

## **ABSTRACT**

*The purpose of this paper is to examine the influence of audit quality (accounting firms size, audit tenure, audit specialization) on discretionary accruals in the manufacturing companies listed on the Indonesia Stock Exchange in 2011 until 2014. Accounting firms size, audit specialization, and audit tenure as the independent variables and the discretionary accruals as the dependent variable.*

*This study used data of 244 manufacturing companies listed in Indonesia Stock Exchange from 2011 until 2014. Data from this study were obtained from financial data of manufacturing firms which drawn from Bloomberg Faculty of Economics and Business Diponegoro University. Determination of the sample using purposive sampling method. Type of data are secondary data in the form of financial statement as the media manufacturing companies. Data analysis tool is multiple linear regression model.*

*The results of this study indicate that accounting firms size has significant impact on discretionary accruals Meanwhile audit tenure and audit specialization has no significant impact on discretionary accruals.*

**Keywords:** *Audit Quality, Accounting Firms Size, Audit Tenure, Audit Specialization, Discretionary Accruals*