

Determinants of Audit in Manufacturing Companies Listed on the Indonesia Stock Exchange During 2020 - 2023

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ABSTRACT

The purpose of this study was to examine the impact of audit tenure, audit fees, client firm size, and public accounting firm (PAF) reputation on audit quality in manufacturing businesses that were listed on the Indonesia Stock Exchange (IDX) between 2020 and 2023. regression and secondary data from annual financial reports acquired through documentation procedures, this study took a quantitative approach. Purposive sampling was used to choose the sample, which included 156 manufacturing businesses. The findings showed that audit quality was significantly positively impacted by PAF reputation and audit fees, but not by audit tenure or firm size. The model was able to explain 57.2% of the variation in Audit Quality, according to the Nagelkerke R Square value of 0.572. These findings affirm that the professional reputation of auditors plays a vital role in enhancing audit outcomes. The study's limitation lies in the scope of variables analyzed, encouraging future research to include factors such as auditor competence and internal control systems. By bolstering empirical evidence regarding the significance of auditor reputation in the Indonesian capital market, this study adds unique value.

INTRODUCTION

Supporting the transparency and reliability of financial accounts, especially for publicly traded companies on the Indonesia Stock Exchange, depends heavily on Audit Quality (IDX). Corporate financial reports are not only intended as a decision-making tool for internal management but also serve as a means for external parties to assess the company's condition (Wicaksono & Purwanto, 2021). It is imperative that the preparation of financial statements guarantees the absence of manipulation, which could otherwise harm users of financial information and certain stakeholders (Manik & Laksito, 2019). In addition to guaranteeing that there are no significant misstatements in the financial statements, a top-notch audit gives stakeholders confidence that the data being presented truly depicts the company's financial situation (Fauziyyah & Praptiningsih, 2020).

In times of economic uncertainty, such as during the COVID-19 pandemic, the demand for reliable financial reporting becomes even more critical. Manufacturing companies, in particular, faced considerable pressure due to disrupted supply chains, declining market demand, and fluctuating production costs. This condition underscores the increasingly vital role of external auditors in ensuring the integrity of financial information.

Various prior studies indicate that Audit Quality is not automatically achieved; instead, it is influenced by several key determinants, including Audit Tenure, Public Accounting Firm (PAF) Reputation, Client Firm Size, and auditor fees. According to Deangelo (1981), excessively long Audit Tenure may impair auditor independence due to overly familiar relationships with clients, while a very short tenure might limit the auditor's understanding of the client's business operations. Research by Nabila & Hartinah (2021) further emphasizes that Audit Tenure significantly strengthens the relationship between Audit Fees and Audit Quality, indicating that the auditor's tenure plays a role in maintaining audit integrity.

Meanwhile, PAF reputation serves as an essential indicator of Audit Quality, as highly reputable firms typically have better access to professional resources and adhere to stricter auditing standards (Canovale et al., 2023; Raaper & Brown, 2020). Client Firm Size is also considered a determining factor, as large companies with complex operations require more thorough and comprehensive audit approaches, compelling PAFs to enhance their service quality (Asyrofi & Widiati, 2023). This aligns with findings by Buchori & Budiantoro (2019), which suggest that large firms tend to choose auditors from reputable PAFs with strong technical capacity to manage the complexity of their financial reporting.

On the other hand, auditor fees represent an important dimension that reflects the level of effort and resources dedicated to the audit process. Adequate fees enable auditors to perform high-quality procedures; however, over-reliance on clients who pay high fees can jeopardize auditor independence and objectivity (Al-Shayeb et al., 2020; Lestari & Bwarleling, 2022).

Nevertheless, existing research findings remain inconclusive. For instance, a study by Agustin & Aris (2024) concluded that only PAF reputation significantly affects Audit Quality, while other factors such as Audit Tenure, Client Firm Size, and auditor fees showed no significant influence. Conversely, Lestari & Bwarleling (2022) found that auditor fees have a significant impact on Audit Quality. These conflicting results suggest the need for further context-specific studies, especially in the manufacturing sector during the post-COVID-19 recovery period.

Thus, the purpose of this study is to examine how audit tenure, PAF reputation, client company size, and auditor fees affect audit quality in manufacturing companies that are listed on the IDX between 2020 and 2023. In addition to offering practical benefits for auditors, corporate management, and regulators like the Financial Services Authority (OJK) in improving financial reporting oversight and transparency, the study is anticipated to theoretically advance the body of literature on audit quality in the manufacturing sector.

The expected outcomes of this study include: empirical testing of the influence of each determinant on Audit Quality; provision of contextual evidence during a period of economic uncertainty; and the formulation of strategic recommendations for PAFs and company management to strengthen financial accountability. In doing so, the research aims to reinforce both the theoretical foundation and practical implementation of adaptive audit practices in response to current and future economic challenges.

Literature Review

Audit Quality

The likelihood that an auditor would find and disclose substantial misstatements in a client's financial statements is known as Audit Quality. High Audit Quality ensures that financial statements are presented fairly and free from significant errors or fraud, in compliance with the relevant financial reporting guidelines (Deangelo, 1981). Reliable Audit Quality enhances users' trust in financial reports, especially investors, regulators, and creditors, who rely on these reports for decision-making.

Several factors influence Audit Quality, including auditor competence, independence, firm size, and external pressure. Larger accounting firms, like the Big Four, frequently generate audits of superior quality because they have access to better training, standardized procedures, and vast experience (Fauziyyah & Praptiningsih, 2020). Moreover, regulatory frameworks and professional standards play a crucial role in guiding auditors toward maintaining quality and independence (Gul et al., 2013).

Audit Tenure

The term "Audit Tenure" describes how long an auditor has worked with a specific customer. While long Audit Tenure can lead to a deeper understanding of the client's business and industry, it may also compromise auditor independence and objectivity due to increased familiarity (Deangelo, 1981). Some studies suggest that a longer tenure can result in reduced Audit Quality because of over-familiarity and potential complacency (Nabila & Hartinah, 2021). On the other hand, shorter tenures may reduce audit effectiveness because the auditor lacks sufficient knowledge of the client's operations.

Public Accounting Firm (PAF) Reputation

The Public Accounting Firm's (PAF) reputation is a key determinant of Audit Quality. Reputable firms, especially those belonging to the Big Four, are perceived to uphold higher auditing standards, maintain professional integrity, and possess superior resources and expertise (Canovala et al., 2023). PAFs with a strong reputation are often more resistant to client pressure, contributing to better audit outcomes. Moreover, clients tend to perceive a positive audit reputation as a signal of credibility and are more likely to select such firms to enhance stakeholder trust (Pratiwi et al., 2022).

Client Firm Size

Client Firm Size significantly affects the audit process. Larger firms typically have more complex financial structures and operational systems, requiring a more comprehensive audit approach (Asyrofi & Widiati, 2023). The volume of transactions, number of subsidiaries, and the need for robust internal controls make auditing large firms more resource-intensive and sophisticated. As a result, auditors may need to invest more effort, utilize advanced audit tools, and assign highly experienced staff to ensure quality audits in such environments (Zhang & Li, 2021).

Audit Fee

Audit Fee refers to the compensation paid by clients to auditors for their professional services. The fee level often reflects the scope, complexity, and perceived risk of the audit engagement. Because they allow auditors to devote more time and resources, studies indicate that higher audit fees are typically linked to higher audit quality (Lestari & Bwarleling, 2022; Nabila & Hartinah, 2021). However, excessive reliance on Audit Fees from a single client can impair auditor independence and create conflicts of interest. Therefore, appropriate fee regulation is necessary to balance Audit Quality and objectivity (Harrison et al., 2020).

RESEARCH METHOD

In order to investigate the impact of Audit Tenure, Public Accounting Firm (PAF) Reputation, Firm Size, and Auditor Fees on Audit Quality in manufacturing companies listed on the Indonesia Stock Exchange (IDX) between 2020 and 2023, this study used a quantitative approach with a causal-comparative research design. Because the data were gathered all at once, the study was cross-sectional in nature. Secondary data were utilized, sourced from company annual reports, specifically financial statements and independent auditor reports, which were obtained through the official IDX website (www.idx.co.id). Purposive sampling was employed to choose the sample, and the criteria included manufacturing firms that regularly released annual reports, reported in Indonesian Rupiah (IDR), and included professional fees in their financial statements.

The documentation technique was used to collect the data. The study's independent variables included: (1) Audit Tenure, which is determined by the number of years an auditor has been employed; (2) PAF Reputation, classified as Big Four (coded 1) or non-Big Four (coded 0); (3) The natural logarithm of the total assets in IDR is used to calculate the firm size; and (4) Auditor Fees, measured based on the value of professional fees, also expressed in natural logarithm form. The dependent variable, Audit Quality, was measured using three indicators: PAF Reputation, audit opinion, and number of audit findings, each treated as nominal-scale variables. All data were expressed in SI units and processed using IBM SPSS Statistics software to ensure analytical accuracy.

The data analysis techniques included descriptive statistical analysis to identify data characteristics, model feasibility testing using the Hosmer and Lemeshow Test, overall model fit evaluation through the -2 Log Likelihood value, and the Nagelkerke R^2 coefficient to assess the contribution of independent variables to the dependent variable. Furthermore, the Wald Test was used to evaluate the partial significance of each independent variable at a 5% significance level ($\alpha = 0.05$). Logistic regression analysis was selected as the main analytical method because the dependent variable is categorical, making it suitable for examining the influence of predictor variables on the probability of achieving high Audit Quality.

RESULTS AND DISCUSSION

Descriptive Statistics

Table 1. Results of Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Audit Quality	156	0	1	.36	.481
Audit Tenure	156	3	4	3.64	.481
Public Accounting Firm (PAF) Reputation	156	1	45	26.59	14.702
Client Firm Size	156	21619	32049	28192.54	1738.885
Audit Fee	156	14914	27207	21500.13	2009.066
Valid N (listwise)	156				

Source: 2025 Research

According to the findings of the descriptive statistical analysis, only 36% of the sample of companies as a whole satisfied the requirements for high-quality audits, with the variable Audit Quality having an average (mean) value of 0.36 and a standard deviation of 0.48. This finding reveals a low distribution level of Audit Quality among manufacturing companies listed on the IDX during the 2020–2023 period. These results reinforce the argument of agency theory, where low Audit Quality may indicate a weak monitoring function of auditors over management.

This condition is also in line with the findings of Aulia & Yuniarti (2023), who found that audit quality is not significantly influenced by audit fee or audit tenure. This suggests that structural factors and auditor professionalism play a role in determining audit quality, rather than just economic ties or engagement duration.

For the Audit Tenure variable, the average of 3.64 years shows that most auditors have been engaged with their clients for a relatively long time. Although theoretically long-term relationships can threaten auditor independence (within the framework of agency theory), this result suggests that such duration does not necessarily have a negative impact. This is supported by the research of Agustin & Aris (2024), who also found that Audit Tenure has no significant effect on Audit Quality.

Furthermore, the PAF Reputation variable recorded an average of 26.59, indicating that most companies used mid-to-high-reputation audit firms. According to reputational capital theory, auditors with strong reputations have strong incentives to maintain Audit Quality, as reputation is considered a professional asset. This aligns with the findings of Astuti et al. (2022) and Agustin & Aris (2024), which state that PAF reputation has a significant positive influence on Audit Quality.

Table 2. List of Manufacturing Companies

No	Code	Company Name	IPO
1	ALKA	Alaska Industrindo Tbk	12-Jul-1990
2	BAJA	Saranacentral Bajatama Tbk	21-Dec-2011
3	BTON	Beton Jaya Manunggal Tbk	18-Jul-2001
4	ISSP	Steel Pipe Industry of Indonesia Tbk	22-Feb-2013
5	DPNS	Duta Pertiwi Nusantara Tbk	08-Aug-1990
6	EKAD	Ekadharma International Tbk	14-Aug-1990

7	MDKI	Emdeki Utama Tbk	25-Sep-2017
8	MOLI	Madusari Murni Indah Tbk	30-Aug-2018
9	FASW	Fajar Surya Wisesa Tbk	19-Dec-1994
10	SPMA	Suparma Tbk	19-Dec-1994
11	INTP	Indocement Tunggal Prakarsa Tbk	05-Dec-1989
12	SMGR	Semen Indonesia (Persero) Tbk	08-Jul-1991
13	JPFA	Japfa ComFeed Indonesia Tbk	18-Jun-1990
14	MAIN	Malindo Feedmill Tbk	10-Feb-2006
15	APLI	Asiaplast Industries Tbk	09-Jul-1993
16	BRNA	Berlina Tbk	30-Dec-1989
17	AKPI	Argha Karya Prima Industry Tbk	17-Dec-1993
18	IGAR	Champion Pacific Indonesia Tbk	09-Jul-1990
19	IMPC	Impack Pratama Industri Tbk	17-Dec-2014
20	FPNI	Lotte Chemical Titan Tbk	11-Apr-2001
21	SMKL	Satyamitra Kemas Lestari Tbk	10-Jul-2019
22	PBID	Panca Budi Idaman Tbk	11-Dec-2017
23	CAKK	Cahayaputra Asa Keramik Tbk	31-Oct-2018
24	KIAS	Inti Keramik Alam Industri Tbk	03-Jul-1996
25	ARNA	Arwana Citramulia Tbk	17-Jul-2001
26	MLIA	Mulia Industrindo Tbk	17-Nov-1994
27	KRAS	Krakatau Steel (Persero) Tbk	10-Nov-2010
28	BELL	Trisula Textile Industries Tbk	10-Jul-1991
29	ERTX	Eratex Djaja Tbk	10-Jul-1991
30	HDTX	Panasia Indo	
31	IMPC	Impack Pratama Industri Tbk	17-Dec-2014
32	CCSI	Communication Cable Systems Indonesia Tbk	18-Jun-2019
33	SCCO	Supreme Cable Manufacturing & Commerce Tbk	20-Jul-1982
34	KICI	Kedaung Indah Can Tbk	28-Oct-1993
35	HRTA	Hartadinata Abadi Tbk	21-Jun-2017
36	AUTO	Astra Otoparts Tbk	15-Jul-1998
37	SMSM	Selamat Sempurna Tbk	10-Jul-1990
38	ALDO	Alkindo Naratama Tbk	12-Jul-1990
39	GOOD	Garudafood Putra Putri Jaya Tbk	10-Jul-1990

Source: 2025 Research

Model Fit Test

Table 3. Results of Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	10.597	8	.226

Source: 2025 Research

The logistic regression model is acceptable and has a good predictive capacity, according to the results of the model fit test using the Hosmer and Lemeshow Test, which show a significant value of 0.226 (> 0.05). According to statistics, this suggests that the independent and dependent variables' connection acts as predicted, confirming the fundamental tenets of the binary logistic regression model.

Additionally, these results align with the research conducted by Lestari & Bwarleling (2022), which also employed logistic regression and found that their model could explain data variation effectively in the context of Audit Quality. Theoretically, this indicates that the factors tested are indeed relevant in explaining the dynamics of Audit Quality.

Overall Model Fit Test

Table 3. Iteration History

		-2 Log likelihood	Constant	Coefficients			
Iteration				TA	RKAP	UPK	FA
Step 1	1	133.916	-13.502	-.525	.055	.000	.000
	2	121.513	-20.752	-.606	.090	.000	.001
	3	119.515	-25.330	-.600	.112	.000	.001
	4	119.435	-26.523	-.598	.117	.000	.001
	5	119.435	-26.582	-.598	.118	.000	.001
	6	119.435	-26.582	-.598	.118	.000	.001

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 203,682

d. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.

Source: 2025 Research

The output from the Iteration History indicates that the estimation process in the logistic regression model using the maximum likelihood estimation method was carried out effectively to determine the optimal coefficient values for each variable. In the first iteration, the -2 Log Likelihood was recorded at 133.916 and significantly decreased to 119.435 by the fourth iteration, then stabilized through the sixth iteration. This stability suggests that the model has reached convergence when the changes between iterations are less than 0.001 implying that the parameter estimates are optimal and the model is ready for further analysis.

The changes in coefficient values also reflect the model's adjustment to the data distribution. The intercept dropped significantly from -13.502 to -26.582, indicating the model's adaptation to the existing data structure. The Audit Tenure (TA) coefficient remained stable at a negative value of approximately -0.598, suggesting that the longer the relationship between auditor and client, the lower the likelihood of achieving high Audit Quality. In contrast, the PAF Reputation (RKAP) coefficient increased from 0.055 to 0.118, indicating a positive relationship with Audit Quality. The coefficients for Client Firm Size (UPK) and Audit Fee (FA) were small but positive, showing a weak yet consistent influence on Audit Quality.

Based on these findings, it can be concluded that the logistic regression model has successfully and consistently estimated the parameters, making it suitable for further significance testing and drawing conclusions regarding the effects of the examined factors.

Coefficient of Determination

Table 4. Results of Determination Test

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	119.435 ^a	.417	.572

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001.

Source: 2025 Research

The table above shows the extent to which the logistic regression model can explain the dependent variable, namely Audit Quality. The -2 Log Likelihood value of 119.435 indicates a relatively low level of model misfit, where a significant decrease from the initial value of 203.682 during the iteration process suggests a considerable improvement in model fit. This indicates that the independent variables used contribute meaningfully in explaining the variation in Audit Quality.

Furthermore, the model's predictive power is demonstrated by the Cox & Snell R Square value of 0.417 and the Nagelkerke R Square value of 0.572, which suggest that Audit Tenure, PAF Reputation, Client Firm Size, and Audit Fee account for roughly 57.2% of the variation in Audit Quality, with other factors not included in the model influencing the remaining 42.8%. These numbers imply that the developed model can be a reliable basis for inferences and decision-making in the context of this investigation and has a comparatively high predictive capacity.

This finding supports the results of Lestari & Bwarleling (2022), who stated that although several variables influence Audit Quality, they do not fully explain the dependent variable. In this context, expanding the model by incorporating additional factors such as auditor experience, industry type, or regulatory changes from the Financial Services Authority (OJK) may provide a more comprehensive understanding.

Partial Significance Test

Table 5. Results of Wald Test (Partial)

								95% C.I.for EXP(B)	
		B	S.E.	Wald	Df	Sig.	Exp(B)	Lower	Upper
Step 1 ^a	TA	-.598	.534	1.256	1	.262	.550	.193	1.565
	RKAP	.118	.023	25.662	1	.000	1.125	1.075	1.177
	UPK	.000	.000	.589	1	.443	1.000	1.000	1.000
	FA	.001	.000	27.865	1	.000	1.001	1.001	1.001
	Constant	- 26.582	5.528	23.122	1	.000	.000		

a. Variable(s) entered on step 1: TA, RK, UKP, FA.

Source: 2025 Research

The calculated logistic regression model coefficients are shown in the table to investigate how each independent variable affects audit quality. The findings indicate that Audit Quality is significantly

impacted by the variables Public Accounting Firm Reputation (RKAP) and Audit Fee (FA), with significance values of 0.000 (< 0.05). The coefficient for RKAP is 0.118 and the Exp(B) value is 1.125, indicating that each one-unit increase in PAF reputation increases the likelihood of a high-quality audit by 12.5%. Similarly, the Audit Fee, with a coefficient of 0.001 and an Exp(B) of 1.001, suggests that higher fees slightly increase the likelihood of higher Audit Quality, although the effect is relatively small.

In contrast, the variables Audit Tenure (TA) and Client Firm Size (UKP) do not significantly affect Audit Quality, with significance values of 0.262 and 0.443, respectively—both exceeding the 0.05 threshold. The negative coefficient for TA (-0.598) and Exp(B) of 0.550 suggest that longer auditor-client relationships tend to reduce Audit Quality, although this is not statistically significant. The coefficient for UKP is very small, with an Exp(B) of 1.000, indicating it has no meaningful effect on Audit Quality. The Wald values show each variable's contribution to the model, where RKAP and FA have the highest Wald values (25.662 and 27.865), while TA and UKP have lower values. The constant value of -26.582 with a significance of 0.000 indicates that if all independent variables are zero, the likelihood of a quality audit is very low. Overall, these results confirm that PAF Reputation and Audit Fee are the primary factors influencing Audit Quality, whereas Audit Tenure and Client Firm Size are not proven to be significant in this model. These findings are consistent with previous literature such as Agustin & Aris (2024) and Astuti et al. (2022), which emphasized the importance of selecting auditors from reputable firms to ensure the integrity of financial reporting.

Discussion

Effect of Audit Tenure on Audit Quality

According to this study, audit tenure has no discernible impact on Audit Quality. This indicates that the duration of the auditor-client relationship is not a determining factor in producing high-quality audits. This finding is consistent with Aulia & Yuniarti (2023), who concluded that the length of audit engagement does not guarantee better Audit Quality, as professional standards are upheld regardless of relationship duration. Agustin & Aris (2024) also discovered that audit tenure had no discernible impact on the Audit Quality of manufacturing firms listed on the IDX, suggesting that auditor effectiveness and independence can be maintained over long-term engagements. Similarly, Aulia & Yuniarti (2023), in their study of LQ45 companies, discovered that audit results were not much impacted by audit tenure. Therefore, the present study reinforces the notion that the length of the auditor-client relationship is not a key factor in ensuring Audit Quality.

Effect of PAF Reputation on Audit Quality

According to this study, audit quality is positively and significantly impacted by the Public Accounting Firm's (PAF) reputation. This indicates that highly reputable firms are more capable of delivering quality, credible, and trustworthy audits for stakeholders. This result is corroborated by Canovala et al. (2023), who noted that large firms such as the Big Four possess greater professional resources and broader experience, enabling them to deliver better audit outcomes compared to smaller firms. Furthermore, Agustin & Aris (2024) also found that PAF Reputation is a significant factor in determining Audit Quality, especially for manufacturing firms with complex financial reporting. Pontoh et al. (2021) further strengthened this view by stating that a PAF's reputation correlates with public trust and Audit Quality, because respectable businesses typically uphold their independence and rigorously follow professional norms. Therefore, choosing an auditor from a reputable firm is a strategic move for companies seeking to ensure the integrity of their financial statements.

Effect of Client Firm Size on Audit Quality

According to this study, audit quality is not significantly impacted by the size of the client firm. This implies that regardless of the size of the organization being audited, auditors should use standardized, risk-based audit techniques. This is supported by Asyrofi & Widiati (2023), who found that company size

does not influence Audit Quality or audit report lag, as auditors continue to uphold professional audit standards. Putri & Aris (2025) also noted that although larger firms have more complex operations, this does not necessarily lead to higher Audit Quality because complexity can increase audit risks. Anggara & Anggadwita (2018) stated that Audit Quality is more influenced by methodological approaches and auditor integrity than by firm size. Therefore, this finding emphasizes that company size is not a guarantee of high Audit Quality, as quality is determined by objective and independent audit practices.

Effect of Audit Fee on Audit Quality

The findings demonstrate that audit fees significantly and favorably impact audit quality. This implies that higher compensation increases the likelihood that auditors will conduct more thorough, professional, and higher-quality audits. This finding is supported by Lestari & Bwarleling (2022), who argued that Audit Fees play an important role in determining Audit Quality, as low fees may encourage auditors to cut necessary audit procedures. Additionally, Astuti et al. (2022) noted that sufficient fees enable auditors to allocate more resources and time, allowing for a more in-depth and accurate audit process. Similar support is found in other studies which revealed that Audit Fees significantly affect Audit Quality, as adequate compensation allows auditors to allocate resources more effectively and deliver higher-quality audits. Therefore, Audit Fee is not only economically impactful for auditors but also serves as a key indicator in ensuring the quality and integrity of the audit process.

In summary, this study reinforces the relevance of agency theory, reputation theory, and signaling theory in understanding the factors influencing Audit Quality among manufacturing companies listed on the Indonesia Stock Exchange for the period 2020–2023.

CONCLUSION

Only the Reputation of the Public Accounting Firm (PAF) and Audit Fee were found to have a significant influence on Audit Quality in manufacturing companies listed on the Indonesia Stock Exchange during the 2020–2023 period, out of the four independent variables examined, according to the results of the logistic regression analysis. PAF reputation has a positive impact, so the more reputable the auditor, the more likely they are to do high-Quality Audits. Audit Fee also shows a positive effect, albeit on a smaller scale, indicating that fair compensation can encourage auditors to deliver better audit performance. In contrast, Audit Tenure and Client Firm Size do not significantly influence Audit Quality, implying that audit quality is not always guaranteed by the size of the business or the duration of the auditor-client relationship.

Based on these findings, the researcher offers several practical suggestions. For companies, it is recommended to consider engaging reputable audit firms to ensure the accuracy and credibility of financial reports. For regulators such as the Financial Services Authority (OJK), these results may serve as input when evaluating policies on auditor rotation and Audit Fee transparency. For auditors, maintaining professional integrity and reputation is crucial for enhancing public trust in audit outcomes. Future research is encouraged to expand the model by including additional variables such as auditor competence, work experience, or ownership structure of the company to gain a more comprehensive understanding of the determinants of Audit Quality.

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