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SHARIA'S ACCOUNTING INFORMATION DISCLOSURE, ACCOUNTABILITY, AND AUDITOR INDEPENDENCE EFFECTS ON STAKEHOLDER TRUST: ANALYSIS ON SHARIA COMPANIES IN CAPITAL MARKET

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KEYWORDS
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ABSTRACT

Businesses in the food and beverage sector have strong opportunities to grow in their operations because people consume more food and beverages. In order to calculate the level of future risk, data relating to financial proportions must be worked out in other financial investigation structures. Investigating the financial challenges faced by companies in the food and beverage sector that trade conventional and Islamic stocks on the Indonesia Stock Exchange is the aim of this study. The research examines the relationship between these factors and stakeholder trust in order to understand the impact of accounting practices and auditor independence on the trustworthiness of Sharia companies. The study utilizes quantitative and associative approach. By measuring linearly and clauses to describe the relationship between two or more variables, associative research techniques are a type of research that uses statistical calculations to test hypotheses. Audit delay is one of the things that tempts businesses to change auditors. This study supports the hypothesis that organizations that experience audit delays are more likely to change auditors in the next period in an effort to win back investor confidence. The test findings show that audit opinion, audit delay, and financial strain all impact auditor turnover at the same time. The research findings show that organizations that experience accounting losses do not experience financial difficulties directly. Usually, businesses whose shares are listed on the Islamic stock index have stronger financial strength.

INTRODUCTION

The business world is developing rapidly and competitively, therefore it is recommended for every company to improve their respective business units in order to compete with other businesses. Increasing business competitiveness and creating new ones to compete and supply commodities to the public will go hand in hand with rapid economic growth (Suharman et al., 2018). Along with changing economic conditions, the production of various types of ready-to-eat food and beverages with global competitiveness emerged (Zahrah & Fawaid, 2019).

The level of risk and profit of the company will be determined after providing financial reports, which will then be analyzed (Astuti, et al, 2022). Financial analysis, involving financial ratios and the strengths and weaknesses of the financial industry, will be very useful in assessing the past success of satisfaction management and its future prospects (Rashid, 2020). If made properly and correctly, financial reports can present a true picture of the company's performance over a certain period of time. Based on these circumstances, financial performance is assessed (Ghozali, 2020; Hutauruk et al., 2021). Financial statement analysis is the process of analyzing the components of a company's financial statements and then carrying out the analysis over two or more periods (Hutabarat, 2020).

As a result, many companies are struggling out to do their best. If a company is unable to compete with other companies, its financial performance will decline, creating financial problems or difficulties.

An organization's capacity to fulfill its promises will often be reduced during its fundamental phase if it is experiencing financial difficulties. Financial distress according to André and Taqwa (2014) is the stage of the company's financial situation before bankruptcy or liquidation. When assets are insufficient or less than total liabilities, this situation can be caused by a number of business operations, including comparing the amount of assets and liabilities (Dirman, 2020).

Losses, subpar performance, and cumulatively negative "revenue" for at least several consecutive years are signs of financial distress. In times of financial difficulties, declaring bankruptcy may be an option (Jaisheela, 2015). All businesses in the Indonesian food and beverage industry, including companies that sell beverages on the Indonesia Stock Exchange (IDX), can experience these financial difficulties. The majority of companies that fall into the Conventional stock category on the IDX are said to be struggling financially, according to the definition (Vernanda & Widyarti, 2016).

It is very important to complete more perspectives of the food and beverage sub-area during the upcoming exam time as this makes up a sizeable percentage of the overall large sector. Furthermore, businesses whose shares are listed.

One of the countries where the majority of the population is Muslim is Indonesia. As a result, Islamic banking has played an important role in the growth of Indonesia's Islamic economy (Sharif & Prawito, 2020). In terms of industrial arrangement, Islamic banking is no exception. Restoring economic stability after a crash in the economic sector is one approach to doing so.

Many variables can affect efforts to increase bank profitability. In some cases, practice effective corporate governance. The public and the whole world believe that the banking sector must comply with these regulations in order to develop properly and healthily, so that the application of GCG is indispensable for expansion. Weak GCG implementation will lead to financial problems, including corruption, fraud, and misappropriation of funds by the bank itself and external parties.

Auditors must uphold independence and objectivity in carrying out their duties. Independence means being free from external influences, beyond external control, and independent from external dependencies. It also requires maintaining objectivity when checking facts and ignoring any self-interest that can be attributed to them. Auditor independence is a very important audit requirement because it affects the validity of management's financial reports, which form the basis of the fairness opinion (Saputri & Su'un, 2022).

Service business is a business that provides goods or services to other people or the general public. Consider service providers specializing in advocacy, communications, advocacy and transportation, such as banks, insurance companies, moving companies, etc. Companies launch initial public offerings, or IPOs, which is the term used in the business sector (Princess, 2019). The act of giving control of a corporation by selling stock to the public. The company will then be listed on the Indonesia Stock Exchange. Because there is an Islamic capital market, Muslims are able to engage in Shariah-compliant capital market investments.

Ummi (2013) claims that the operation of the Indonesian Islamic capital market is generally identical to the capital market we know. The Islamic capital market in Indonesia was established in line with sharia. Instruments such as stocks, bonds and mutual funds, among others, can only be traded on the Islamic Capital Market if they meet the criteria. The Islamic Capital Market must be free from unethical and immoral transactions such as market manipulation, insider trading, and other similar practices given the structure of the Islamic Capital Market, which prohibits ribawi and ghahar transactions and does not trade in prohibited areas.

To make choices about which company's stocks are worth choosing and to invest wisely, a stock investor needs information regarding changes in stock prices. Accurate stock valuation can lower risk for investors while helping them earn realistic returns (Syamsu Alam et al., 2021). Investments often generate large returns when compared directly to the risk, this shows that the opportunity for risk is also getting bigger.

Every service company that goes public and is listed on the Indonesia Stock Exchange is required to prepare financial reports that have been audited by an independent auditor or a Public Accounting Firm (KAP). Financial reports contain financial data of a company. The financial statements produced by the company's accounting process have the objective of disseminating financial information, especially to outsiders (Rahmansyah & Darwis, 2020). Thus, the study aims to investigate the financial challenges faced by companies in the food and beverage sector that trade conventional and Islamic stocks on the Indonesia Stock Exchange.

RESEARCH METHOD

In this study, researchers used a quantitative and associative approach. By measuring linearly and clauses to describe the relationship between two or more variables, associative research techniques are a type of research that uses statistical calculations to test hypotheses. The findings are then used to confirm or refute the theory.

This type of inquiry is referred to as "library research". Material on library research is obtained by means of analysis and retrieval of material from relevant literature and other sources, including books, notes, and reliable findings from previous studies. E-books, e-journals, notebooks, and reports that identify companies in the consumer product sector that are included in the audited Indonesian Sharia Stock Index (ISSI) provide the secondary data used in this research.

The sample is a small part of the population selected according to predetermined guidelines to adequately reflect the size, composition and features of the population. The sampling strategy used is nonprobability sampling. Nonprobability sampling refers to the practice of selecting a sample without randomly selecting any component or member of the population. The deep sampling technique used in this study is called purposeful sampling. "Purposive sampling" is a sampling technique that considers special or special selection.

The many forms of secondary data used in this study include information obtained from other sources referred to as "secondary data". Secondary data sources include company records or documents, government publications, industry analysis from media websites, the internet, and other sources.

RESULTS AND DISCUSSION

The test results show that the audit opinion has a beneficial and significant effect on auditor turnover in the services provided by the IDX KAP. Based on a regression coefficient of 2,689, for every one unit increase in audit opinion, there will be an increase in auditor turnover for Service Companies listed on the IDX in 2014-2018 of 2,689 units. The coefficient value is 2.689, and less than 0.05 is considered statistically significant (0.000). This implies that if a company obtains a view other than an unqualified opinion, there will be more auditor changes.

What is meant by "audit opinion" is the auditor's assessment of the accuracy of the company's financial statements. If the customer disagrees with the auditor's assessment, the client may decide to change auditors. The conclusion of the research shows that one of the elements that motivates businesses to switch auditors is audit opinion.

The findings of this study lend credence to the notion that firms are more likely to change auditors if the auditor is more eager to offer advice than an unqualified view. This research supports Sarah (2018) that audit opinion significantly and favorably influences auditor switching. In contrast to previous findings by Pasaribu (2017), audit opinion has a negative effect on auditor turnover.

Audit delay is the length of time from the closing date of the books until the auditor signs the audit report required to complete the audit task. Delays in the audit will have an impact on investor reactions, which will reduce investor confidence in the company. The health of the company appears to have been negatively impacted by the delay.

According to the conclusion of the study, audit delay is one of the things that tempts businesses to change auditors. This study supports the hypothesis that organizations that experience audit delays are more likely to change auditors in the next period in an effort to win back investor confidence. This research supports Masruroh (2016) that audit delay has a major impact on auditor switching. opposite.

Investors' misperception of financial matters directly contributes to their lack of confidence in the company's profitability. In addition, audit fees cannot be increased for companies experiencing financial problems; instead, it is the customer's responsibility to pay them when changing auditors.

As a result, companies that are experiencing financial problems are less likely to change auditors during the next period than organizations that are not having financial problems.

Financial stress has a negative and quite large effect on auditor turnover, according to the results of studies conducted by academics. This implies that if a company experiences serious financial difficulties, the auditor turnover rate will decrease. This finding supports Masruroh' (2016) and Pasaribu (2017).

CONCLUSION

The test findings show that audit opinion, audit delay, and financial strain all impact auditor turnover at the same time. These results are indicated by a Chi-Square value of 66.014, a df of 3, and a significance level of 0.000 or less than 0.05. It highlights how audit opinions, audit delays and financial difficulties all impacted the Jasa firm's decision to transfer an auditor between 2014 and 2018, during which time it was listed on the Indonesian Stock Exchange. When viewed from these two perspectives, the Nagelkerke R square value is 0.475 (47%) while the Cox & Snell R square value is 0.356 (35%). Audit delay and financial distress, which can account for 47% of the variance in the dependent variable, can be used to explain the independent variable, audit opinion.

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