

ABSTRACT

This study aims to analyze the effect of Audit Committee Financial Expertise and Digital Transformation on Accrual Earnings Management in Consumer Non-Cyclicals sector companies listed on the Indonesia Stock Exchange. The dependent variable in this study is Accrual Earnings Management, measured using Absolute Discretionary Accruals based on the Modified Jones Model approach. The independent variables used in this study are Audit Committee Financial Expertise and Digital Transformation. This study also incorporates control variables consisting of firm size, leverage, profitability, and auditor.

This study employs a quantitative research method using panel data regression analysis with the assistance of EViews 13 software. The population of this study consists of Consumer Non-Cyclicals sector companies listed on the Indonesia Stock Exchange during the 2020–2024 period. The research sample was selected using the purposive sampling method, resulting in 59 companies with a total of 295 observations.

The results indicate that Audit Committee Financial Expertise does not have a significant effect on Accrual Earnings Management. Furthermore, Digital Transformation also does not have a significant effect on Accrual Earnings Management. These findings suggest that the presence of audit committee members with financial expertise and increased digital transformation disclosure have not been able to significantly reduce accrual earnings management practices in Consumer Non-Cyclicals sector companies in Indonesia.

Keywords: Audit Committee Financial Expertise, Digital Transformation, Accrual Earnings Management, Modified Jones Model, Consumer Non-Cyclicals.

