

ABSTRACT

Indonesia is a country with very rapid development of sharia banking and finance. Sharia Commercial Banks have different characteristics from conventional banks but still face the risk of payments that cannot be collected. Therefore, reserves for impairment losses or loan loss provisions are needed to enable earnings management. This study aims to analyze the influence of Islamic Corporate Governance mechanisms (effectiveness of the Sharia Supervisory Board, the board of commissioners, and the audit committee) and auditor quality on earnings management.

The population in the study uses Sharia Commercial Banks registered with the Financial Services Authority in 2017-2022. The sample in this research was selected using a purposive sampling technique and a final sample of 66 was produced. The data was analyzed using the Structural Equation Model (SEM) approach with the Partial Least Square (PLS) method using the SmartPLS 3.2.9 operating system.

The overall results of data analysis processed from 2017-2022 show that the effectiveness of the Sharia Supervisory Board, the board of commissioners, the audit committee, and the quality of auditors have a significant negative effect on earnings management.

Keywords: *Earning Management, Sharia Bank, Sharia Supervisory Board (SSB), Auditor Quality*