



## IS THE QUALITY OF THE FINANCIAL STATEMENTS OF LISTED STATE OWNED ENTITIES AFFECTED BY LITIGATION RISK?

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## **A B S T R A C T**

Many factors can affect the quality of financial reports, including litigation risk. This article explores how corporate litigation risk which includes the following variables: risk of financial irregularities, risk of default, political risk affect the quality of financial statements of listed state owned entities (BUMN) in Indonesia. Based on previous research, descriptive and verificative methods were used with quantitative approaches. The results show that, as expected, the higher the litigation risk, the lower the quality of financial reports.

**Keywords:** *Litigation Risk; Financial Report Quality*