

## **ABSTRACT**

*Financial reports are one of the communication media that provide information about company profits. However, earnings information is also often the target of engineering through opportunistic actions taken by management to maximize its satisfaction, thus encouraging the emergence of actions to regulate earnings or what is known as earnings management. The purpose of this study is to examine the effect of variables that can affect earnings management in publicly listed BUMN companies for the period 2016 to 2020. The independent variables used in this study are company growth, company performance, size of the board of commissioners, managerial ownership, institutional ownership, profitability, and audit quality. This study also adds control variables, namely the age of the company and the size of the company. The sample of this study is all state-owned companies that have been listed on the Indonesia Stock Exchange (IDX) for the 2016–2020 period with the acquisition of a total number of company data as many as 17 companies that match the sample criteria in the study. This study uses agency theory (agency theory) proposed by Jensen & Meckling (1976). In this study using panel data regression analysis with eviews 10 program to test the effect of each variable in the study. In accordance with the results of the research found, the company's growth variable has a positive effect on earnings management. Meanwhile, the company performance variables, the size of the board of commissioners, managerial ownership, institutional ownership, profitability, and audit quality have no effect on earnings management.*

*Keywords: Variables Affecting Earnings Management, Earnings Management, Agency Theory, BUMN*