

## ABSTRACT

*This study aimed to analyze the influence of audit committees of the real earnings management. Securities and Exchange Commission issued rules to any manufacturing company to establish an audit committee. Agency problems within the company will be controlled by the audit committee.*

*The sample used is secondary data from the Indonesia Stock Exchange (BEI) is a manufacturing company's annual report and financial report in 2012-2014. Variable earnings management and audit committee analyzed using multiple linear regression analysis method to test hypothesis testing and statistical test statistic  $t$  and  $F$ . This is because the variable are tested more than one independent variable.*

*These results indicate that the variable expertise finance of committee audit and number of audit committee has positive significant on real earnings management. Number of additional position held by chief audit committee has negative significant on earnings management. While tenure chief of audit committee has no impact on real earnings management.*

*Keywords: real earnings management, characteristics of audit committee, agency theory, good corporate governance.*