

ABSTRACT

Earnings management is an attempt by management to adjust financial statements to make the company look better financially and attractive to investors. Although often considered a form of fraud due to data manipulation, this practice is still acceptable if done in accordance with applicable accounting principles.

The purpose of this study was to determine the simultaneous and partial influence between the audit committee, institutional ownership, and company size on earnings management in companies listed on the Indonesia Stock Exchange for the 2019-2023 period in the infrastructure sector. Quantitative methods are used as research methods. The type of research used is descriptive. Purposive sampling is used as a sample selection and there are 18 companies that match the required criteria for five years so that 90 sample units are obtained.

The study found that audit committee, institutional ownership, and company size simultaneously affect earnings management. The audit committee and institutional ownership have no effect on earnings management, while company size has a positive effect on earnings management. The audit committee, institutional ownership, and company size have a contribution to the influence on earnings management of 14.8%. This contribution reflects the extent to which the three independent variables influence change in earnings management through oversight, control, and external pressure on management. The remaining 85,2% is influenced by other variables outside the scope of this study.

For future research is recommended to add independent variables and use other sectors to understand the relationship between performance and earnings management. Companies are also expected to prepare financial reports fairly and transparently according to actual conditions to maintain the credibility of information and protect the interests of investors from the negative impact of data manipulation.

Keywords: *Audit Committee, Institutional Ownership, Firm Size, Earnings Management*