

ABSTRACT

The purpose of this research is to analyze the association between abnormal audit fee, IFRS adoption, firm characteristics and earnings quality proxied by discretionary accruals. Firm characteristics proxied by firm size, auditor firm size, market-to-book ratio, sales growth, financial distress, and leverage.

Populations in this research are non financial companies listed in Indonesia Stock Exchange (IDX) in the period 2010-2016. The sample of this study consist of 184 companies listed in the Indonesia Stock Exchange (IDX). The data that was used in this research was secondary data from financial statement. The samples of this research selected by using purposive sampling method. Model analysis using multiple linear regression analysis.

This research revealed that abnormal audit fee, firm size, market-to-book and leverage ratio have negative and significant influence towards earnings quality. In the other hand, sales growth has positive and significant influence towards audit quality. While IFRS adoption, auditor firm size, and financial distress did not have significant influence towards earnings quality.

Keywords: Abnormal Audit Fee, IFRS Adoption, Firm Size, Auditor Firm Size, Market-to-Book Ratio, Sales Growth, Financial Distress, Leverage Ratio, Earnings Quality