

ABSTRACT

This study aims to determine the influence of internal control and audit quality on tax avoidance in banking companies. This study makes internal control and audit quality as independent variables and tax avoidance measured through ETR and CETR as dependent variables. Internal control is measured through the ICD index and audit quality is observed through a public accounting firm appointed by the company.

The population used in this study is banking sector companies listed on the IDX. Through the purposive sampling method, there are 156 data that are used as the final sample in this study. The analysis method used is second order confirmatory factor analysis with the help of the SmartPLS 3 application in testing hypotheses. The results of this study show that internal control and audit quality have an insignificant relationship with tax avoidance.

Keywords: Internal control, Audit quality, ETR, CETR.