

## **ABSTRACT**

This study aims to examine the effect of audit fees and audit effort on the audit quality of manufacturing companies in Indonesia. Audit quality can be influenced by various factors, including audit fees and audit effort used in this study. The results of this study will show whether audit fees and audit effort have an effect on increasing or decreasing audit quality.

This study was conducted on manufacturing companies listed on the Indonesia Stock Exchange in 2017-2019. A total of 180 manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2017-2019 were selected as research samples with predetermined criteria. The sample was selected using purposive sampling method and the research method used was logistic regression with the SPSS 21 program.

In this study, agency theory is used to formulate two hypotheses that lead to the results of the analysis. The results of this study indicated that audit fees had a positive and significant effect on audit quality. The results of this study also indicated that audit effort had no effect on audit quality.

**Keywords:** Audit Quality, Audit Cost, Audit Effort