

## ***ABSTRACT***

*The audit committee has a very important role to oversee the financial reporting of a company because one of the important information available to the public and used by investors to assess the company. The purpose of this study was to examine the practice of earnings management as measured by discretionary accruals can be influenced by characteristics of the audit committee, the independence, size of the audit committee, competence and frequency of meetings.*

*The data used in this study is a secondary data, the annual financial statements of a manufacturing company in the years 2009-2011 are listed in the Indonesia Stock Exchange ([www.idx.co.id](http://www.idx.co.id)). The sample used was 53 companies that reported the audit committee. The treatment method used is multiple linear regression analysis.*

*The results showed that the frequency of audit committee meeting significant effect on earnings management with the negative direction. Meanwhile, other variables such as the independence of the audit committee, size of the audit committee and competence have no influence on the practice of earnings management..*

*Keywords: Audit Committee, the practice of earnings management.*