

ABSTRACT

This study aimed to obtain evidence about the factors that influence earnings management. These factors consist of the audit fee, audit firm size, board size, independent commissioner, the number of audit committee, the audit committee financial expert, and the number of audit committee meetings. The control variables used include the size of the company (FRMSIZE), leverage (LEV), operating cash flow (CFO) and company growth (FRMGRTH).

The population in this study are all non-financial companies listed on the Indonesia Stock Exchange in 2015. The selection method of the data used in this research is purposive sampling method. Total samples used in this study as many as 142 companies. Data analysis was performed with the classical assumption and hypothesis testing with multiple regression method.

The results of this study indicate that audit fee, audit firm size, and the number of audit committee significantly and negatively related to earnings management. Board size significantly and positively related to earnings management. Independent commissioner, the audit committee financial expert, and the number of audit committee meetings had no effect on earnings management.

Keywords: earnings management, audit quality, board structure, audit committee.