

ABSTRACT

Several cases of earnings management that occurred at companies in Indonesia showed that the company has not fully upheld the principles of good corporate governance. This research aims to examine the effect of managerial ownership, frequency of audit committee meeting, board commissioner, and independent of board commissioners on earnings management in manufacturing companies listed on the Indonesia Stock Exchange in 2014-2018. Earnings management is proxied by discretionary accruals to calculate the company's profit manipulation in the financial statements presented. The theory used in this study is agency theory.

The research sample used are 42 companies. The data selection method used in this research is purposive sampling method. The data used was obtained from annual report and Bloomberg. The hypothesis testing of this study using multiple linear regression analysis with SPSS 23 program.

The results of this research successfully demonstrated that managerial ownership, board commissioner, and independent of board commissioners has a significant negative effect on earnings management. However, the frequency of audit committee meeting has a positive but not significant on earnings management.

Keyword : managerial ownership, frequency of audit committee meeting, board commissioner, and independent of board commissioner, earnings management, agency theory