

ABSTRACT

Earnings management is a manager's effort to influence financial report information by increasing or reducing profits for his own benefit. This causes the company's financial reports to not reflect actual conditions. This causes the company's financial reports to not reflect actual conditions.

This paper aims to determine the effect of audit quality, managerial ownership, and bonus compensation on earnings management. The population in this study are infrastructure sector companies listed on the Indonesia Stock Exchange for the 2018 - 2022.

The sample was determined using a purposive sampling technique and obtained 65 samples, consisting of 13 companies with a research period of 5 years. The analysis technique used is panel data regression analysis using Eviews 12 software.

The results of this research show that the variables audit quality, managerial ownership, and bonus compensation simultaneously influence earnings management. partially, the audit quality variable has a significant negative effect on earnings management. bonus compensation has a significant positive effect on earnings management. Meanwhile, the managerial ownership variable has no significant effect on earnings management.

It is hoped that the results of this research can be used by infrastructure sector companies to provide consideration for companies to present financial reports that are free from fraud. Apart from that, it is hoped that it can be used as a reference by company managers so that they can provide useful information. It is also hoped that these results can be used as material for consideration in the assessment for decision making in investments.

Keywords: Managerial Ownership, Compensation Bonus, Audit Quality, and Earnings Management