

ABSTRACT

This study aims to analyze the impact of audit committee characteristics on earnings management, considering the moderating role of audit quality. The dependent variable in this study is earnings management, while the independent variables include audit committee independence, audit committee size, audit committee meeting frequency, and audit committee expertise. Additionally, leverage and bank size are considered as control variables.

The population of this study consists of banking sub-sector companies listed on the Indonesia Stock Exchange from 2020 to 2022. By applying purposive sampling, a sample of 129 companies was obtained. The data used in this study are secondary data sourced from the companies' annual reports. The study employs quantitative methods with multiple regression analysis and subgroup analysis to test the hypotheses.

The results show that audit committee expertise has a significant negative effect on earnings management. However, independence, size, and meeting frequency of the audit committee do not have a significant impact on earnings management. Furthermore, audit quality strengthens the positive effect of audit committee meeting frequency on earnings management but does not moderate the relationship between other audit committee characteristics and earnings management.

Keywords: Audit committee, audit quality, corporate governance, earnings management