

ABSTRACT

The purpose of this research is to analyze the effect of the characteristics of audit committee and audit quality on firms' compliance with IFRS for goodwill impairment testing. Characteristics of audit committee and audit quality as an independent variable. Firms' compliance with IFRS for goodwill impairment testing as an dependent variable is proxied by using compliance index.

The sample in this research is manufacturing companies in Indonesia Stock Exchange during period 2012-2015. The sampling method in this research is purpose sampling. The analysis technique in this study using multiple regression analysis.

These result of this study indicate that characteristics of audit committee consisting the size of audit committee have not significant influence on firms' compliance with IFRS for goodwill impairment testing. Accounting and finance backgrounds of audit committee and the meeting of audit committee have a positive related and significant on firms' compliance with IFRS for goodwill impairment testing. Audit quality have a positive related and significant on firms' compliance with IFRS for goodwill impairment goodwill testing. This is indicated that the effect of the accounting and finance backgrounds of audit committee, meeting of audit committee, and audit quality can increasing firms' compliance with IFRS for goodwill impairment testing.

Keywords: characteristics of audit committee, size of audit committee, accounting and finance backgrounds of audit committee, meeting of audit committee, audit quality, Big 4 auditors, goodwill impairment.