

ABSTRACT

This study aims to examine the effect of Audit Quality, Audit Fee, and Auditor Industry Specialization on the Readability of Key Audit Matters (KAM). The Due audit care theory states that auditors have a professional responsibility to perform their duties with a reasonable degree of care and diligence, as expected from competent and ethical auditors. This principle requires auditors to give sufficient attention to significant audit areas and carry out procedures in accordance with applicable professional standards, including the preparation of Key Audit Matters (KAM).

This study employs a documentation method using annual reports of companies listed on the Indonesia Stock Exchange (IDX) in the financial sector during the 2022–2024 period. Based on Accidental Sampling, also known as Convenience Sampling, a total of 227 companies were selected as samples. The variables—Audit Quality, Audit Fee, Auditor Industry Specialization, and the Readability of Key Audit Matters (KAM) were analyzed using multiple linear regression.

The results show a positive but insignificant relationship between Audit Quality and the Readability of Key Audit Matters (KAM). Meanwhile, both Audit Fee and Auditor Industry Specialization have a positive and significant effect on the Readability of Key Audit Matters (KAM).

Keywords: *Audit Quality, Audit Fee, Auditor Industry Specialization, Readability, Key Audit Matters (KAM)*

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