

**ANALYSIS THE EFFECT OF AUDIT QUALITY AND AUDIT
COMMITTEE ON EARNINGS MANAGEMENT**

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ABSTRACT

The purpose of this research is to obtain the results of the influence of audit quality and audit committee on earnings management with leverage, company size and operating cash flow as control variables. The size of the auditor and audit tenure was used as measurement of audit quality, while the audit committee was measured by the size of the audit committee, audit committee competence and frequency of meetings held by the audit committee.

In this study, the method used was panel regression with the Fixed Effect Model which is the best model for measuring the effect of independent variables on the dependent variable. Company data were obtained through the financial statements of companies listed on the IDX and to process these data, the writer used the SPSS statistical program.

The author concluded the findings as, audit quality that measured by Big 4 and the role of audit committees in Indonesia do not effectively limit the earnings management. Hence, for the further researchers, it is better to consider not using Big 4 and non Big 4 as the proxy of audit quality but use audit opinions as the measurement of audit quality instead.

Keywords : audit committee, audit quality, earnings management