**3. RESEARCH METHODS**

**3.1. Data and Research Samples**

Data used hearts singer research is secondary data, ie the annual report and audited financial statements ALL Manufacturing Companies Listed in Indonesia Stock Exchange (BEI) WITH Timeframe 2013 2014 and 2015.

Population Research hearts Singer Manufacturing Company Is Listed in Indonesia Stock Exchange 2013-2015 period. In Research singer, sampling using purposive sampling techniques i.e. based on the following criteria: (1) Manufacturing Companies Listed in Indonesia Stock Exchange (BEI) in the period 2013 to 2015. (2) The Company publishes audited financial statements and annual reports WITH fiscal year December 31 Slow fence 30 April taxable incomes in the fiscal year the Indonesian Stock Exchange. (3) Manufacturing Companies using currency solution Yang rupiah (Rp) hearts Financial Statements. (4) Manufacturing Companies the NO deficiency of capital during the period 2013 until 2015. WITH singer to review avoid using variable The Bias Value TOTAL NO. (5) Manufacturing Companies that is NOT experiencing disadvantage during the period 2013 to 2015.

**3.2. The dependent variable**

The dependent variable is used hearts Singer Research Integrity Financial Statements. Integrity Financial Report is the extent to which information hearts Financial Statements Presented honest and true Operates well as meet the qualitative characteristics of financial statements. Integrity Financial Statements the Conservative accounting measured WITH NEVER is used by Reyad (2012), Wistawan et al (2015) Dan Fajaryani (2015) Model Namely Beaver Dan Ryan. The High market the book then The High-Level Company Conservatives. Formula Integrity Financial Statements are:

 CONS = Stock Market Prices

Book Value Shares

Information:

CONS: Conservatives to measure the integrity of financial statements.

Book Value Shares: Total Equity / Total number of shares outstanding.

**3.3. Independent variables**

Independent variables used in this study as follows

1. Independent Commissioner (KOIN)

Independent commissioner is a member of the board of directors who come from outside issuers and serves to monitor and assess the company's performance more broadly and comprehensively at the same time is expected to connect the asymmetry of information that occurs between the stakeholders with the company management. Measurement of independent directors, namely comparing the number of independent directors with the total number of commissioners contained in company.

 KOIN = Number of independent directors

 The total number of commissioners

1. The Audit Committee (COMA)

The audit committee is a committee formed by the board of directors to assist them in conducting oversight of the board of directors or the management company as well as ensuring that the company is managed in a reasonable manner and without violating the rules that can harm various parties. Bapepam Regulation IX.I.5 numbers has required listed companies to have an audit committee; the audit committee of measurement is the number of audit committee members.

 KOMA = The number of audit committee members

1. Institutional Ownership (INST)

Institutional ownership is ownership by the institution or institutions from outside the company. Institutional Investor is one of oversight mechanisms are expected to supervise effectively and encourage more focused management to improve company performance. Measurement of institutional ownership is comparing the number of shares held institutionally by the number of shares outstanding.

 INST = Number of shares owned by institutional

 Number of outstanding shares

1. Reputation KAP

KAP good reputation is expected to increase the confidence of users of financial reports on the integrity of the financial statements audited. KAP's reputation is divided into two big four and KAP KAP non big four. KAP's reputation is measured by using dummy variables, where the number 1 is given if the firm auditing the company's financial statements is a member of the big four accounting firm and 0 if it turns out the company audited by members of non big four accounting firm.

 1 = KAP big four

 0 = KAP non big four

1. Company Size (SIZE)

The size of the company is a picture of the size of a company by looking at the total assets and sales are presented in the financial statements at the end of the period. The larger the company, the higher the demands on the disclosure of information that has high integrity compared to the size of the smaller company. Firm size is calculated by using the natural

 SIZE = Ln Total Assets

1. Leverage (LEVR)

Leverage is the ratio used to measure how much the company's assets are financed by debt. The higher the level of leverage, then the investor will demand a larger return for the risks it faces. This is exactly what sparked concern the management company to do window dressing on the financial statements. Measurement of leverage is comparing total debt by total assets.

 LEVER = Total Liabilities Total Assets