ABSTRACT

The energy and mining sector is one of the most environmentally intensive industries in Indonesia, yet prior studies suggest that the increasing volume of sustainability disclosure has not been matched by improvements in its substantive quality. This raises questions about the role of external audit as a credibility mechanism for environmental governance. This study aims to examine the effect of audit quality, proxied by audit fee, audit tenure, and audit independence, on environmental governance score in energy and mining companies listed on the Indonesia Stock Exchange during 2021-2024.

This study employs a quantitative approach using panel data regression. The sample consists of 103 observations from 28 companies selected through purposive sampling. Environmental governance score is used as the dependent variable, with audit fee, audit tenure, and audit independence as independent variables, and firm size, leverage, and return on assets as control variables. Model selection through the Chow, Hausman, and Breusch-Pagan tests indicates the Random Effect Model (REM) with Panel EGLS as the most appropriate estimator, with a significance level of 10 percent.

The results show that audit fee and audit independence do not have a significant effect on environmental governance score, while audit tenure has a positive and significant effect. These findings suggest that the length of the audit engagement plays a more consistent role than audit cost or auditor independence in strengthening environmental governance disclosure among Indonesian energy and mining companies.

Keywords: *Audit Quality; Audit Fee; Audit Tenure; Audit Independence; Environmental Governance Score; Random Effect Model.*