

ABSTRACT

Financial distress is a stage of decline in financial conditions that occurred before the bankruptcy of the company. Financial distress can be influenced by several things, one of which is the corporate governance mechanism. The mechanism of good corporate governance is an important aspect in improving the company's financial performance so that the company can avoid a financial problem.

The purpose of this study was to determine the effect of corporate governance consisting of institutional ownership, managerial ownership, independent board of commissioners and audit committee on financial distress using the springate s-score proxy. The population in this study is the transportation sub-sector companies listed on the Indonesia Stock Exchange in 2013-2017. Purposive sampling is a sampling technique that is used and obtained by 7 companies with a research period of 5 years so that there are 35 sample data. The data analysis technique uses panel data regression using software Eviews 10.

The results of this study indicate that simultaneous institutional ownership, managerial ownership, independent board of commissioners and audit committees do not affect financial distress. While partially managerial ownership has a significantly negative influence on financial distress. Then, institutional ownership, independent board of commissioners and audit committees do not significantly influence financial distress

Keywords: audit committee, financial distress, good corporate governance, independent board of commissioners, institutional ownership, managerial ownership, springate-s score