357513</td>
<td>4</td>
<td>0.1740</td>
</tr>
</tbody>
</table>

Source: Processed Data (2022)

Based on Table 4 above, it can be seen that the probability value of the Chi-Square Cross section is 0.1740 obtained from the Fixed Effect regression. The results above show that the value of the Chi-Square probability is greater than alpha 5% (0.0000 > 0.05) meaning that the Common Effect regression model is better than the Fixed Effect.

Hausman test

<table>
<thead>
<tr>
<th>Test Summary</th>
<th>Chi-Sq. Statistics</th>
<th>Chi-Sq. df</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Random cross-sections</td>
<td>11.435799</td>
<td>1</td>
<td>0.0007</td>
</tr>
</tbody>
</table>

Source: Processed Data (2022)

Based on Table 5 above shows that the probability value of Cross-section Random of 0.0007, where the value is smaller than alpha 5% (0.0007 <0.05) then the selected regression model is the Fixed Effect, based on the two tests in this study the selected model is the Common Effect model, so there is no need to proceed with the Lagrange Multiplier (LM) test.
Panel Data Analysis

The model chosen in this study is the model fixed effect. This can be seen from the results of testing the panel data model estimation technique in this study in tables 4 and 5. The following is the regression result of the fixed effect model selected in this study.

<table>
<thead>
<tr>
<th>Variables</th>
<th>coefficient</th>
<th>std. Error</th>
<th>t-Statistics</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>-0.960268</td>
<td>0.446489</td>
<td>-2.150712</td>
<td>0.0392</td>
</tr>
<tr>
<td>X2</td>
<td>-0.777558</td>
<td>1.261281</td>
<td>-0.616483</td>
<td>0.5419</td>
</tr>
<tr>
<td>C</td>
<td>6.475193</td>
<td>1.424572</td>
<td>4.545361</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

R-squared 0.135266
Mean dependent var 3.645255
Adjusted R-squared 0.081220
Mean dependent var 3.852413
SE of regression 3.692652
Akaike info criterion 5.532384
Sum squared residue 436.3418
Schwarz criterion 5.665699
Likelihood logs -93.81671
Hannan-Quinn criter. 5.578404
F-statistics 2.502807
Durbin-Watson stat 0.475205
Prob(F-statistic) 0.097750

Source: Processed Data (2022)

Based on the table above, the regression results equation is obtained as follows:

\[ Y = 6.475193 - 0.960268 \times X1 - 0.777558 \times X2 + \epsilon \]

From the equation above, it shows that the constant value is 6.475193, meaning that if the variable audit tenure and KAP size is constant or (0), then the magnitude of the integrity behavior of financial statements is with a value of 6.475193%.

The coefficient value of tenure audits is -0.960268, meaning that if the number of tenure audits increases by 1%, the integrity behavior of financial statements will decrease by -0.960268%, assuming tenure audits are considered constant.

Then the coefficient value of the size of the KAP is -0.777558, meaning that if the total size of the KAP increases by 1%, the behavior of the integrity of the financial statements will decrease by -0.777558%, assuming the size of the KAP is considered constant.

Classical Assumption Test Results

Normality test

In this study the testers did not test the Normality Test because in selecting the Common Effect Model using the Ordinary Least Squares (OLS) approach it is not mandatory to use the Normality Test. This is also supported by a book from Prof. Mudrajat Kuncoro (2013).
Autocorrelation test

Table 7 Autocorrelation Test Results

<table>
<thead>
<tr>
<th></th>
<th>R-squared</th>
<th>Mean dependent var</th>
<th>3.645255</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted R-squared</td>
<td>0.081220</td>
<td>SD dependent var</td>
<td>3.852413</td>
</tr>
<tr>
<td>SE of regression</td>
<td>3.692652</td>
<td>Akaike info criterion</td>
<td>5.332384</td>
</tr>
<tr>
<td>Sum squared residue</td>
<td>436.3418</td>
<td>Schwarz criterion</td>
<td>5.665699</td>
</tr>
<tr>
<td>Likelihood logs</td>
<td>-93.81671</td>
<td>Hannan-Quinn criter.</td>
<td>5.578404</td>
</tr>
<tr>
<td>F-statistics</td>
<td>2.502807</td>
<td>Durbin-Watson stat</td>
<td>0.475205</td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
<td>0.097750</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed data (2022)

In this study, the presence or absence of autocratic symptoms can be seen in table 4.6. It is known that the value Durbin Watson of the autocorrelation test is 0.475205 or (< 2). So it can be concluded that the data from this research variable does not have autocorrelation problems.

Multicollinearity test

Table 8 Multicollinearity Test Results

<table>
<thead>
<tr>
<th></th>
<th>X2</th>
<th>X1</th>
<th>X2</th>
<th>X1</th>
</tr>
</thead>
<tbody>
<tr>
<td>X2</td>
<td>1.000000</td>
<td>0.646293</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1</td>
<td>0.646293</td>
<td>1.000000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed Data (2022)

In this study, the presence or absence of multicollinearity symptoms can be seen in table 4.7 for all independent variables. It can be seen that all the independent variables in this study have a correlation value below 0.9 so that it is concluded that the data from the research variables do not have a multicollinearity problem.

Heteroscedasticity test

Table 9 Heteroscedasticity Test Results

<table>
<thead>
<tr>
<th></th>
<th>coefficient</th>
<th>std. Error</th>
<th>t-Statistics</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>-0.014821</td>
<td>0.237264</td>
<td>-0.062465</td>
<td>0.9506</td>
</tr>
<tr>
<td>X2</td>
<td>-2.219114</td>
<td>1.193499</td>
<td>-1.859334</td>
<td>0.0722</td>
</tr>
<tr>
<td>C</td>
<td>3.751277</td>
<td>0.995501</td>
<td>3.768230</td>
<td>0.0007</td>
</tr>
</tbody>
</table>

Source: Processed Data (2022)

Based on Table 4.8 above, it can be seen that the significance value of the independent variables is above the error tolerance value of 0.05. With details of the tenure audit probability of 0.9506. The probability of KAP size is 0.0722. Thus it can be concluded that there is no heteroscedasticity problem found.
Hypothesis test

<table>
<thead>
<tr>
<th>Variables</th>
<th>coefficient</th>
<th>std. Error</th>
<th>t-Statistics</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>-0.960268</td>
<td>0.446489</td>
<td>-2.150712</td>
<td>0.0392</td>
</tr>
<tr>
<td>X2</td>
<td>-0.777558</td>
<td>1.261281</td>
<td>-0.616483</td>
<td>0.5419</td>
</tr>
</tbody>
</table>

Source: Processed Data (2022)

Effect of Tenure Audit on the Behavior of the Integrity of Financial Statements (H1)

Based on the test results using the Eviews 10 application in Table 4.9 above, it is known that the value is significant 0.0392. So it can be seen that the tenure audit has an effect on the behavior of the integrity of financial statements. This is shown by the significant value results 0.0392 < 0.05. So it can be concluded that the hypothesis is accepted, which means that the audit tenure variable affects the behavior of the integrity of financial statements.

The Effect of KAP Size on the Behavior of the Integrity of Financial Statements (H2)

Based on the test results using the Eviews 10 application in Table 4.9 above, it is known that the value is significant 0.5419. So it can be seen that KAP size has no effect on the behavior of the integrity of financial statements. This is shown by the significant value results 0.5419 > 0.05. So it can be concluded that the hypothesis is rejected, which means that the KAP size variable does not affect the behavior of the integrity of financial statements.

Simultaneous test (Test F)

<table>
<thead>
<tr>
<th>R-squared</th>
<th>Adjusted R-squared</th>
<th>SE of regression</th>
<th>Sum squared residue</th>
<th>Likelihood logs</th>
<th>F-statistics</th>
<th>Prob(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.135266</td>
<td>0.081220</td>
<td>3.692652</td>
<td>436.3418</td>
<td>-93.8167</td>
<td>2.502807</td>
<td>0.097750</td>
</tr>
</tbody>
</table>

Source: Processed data (2022)

Based on the test results using the Eviews 10 application in Table 4.10 above, it is known that a significant value is 0.097750. This shows a significant value > 0.05. So it can be concluded that the hypothesis is rejected, which means that the independent variables simultaneously have no effect on the independent variables.
The results of the Adjusted R-Squared value in this study amounted to 0.081220, this indicates that the ability of the independent variable to explain the dependent variable is very low because its value is 0.081220 or 8.12% while the remaining 91.88% is influenced by other variables outside the study. This.

**DISCUSSION**

**The Effect of Tenure Audit on the Behavior of the Integrity of Financial Statements**

Based on the test results it is known that the value is significant 0.0392. So it can be seen that the tenure audit has an effect on the behavior of the integrity of financial statements. This is shown by the significant value results 0.0392 < 0.05. So it can be concluded that the hypothesis is accepted, which means that the audit tenure variable affects the behavior of the integrity of financial statements.

This is in accordance with previous research conducted by Amrulloh et al., (2016), And Selviana & Wenny, (2021) which states that tenure audits affect the behavior of the integrity of financial statements. However, these results are different from research from Risqurrahman et al., (2020) And Damayanti & Triyanto, (2020) which reveals that the tenure audit has no effect on the behavior of the integrity of financial statements.

An increase in audit tenure or the term of the KAP's engagement with client companies is considered to be able to cause an increase in the behavior of the integrity of financial statements. The auditor is a party that is considered capable of bridging the interests of the principal and the agent.

The auditor's task in this case is to examine the financial statements that have been made by the manager, and provide the final result in the form of an opinion on the fairness of the financial statements.
tenure audits has an influence on the behavior of the integrity of financial statements because the longer a Public Accounting Firm is bound by a company, the auditor will understand more and gain more knowledge about the company, so that the auditor can work more thoroughly, effectively and efficiently in examining financial reports.

The Effect of KAP Size on the Behavior of the Integrity of Financial Statements

Based on the test results it is known that the value is significant $0.5419$. So it can be seen that KAP size has no effect on the behavior of the integrity of financial statements. This is shown by the significant value results $0.5419 > 0.05$. So it can be concluded that the hypothesis is rejected, which means that the KAP size variable does not affect the behavior of the integrity of financial statements.

This is in accordance with previous research conducted by Monica & Wenny, (2015) and Amrulloh et al., (2016) which states that KAP size does not affect the behavior of the integrity of financial statements. However, these results are different from research from Sukanto & Widaryanti, (2018) and Astria & Ardiyanto, n.d which revealed that KAP size influences the behavior of the integrity of financial statements.

Companies that use the services of big four KAPs that have a good reputation and are also able to conduct audits more quickly and more accurately because they have better human resources choose to present financial reports with low integrity. These results are not in accordance with the perceptions of the big four KAPs which should be able to produce better quality financial reports.

This may reflect the a priori attitude of several issuers going public to use the services of large KAPs who are members of the big four, this could be motivated by the case that happened to one of the big four KAPs, namely Arthur Andersen. Even though Arthur Anderson is a large KAP who has a professional reputation in his field as an auditor, it is very unfortunate that his professionalism has been misused, because this company does not have an attitude of mental independence and responsibility towards its work and prefers to commit fraud and data manipulation with its employees. high-ranking Enron company for personal gain which has a detrimental effect on investors.

And there may be other factors that can affect the behavior of the integrity of financial statements such as managerial performance, institutional performance, company size, so there is no guarantee that even using a large KAP will maintain the integrity of financial statements. As long as the possibility of an auditor violating the ethics of an auditor himself.
The Effect of Audit Tenure and KAP Size on the Behavior of the Integrity of Financial Statements

Based on the test results, it is known that the significant value is 0.097750. This shows a significant value > 0.05. So it can be concluded that the hypothesis is rejected, which means that the independent variables simultaneously have no effect on the independent variables. This may be caused by other factors that influence the behavior of the integrity of financial statements such as managerial performance, institutional performance, company size and company size.

CONCLUSION

Based on the results of the research and discussion described above, the authors draw the following conclusions:

1. Based on the test results it is known that the value is significant 0.0392. This is shown by the significant value results 0.0392 < 0.05. So it can be concluded that the hypothesis is accepted, which means that the audit tenure variable affects the behavior of the integrity of financial statements.

2. Based on the test results it is known that the value is significant 0.5419. This is shown by the significant value results 0.5419 > 0.05. So it can be concluded that the hypothesis is rejected, which means that the KAP size variable does not affect the behavior of the integrity of financial statements.

3. Based on the test results, it is known that the significant value is 0.097750. This shows a significant value > 0.05. So it can be concluded that the hypothesis is rejected, which means that the independent variables simultaneously have no effect on the independent variables.

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Influence of Audit Tenure and Size of Public Accounting Firm on Behavior of Integrity Financial Statements Integrity with the Committee Audit as Moderating Variable in Sub Companies Computer Services and Electronic Devices Sector

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Mulia Pustaka.


