ABSTRACT

Money laundering is a sensitive problem to be researched on financial sector companies. Auditors in carrying out the audit process are required to not only have audit objectives based on the conformity of the preparation of financial statements with established standards, but can detect the possibility of money laundering risks. Therefore, this study is conducted to identify the effect of audit features on money laundering risk. The variables referred to in the audit feature are audit quality, audit fees, and audit tenure with the dependent variable being money laundering which is proxied by the number of Suspicious Transaction Reports (STR).

The population of this study include all financial sector companies listed in Indonesian Stock Exchange and the research period from 2013 to 2019. A sample of 6 companies was selected by the purposive sampling method. The type of data used are secondary data in the form of annual reports of companies publicly published by the company during the period 2013-2019. Hypothesis testing was conducted using multiple regression with IBM SPSS 21 software.

The results showed that the audit quality variable which is proxied by auditor with CA certified registered at IAPI has a significant effect on money laundering variable. As well as audit fee variable which is proxied by fee incurred for auditing company's financial statements and audit tenure which is proxied by the number of years the auditor has been retained by the company, have an effect on money laundering.

Keywords   : Money laundering, audit quality, audit fee, audit tenure