

## ABSTRACT

*Profit management is a decision of managers to choose a particular accounting policy deemed to be able to achieve the desired goals, whether it is to increase profits or reduce the level of losses reported. Profit management can be done in various ways, such as increasing income, lower income, or income smoothing.*

*This study aims to determine the effect of managerial ownership, audit committee, and independent board of commissioners to profit management in pharmaceutical companies listed on the Indonesia Stock Exchange in 2013 - 2016 either simultaneously or partially.*

*The method in this research is quantitative research method. The sampling technique used in this research is purposive sampling technique which get 9 research samples in the period of 4 years so that obtained 36 sample unit. The analytical method used in this research is panel data regression analysis using EViews 9 software.*

*Based on the result of this research, the result of combination between independent variable consisting of managerial ownership, audit committee and independent board of commissioner can explain or influence dependent variable that is profit management 90,5359%, while the rest is 9,4604% influenced by other variable outside research.*

*The results of this study also show that managerial ownership, audit committee, and independent board of commissioners have a significant simultaneous effect on earnings management. Partially, the audit committee has no significant effect to earnings management, while independent managerial ownership and independent board of commissioners have a significant effect on earnings management.*

*Keyword : Ownership Management, Audit Committe, Independent Board of Commissioners*