

## **ABSTRACT**

*This study aims to examine the influence of audit committee characteristics on quality of financial reporting. The quality of the financial reporting reflects the ability of cash flow to predict earnings. This study uses the independence of audit committee members, the size of the audit committee members, financial expertise of the audit committee member, and overlapping membership in audit committee and remuneration committee as variables affecting the quality of financial reporting. This research refers to research conducted by Kusnadi, et al., (2011).*

*Population of this study were non – financial companies listed in Indonesia Stock Exchange (IDX) in 2014. Using purposive sampling method, this study gathered 183 companies as samples used in analysis. Data were analyzed using multiple regression analysis.*

*The results of this study showed that the size of the audit committee has a positive effect on quality of financial reporting. However, this study failed to obtain empirical evidence of the influence of independence of audit committee members, financial expertise of audit committee members, and overlapping membership in audit committee and remuneration committee on the quality of financial reporting.*

*Keywords: quality of financial reporting, independence of audit committee members, size of audit committee members, audit committee financial expertise, overlapping membership of audit committee members*