

## **ABSTRACT**

*This study aims to obtain empirical evidence about the influence of corporate governance practices, bonus plans, debt-covenant and firm size on earnings management practices. Corporate governance practices were measured using three variables (the structure of independent commissioners, the audit committee and auditor reputation with size of Public Accountant Office), bonus plans are measured from the bonus by using a dummy, debt-covenant with measured by debt to equity ratio, and firm size measured value of the number of shares outstanding year-end.*

*Earnings management measured by discretionary accruals using the Modified Jones Model. The population in this study is 135 manufacturing companies listed in Indonesia Stock Exchange in 2008-2010. The research data obtained from financial statements and annual reports of manufacturing companies in the period 2008-2010. Based on purposive sampling method, samples obtained as many as 18 companies by the number of observation data as much as 54 data derived from the company's total sample multiplied by the period 2008 to 2010. The hypothesis in this study were tested using multiple regression analysis.*

*The analysis showed that the variable that have a significant influence on earnings management is firm size. Furthermore, the structure of independent commissioners, the audit committees, auditor reputation, bonus plans, and debt-covenants does not significantly influence earnings management.*

**Key words:** *earnings management, corporate governance, the structure of independent commissioners, the audit committee, auditor reputation, bonus plans, debt-covenant and firm size.*