

ABSTRACT

The objective of this research was to examine the influence of several corporate governance mechanisms, such as board of independent commissioners composition and size, institutional ownership, and managerial ownership on the indication of earnings management practice in public bank companies listed in Indonesia Stock Exchange. In this research used financial performances (return on asset and leverage) as the variable control. The sample of this research is all of public bank companies existed in Indonesia in the year 2008-2010 which were listed in Indonesia Stock Exchange.

This research used purposive sampling to determine sample Total sample for this research is 28 public bank companies from 33 bank which existed in Indonesia Stock for the year 2008-2010. The method of analysis of this reserch used multiple regression

The result that show: (1) simultaneously the effect of board of independent commissioners, board of commissioners size, institutional ownership, managerial ownership, return on asset, and leverage had significant influence to earning management; (2) board of independent commissioners had a negative significant to earning management; (3) board of commissioners size had a negative significant influence to earning management; (4) institutional ownership had not significant to eaning management; (5) managerial ownership had not significant to earning management; (6) return on asset had a positive significant to earning management; (7) leverage had not significant to earning management

Keywords: *corporate governace, board of commisioner, institutional ownership, managerial ownership, return on asset, leverage, earning management*