

## **ABSTRACTS**

*This study aims to obtain empirical evidence and to analyze the effect of audit committee characteristics such as independence, financial expertise, and amount of audit committee's meetings and also external auditor's quality on the likelihood of fraudulent financial reporting.*

*The population in this study was non-financial companies listed on the Indonesia Stock Exchange in 2008 to 2012, based on the investigation result of Indonesia Financial Services Authority in 2009 to 2013 towards the listed companies that proved have done the VIII.G.7 infraction, the fraudulent financial reporting. Total samples used in this study were 46 companies, consist of 23 companies which classified had done the fraudulent financial reporting, and 23 companies which not classified had done the fraud as matched companies by the criteria on the same of industry and total asset. Data analysis was performed by the descriptive statistic analysis, multikolonieritas test, and hypothesis test with logistic regression analysis.*

*The analysis results of this study indicate that independence and financial expertise of audit committee do not have significant negative effects on the likelihood of fraudulent financial reporting, while the amount of audit committee meetings and external auditor's quality have a significant effect on the likelihood of fraudulent financial reporting.*

*Keywords:    fraudulent financial reporting, characteristic of audit committee, corporate governance, and auditor quality.*