

ABSTRACT

This study examines the influence of corporate governance structure to audit qualification in Indonesian listed firms. Blockholder ownership, managerial ownership, board independency, audit committee and board size are estimated to have relationship on probability of given non-unqualified opinion. This research also consider sales, profitability, leverage and liquidity as control variables.

This study used data from financial reports manufacturer companies listed in BEI during 2001-2010. Samples were obtained by purposive sampling judgement. Logistic regression analysis with matched pair design is purposed to test the research problems on 92 non-unqualified opinion companies and their 92 paired samples.

The result of this study indicates that blockholder ownership, managerial ownership, board independency, audit committee and board size didn't significant impact on probability of given non-unqualified audit opinion. On the other hand, sales, profitability and leverage have a significant impact on probability of given non-unqualified audit opinion.

Keywords: corporate governance, agency problem, audit opinion