

ABSTRACT

Earnings management is a management action in utilizing the discretion allowed by accounting standards in compiling financial statements to increase or decrease reported profits, this is done when the management does not succeed in achieving the specified profit target. Earnings management is carried out by the management to intervene in the preparation of financial statements with the aim of benefiting itself, namely the related company.

This study aims to determine the effect of the frequency of audit committee meetings, foreign ownership, and corporate social responsibility on earnings management in manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2020.

The population in this study is a manufacturing company. The research population consisted of 201 companies, and the research sample obtained was 105 companies using purposive sampling technique, so that a sample of 105 observations was obtained. The method of data analysis in this study is multiple linear regression using SPSS 26 software for windows.

The results showed that the frequency of audit committee meetings and corporate social responsibility had no significant effect on earnings management, and foreign ownership had a negative effect on earnings management. The frequency of audit committee meetings, foreign ownership, and corporate social responsibility have contributed to providing the information needed to predict variations in earnings management by 11.5% and the rest is explained by other factors outside the study.

For further researchers to add or add research periods that can affect and relate to earnings management in order to get more accurate results. In addition, further research can replace the object of research from other sectors to find out which company performance is better and has a relationship with earnings management. For companies to compile and report financial statements with results that are in accordance with the company's conditions by avoiding earnings management actions or accounting policies that can harm investors and the management itself.

Keywords: Corporate Social Responsibility, Frequency of Audit Committee Meetings, Foreign Ownership, Earnings Management