

ABSTRACT

This research aims to investigate the influence of audit committee characteristics in relation to real earnings management. Audit committee characteristics in this research refers to research conducted by Sun et al. (2014) by using variable accounting financial expertise, board tenure, additional boards, and committee size.

This study used secondary data. The population consists of manufacturing industries in Indonesia Stock Exchange in year 2012-2014 . Sampling method used is purposive sampling. The criteria of purposive sampling is firms that publish financial reports and annual reports in year 2012-2014. The samples consists of 60 companies. Multiple regression analysis used to be analysis technique.

The results of this study show that there is significant relationship between accounting financial expertise and additional boards to real earnings management. But, there is no significant relationship between board tenure and committee size to real earnings management.

Keywords : audit committee characteristics, real earnings management