

Analysis of Factors Affecting the Restatement of Financial Statements

by Wahidahwati -

Submission date: 06-Apr-2023 11:08PM (UTC+0700)

Submission ID: 2057665355

File name: 012.pdf (264.74K)

Word count: 5654

Character count: 30105

Analysis of Factors Affecting the Restatement of Financial Statements

Kusmeylinda¹, Wahidahwati¹, Titik Mildawati¹

¹Indonesian College of Economics Surabaya, Indonesia

28

Received: October 25, 2021

Revised: November 19, 2021

Accepted: December 6, 2021

Abstract

The convergence of IFRS has brought an impact on the changes of financial accounting standards in Indonesia. The variation provide an opportunity for the restatement of financial statements. Therefore, this study aimed to examine CEO turnover, earnings management, and audit quality on the restatement of financial statements of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the period of 2014 to 2018. In this study, purposive sampling method was carried out to consider samples with predetermined criteria. The obtained data were about 376 and analyzed using logistic regression with the SPSS 24.0 tool. As the results of data analysis, this study indicated that the CEO turnover had a positive effect on restatement; the earnings management had a positive effect on restatement; and the audit quality had no effect on restatement of financial statements.

Keywords: CEO Turnover, Earnings Management, Audit Quality, Restatement

Introduction

The restatement of a company's financial statements can lead to a variety of different perceptions from investors. There are two factors that cause restatement, namely internal factors and external factors of the company (Gleason et al., 2008). Internal factors can be in the form of errors that occur within the company such as an error made by the stakeholder in this case is the Chief Executive Officer (CEO), one of which is to increase the company's profits or assets so that the company's performance becomes better. External factors are audit quality reduced by external auditors where restatement can be considered an indicator of audit failure (Liu et al., 2009). In general, restatements have a significant impact, namely reducing the quality of information contained in the financial statements and audit quality. In PSAK no. 25 mentioned the causes of the restatement of financial statements, namely: (1) Changes in Accounting Policies, (2) Changes in Accounting Estimates, and (3) Fundamental Errors.

The information presented in the financial statements must be of high quality so that it can be used in making decisions by investors, as stated first by (Staubus, 2003). Users of financial statements consider that the restatement of financial statements can be negative and positive, this is because restatements can improve the quality and integrity of financial information, but can also create opportunities for managers to manipulate data (Cai et al., 2014). Another opinion says that restatement is not like bankruptcy or company failure which reflects a financial crisis and is a violation of shareholder trust and is a signal that indicates that the financial statements are invalid (Chen et al., 2014).

In 2018, one of the SOEs made a restatement of the financial statements, namely PT. Garuda Indonesia Tbk (GIAA) quoted from economy.okezone.com (27/07/2019) in the financial report posted a net profit of USD 809.85 thousand where this figure increased sharply compared to the 2017 financial year which suffered a loss of USD 216.5 million. In fact, this profit is partly due to the cooperation between Garuda and PT Mahata Aero Technology with a value of USD 239.94 million as stated in the cooperation agreement to provide in-flight connectivity services.

In this case, revenue is only recognized if there is a high probability that the royalties will be received, but until the end of the 2018 financial year, Mahata has not made any payments. The same thing also happened to PT Hanson Internasional Tbk where in the records of the Financial Services Authority (OJK) this company was proven to have manipulated the presentation of the annual financial report (LKT) for 2016. The directors and KAP of PT Garuda Indonesia Tbk (GIAA) and PT Hanson Internasional Tbk is subject to material and social sanctions.

Restatements tend to be associated with complex transactions where there is intentional manipulation by error ⁵⁷ managerial manipulation (Lin et al., 2017) and restatements are perceived as indicators of low audit quality (Christensen et al., 2016).

First, this research was motivated with the title "The Impact of Management Power on Financial Restoration" with 128 companies listed in Shanghai and Shenzhen. In addition, Agrawal & Cooper (2017) using a sample of 518 public companies in the US that announced restatements found strong evidence between CEO turnover and restatements. The same thing is also found in Rich & Zhang's (2016) research where management change has an important role in determining public policy.

Second, Earnings management is the issue that most often occurs in the restatement of financial statements. Khajavi & Arani (2015) find evidence that accrual earnings quality has a significant relationship with restatements. Wang & Zhang (2018) found something similar, where accrual earnings management showed a positive relationship with restatement of financial statements.

Third, restatement can also be interpreted as an audit failure, the company will replace their auditor ¹⁶ audit quality shown by the timeliness of disclosure also shows that a longer auditor tenure does not have a significant impact on the restatement of financial statements. The economic consequences obtained from restatement are causing a bad image and reputation of the company in the future, increasing bad information and affecting investor confidence and the worst impact is causing the risk of financial difficulties for the company.

² This study aims to 1) examine and analyze the effect of changing the Ch ⁵⁴ Executive Officer (CEO) on the restatement of financial statements; 2) examine and analyze the effect ³⁶ of earnings management on the restatement of financial statements; 3) examine and analyze the effect of audit quality on the restatement of financial statements.

The decision usefulness theory was first proposed in 1954 by (Staubus, 2003). This decision usefulness theory contains the requirements for an information to be said to be of high quality so that it can be used in decision making by information users. There are 3 important things in the theory of decision usefulness in providing financial information, namely from the accounting side, investors and investors in terms of owners and creditors.

Decision usefulness is information that is fairly presented from management assumptions that are used as the basis for decision making. A system used to formally present information will adapt to two general conditions. The first is the condition where the system is applied consistently. Second, the user aspect of the financial statements which requires the information ⁸ produced to be relevant.

The usefulness of accounting information has components that can be considered by presenters of accounting information so that the existing coverage can meet the needs of decision ² makers. The presentation of accounting information needs to be considered and adjusted to the level of needs of the users of the financial statements. Financial statements are the end result of a process of recording financial transactions in a ⁴⁷ company that describes the financial condition of an accounting period and is also an overview of the company's performance. The definition of financial statements is financial information for parties outside the company which is

measured by the value of money. There are five reports that are often provided: (1) Statement of financial position, (2) Statement of profit or loss or comprehensive income, (3) Statement of cash flows, (4) Statement of changes in equity, (5) Notes to financial statements.

The usefulness of this accounting information becomes the basis for the development of accounting and reporting guidelines in order to meet the needs of the users of the information. The financial accounting standards also state that the reports made must be relevant, reliable, comparable and consistent. So that users and readers of these financial statements can make the right decisions. Amel-Zadeh & Zhang (2015) find that restatement of financial statements can influence potential decision making and companies that do restatements are significantly more likely to be acquisition targets.

Agency theory is defined as a contractual relationship within a company under one or more resource owners (principals) and agents are also referred to as managers or who control the use of resources (Jensen & Meckling, 1976). Management is a party that is contracted directly by shareholders, which can also be referred to as an agent who works in the interests of shareholders. Agency can cause problems in the company. First, information asymmetry here can be interpreted as the amount of information owned by the management rather than the principal which can cause different perceptions as agents and principals. Second, there is a conflict of interest between the management and the owner resulting from differences in objectives and the agent acting on his own volition.

The main focus of agency theory is that managers are motivated by their own personal gain in working to exploit their own personal interests rather than considering the interests of shareholders. Earnings management is a choice made by managers on accounting policies that are applied with specific objectives such as getting bonuses, tax savings, CEO turnover and initial public offerings. This causes management to commit fraud in processing financial statements so that they can achieve predetermined targets with the aim of getting incentives for themselves.

In this study, three hypotheses were developed. The first hypothesis, examines the change of Chief Executive Officer (CEO) to restatement of financial statements. Rich & Zhang (2016) stated that top management turnover has a positive effect on the restatement of financial statements. Agrawal & Cooper (2017) find strong evidence that CEO turnover has a positive effect on restatement. Li et al (2018), a positive relationship between top management turnover and restatement.

H1: The change of Chief Executive Officer (CEO) has a positive effect on restatement.

The second hypothesis predicts earnings management affects restatements. Hasnan et al (2020) conducted a study on executive compensation and leverage which as earnings management behavior has a significant positive relationship to the restatement of financial statements. The same finding is also found in the research of Wang & Zhang (2018) that securitization that leads to earnings management actions has a positive effect on restatement of financial statements. Kasajavi & Arani (2015) find the same thing that the quality of earnings accruals and leverage has a significant positive relationship with restatement of financial statements.

H2: Earnings management has a positive effect on the restatement of financial statements.

The third hypothesis is to assess the effect of audit quality on presentation.

Positive relationship from audit quality to restatement of financial statements. Research also proves that audit quality has a significant positive relationship to the disclosure of financial statement restatements.

H3: Audit quality has a positive effect on the restatement of financial statements.

Methods

The data source used by the researcher is secondary data obtained from the Indonesia Stock Exchange, especially manufacturing companies during 2015-2018 with several conditions in the selection of samples. of 414 (four hundred and fourteen) data on manufacturing companies listed on the Indonesia Stock Exchange from the period 2015 – 2018. Manufacturing companies that do not meet the criteria are companies for which no annual financial statements are found either on the Indonesia Stock Exchange website or on the company's official website and reports the financial statements are not issued in rupiah currency. Table 1 shows that the final sample used in this study was 376.

Table 1. Sampling technique

Criterion	Sum			
	2018	2017	2016	2015
Manufacturing companies registered with IDX	160	151	139	138
reduced: Researchers found no annual report.	(32)	(29)	(20)	(23)
Published manufacturing companies	128	122	119	115
reduced: Researchers found no annual report in rupiah	(28)	(28)	(26)	(26)
Number of final samples	100	94	93	89

Source: www.idx.co.id

The data needed is the annual report data, which can be found both on the IDX website and on the company's official website for the 2015-2018 period. The final total sample used is 376 manufacturing companies.

Logistic regression analysis in this study was used because the dependent variable was categorical or dummy data. The logistic regression model formulated is as follows:

$$\text{Ln} \frac{P.\text{kemb}}{1-P.\text{Kemb}} = (\alpha + \beta_1\text{CEO} + \beta_2\text{ML} + \beta_3\text{KU})$$

Where:

Ln: Natural logarithm

P.Kemb: restatement of financial statements

b0: constant

Regression coefficient (increase or decrease value)

CEO: Change of CEO

ML: Earnings Management

KU: Audit Quality

For the first and third hypotheses, the values 0 (zero) and 1 are used as dummy variables, while the second hypothesis uses the Dechow & Dichev (2002) model. Dechow & Dichev's model explains that the original characteristics of the accrual process suggest that the magnitude of the estimation error will be systematically related to company fundamentals such as the company's operating cycle and the company's operational variability. Furthermore, this model builds an accrual framework, where profit will be equal to cash flow plus accruals with the formula:

$$E = CF + \text{Accruals}$$

From ³⁴ accounting perspective, for every cash flow, there is a cash receipt or disbursement and the recognition of those cash flows in profit (as revenue or expense). CF_t indicates that cash flows occur after an appropriate amount has been recognized in revenue (eg receivable receipts), CF_t refers to cash flows received or paid in the same period as the cash flows recognized in profit. Lastly, CF_{t+1} refers to cash received or paid before revenue or expenses are recognized in profit. So the total cash flows for period t are:

$$CF_t = CF_t^{t-1} + CF_t^t + CF_t^{t+1}$$

As long as the realized cash flows differ from the estimated accruals, the initial accruals (ACF_{t/t+1}^o) will contain estimation errors that are corrected by closing accruals (ACF_{t/t+1}^c). The initial accrual at ³⁰ t, which reflects the expected cash flows t+1, is equal to the actual cash flows t+1 plus the error term (ε) which reflects the difference between the expected accruals and the realized cash flows. Assuming that all accruals are settled in one period so that the final accruals for the beginning of t-1. Using the equation for total cash flows for period t and defining total accruals as the sum of initial accruals and ending accruals allows us to express earnings as:

$$E_t = CF_t + \text{Accruals}_t$$

$$E_t = (CF_t^{t-1} + CF_t^t + CF_t^{t+1}) + (ACF_{t+1/t}^o + ACF_{t/t-1}^c + (ACF_{t/t+1}^o + (ACF_{t-1/t}^c)))$$

$$E_t = (CF_t^{t-1} + CF_t^t + CF_t^{t+1}) + (CF_{t+1}^t + \epsilon_{t+1}^t - CF_t^{t+1} - \epsilon_t^{t-1} - CF_t^{t+1} + CF_{t-1}^t)$$

From the formula above, the accrual portion contained in profit (E_t) is determined by the following formula:

$$E_t = CF_{t-1}^t + CF_t^t + CF_{t+1}^t + \epsilon_{t+1}^t - \epsilon_t^{t-1}$$

¹⁸ calculating accrual at time t by resetting the accrual profit (A_t) portion of the equation above as follows:

$$A_t = CF_{t-1}^t - (CF_t^{t+1} + CF_t^{t-1}) + CF_{t+1}^t + \epsilon_{t+1}^t - \epsilon_t^{t-1} \quad (4)$$

The above equation states that (1) accruals are temporary adjustments that delay or anticipate the recognition of realized cash flows plus the term estimation error; (2) accruals are negatively related to current cash flows and positively related to past and future cash flows; and (3) the error term captures the extent to which accruals map to cash flow realization, and can be used as a measure of accruals and earnings quality. To obtain a practical measure of the quality of working capital using changes in working capital accruals (ΔWC) with the following formula:

$$\Delta WC_t = b_0 + (b_1 * CFO_{t-1}) + (b_2 * CFO_t) + (b_3 * CFO_{t+1}) + \epsilon_t$$

With respect to the accrual of earnings equation, the measure of accruals is the change in working capital and the proxy for cash flows associated with accruals is cash flow from operations (CFO), so ²¹ above equation is used to calculate earnings management that occurs. The residual value of the regression reflects accruals that are not related to the realization of cash flows and the standard deviation of this residual is a measure of the quality of firm-level accruals, where a higher standard deviation indicates lower quality ¹⁷. The theoretical specification in the earnings accrual equation only uses the past, present and future cash flows associated with current accruals, because it cannot identify the components of these cash flows, the empirical version in the accrual working capital equation uses total CFO. Thus, the independent variable in the accrual working capital equation is measured by error, which implies that the regression coefficient tends towards 0 and R² will decrease. Since the coefficient values of the earnings accrual equation are b₁ = 1, b₂ = -1, and b₃ = 1, it is expected that 0 < b₁ < 1, and -1 < b₂ < 0, and 0 < b₃ < 1. To calculate changes in working capital and cash flow, researchers used financial statement data.

Results and Discussion

The hypotheses contained in this study were tested using descriptive statistics analysis and logistic regression analysis. Statistical measurements in the study used the mean, standard deviation, minimum value, and maximum value for each variable used in the study.

Table 2. Descriptive Statistics of Manufacturing Companies

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
P.Kemb	376	0	1.000	0.060	0.230
CEO	376	0	1.000	0.090	0.287
ML	376	0	0.268	0.055	0.049
KU	376	0	1.000	0.150	0.359
Valid N (listwise)	376				

Source: Output SPSS 24.0

Table 2 describes the total manufacturing companies used as a sample of 376 sample data for the period 2015 – 2018. Based on the table above, it is known that the restatement of financial statements (P.Kemb) has the lowest value of 0 (zero) and the highest value of 1 (one). The value of the numbers 0 (zero) and 1 (one) is the value used as a dummy variable, where a value of 1 (one) is indicated for companies that revise their financial statements, in other words, a restatement of financial statements and a value of 0 (zero) is indicated for companies who do not restate the financial statements? The average restatement of financial statements is 0.06 with a standard deviation of 0.23. This shows that the restatement variable data contains data that is heterogeneous or has the characteristics of sample data that tend to be different when not restating and when restating.

Table 3, the overall model test with a value of -2 Log Likelihood before the independent variable is entered into the model is 161,977 and block number 1 (one) which shows that the value of -2 Log Likelihood after the independent variable is entered into the model becomes 146.754. From the value above, it shows that there is a decrease in the value of -2 Log Likelihood of 5.223 so it can be concluded that the logistic regression model in this study as a whole is in accordance with the data and is feasible to use.

Table 3. Everywhere Model Test

Information	Value
-2Log Likelihood at the beginning (blocknumber =0)	161,977
-2Log Likelihood at the end (blocknumber =1)	146,754

Source: Output SPSS 24.0

Table 4, Nagelkerke R square test to find out how much the dependent variable used can be explained by the independent variable with the Nagelkerke R square model test. The Cox & Snell R square value is 0.040 with the Nagelkerke R square value of 0.113.

Table 4. Nagelkerke R Square Test Model

-2Log likelihood	Cox & Snell R Square	Nagelkerke R Square
146,754	0,040	0,113

Source: Output SPSS 24.0

Table 5 shows that the chi-square is 13,218 with a significance value of 0.105. The significance value is greater than 5% (0.05) which means that the 0 (zero) hypothesis cannot be rejected (accepted).

Table 5. Hosmer and Lemeshow's Goodness of Fit Test

Chi-square	df	Sig.
13,218	8	0,105

Source: Output SPSS 24.0

Table 6, showing the logistic regression model is:

$$\text{Ln} \frac{P.\text{kemb}}{1-P.\text{Kemb}} = (\alpha + \beta_1\text{CEO} + \beta_2\text{ML} + \beta_3\text{KU})$$

$$\text{Ln} \frac{P.\text{Kemb}}{1-P.\text{Kemb}} = (-3,812 + 1,361\text{CEO} + 12,311\text{ML} - 0,624\text{KU})$$

The results of data processing to predict the restatement of financial statements can be seen in table 6.

Table 6. Logistics Regression Test Results

	B	S.E	Wald	Sig	Exp (B)
CEO	1,361	0,573	5,634	0,018	3,901
ML	12,311	3,616	11,593	0,001	222034,157
KU	-0,624	0,782	0,638	0,425	0,536
Constant	-3,812	0,420	82,420	0,000	0,022

Source: Output SPSS 24.0

The definition of the logistic regression equation in table 6 is the probability of a company to get restatements and not to restate its financial statements can be calculated by this equation. The probability number of the company to get a restatement of financial statements and not to restate it with a value between 0 (zero) to 1 (one). If the value of the resulting equation is close to 1, it means that the possibility of the company to make a restatement is large. If the resulting value is close to 0, it means that the possibility of the company to make a restatement is small.

The results of testing the first hypothesis with a coefficient value of 1.361 and a significance of 0.018 prove that CEO turnover has a positive and significant effect on the restatement of financial statements in other words H1 is accepted. This indicates that the higher the CEO turnover rate, the more likely a restatement will occur and vice versa. The CEO is the top position in company management and is the person responsible for the operations and performance of a company. The results of the hypothesis also confirm the agency theory where management is a party contracted by shareholders and is given the authority to make the best decisions for the company. Agency theory also mentions the existence of conflicting information within the company, causing a conflict of interest itself. The new CEO will then have new strategies and policies in hopes of bringing about change for the company. So that the CEO will display his performance well in front of the principal. However, not all CEOs can work well, this causes the CEO's tendency to do anything to make their performance look good in the eyes of the principal. If the old CEO does not work as well as possible, the principal will fire the old CEO and replace him with a new CEO. Therefore the probability of restatement is higher with the change of CEO.

The results of this study are in line with research where CEO turnover has a positive relationship with restatement of financial statements. Li et al (2018) also found a similar relationship between CEO turnover and restatement of financial statements. Similar results were also found in the study of Rich & Zhang (2016). Therefore, the inaccuracy of the financial statements biases the public to evaluate how well the company's executives perform in fulfilling

their responsibilities. So it can be concluded that CEO turnover can create opportunities to commit fraud that causes restatement of financial statements.

The second hypothesis shows that earnings management has a positive influence on the restatement of financial statements as indicated by the results of the hypothesis test in Table 6 with a significance value of 0.001 with a significant level of 0.05, which means the second hypothesis is accepted.

The results of this study confirm the theory proposed by Schipper (1989) about agents and principals, namely a condition when management intervenes in the process of preparing financial statements for external parties by taking actions to level, increase, and decrease earnings reporting for personal gain. Earnings management by management can affect cash flow, accounting policies adopted and applied by the company. The management can postpone or apply the chosen policy, change or change a certain accounting method with the aim of lowering costs or increasing revenues and ultimately affecting the profit recorded in the financial statements. The positive relationship between earnings management and restatement of financial statements can be seen from the explanation above.

In general, the principal will demand maximum performance which is usually measured by the distribution of profits or dividends received by the principal. The management will make estimates and arrangements in accounting estimates such as which items will be changed, either added or subtracted, adjusting the company's income statement so that it gets the desired profit. This earnings management behavior makes the financial statements biased and the information conveyed is not transparent. This results in incorrect decision making (decision usefulness theory) because the information presented in the financial statements is not valid (Staubus, 2003).

Earnings management practices may benefit firms when management applies earnings policies to increase discretionary earnings-related information. Earnings management actions that tend to maximize personal profits lead to incorrect financial reporting (Kempf et al., 2016). In the end, the earnings management carried out has an impact on the restatement of the financial statements. Management's purpose of restatement is to improve the behavior or actions they have taken.

The results of the study support the research of Khajavi & Arani (2015) where there is a positive relationship between the quality of accurate earnings and leverage with restatement of financial statements. The same thing was also found in the research of Wang & Zhang (2018) which showed a significant positive relationship between earnings management and restatement. Research from Hasnan et al (2020) also shows that the factors of executive compensation and corporate leverage are positively related to the restatement of financial statements. The above statement supports the possibility of misinformation or information asymmetry presented in the financial statements, causing the restatement of the financial statements to occur.

The third hypothesis in this study is that there is a positive effect of audit quality on the restatement of financial statements (restatement). In table 6 the significance value of the results of the third hypothesis test is 0.425 with a significance level of 0.05 and a B value of -0.624, which means H3 is rejected. The rejection of this third hypothesis shows that there is no influence between audit quality and restatement of financial statements.

In carrying out the assignment, the auditor is required to provide an opinion on the company's financial statements. The opinion given is a statement of fairness in all material respects, financial position and results of operations, and cash flows in accordance with financial accounting standards applicable in Indonesia. Audit quality is defined as the probability that an auditor will find and report violations in his client's accounting system (De Angelo, 1981).

The restatement of the financial statements was due to a mathematical calculation error referring to PSAK No. 25.

In Indonesia, the restatement of financial statements can occur due to requests by regulators for audit financial statements. This shows that the independent auditor is not able to find any errors in the company's financial statements. so that for the next year's audit report the company will use the services of a new KAP. From the results of the research above, it can be said that audit quality is not the only thing that affects the restatement of financial statements in Indonesia. This is supported by the sample used only 2 companies that make changes in auditors. Based on these data, it can be interpreted that only 2 companies that make changes to the auditor make restatements of financial statements. other words, there are other factors outside of auditor turnover that affect restatement. The results of the study that can be concluded are the change in auditors has no effect on the restatement of financial statements for manufacturing companies in Indonesia.

KAP does not determine whether to restate the financial statements. The restatement of financial statements needs to be done only because there are reports that need to be addressed, KAP is only limited to providing advice or input. For companies that already have financial statements that are properly disclosed, there is no need to restate the financial statements. On the other hand, if there are financial statements that need to be addressed, the company will automatically be restated.

The results of this study support previous research conducted by Akadiati (2018) where auditor turnover has no significant effect on the restatement of financial statements. Rachman (2019) also shows that longer audit engagements can reduce restatements. Research also found that audit tenure has a negative effect on restatement of financial statements. Hasnan et al (2020) also did not find a significant relationship between audit quality and restatement of financial statements.

Conclusion

Based on the results of the discussion that has been described previously, it can be concluded that CEO turnover has a positive effect on the prediction of restatement of financial statements. This is due to the behavior of CEOs in determining the policies that are implemented so that their performance looks good from the principal's side, causing information asymmetry. Management behavior in intervening the process of preparing financial statements for external parties by taking actions to level, increase, and decrease profits with the aim of personal interest which has a positive influence on the restatement of financial statements. In general, audit quality has a negative effect on restatement. In other words, audit quality is not only one of the benchmarks used in restatement of financial statements.

The implications of this research are expected to provide an understanding of events or incidents as well as the behavior of management and auditors in companies listed on the Indonesia Stock Exchange. Therefore, investors can observe and understand things related to the information in the financial statements better that they can increase the value of their investment which has an impact on the value of a company.

This research still has some limitations that can affect the conditions of the research conducted. These limitations include: First, the effect of audit quality on the restatement of financial statements is very small, namely only 2 companies that make changes to their auditors who restate financial statements. There are other factors that cause restatement. Second, there was no financial report published by the company in a certain year so it could not be used as a sample in this study. Third, the sample selection cannot be generalized to other or dissimilar industries.

References

- Agrawal, A., & Cooper, T. (2017). Corporate governance consequences of accounting scandals: Evidence from top management, CFO and auditor turnover. *Quarterly Journal of Finance*, 7(01), 1650014.
- Akadiati, V. A. P. (2018). Analisis Karakteristik Perusahaan Dan Pergantian Auditor Terhadap Restatement. *GEMA: Jurnal Gentiaras Manajemen dan Akuntansi*, 10(2), 101-112.
- Amel-Zadeh, A., & Zhang, Y. (2015). The economic consequences of financial restatements: Evidence from the market for corporate control. *The Accounting Review*, 90(1), 1-29.
- Chen, K. Y., Elder, R. J., & Hung, S. (2014). Do post-restatement firms care about financial credibility? Evidence from the pre-and post-SOX eras. *Journal of Accounting and Public Policy*, 33(2), 107-126.
- Christensen, B. E., Glover, S. M., Omer, T. C., & Shelley, M. K. (2016). Understanding audit quality: Insights from audit professionals and investors. *Contemporary Accounting Research*, 33(4), 1648-1684.
- De Angelo, L. E. (1981). Auditor Size and Quality Audit. *Journal of Accounting and Economics*, 3, 183-199.
- Dechow, P. M., & Dichev, I. D. (2002). The quality of accruals and earnings: The role of accrual estimation errors. *The accounting review*, 77(s-1), 35-59.
- Gleason, C. A., Jenkins, N. T., & Johnson, W. B. (2008). The contagion effects of accounting restatements. *The Accounting Review*, 83(1), 83-110.
- Hasnan, S., Razali, M. H. M., & Hussain, A. R. M. (2020). The effect of corporate governance and firm-specific characteristics on the incidence of financial restatement. *Journal of Financial Crime*.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behaviour, agency costs and ownership structure. *Journal of financial economics*, 3(4), 305-360.
- Kempf, E., Manconi, A., & Spalt, O. (2017). Distracted shareholders and corporate actions. *The Review of Financial Studies*, 30(5), 1660-1695.
- Khajavi, S., & Ghadirian Arani, M. H. (2016). Investigation of the impact of earnings quality on restatement of financial statements.
- Li, Y., Liu, X., & Yan, Q. (2018). Is institutional investor a supervisor or cooperator?: Based on the relationship between financial restatement and management turnover. *Nankai Business Review International*, 9(1), 2-18.
- Lin, Y. H., Lin, S., Fornaro, J. M., & Huang, H. W. S. (2017). Fair value measurement and accounting restatements. *Advances in accounting*, 38, 30-45.
- Liu, L. L., Raghunandan, K., & Rama, D. (2009). Financial restatements and shareholder ratifications of the auditor. *Auditing: A Journal of Practice & Theory*, 28(1), 225-240.
- Rachman, H. A. (2019). *Pengaruh Biaya Audit Abnormal Dan Tenure Audit Terhadap Penyajian Kembali Laporan Keuangan* (Doctoral dissertation, Universitas Airlangga).
- Rich, K. T., & Zhang, J. X. (2016). Municipal accounting restatements and top financial manager turnover. *Journal of Public Budgeting, Accounting & Financial Management*.

- Schipper, K. (1989). Earnings management. *Accounting horizons*, 3(4), 91.
- Staubus, G. J. (2003). An accountant's education. *Accounting Historians Journal*, 30(1), 155-196.
- Wang, H., & Zhang, J. (2018). Securitizations and accounting restatements. *Asian Review of Accounting*, 26(4), 571-594.

Analysis of Factors Affecting the Restatement of Financial Statements

ORIGINALITY REPORT

17%

SIMILARITY INDEX

13%

INTERNET SOURCES

11%

PUBLICATIONS

%

STUDENT PAPERS

PRIMARY SOURCES

1	LUISA TOMI YANAGUIBASHI LEAL, LUIZ FELIPE DE ARAÚJO PONTES GIRÃO, WENNER GLAUCIO LOPES LUCENA, VINÍCIUS GOMES MARTINS. "PERSISTENCE, VALUE RELEVANCE, AND ACCRUALS QUALITY IN EXTREME EARNINGS AND CASH FLOW SITUATIONS", RAM. Revista de Administração Mackenzie, 2017 Publication	1%
2	es.scribd.com Internet Source	1%
3	ojs.unud.ac.id Internet Source	1%
4	www.ijbel.com Internet Source	1%
5	ijie.ir Internet Source	1%
6	repository.up.ac.za Internet Source	1%

7	Eka Handriani. "Earning Management and the Effect Characteristics of Audit Committee, Independent Commissioners: Evidence From Indonesia", Research in World Economy, 2020 Publication	1 %
8	sciencescholar.us Internet Source	<1 %
9	e-edu.nbu.bg Internet Source	<1 %
10	Fernando, Guy D., Richard A. Schneible Jr., and SangHyun Suh. "Family firms and the market's sensitivity to accruals quality", International Journal of Accounting and Finance, 2015. Publication	<1 %
11	Bambang Bemby Soebyakto, Kencana Dewi, Mukhtaruddin M, Shendy Arsela. "Investment opportunity set to earning quality and firm's value: Corporate governance mechanism as moderating variable.", Corporate Ownership and Control, 2017 Publication	<1 %
12	Reginald Shareef. "Chapter 2851 ACA Design: Rethinking Selznick", Springer Science and Business Media LLC, 2022 Publication	<1 %

13 Tung Xuan Truong. "Fire Detection with Video Using Fuzzy c-Means and Back-Propagation Neural Network", Lecture Notes in Computer Science, 2011
Publication <1 %

14 pure.bond.edu.au
Internet Source <1 %

15 iccd.asia
Internet Source <1 %

16 www.oceanglass.com
Internet Source <1 %

17 mit.edu
Internet Source <1 %

18 1library.net
Internet Source <1 %

19 aut.researchgateway.ac.nz
Internet Source <1 %

20 www.idfresearch.org
Internet Source <1 %

21 Javad Izadi Zadeh Darjezi, Homagni Choudhury, Alireza Nazarian. "Simulation evidence on the properties of alternative measures of working capital accruals", International Journal of Accounting & Information Management, 2017
Publication <1 %

22 Peng Wu, Lei Gao, Zhibin Chen, Xiao Li. <1 %
"Managing reputation loss in China: in-depth
analyses of financial restatements", Chinese
Management Studies, 2016
Publication

23 repo.usni.ac.id <1 %
Internet Source

24 123docz.net <1 %
Internet Source

25 atl.sites.olt.ubc.ca <1 %
Internet Source

26 repository.widyatama.ac.id <1 %
Internet Source

27 jpl.mzumbe.ac.tz <1 %
Internet Source

28 www.ekjt.org <1 %
Internet Source

29 Nadiah Amirah Nor Azhari, Suhaily Hasnan,
Zuraidah Mohd Sanusi. "The Relationships
Between Managerial Overconfidence, Audit
Committee, CEO Duality and Audit Quality
and Accounting Misstatements", International
Journal of Financial Research, 2020
Publication

30 Tolmie, Andy, Muijs, Daniel, McAteer, Erica. <1 %
"EBOOK: Quantitative Methods In Educational

And Social Research Using Spss", EBOOK:
Quantitative Methods In Educational And
Social Research Using Spss, 2011

Publication

31

gssrr.org
Internet Source

<1 %

32

jsss.co.id
Internet Source

<1 %

33

ojs.uajy.ac.id
Internet Source

<1 %

34

www.rieti.go.jp
Internet Source

<1 %

35

www.sid.ir
Internet Source

<1 %

36

عصام حمدى مصطفى أمين. "دراسة وإختبار العلاقة بين
جودة المراجعة الخارجية وإعادة إصدار القوائم المالية فى
الشركات غير المالية المقيمة بالبورصة المصرية", مجلة
الاسكندرية للبحوث المحاسبية, 2021
Publication

<1 %

37

Bin Fang, Xinming Liu, Chen Ma, Yusang Zhuo.
"Blockchain technology adoption and
accounting information quality", Accounting &
Finance, 2023
Publication

<1 %

38

Chen Ma, Michael Kraten, Junrui Zhang, Peng
Wang. "The Chinese experience: The impact

<1 %

of financial restatements on firm value and its implications on the investigatory practices of regulators", Research in Accounting Regulation, 2014

Publication

39

Dao, Mai, Hua-Wei Huang, Ken Y. Chen, and Ting-Chiao Huang. "Can Management Turnover Restore the Financial Statement Credibility of Restating Firms? Further Evidence : MANAGEMENT TURNOVER AND FINANCIAL STATEMENT CREDIBILITY", Journal of Business Finance & Accounting, 2014.

Publication

40

Nadiyah Amirah Nor Azhari, Suhaily Hasnan, Zuraidah Mohd Sanusi, Alfiatul Rohmah Mohamed Hussain et al. "Material accounting misstatements: Do managerial overconfidence, financial distress, and corporate governance practices matter?", Corporate and Business Strategy Review, 2022

Publication

41

apothesis.lib.hmu.gr
Internet Source

<1 %

42

ejournal.unesa.ac.id
Internet Source

<1 %

43

staff.ui.ac.id
Internet Source

<1 %

44

www.diva-portal.org

Internet Source

<1 %

45

www.emerald.com

Internet Source

<1 %

46

www.virtusinterpress.org

Internet Source

<1 %

47

Cédric Poretti, Tiphaine Jérôme, Cindy Yoonjung Heo. "Business strategies and financial reporting complexity in hospitality firms", *International Journal of Hospitality Management*, 2023

Publication

<1 %

48

David A. Reppenhagen. "Contagion of accounting methods: evidence from stock option expensing", *Review of Accounting Studies*, 2010

Publication

<1 %

49

Jere R. Francis, Chrystelle Richard, Ann Vanstraelen. "Assessing France's Joint Audit Requirement: Are Two Heads Better than One?", *AUDITING: A Journal of Practice & Theory*, 2009

Publication

<1 %

50

Pamela Kent, Richard Anthony Kent, James Routledge, Jenny Stewart. "Choice of governance structure and earnings quality", *Accounting Research Journal*, 2016

<1 %

51

Sally Gunz, Linda Thorne. "Thematic Symposium: Accounting Ethics and Regulation: SOX 15Years Later", Journal of Business Ethics, 2018

Publication

<1 %

52

clock.uclan.ac.uk

Internet Source

<1 %

53

ijaaf.um.ac.ir

Internet Source

<1 %

54

journals.ut.ac.ir

Internet Source

<1 %

55

meral.edu.mm

Internet Source

<1 %

56

tesi.luiss.it

Internet Source

<1 %

57

www.accounting-for-transparency.de

Internet Source

<1 %

58

www.ijbmi.org

Internet Source

<1 %

59

Germar Ebner, Johannes Hottmann, Henning Zülch. "Error announcements, auditor turnover, and earnings management – Evidence from Germany", Corporate Ownership and Control, 2017

Publication

<1 %

60

Javad Oradi, Javad Izadi. "Audit committee gender diversity and financial reporting: evidence from restatements", *Managerial Auditing Journal*, 2019

Publication

<1 %

61

Mojtaba Golmohammadi Shuraki, Omid Pourheidari, Masoud Azizkhani. "Accounting comparability, financial reporting quality and audit opinions: evidence from Iran", *Asian Review of Accounting*, 2020

Publication

<1 %

62

Rusmin Rusmin, Mahmud Hossain, John Evans. "GOVERNANCE ATTRIBUTES IN INDONESIA AND EARNINGS QUALITY", *Corporate Board: role, duties and composition*, 2011

Publication

<1 %

63

أحمد محمد شاكر حسن سمعان. "المتغيرات المنظمة لعلاقة الثقة الإدارية الزائدة بتعديلات القوائم المالية (منهج إمبريقي على الشركات المساهمة المصرية)", *مجلة الاسكندرية للبحوث المحاسبية*, 2020

Publication

<1 %

Exclude quotes On

Exclude matches Off

Exclude bibliography On