ABSTRACT

Earnings management is an attempt by company managers to influence the information in the financial statements by exaggerating or reducing profits in accordance with its objectives, namely to deceive stakeholders who want to know the company's performance and condition. So that the financial statements of the company do not match the real conditions.

The purpose of this study was to determine the effect of Audit Quality, Bonus Compensation and Independent Commissioners on Earnings Management simultaneously or partially.

The population in this study is the consumer goods sector companies listed on the Indonesia Stock Exchange for the 2015-2018 period. The sample was determined using purposive sampling technique and obtained as many as 64 samples, consisting of 16 companies over a period of 4 years. The data analysis technique used is panel data regression analysis.

The results of this study indicate that the variables of Audit Quality, Bonus Compensation and the Independent Board of Commissioners simultaneously affect earnings management. Partially the variables of Audit Quality and Independent Commissioners have a negative effect on earnings management. Meanwhile, the bonus compensation variable has no effect on earnings management.

Based on the results of the study, the authors would like to provide suggestions for further research to use variables with different samples and periods.

Keywords : *Earning Management, Audit Quality, Bonus Compensation, Independent Board of Commissioner.*