ABSTRACT

Earnings management is an action that can be used as a method used by company management to choose to use policies in making the company's financial statements. This can be done by management with motivation to show a good performance that has been done by management for shareholders for their own interests.

There are several independent variables in this study, namely the independent Board of Commissioners, the Audit Committee, Managerial Ownership, Auditor Independence and Leverage Ratio, and the dependent variable in this study is Earnings Management. In this study aims to analyze several factors that can affect earnings management in banking companies included in the financial sector listed on the Indonesia Stock Exchange in 2014-2018.

This study uses a population of banking companies listed on the Indonesia Stock Exchange in 2014-2018. The sampling technique uses Purpose Sampling and there are 34 banking companies with observations for 5 years so that the total sample in this study 170 samples were observed. The analysis technique in this study uses panel data regression analysis using Eviews 10 applications.

Based on the research results of the independent board of commissioners, audit committee, managerial ownership, auditor independence and leverage simultaneously affect earnings management in banking companies listed on the Indonesia Stock Exchange in 2014-2018. Partially, the independent board of commissioners, audit committee and managerial ownership have no effect on earnings management and auditor independence has a negative effect on earnings management, while leverage has a positive effect on earnings management.

Keywords: *Independent Board of Commissioners, Audit Committee, Managerial Ownership, Auditor Independence, Leverage, Earnings Management.*