ABSTRACT

Earnings management is the manager's attempt to manipulate earnings to suit his/her personal and corporate interests. Earnings management is common in Indonesia. Many companies are involved in earnings management cases, even including companies going public on the Indonesia Stock Exchange. Among these, there are known factors that cause the emergence of earnings management practices, namely the nature and behavior of women whose risk-averse towards earnings management practices have received significant attention. The audit committee as an important factor in controlling and supervising is also predicted to be able to influence the overall earnings quality.

The purpose of conducting this research was to determine the effect of women’s participation in the board of directors, women’s participation in the audit committee, family ownership, board size, board independence, audit committee size, audit committee with accounting expertise as measured by discretionary accruals. Besides, there were also control variables in the form of profitability, auditor quality, and company size. This study explored various forms of earnings management practices in Indonesian public companies.

To analyze the data in this study, the writer used the panel regression analysis method with a combination of time series and cross-sectional data. This study used the financial and annual reports of companies going public on the Indonesia Stock Exchange from the period 2014 to 2018 which is secondary data.

Keywords: Discretionary Accruals, Earnings Management, Audit Committee