

## ABSTRACT

Latifah Nur Aini. 2015. THESIS. Title: “The Influence of Committee Audit Activity and Disclosure of Enterprise Risk Management on the Earning Quality of the Manufacturing Companies Listed on Indonesian Stock Exchange during 2011-2013 Period”

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Key words: *the number of committee audit meetings, the role of committee audit, enterprise risk management, earning quality.*

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Financial statements are prepared to provide useful information for the users. The phenomena of financial scandal show that financial report does not provide accurate information required by the principals. The lack of supervision and inspection of agents' behavior is one of the possible reasons that cause the emergence of such scandals. The effort in decreasing the scandals could be done by applying good corporate governance. The purpose of this research is to know the influence of the activities of the audit Committee (the number of meetings and the role of the audit committee) and the disclosure of Enterprise Risk Management (ERM) on the earnings quality using discretionary accrual as a proxy.

This research uses descriptive quantitative approach. In addition, 22 samples of manufacturing companies listed on Indonesian stock exchange in 2011-2013 are obtained by the use of purposive sampling methods. Additionally, this research employs partial least squares path modeling to test the hypothesis.

The results show that the number of audit committee meetings and enterprise risk management has influence toward the quality of earnings. If the number of meetings, the role of audit committee, and enterprise risk management are well implemented, then it will create a good corporate governance which will increase the quality of the financial report.