

## **ABSTRACT**

*Earnings quality is the ability of earnings to reflect the truth of the company's earnings, help predict future earnings, and become a consideration in making a decision. Report users may also interpret earnings quality in the absence of earnings management action. There are several factors that can affect earnings quality, namely the proportion of independent commissioners, the proportion of independent commissioners, and liquidity.*

*This study aims to analyze the size of the company, the proportion of independent commissioners, liquidity and earnings quality. In addition, this study also aims to analyze the effect of company size, the proportion of independent commissioners, and liquidity on earnings quality in state-owned companies with financial services and insurance.*

*The method in this study using quantitative methods and data collection methods using purposive sampling technique. This study has 52 observational data obtained from 11 companies. The analysis method used in this research is panel data regression analysis using Eviews 9.0 software.*

*The results showed that company size, the proportion of independent commissioners, and liquidity had a simultaneous effect on earnings quality. Partially, firm size has no effect on earnings quality, while the proportion of independent commissioners and liquidity has a positive effect on earnings quality. These results can be used as a consideration in making decisions.*

*Based on the research results obtained, this study is suggested to be a good reference and can be re-examined using other independent variables that explain the quality of earnings and re-examined with the latest time period. The company is suggested to pay attention to the level of liquidity and the proportion of independent board of commissioners in the company and for auditors it is expected to pay attention to the level of earnings quality by using the concept of absence of earnings management.*

*Keywords: Earning Quality, Firm Size, Proportion of Independent Commissioner, and Liquidity*