ABSTRACT

Key Audit Matters (KAM) are matters that, in the auditor's professional judgment, are the most significant in the audit of the financial statements. This study aims to examine and analyze the effect of external auditor characteristics and corporate governance characteristics on the disclosure of Key Audit Matters (KAM). The dependent variable in this study is KAM disclosure. The independent variables consist of audit firm size, audit tenure, audit committee meeting frequency, audit committee accounting/financial expertise, and the proportion of independent commissioners. This study employs secondary data obtained from annual reports and independent auditors' reports accessed through the official websites of companies and the Indonesia Stock Exchange. The population of this study comprises manufacturing companies listed on the Indonesia Stock Exchange during the period of 2022–2024. Using a saturated sampling technique, this study obtained a sample of 191 manufacturing companies, resulting in a total of 573 firm-year observations during the observation period. The data were analyzed using multiple linear regression analysis. The results indicate that audit committee meeting frequency has a positive effect on KAM disclosure. Meanwhile, audit firm size, audit tenure, audit committee accounting/financial expertise, and the proportion of independent commissioners are not found to have a positive effect on KAM disclosure.

Keywords: Key Audit Matters, Audit Firm Size, Audit Tenure, Audit Committee Meetings, Audit Committee Expertise, Independent Commissioners