

ABSTRACT

Accounting prudence is an accounting principle that emphasizes the importance of recognizing income and liabilities prudently. This approach tends to reduce the profit reported by the company to minimize the risks that may arise due to future uncertainties. Accounting prudence is influenced by several factors, including debt contracts, audit committees, and cash flow.

This study aims to analyze the effect of the independent variables of debt contracts, audit committees, and cash flow on accounting prudence simultaneously and partially in property, real estate and building construction sub-sector companies listed on the Indonesia Stock Exchange in the period 2020-2022. In this study, profitability and company size are used as control variables.

The method used in this research is quantitative method with secondary data type. The sample selection technique used purposive sampling and obtained 186 observations of research data with 62 sample companies. The data analysis technique used in this study uses panel data regression analysis using the Eviews 12 software application.

This study found that debt contracts, audit committees, and cash flow with control variables of profitability and company size have a simultaneous influence on accounting prudence. Partially, debt contracts with control variables of profitability and firm size show a positive and significant influence on accounting prudence, while audit committees with control variables of profitability and firm size show a negative and significant influence on accounting prudence. Meanwhile, cash flow with control variables of profitability and firm size has no influence on accounting prudence.

This research is expected to be able to provide knowledge and insight for further researchers, as well as add other research variables that can affect accounting prudence such as cash holding or corporate social responsibility. For companies, it is recommended that they further consider the application of the principle of prudence in accounting records, especially in debt contract agreements so that creditors can safely lend funds to borrowing companies. For investors, it is recommended to be more careful in making investment decisions and be more vigilant in paying attention to the accounting principles applied by company managers.

Keywords : *Accounting Prudence, Audit Committee, Cash Flow, Debt Contract*