

UNIVERSITAS INTERNASIONAL BATAM

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ANALYSIS OF FACTORS AFFECTING ON FINANCIAL RESTATEMENT

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ABSTRACT

The purpose of this study is to examine the independence of the audit committee, audit committee meetings, audit committee size, audit committee expertise, leverage, number of subsidiaries, percentage of foreign subsidiaries, percentage of non-executive directors, board of director expertise, board size, and growth on the restatement of financial statements by utilizing company data listed on the Indonesia Stock Exchange (IDX).

A purposive sampling method that has several criteria for gathering data registered on the Indonesia Stock Exchange from 2014-2018 was used in this study. The secondary data used came from the company's financial statements that have been published on the IDX by testing the logistic regression test method.

The concluded results are; there is an influence between the size of the audit committee, the number of subsidiaries, and the percentage of non-executive directors with the restatement of financial statements. While the audit committee's independence variables, audit committee meetings, audit committee expertise, leverage, percentage of foreign subsidiaries, board of director expertise, the board size, and growth do not affect the restatement of financial statements.

Keywords: *audit committee, leverage, board of directors, subsidiaries, growth, the restatement of financial statements*