

ABSTRACT

Audit is a process to ensure the reliability of financial information. Audit quality is important to reduce problems, one of which is fraudulent financial reporting. Quality external audits can detect violations of accounting standards and ensure the accuracy of financial reporting. Several factors influence audit quality: auditor switching, audit fees, and audit report lag have not produced consistent findings. Therefore, the aims of this research are (i) to find empirical evidence regarding the effect of auditor switching on audit quality; (ii) Find empirical evidence regarding the effect of audit fees on audit quality; (iii) Find empirical evidence regarding the influence of audit report lag on audit quality.

The data taken from this research is secondary data that is available from an institution or the web. This is done by collecting company annual reports for 3 years, then analyzing them statistically to understand the relationship between the variables studied. The population coverage is all BUMNs registered or not registered on the IDX for the period 2020 to 2022.

Based on statistical data analysis and empirical tests with Partial Least Squares-Structural Equation Modeling (PLS-SEM), audit fees and audit report lag have a significant effect on audit quality. The explanation for this result is that the high audit fee allows adequate allocation of financial resources and the audit report lag guarantees the auditor more time to carry out a more thorough and thorough examination.

Keywords : audit quality, auditor switching, audit fee, audit report lag