

ABSTRACT

The purpose of this research is to analyze the influence of surplus free cash flow, audit quality, and good corporate governance (board of commissioner composition, board of commissioner size, the number of audit committee member, and audit committee expertise) to earnings management in Indonesia. The subject of this research is mining industry, the consumer goods industry, and chemical and basic industry. These companies have to listed in Indonesia Stock Exchange before 1 January 2010 and has published financial statement for 2010-2014.

The number of company sample obtained in this research is 62 with total sample with total research sample is 199. This research use purposive sampling. The data analysis is use multiple regression linear which already passed the test classic assumption.

Total hypothesis of this research is seven. The result of this research is audit quality and board of commissioner composition is influence to earnings management. Surplus free cash flow, board of commissioner size, the number of audit committee member, and audit committee expertise is not influence to earnings management.

Keyword: Surplus free cash flow, audit quality, board of commissioner composition, board of commissioner size, the number of audit committee member, audit committee expertise, earnings management