

ABSTRACT

The study was conducted with the aim to examine the effect of earnings management on the disclosure of Key Audit Matters (KAMs). The independent variable in the study is earnings management as measured by the Modified Jones Model. The dependent variable in the study is the disclosure of Key Audit Matters (KAMs) as measured by the number of Key Audit Matters (KAMs) accounts, the number of words of Key Audit Matters (KAMs) disclosure, and the reason for Key Audit Matters (KAMs) disclosure. There are three control variables in the study, company size, profitability, and leverage.

The population in the study consisted of companies listed on the Indonesia Stock Exchange (BEI) in 2022 and 2023. The sample was collected using purposive sampling method with a total sample of 1080 companies. Logistic regression and linear regression analysis using Eviews-12 to test the research data. The test results show that the earnings management variable has a positive and significant effect on the disclosure of Key Audit Matters (KAMs) as measured by the number of accounts. However, earnings management has no significant effect on the disclosure of Key Audit Matters (KAMs) as measured by the number of words and reasons for disclosing Key Audit Matters (KAMs).

Keywords: earnings management, Key Audit Matters (KAMs), firm size, profitability, and leverage.