

ABSTRACT

Some cases of earnings management that occurred at companies in Indonesia shows that the company has not fully uphold the principles of good corporate governance well. This study aimed to determine the effect of the independent commissioner and audit committee on earning management.

In this study, the independent variables are independent commissioner and audit committee. The dependent variables in this study is earning management. This study aimed to determine the effect of the independent commissioner and audit committee on earning management food and beverages company listed on Indonesia Stock Exchange (BEI).

The population in this study is the food and beverages sector company in 2010-2013. Mechanical sample selection using purposive sampling and acquired fourteen companies that were included with the period of 4 years in order to get 56 samples were observed. Model data analysis in this research is panel data using software Eviews 8.0

The result showed that the independent commissioner and audit committee influence simultaneously on earning management. While partially across the independent commissioner variables is influence simultaneously to earning management and for audit committee do not influence to earning management.

For further research to add or replace the independent variables with others GCG variables such as managerial ownership and audit quality. Especially for those who choose the same objects, namely food and beverages company. The auditor also recommends further research to add other sectors contained in the indonesia stock exchange that can be generalized

Keywords : Independent Commissioner, Audit Committee and Earning management