

ABSTRACT

Earnings management is an activity performed by company management by manipulating in financial reporting, that is by changing the numbers in the financial statements. Earnings management can be done in various ways, such as increasing income (income increase), lower income (income decreasing), or income smoothing (income smoothing).

This study aims to determine the effect of independent board of commissioners, institutional ownership, and audit committee on earnings management in food and beverage companies listed in Indonesia Stock Exchange in 2014 - 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 13 sample of research in the period of 3 years so that got 39 sample unit. The analysis 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 variables consisting of independent board of commissioner, institutional ownership, and audit committee can explain or influence the dependent variable that is earnings management amounted to 39.8863%, while the remaining 60.1137% influenced by other variables outside the study.

The results of this study also indicate that independent board of commissioners, institutional ownership, and audit committee have a significant simultaneous influence on earnings management. Partially, independent boards and institutional ownership have a significant effect on earnings management, while audit committees have no significant effect on earnings management.

Keywords: Independent Board of Commissioners, Institutional Ownership, Audit Committee, Profit Management

