

ABSTRACT

This study aims to analyze the impact of the audit committee characteristics on the possibility of companies experiencing financial distress. The characteristics of the audit committee is seen from the size of the audit committee, independent audit committee, the frequency of audit committee meetings, the educational background of the audit committee and the gender diversity of the audit committee. Division of categories of companies experiencing financial distress and companies with good financial condition or healthy companies using the Springate Model. This study uses one control variable, which is the size of the company as measured by the natural logarithm of the company's total assets.

The population in this study is a manufacturing company listed on the Indonesia Stock Exchange with an observation period of 2017-2019. The samples in this study were 390 samples with details of 193 samples experiencing financial distress and 197 samples with healthy financial condition. This statistical test uses logistic regression.

The results showed that the size of the audit committee, independent audit committee and the educational background of the audit committee negatively affected the possibility of the company experiencing financial distress.

Keywords: financial distress, audit committee, springate model