

ABSTRACT

Audit quality is all possibilities when the auditor audits the client's financial statements to find violations that occur in the client's accounting system and report them in the audited financial statements. Good audit quality shows that the supervision and management of the company's finances have been carried out properly and responsibly. In this study, audit quality is proxied using discretionary accruals, because poor audit quality will damage the quality of income and discretionary accruals. The factors that can affect audit quality examined in this study are the length of the auditor-client engagement (audit tenure), the size of the board of commissioners, and the size of the KAP. This study aims to analyze and provide empirical evidence about the effect of auditor-client engagement tenure, board size, and KAP size on audit quality.

This study uses secondary data obtained from financial reports and independent auditors' reports published on the official website of the Indonesia Stock Exchange www.idx.co.id. The sample for this research is primary consumer goods sector companies listed on the Indonesia Stock Exchange in 2019-2022. Sampling using purposive sampling and obtained a sample of 64 companies in this study. Hypothesis testing is done using multiple linear regression.

The test results show that there is a significant positive influence between the variables of the size of the board of commissioners and the size of the KAP on audit quality. Meanwhile, the auditor-client engagement period variable shows a significant positive influence on audit quality, so the hypothesis regarding the negative influence of the auditor-client engagement period on audit quality is rejected.

Keywords: Audit Tenure, Board of Commissioners Size, KAP Size, Audit Quality, Discretionary Accrual