

The Influence of Key Audit Matters, Audit Fees, and Company Size on Audit Quality

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ABSTRAK/ABSTRACT

This research aims to determine the influence of key audit matters, audit fees, and company size on audit quality. The method used in this research is quantitative using multiple linear regression and SPSS version 25. The population used in this research is property companies listed on the Malaysian Stock Exchange in 2021-2023. The sample in this research was sought using a purposive sampling method consisting of 45 companies. The data used is secondary data from property financial reports listed on the Malaysian Stock Exchange for the 2021-2023 period. The research results show that the key audit matters variable does not have a positive and significant effect on audit quality with a significance value of 0.945. Audit fees partially have a positive and significant effect on audit quality with a significance value of 0.004 and company size partially has a positive and significant effect on audit quality with a significance value of 0.000. Based on the analyzes it can be partially concluded: 1) the key audit matters variable does not have a positive and significant effect on audit quality. 2) audit fees partially have a positive and significant effect on audit quality. 3) Company size partially has a positive and significant effect on audit quality.

PENDAHULUAN

Currently, competition in the business world is increasing. This puts organizations or companies in charge of everything related to economic events and requires them to summarize these events into financial reports (Andriani, 2017). Financial reports essentially serve as tools to reflect the financial condition of an organization or company and can be used as a basis for decision-making by their users (Kartikasari and Irianto, 2010) in (Hasibuan, 2022). High-quality financial reports can reduce information asymmetry between management and external

stakeholders, thereby improving investment efficiency (Umiyati, 2017).

Macroeconomic changes, as described by Prabowo et al. (2023), will ultimately affect the risk and complexity of corporate financial reporting. The impact of economic fluctuations has also increased the demand for high-quality audited financial reports. As a result, companies or organizations need the services of public accountants to ensure the fairness of financial reports and provide confidence to financial report users (Sisna Armawan and Wiraatmaja, 2020) in (Hasibuan, 2022). According to Badjuri (2011) in (Putra, 2015), to produce financial reports that are

presented fairly, are trustworthy, and free from fraud by the involved parties, public accountants are required to provide high-quality audit services. Management often engages in earnings management with the aim of misleading financial report users within the boundaries allowed by accounting principles (Trisnawati, 2009) in (Putra, 2015). Therefore, public accountants, also known as auditors, play a crucial role for both internal and external parties in producing high-quality audited financial reports (Rusmanto and Waworuntu, 2015) in (Hasibuan, 2022).

According to Grey et al. (2018) in (Hasibuan, 2022), audit quality is reflected in the financial reports audited by an auditor. An audit opinion will be issued by the auditor after reviewing the financial reports (Effendi and Rahayu, 2015) in (Hasibuan, 2022). A high-quality audit is expected to produce reliable financial reports that comply with applicable standards and improve the performance of the audited company. Therefore, auditors must pay attention to audit quality (Hasanah & Putri, 2018). High-quality audits provide assurance that a company's financial reports are accurate and transparent, thereby increasing investor confidence and potentially boosting stock returns (Widarwati & Mulyawati, 2015).

Audit quality is a particular concern for companies or organizations with a wide range of stakeholders, one of which is property companies. The property sector is one of the most important sectors in a country, as it can identify poverty in a nation. Additionally, the property sector can drive related industries. As the national economy grows, the property industry generally experiences a corresponding increase. The rise in property sector activity can be seen as an indicator that economic activity is heading toward recovery or improvement. Products

in the property sector essentially become production materials for various industrial sectors, both trading and service industries. Demand in the property sector will increase along with the development of economic activities in a region (Hasanah & Putri, 2018).

Cases related to poor audit quality conducted by auditors have become a major focus, especially since they involve public accounting services. This raises concerns about the integrity and professionalism of audit practices and questions the effectiveness of existing oversight and regulations in the accounting industry. One notable case is the financial report fraud at Enron, which was audited by Arthur Andersen. The Enron case became one of the largest financial scandals in history, highlighting the importance of audit quality, regardless of the size of the company. Even though Enron was a large and influential company, this did not guarantee that the audit practices would be of high quality. In the Enron case, the company used accounting methods to inflate profits and hide actual losses. This was done with the support of the external auditor, Arthur Andersen, who was supposed to act as an independent overseer of the financial reports. However, Arthur Andersen's failure to identify or report the financial manipulations led to the collapse of Enron and the loss of the audit firm's reputation. The main role of the auditor is to ensure that the company's financial reports comply with applicable accounting standards and reflect the true condition of the company. In the Enron case, the Arthur Andersen audit firm failed to carry out this task properly. They not only ignored misleading accounting practices but also actively participated in covering up critical information. This demonstrates that poor

audit quality can occur even with large audit firms that have a good reputation.

According to The Edge Malaysia, Ekovest Berhad, a company engaged in infrastructure development and property in Malaysia, began facing serious issues related to audit quality in May 2021. During that month, Crowe Malaysia PLT, as an independent auditor, expressed concerns about the reliability of Ekovest's financial reports. They noted potential manipulation of financial figures, which could harm stakeholders, including investors, creditors, and business partners. This potential manipulation indicated discrepancies between the company's presented data and its actual financial reality. One of the main factors behind this phenomenon was weak internal controls and previous poor audit quality. This could involve inaccurate or non-standard transaction recording, as well as insufficient oversight of significant financial transactions. Inadequate or ineffective audits can allow undetected errors or manipulation in financial reports. In response to these findings, Ekovest sought to address the issues by conducting a thorough internal review. This process revealed several transactions that had not been recorded correctly. By acknowledging these discrepancies, Ekovest aimed to improve accountability and transparency in the eyes of the public. The internal review also served as a form of remediation to avoid greater sanctions from regulators or the loss of investor confidence. In the property and infrastructure development industry, investor trust is crucial to support the sustainability of long-term projects that require substantial funding. When auditors point out potential issues in financial reports, this can damage a company's reputation and reduce investor confidence. In the case of Ekovest, the findings of

financial manipulation increased pressure on management to be more transparent. This phenomenon also highlights the importance of audit quality in providing a clear and accurate picture of a company's financial position. Poor audit quality can result in misinformation, which not only impacts the company's reputation but can also lead to a drop in stock prices, increased capital costs, or even legal sanctions.

Audit quality concerns were also found in the 1Malaysia Development Berhad (1MDB) company. According to BusinessInsight in 2021, 1MDB, a development company involved in energy, real estate, tourism, and agribusiness, sued the accounting firm that audited the company. The 1MDB case is one of the largest financial scandals involving the government, banks, and international financial institutions. The Malaysian government sued KPMG, the accounting firm that audited 1MDB, for alleged violations and negligence during the audit process. In this scandal, billions of US dollars were allegedly embezzled through transactions involving high-ranking officials and international networks. The lawsuit claimed that approximately US\$3.2 billion (Rp46.36 trillion) was misappropriated from 1MDB and its subsidiaries while KPMG was the auditor. The lawsuit stated that these losses could have been avoided if KPMG had conducted a proper audit and detected early signs of fraud risk. The involvement of the accounting firm in this case highlights the importance of the auditor's role in detecting and preventing financial fraud. Given that this scandal involved various international institutions, good audit quality is essential to maintaining trust in the global financial system. When auditors fail to perform their functions properly, financial risks increase and can

impact economic stability, as seen in the 1MDB case.

According to Hasanah & Putri (2018), shareholders and users of financial reports believe that good audit quality is achieved when auditors can guarantee that there is no material misstatement or fraud in the audited financial reports. According to Mulyadi (2010) in (Darya & Puspitasari, 2017), audit quality is achieved when the audit is conducted according to auditing standards, providing assurance that the audited financial reports and disclosures are presented in accordance with accounting principles and free from material misstatements, whether due to errors or fraud.

According to Bloomberg Technoz, the Malaysian property industry is currently experiencing a 120% surge, poised to surpass 2019 levels. The Real Estate and Housing Developers of Malaysia announced that 11,273 property units, including residential and commercial properties, were sold during the first six months of 2023. This reflects significant activity in the Malaysian property market and may be a positive indicator for the overall property industry. Thus, researchers are interested in studying the property industry listed on Bursa Malaysia.

These cases demonstrate that poor audit quality can lead to significant financial losses and damage a company's reputation, as well as reduce stakeholder trust. Several external factors can influence audit quality, such as key audit matters, audit fees, and company size. Recent scandals and financial crises have sparked debates about the role of auditors and their communication with report users. In response to these debates, regulators and professional organizations have modified their approach to audit reporting. The IAASB introduced the ISA 701 standard in December 2015, which

changed the structure and content of auditor reports and increased interaction between companies and financial report users. This response reflects the belief that more communicative financial reports will improve audit quality (Hasibuan, 2022). Hasibuan's (2022) research shows that the disclosure of key audit matters adds value to audited financial reports and improves audit quality. The disclosure of Key Audit Matters (KAM) in audit reports is expected to significantly enhance the audit process. Therefore, the disclosure of KAM helps improve the overall quality of audit reports, which in turn provides greater benefits to stakeholders. This opinion aligns with the research of Suttipun (2021), who stated that key audit matters affect audit quality. However, the findings of this study contradict those of Aziz (2024), who stated that key audit matters do not significantly affect audit quality. In addition to key audit matters, audit fees are also believed to improve audit quality. According to Nurfitri Farid & Baradja (2022), the higher the audit fee, the better the audit quality obtained. Higher fees may encourage auditors to expand the audit process for clients, thus allowing early detection of fraud. This also reflects the increased audit quality. In the study conducted by Lailatul & Yanthi (2021), it was found that audit fees have a positive and significant impact on audit quality. The larger the fee received by the auditor from the client, the higher the quality of the audit performed. Widarwati & Sartika (2019) argued that higher audit fees often reflect better service quality, which can contribute to better risk management. The size of the audit fee allows public accounting firms to perform more detailed and thorough audit procedures, thereby improving the quality of the resulting audit. This study supports the findings of Indriyani & Meini (2021), which stated that audit fees have a positive and significant effect on audit quality, as

higher fees provided by clients give auditors an incentive to design higher-quality audits. In contrast, Cahyadi (2022) found that audit fees do not have a significant effect on audit quality.

Company size is also believed to increase audit quality. According to Priskila (2017) in Luvena et al. (2022), larger companies are believed to be better able to overcome financial difficulties compared to smaller companies. The complexity of large companies in controlling their operational activities is also higher, which increases the likelihood of agency conflicts and thus raises the demand for high-quality audits. Novrisk Putri & Pohan (2022), in their study, found that company size has a positive and significant impact on audit quality. Larger companies, with more resources and experience, tend to have better internal control systems. This allows auditors to conduct more effective and accurate audits, thus improving overall audit quality. This study aligns with the findings of Kasanti Herdiansyah & Kuntadi (2022), who stated that company size has a positive and significant effect on audit quality. An effective internal control system makes it easier for auditors to access accurate information, thereby enhancing audit quality. Conversely, if internal control systems are weak, auditors will struggle to obtain the necessary data, which can reduce audit quality and increase the risk of errors in financial statements. These findings contrast with the research conducted by Indriyasni & Meini (2021), which found that company size does not have a significant impact on audit quality. They argue that the size of a company does not necessarily affect audit quality.

This research refers to a study conducted by Lin J (2023), which examined whether key audit matters can improve audit quality in companies listed on the Shanghai and Shenzhen Stock

Exchanges from 2017 to 2020. The differences between this study and previous research are as follows:

1. The addition of independent variables, namely audit fees as X2 and company size as X3.
2. The data used consists of property companies listed on Bursa Malaysia from 2021 to 2023.

Based on the above, the researcher is interested in conducting a study titled "The Effect of Key Audit Matters, Audit Fees, and Company Size on Audit Quality (An Empirical Study of Property Companies Listed on Bursa Malaysia for the Period 2021-2023)."

KERANGKA TEORITIS DAN PENGEMBANGAN HIPOTESIS

Literature Review

Agency Theory

The theory proposed by Jensen and Meckling (1976) and Scott (2000) reflects how contemporary organizations apply the dynamics between agents and shareholders. In this context, agents are professional individuals knowledgeable in daily operational activities and hold the authority to manage the company. This agency theory emphasizes that the owners of the company, in this case, the shareholders, delegate the management of the company to the agents. By allowing agents to manage the company, it is expected that the owners can achieve greater profits at optimal costs (Tandiontong, 2015).

Audit Quality

Audit quality refers to the likelihood that an auditor will detect errors in the audited financial statements. This definition highlights the auditor's critical role in ensuring the accuracy and reliability of financial reporting. (DeAngelo, 1981 as cited in Dewita & NR, 2023)

Key Audit Matters

Key Audit Matters (KAM) are crucial components of financial statements selected by auditors to focus on during the audit process. KAM assist auditors in communicating critical aspects that they have analyzed in depth throughout the audit. This practice enhances transparency and provides stakeholders with insights into the most significant areas of concern within the financial reports. (Hasibuan, 2022)

Audit Fees

Audit fees refer to the costs received by public accountants after providing their audit services. This definition underscores the financial aspect of audit services and highlights the importance of remuneration for auditors following the completion of their work. (Mulyadi 2009 as cited in Dewita & NR 2023).

Company Size

The size of a company can be determined through various methods that involve several financial and market indicators. One common approach is to examine the total assets held by the company. This metric provides insight into the company's scale and operational capacity. (Putri & Pohan, 2022)

Hypothesis Development

Effect of Key Audit Matters on Audit Quality

The International Auditing and Assurance Standards Board (IAASB) introduced Key Audit Matters (KAM) as part of their efforts to enhance the transparency of audited financial statements internationally. KAM is designed to address the needs of users of audited financial statements by encouraging auditors to provide more detailed disclosures, which ultimately will improve the quality of the audit. (Suttipun, 2021) states that key audit matters have an impact on audit quality.

H₁ : Key audit matters has a positive effect on Audit Quality

Effect of Audit Fees on Audit Quality

Audit fees reflect not only the effort expended by auditors but also the quality and expertise expected from the services provided. Establishing an appropriate audit fee is crucial to ensure that auditors can perform their work with a high level of professionalism while meeting the expectations and needs of their clients. Kamil (2021) found that audit fees have a positive and significant effect on audit quality.

H₂ : Audit Fees has a positive effect on Audit Quality

Effect of Company Size on Audit Quality

Large companies with significant total assets are more likely to choose a large Public Accounting Firm (KAP) to ensure high-quality audits, leveraging greater resources and expertise. This choice enhances the credibility of their financial reports in the global market. Conversely, small companies with limited resources may opt for smaller KAPs to control costs. While these smaller firms may offer lower fees, the quality of the audits may not match that of larger firms. However, smaller KAPs often provide more personalized and flexible services, which can be an advantage for small businesses. Putri & Pohan (2022) found in their research that the size of a company has a positive effect on audit quality.

H₃ : Company Size has a positive effect on Audit Quality

Effect of Key Audit Matters, Audit Fees, and Company Size on Audit Quality.

Based on agency theory, independent auditors are necessary to ensure that agents act in accordance with the principal's interests, and appropriate audit fees can enhance auditor performance and audit quality. Larger companies tend to choose larger Public Accounting Firms

(KAP) for high-quality audits, while smaller companies may opt for smaller KAPs to control costs, despite potentially lower audit quality. The disclosure of Key Audit Matters (KAM) positively impacts audit reports by enhancing transparency and investor trust, allowing for a better understanding of risks affecting company performance. Thus, it is essential to conduct simultaneous testing of the variables under study when formulating hypotheses.

H₄ : Key Audit Matters, Audit Fees and Company Size has a positive effect on Audit Quality

METODOLOGI PENELITIAN

Research Populastion and Sample

The population in this study consists of property companies that are listed and active on the Bursa Malaysia during the period from 2021 to 2023, totaling 99 companies. The sampling technique used in this research is purposive sampling, resulting in a sample of 45 companies.

Data analysis method

The data analysis technique in this study employs several tests, including descriptive statistical analysis, classical assumption testing, and multiple linear regression analysis using SPSS version 25 software.

HASIL DAN PEMBAHASAN

Descriptive statistical analysis

The results of the descriptive statistical analysis in this study are as follows:

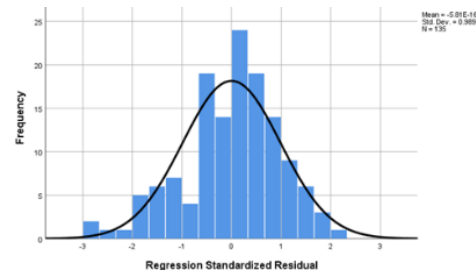
Tabel 1. The results of the descriptive statistical analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Kualitas Audit	135	1332798.00	2058157.00	1757575.726	145977.5242
Key Audit Matters	135	2139.00	22621.00	7407.3926	4070.08809
Fee Audit	135	66147256.00	8076204527	5400649750	1633406804
Ukuran Perusahaan	135	1611480.00	2447568.00	2116686.667	120953.5436
Valid N (listwise)	135				

Source: SPSS version 25 output

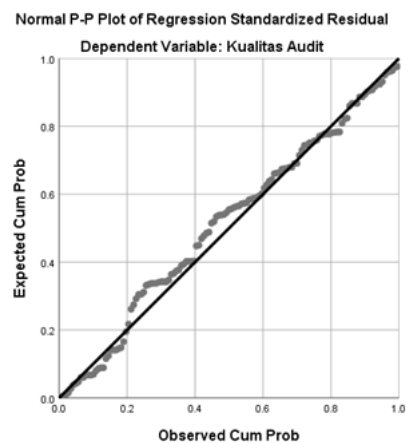
The following are the results of the normality test for all research test models:

Grafik 1. The results of the normality test



Source: SPSS version 25 output

Grafik 2. The results of the normality test



Source: SPSS version 25 output

The graph above indicates that the results of the normality test can be considered normal. It can be observed that the curve follows a bell shape, and the plotted points are scattered around the diagonal line. Therefore, it can be concluded that the data is normally distributed.

Multicollinearity Test

The multicollinearity test is used to detect whether there is a relationship between independent variables with other independent variables.

Tabel 2. The results of the multicollinearity test

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	190294.769	189129.929		1.048	.296
	Key Audit Matters	.202	2.904	.006	.070	.945
	Fee Audit	1.867E-5	.000	.209	2.953	.004
	Ukuran Perusahaan	.688	.095	.570	7.274	.000

a. Dependent Variable: Kualitas Audit

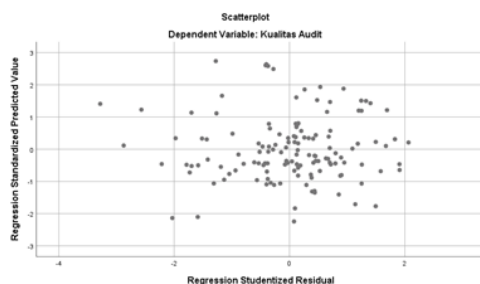
Source: SPSS version 25 output

From the SPSS output above, in the Collinearity Statistics section, it can be observed that the tolerance values for the variables key audit matters, fee audit, and company size are greater than 0.1, and the VIF values are less than 10. Therefore, it can be concluded that the regression model or all independent variables in this study do not exhibit multicollinearity symptoms, indicating no relationship among the independent variables.

Heteroskedasticity test

According to Gozali (2013), the purpose of the heteroskedasticity test is to determine whether there is inconsistent variation of residuals between one observation and another in a regression model.

Tabel 3. The results of the heteroskedasticity test



Source: SPSS version 25 output

From the scatterplot above, it can be seen that the plotted points are randomly dispersed and spread above and below the zero mark on the Y-axis. Therefore, it can be concluded that the regression model in this study does not exhibit signs of heteroskedasticity, allowing the regression model to be used for future research.

Autocorrelation test

According to Gozali (2013), the autocorrelation test is used to determine whether there is a relationship between the residuals of the current period and those of the previous period in a linear regression model.

Tabel 4 The results of the autocorrelation test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.664 ^a	.440	.428	110436.2892	1.697

a. Predictors: (Constant), Ukuran Perusahaan, Fee Audit, Key Audit Matters

b. Dependent Variable: Kualitas Audit

Source: SPSS version 25 output

From the output of the autocorrelation test, it can be observed that the Durbin-Watson (DW) value is 1.697. A regression model is considered to have no autocorrelation issues if the DW value falls between -2 and 2. Therefore, it can be concluded that the regression model in this study does not exhibit autocorrelation, indicating no sequential observations over a specific period, which suggests a connection or continuity between the events.

Multiple Linear Regression Analysis

Multiple linear regression analysis is a regression model that involves more than one independent variable. The results of the multiple linear regression analysis in this study are as follow

Tabel 4 Multiple linear regression analysis

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	t	Sig.	
1	(Constant)	190294.769	189129.929		1.048	.296
	Key Audit Matters	.202	2.904	.006	.070	.945
	Fee Audit	1.867E-5	.000	.209	2.953	.004
	Ukuran Perusahaan	.688	.095	.570	7.274	.000

a. Dependent Variable: Kualitas Audit

Source: SPSS version 25 output

Based on the data above, the multiple linear regression equation in this study is as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$$

$$Y = 1983 + 0.202 \text{ Key Audit Matters} + 1.867\text{E-}5 \text{ Fee Audit} + 0.688 \text{ Company Size} + e$$

t-statistic test

According to Ghozali (2013), the t-statistic test can be used to determine the influence of each independent variable on the dependent variable. Decisions can be made by considering the significance level, which in this case is set at 0.05 (5%). If the probability significance value is greater than 0.05, then the alternative hypothesis (H_a) is accepted. The results of the partial test in this study are as follows:

Tabel 5 The result of t-statistic test

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	198294.789	189129.929		1.048	.296
	Key Audit Matters	.202	2.904	.006	.070	.945
	Fee Audit	1.867E-5	.000	.209	2.953	.004
	Ukuran Perusahaan	.688	.095	.570	7.274	.000

a. Dependent Variable: Kualitas Audit

a. Dependent Variable: Kualitas Audit

Source: SPSS version 25 output

F-test

Simultaneous testing, or the F-test, aims to identify the collective influence of all independent variables on the dependent variable. If the significance probability value is ≤ 0.05 , then the hypothesis H_a is accepted. The results of the simultaneous test in this study are shown in the following table:

Tabel 6 The result of F-test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.258E+12	3	4.193E+11	34.376	.000 ^b
	Residual	1.598E+12	131	1.220E+10		
	Total	2.855E+12	134			

a. Dependent Variable: Kualitas Audit

b. Predictors: (Constant), Ukuran Perusahaan, Fee Audit, Key Audit Matters

Source: SPSS version 25 output

Hipotesis 1

The significant value for the variable key audit matters is 0.945, which is greater than 0.05, indicating that key audit matters

do not significantly influence audit quality in property companies listed on the Malaysian stock exchange. The primary aim of key audit matters is to provide additional context and enhance transparency rather than directly impacting audit quality. Audit processes remain stringent, ensuring all aspects of the financial statements are meticulously audited. While key audit matters highlight significant areas requiring greater attention, they do not affect the quality of the audit in other areas. These findings contrast with previous research by Hasibuan (2022) and Suttipun (2021), which suggested that KAM can enhance audit quality and add value to audit reports.

Hipotesis 2

The research indicates that the significance value for the audit fee variable is 0.004, which is below the 0.05 threshold, showing a positive and significant influence on audit quality in property companies listed on the Malaysian stock exchange. This means that as audit fees increase, the quality of the audits also improves, suggesting that higher fees motivate auditors to deliver better results. This finding is consistent with prior studies, including those by Indriyani & Meini (2021), which also found a positive correlation between audit fees and audit quality. Higher fees reflect the auditor's professionalism and capability to produce high-quality financial reports.

Hipotesis 3

The study indicates that the size of a company has a significant and positive effect on audit quality, with a significance value of 0.000, which is less than the 0.05 threshold. This suggests that larger companies, with greater total assets, are more likely to engage larger public accounting firms (KAP) known for their professionalism and ability to deliver high-quality audits. These findings are consistent with the research by Putri & Pohan (2022), which also identified a positive correlation between company size and audit quality. Larger firms generally have more resources and experience,

enabling them to implement effective internal control systems.

Hipotesis 4

The significance value from the F test results is 0.000, which is less than 0.05. Therefore, key audit matters, audit fees, and company size have a simultaneous effect on audit quality in property companies listed on the Malaysia stock exchange.

Coefficient of determination

According to Gozali (2013), the coefficient of determination measures how well the model explains the variation in the dependent variable. The value of the coefficient of determination ranges from 0 to 1. A small R^2 value indicates that the independent variables have limited ability to explain the variation in the dependent variable. The following table shows the results of the simultaneous test:

Tabel 7 The result of coefficient of determination

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Sd. Error of the Estimate	R Square Change
1	.664 ^a	.440	.428	110436.28916	.440

a. Predictors: (Constant), Ukuran Perusahaan, Fee Audit, Key Audit Matters
b. Dependent Variable: Kualitas Audit

Source: SPSS version 25 output

Based on the table above, the R Square (coefficient of determination) is 0.428 or 42.8%. This indicates that 42.8% of audit quality is influenced by key audit matters, audit fees, and company size. Meanwhile, the remaining 57.2% is influenced by other factors not included in the regression model of this study.

KESIMPULAN

Based on the data collected and the testing conducted on the existing issues using multiple linear regression models, this study concludes that key audit matters do not have an effect on audit quality, while audit fees and company size have a positive and significant impact on audit quality. Additionally, key audit matters, audit fees, and company size collectively influence audit quality.

IMPLIKASI DAN KETERBATASAN

For future research, it is recommended to add variables not included in this study, such as audit rotation, audit tenure, and audit delay, to provide a more in-depth analysis. Additionally, extending the research period will allow for results that can be more generalized. Research could also be conducted by replacing or comparing audit quality with other industry sectors. For companies, it is important to be more prudent in selecting accounting methods when preparing financial statements, ensuring that the information produced is accurate and not misleading, so that users of financial statements can make informed decisions.

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