

ABSTRACT

This study aims to analyze the effect of audit committee characteristics (size of the audit committee, independent audit committee, audit committee expertise, former audit partners, and gender diversity of the audit committee) and external auditors on earnings quality.

This research was conducted at Sharia banks in Southeast Asia for the period 2012-2017. There were 152 samples in this study obtained through purposive sampling technique. The analysis technique used to test hypotheses is the absolute difference value model.

The results of this study found evidence that the size of the audit committee, the independent audit committee, and the former audit partner had a positive influence on earnings quality. The audit committee's expertise had no influence on earnings quality, and the gender diversity of the audit committee had a negative influence on earnings quality. External auditors were able to strengthen the relationship between the gender diversity of the audit committee on earnings quality, but the external auditors reduce the relationship between the independent audit committee on earnings quality.

KEYWORDS: *Audit Committee, External Auditor, Earnings Quality*

