

ABSTRACT

This study examine the effect of audit quality audit committee effectiveness and on earnings management in manufacturing company with effectiveness audit committee as moderating variable. These effectiveness are existence, size, independence, expertise, and meetings, while the audit quality as independent variable proxies as industry specialization, reputation (KAP *BigFour*), and auditor engagement period (tenure).

This study uses the number of samples of 300 manufacturing company listed on the Indonesian Stock Exchange during the period 20016-2018 were determined using purposive sampling method. The data used in this study is secondary data contains of company financial information and annual reports obtained from <https://www.idx.co.id/> and Bloomberg Laboratories. This research using multiple regression analysis as data analysis technique.

Statistical test results show that the specialization of auditors moderated by the audit committee has a significant negative effect on earnings management. However, the results of testing the auditor's reputation moderated by the audit committee showed a positive and significant effect. And the period of auditor moderated by the audit committee has a negative and insignificant effect on earnings management.

Keywords : Accrual discretioner, Audit quality, Agency Theory, Effectiveness audit committee.



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