

The Influence of Audit Tenure and Audit Fees on Audit Quality with Audit Committee Quality as a Moderating Variable

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Abstract. Audit quality is one of the determinants of the reliability of information in the financial reports provided by the company to stakeholders. This research was conducted to determine the effect of Audit Tenure and Audit Fee on Audit Quality, with Audit Committee Quality as a moderating variable. The data analyzed with a fixed-effect regression model. The data in this study is secondary data, from annual financial reports of non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period, by taking samples using a purposive sampling technique. A total of 125 data samples were used in this study. *Variable tenure audit is measured using KAP's real tenure with the client company, the audit fee variable uses the natural logarithm of the audit fee, the audit committee quality variable uses a score based on the duties and responsibilities of the audit committee in OJK regulation No.55/POJK.04/2015 and variables Audit quality is measured using the absolute value of the Kothari method of discretionary accruals.*The results of this study indicate that Tenure Audits have a negative effect on Audit Quality, while Audit Fees do not affect Audit Quality, related to Audit Committee Quality as a moderating variable that can strengthen the positive influence of Tenure Audits on Audit Quality, but Audit Committee Quality has not been able to moderate the influence of Audits Fee for Audit Quality.

Keywords: *audit tenure, audit fee, audit quality, audit committee.*

1.1 INTRODUCTION

In the development of the capital market, the demands on agents are increasing to be accountable for their financial statements, namely by reporting on budget realization and obtaining an unqualified audit opinion on audited financial statements.(Agustini & Siregar, 2020). Therefore, public accountants are required to present quality reporting so that financial reports can provide a real picture of the condition of the company. According to Coram et al. (2008)in Hartadi (2012), Audit quality is the magnitude of the opportunity for a public accountant to find, report and include his findings in the audited report regarding misstatements or intentional errors in the company's financial reporting.

Audit quality in Indonesia is reflected in several cases that have occurred, one of which is the case with PT Tiga Pilar Sejahtera Food, which overstated several accounts in the 2017 audited financial statements. This was discovered after the results of an investigation by PT Ernst & Young Indonesia came out. On March 25, 2019, regarding these financial statements(www.nasional.kontan.co.id).

Audit quality can be improved through the public accountant's experience and the public accountant's understanding of the client's business activities. With sufficient understanding, public accountants will find it easier to detect fraud or errors by management because it is easy to obtain information and data that will be needed in the auditing process.(Nabila & Hartinah, 2021). This can happen because of the length of the relationship created between the KAP (public accounting firm) and the client, which is called the Audit Tenure(Agustini & Siregar, 2020)

In maintaining audit quality, several factors can affect a public accountant, one of which is as someone who sells audit services, public accountants are paid by clients to carry out these services and have a tendency to satisfy clients. So that by giving a high fee, public accountants will tend to carry out procedures better and more optimally(Lailatul & Yanthi, 2021).

The existence of an audit committee that works effectively within the company will be able to assist public accountants in detecting misstatements and including them in audited reports(Sukirman & Asih, 2021). audit committee according Indonesian Audit Committee Association (2017), is an independent and competent committee in carrying out its duties and responsibilities, namely oversight of the internal control system, oversight of the quality of financial reports, as well as oversight of internal audits.

This research highlights the annual financial reports of companies listed on the Indonesia Stock Exchange (IDX) in the consumer non-cyclical sector during 2019-2021. This is due to phenomena related to audit quality, one of which is PT TPS Food, where the company is a food and beverage sub-sector. Based on the latest sector classification IDX-IC Indonesia Stock Exchange, the company is included in the consumer non-cyclical sector. (Indonesia Stock Exchange, 2021), so researchers are interested in examining all companies in this sector. The previous researcher had conducted a lot of research related to tenure audits and audit fees, but there were inconsistencies in the results, so the researchers were interested in reviewing this by including a moderating variable, namely the quality of the audit committee as a research contribution, and using control variables to control audit quality, namely firm size, leverage, and company growth so that it is expected to minimize the influence of other variables that can interfere with the research model, apart from the independent variables and moderating variables.

This study uses the Eviews 12 regression tool by using panel data regression analysis to test and explore the effect of audit tenure and audit fees on audit quality with audit committee quality as a moderating variable in consumer non-cyclical sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period.

1.2 LITERATURE REVIEWS

2.1 Agency Theory

Agency theory is a theory that describes the relationship between agents (managers) and principals (owners). Principal assigns duties and responsibilities to agents to organize and manage economic resources to maximize profits, and agents must be accountable for their performance through financial reports (Jensen & Meckling, 1976). Thus an independent party is needed when on duty, namely a public accountant, in assessing and examining financial statements by supervising, monitoring, and reviewing related financial reports that have been prepared by agents and expressing opinions on the fairness and free from material misstatement related to the company's financial statements (Andriani & Nursiam, 2018).

2.2 Audit Quality

According to Arens et al. (2012) and Idawati (2018), audit quality is the detection of material misstatements in financial statements, the competence of public accountants is an aspect of detection, and reporting is a reflection of the integrity and independence of public accountants, both auditing standards and quality control standards, both of which must be met when it comes to reporting on finance to achieve the objective audits (IAPI, 2016). A quality audit can be seen not only from the expertise of the public accountant and the auditing process but also from the output, namely the audited financial statements. The public accountant is expected to be able to improve the quality of earnings in the financial statements by reducing the value of discretionary accruals and being able to detect earnings management carried out by the company does not violate applicable accounting rules (Wijaya & Susilandari, 2022).

2.3 Audit Tenure And Audit Quality

In agency theory, public accountants act as intermediaries to minimize conflicts between agents and principals due to different interests. The public accountant assesses the financial statements prepared by the agent so that a long engagement period will be sufficient to create closeness and make the public accountant better understand the client's business situation so that the public accountant can find out if anything has changed from the client. The development of audit decisions can be based on the development of knowledge of the client company over time (Sari et al., 2019). This can be because cooperation that has existed for a long time will make it easier for public accountants to understand the characteristics of client companies (Nabila & Hartinah, 2021). Based on this, the researcher provides the following hypothesis:

H1: Tenure audits have a positive effect on audit quality.

2.4 Audit Fee And Audit Quality

Following agency theory, the public accountant acts as an intermediary to minimize conflicts of interest in the relationship between the agent and the principal. A public accountant will be assigned by the principal to examine the feasibility of the financial statements prepared by the agent. The duties and responsibilities given to the public accountant raise costs that must be paid by the company in return for the services performed. With a large amount of payment given to the public accounting firm, the duties and risks of the assignment also require a high level of expertise, and the greater the payment received will also encourage public accountants to provide maximum results in reporting and presenting their findings. (Andriani & Nursiam, 2018). High fees will encourage public accountants to improve performance so that audits can be completed with pre-designed procedures and improve audit quality(Lailatul & Yanthi, 2021). Based on this, the researcher provides the following hypothesis:

H2: Audit fees have a positive effect on audit quality.

2.5 Audit Committee Quality Moderates tenure audits on audit quality

Based on Financial Institution Regulation No.55/POJK.04/2015 regarding the Establishment and Implementation of Audit Committee Work, this includes submitting recommendations to the board of commissioners regarding the appointment of a public accountant. Based on agency theory, the audit committee as an independent committee exists to suppress agency problems by supervising financial statements and public accountants. Therefore, it will improve the quality of audits produced by public accountants(Lailatul & Yanthi, 2021). With a long tenure, it will increase the experience and understanding of public accountants towards their clients, and this will make it easier for public accountants when designing audit procedures to make them more effective(Rusli & Wiratmaja, 2016). Based on this statement, the researcher provides the following hypothesis:

H3: Audit committee quality strengthens the positive influence of tenure audits on audit quality.

2.6 Audit Committee Quality Moderates Audit Fee on Audit Quality

In agency theory, a public accountant is required to act as a third party in the relationship between agent and principal to assess the feasibility of financial statements. With the existence of an audit committee that is effective in carrying out its duties and authorities as an independent committee in supervising and reviewing financial information, it will make it easier for public accountants to gather information related to client business activities and collect audit evidence. Lailatul & Yanthi (2021)stated in their research that the audit committee must be able to bridge information to minimize information asymmetry. One way is to increase the effectiveness of the audit committee so that full power regarding the company will be owned by the audit committee; thus, the

audit committee will encourage public accountants to increase the audit space according to the results of the analysis of the audit committee (Rizaldi et al., 2022). Expansion of the scope of this matter requires a fairly high fee for conducting audits to produce a quality audit. Based on this, the researcher provides the following hypothesis:

H4: Audit committee quality strengthens the positive effect of audit fees on audit quality.

3. RESEARCH METHODS

Quantitative research was conducted using causal methods. According to Paramita et al. (2021), Causal design is research that seeks to find out causal relationships or influences and how much the independent variable affects the dependent variable. The research data used comes from the annual financial reports of consumer non-cyclical companies listed on the Indonesia Stock Exchange in 2019-2021. For sampling using purposive sampling, the criteria used are as follows:

1. Non-cyclical consumer sector companies were listed on the Indonesia Stock Exchange in 2019-2021 and were not delisted in the research year.
2. Companies that present complete annual financial reports for the 2019-2021 period.
3. Companies that disclose consecutive audit fees in their annual financial statements for the 2019-2021 period.

The research sample consisted of 44 companies during three years of observation, and 7 data experienced outliers, so the sample under observation was 125 data. The panel data regression analysis used in this research model uses the moderated regression analysis (MRA) test because, in this research model, the moderating variable is the quality of the audit committee. The model equation in this study can be written as follows:

$$ABS_DA = \alpha + \beta_1 TA_{it} + \beta_2 FA_{it} + \beta_3 TA_KKOM_{it} + \beta_4 FA_KKOM_{it} + \beta_5 SIZE_{it} + \beta_6 LEV_{it} + \beta_7 GROWTH_{it} + \varepsilon_{it}$$

Information:

ABD_DA = absolute value of discretionary accruals (audit quality proxy)

α = constant

$\beta_1 - \beta_5$ = coefficient

TA = tenure audits

FA = fees audits

KKom = audit committee quality

TA_KKom = tenure audit interaction variable with audit committee quality

FA_KKom = interaction variable audit fees with the quality of the audit committee

size = company size

Lev = leverage

growth = company growth

ε = term error

i = data company
t = data period of time

3.1 Dependent Variable – Audit Quality

Measurement of audit quality uses the absolute value of discretionary accruals, such as research conducted by Sukirman & Asih (2021). In this study using the Kothari model, the formula can be written as follows:

$$DA_{it} = \frac{TA_{it}}{A_{it-1}} - 1 + \alpha_1 \frac{1}{A_{it-1}} + \alpha_2 \left(\frac{\Delta REV_{it} - \Delta REC_{it}}{A_{it-1}} \right) + \alpha_3 \left(\frac{PPE}{A_{it-1}} \right) + \alpha_4 \left(\frac{ROA_{it-1}}{A_{it-1}} \right) + E_{it}$$

Information:

DA_{it} = value of discretionary accruals at the company I in year t

TA_{it} = total accruals of the company i in the year t

A_{it-1} = total assets of the company i in the year t-1

ΔREV_{it} = company i's revenue in year t minus company i's revenue in year t-1

PPE_{it} = fixed assets of the company i in period year t

ΔREC_{it} = company i's trade receivables in year t minus company i's receivables in year t-1

ROA_{it} = return on assets company i in period t-1

E = error

3.2 Independent Variable – Tenure Audit

Tenure audits are measured using KAP's real tenure because there is an apparent rotation used by KAP, namely a change in the composition of partners, whereas if the real rotation changes in the KAP (Fitriany et al., 2015), Number 1 will be given for the first year of the KAP, then add one if the next year you still use the KAP's services.

3.3 Independent Variable – Audit Fee

The amount of the audit fee paid to KAP is adjusted to the volume of the audit and the level of difficulty so that the fee received reflects the level of responsibility and assignment risk to increase the confidence of clients and other users of financial statements. Adapting research from Sara et al. (2019) for the measurement of audit fees are as follows:

Audit fee = Ln (audit fee)

3.4 Moderating Variable – Audit Committee Quality

Measurements related to the variable quality of the audit committee use a score by measuring three elements, namely the activity of responsibility in carrying out tasks, the number of members, and the expertise of the audit committee, which is then translated into 12 indicators (Utami & Diyanty, 2015). Each indicator has been adjusted to the guidelines and the establishment of an audit committee based on the 2015 POJK. The measurement criteria can be seen in Table 1.

Table 1 Audit Committee Quality Measurement Criteria

Measurement Criteria		<i>good</i>	<i>Fair</i>	<i>Poor</i>
Activities and Responsibilities of the Audit Committee				
1	Examination of financial statements	2		1
2	Assessment of compliance with legal requirements	2		1
3	Analyzing company risks	2		1
4	Handling complaints regarding issuers and reporting to the commissioner	2		1
5	Evaluate internal control	2		1
6	Review of audited reports	2		1
7	Recommend external auditors	2		1
8	Number of audit committee meetings in a year	3	2	1
9	Percentage of attendance at audit committee meetings	3	2	1
Number (size) of audit committee members				
10	Number of audit committee members	3	2	1
Audit committee expertise				
11	Number of audit committee members with an accounting background	3	2	1
12	The average age of the audit committee members	3	2	1
Total score		29	10	12

3.5 Control Variable – Firm Size

Companies that have large assets, the more complex their business and operations will be, making it difficult for public accountants to know earnings management within the company, but the size of the company will also create a political burden if the company manages earnings beyond the rules. Therefore, firm size tends to influence the value of discretionary accruals as a proxy for audit quality (Nadia, 2015). Measurement of company size can be written with the following formula:

$$\text{Size} = \ln (\text{total assets})$$

3.6 Control Variable – Leverage

This study uses leverage as a variable that controls audit quality. Due to the high level of debt, it has, companies will be motivated to fulfill debt covenants by increasing profits even though the increase is artificial. (Nadia, 2015). With the increase in earnings management carried out by the company, it means that public accountants have not been able to reduce the profit management figures contained in the company's financial reports. Leverage measurement can be written with the following formula:

$$\text{Leverage} = \frac{\text{Total Utang}}{\text{Total Asset}}$$

3.7 Control Variable – Company size

Company growth is a ratio that measures the increase or decrease in the company's total assets. High-growth companies will tend to have a higher absolute value of discretionary accruals, and this is used to maintain the consistency of company growth. (Christiani & Nugrahanti, 2014). Company growth is measured using:

$$\text{Growth} = \frac{\text{Total asset } t - \text{Total asset } t - 1}{\text{Total asset } t - 1}$$

4. RESULTS AND DISCUSSION

4.1 Research result

4.1.1 Descriptive Statistics

Descriptive statistics are carried out to obtain information about the actual characteristics of each research object without drawing general conclusions. The descriptive analysis describes the data through the mean (average), median (middle value), maximum (highest value), minimum (lowest value), and standard deviation. The variables in the research in statistical calculations are discretionary accruals (ABS_DA) as a proxy for audit quality, audit tenure (TA), audit fees (FA), the interaction of audit committee quality with audit quality (TA_KKOM), the interaction of audit fees with audit committee quality (FA_KKOM), company size (SIZE), leverage (LEV), company growth (GROWTH). The results of the descriptive statistical tests carried out with the help of Eviews 12 can be seen in Table 4.1.

Table 4.1 – Descriptive Statistics

	<i>Means</i>	<i>Median</i>	Maximum	Minimum	std. Deviation
ABS_DA	0.06532	0.054991	0.275832	5.84E-05	0.05229
TA	6,952	7	18	1	4.264376
FA	20.6712	20.62896	23.64104	17.26867	1.283477
TA_KKOM	178,824	182	486	21	111.0645
FA_KKOM	529,826	530.1886	611.8494	370.8668	49.36975
SIZE	28.9235	28.90253	31.60302	25.25185	1.41833
Lev	0.53685	0.519019	1.92534	0.041672	0.276
GROWTH	0.04285	0.038848	0.662904	- 0.27290	0.137528

Source: Eviews data processing, 2023

4.1.2 Model Selection Test

The model selection test is a test conducted to find out which model best fits this research model. There are three models in Eviews, namely, the common effect model, the fixed effect model, and the random effect model. This study has carried out the Chow test and the Hausman test. The results of each of these tests can be seen in Table 4.2 and Table 4.3.

Table 4.2 – Chow test

Effect Test	Statistics	df	Prob.
Cross-section F	1.951380	(43,74)	0.0057

Chi-square cross-sections	94.744491	43	0.0000
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Source: Eviews data processing 12, 2023

Based on Table 4.2, by looking at the probability chi-square value, which is 0.0000 < 0.05, the model chosen in this Chow test is the fixed effect model.

Table 4.3 – Hausman Test

Test Summary	Chi-Sq. Stats	Chi-Sq. df	Prob.
Random cross-sections	19.285912	7	0.0073

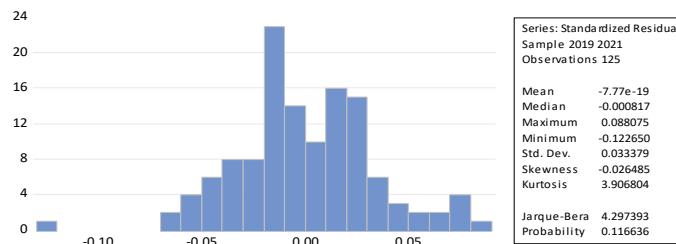
Source: Eviews data processing 12, 2023

Table 4.3 shows that the resulting probability value is 0.0073 < 0.05. Therefore, the fixed effect model is the most appropriate for this study, and there is no need to do the LM test.

4.1.3 Classic assumption test

4.1.3.1 Normality test

Figure 4.1 – Normality Test



Source: Eviews data processing 12, 2023

Table 4.4 shows the results of the normality test with Jarque Bera. It is known that the probability value is 0.116636 > 0.05, so it can be concluded that the research data is normally distributed.

4.1.3.2 Multicollinearity Test

Table 4.4 – Multicollinearity Test

Variable	Centered VIF	Results
TA	402.1251	Multicollinearity
FA	9.879353	Multicollinearity Free
TA_KKOM	407.1453	Multicollinearity
FA_KKOM	11.26163	Multicollinearity
SIZE	3.667318	Multicollinearity Free
Lev	1.207035	Multicollinearity Free
GROWTH	1.062179	Multicollinearity Free

Source: Eviews data processing 12, 2023

Based on Table 4.4, looking at the centered VIF value shows that the variables TA (audit tenure), TA_KKOM (interaction of audit tenure with audit committee quality), and

FA_KKOM (interaction of audit fees with audit committee quality) show a value above 10, which means there is a multicollinearity problem.

The model in this study is the Regression Analysis Model. The regression analysis model generally has a high multicollinearity problem between the independent variable (X1) and the interaction variable (X1X2). It is possible that this can happen because the moderating variable contains elements X1 with X2 (Liana, 2009). According to Gujarati (2003), the emergence of multicollinearity is not a serious problem if there is a high R2 value, and the presence of multicollinearity can be ignored if there is at least one independent variable that has a significant effect on the regression results.

4.1.3.3 Heteroscedasticity Test

Table 4.5 - Heteroscedasticity Test

Heteroskedasticity Test Breusch Pagan-Godfrey			
Null hypothesis: Homoskedasticity			
F-statistics	1.812961	Prob. F(7,117)	0.0911
Obs*R-square	12.23172	Prob. Chi-square (7)	0.0932
Scaled explained SS	12.70116	Prob. Chi-square (7)	0.0797

Source: Eviews data processing 12, 2023

The Heteroscedasticity test in this study used the Breush Pagan Godfrey Test (BPG), based on table 4.5 by looking at the probability of the chi-square obs*r-square of 0.0932 > 0.05, so it can be said that this research model is heteroscedasticity free.

4.1.3.4 Autocorrelation Test

Table 4.6 - Heteroscedasticity Test

Breusch-Godfrey Serial Correlation LM Test:			
Null hypothesis: No serial correlation at up to 2 lags			
F-statistics	0.588555	Prob. F(2,115)	0.5568
Obs*R-square	1.266503	Prob. Chi-square (2)	0.5309

Source: Eviews data processing 12, 2023

The autocorrelation test in this study used the Breush Pagan Serial Correlation LM Test. Based on Table 4.6, it can be seen that the probability value of chi-square is 0.5309 > 0.05, so it can be concluded that this research model is free of autocorrelation.

4.1.4 Panel Data Regression Analysis

This regression analysis aims to measure the correlation and the direction of the correlation between the dependent variable and the independent variable. The absolute value of discretionary accruals is higher, which means that there is a decrease in audit quality. Conversely, if the absolute value of discretionary accruals is closer to 0, the audit quality is getting better. The results of the analysis can be seen in Table 4.7 by looking at the coefficient value.

Table 4.7 – Panel Data Regression Analysis

Dependent Variable: ABS_DA				
Variable	coefficient	std. Error	t-Statistics	Prob.
C	1.894631	1.738823	1.089605	0.2794
TA	0.126884	0.045634	2.780456	0.0069
FA	-0.034716	0.025299	-1.372212	0.1741
TA_KKOM	-0.004785	0.001822	-2.625511	0.0105
FA_KKOM	0.000802	0.000734	1.092104	0.2783
SIZE	-0.054393	0.061302	-0.887300	0.3778
Lev	0.001436	0.061392	0.023384	0.9814
GROWTH	0.153331	0.046862	3.271986	0.0016

Source: Eviews data processing 12, 2023

The regression equation for this study can be written as follows:

$$ABS_DA_{it} = 1.894631 + 0.126884TA_{it} - 0.034716FA_{it} - 0.004785TA_KKOM_{it} + 0.000802FA_KKOM_{it} - 0.54393Size_{it} + 0.001436Lev_{it} + 0.153331Growth_{it}$$

The coefficient of the multiple linear regression equation above for a constant is 1.894631. It can be interpreted that if the variable audit tenure, audit fee, interaction variable audit tenure with audit committee quality, audit fee variable with audit committee quality, company size, leverage, and company growth is zero (0), then the absolute value of discretionary accruals is 1.894631, which means audit quality is -1.894631.

4.1.5 Simultaneous Test (F)

Table 4.8 - F Test (Simultaneous)

Effect Specifications	
F-statistics	0.15221
Prob (F-statistic)	0.001336

Source: Eviews data processing 12, 2023

Based on the simultaneous test results in Table 4.8, the probability value of the f-statistic is 0.001336 < 0.05, so it can be said that audit tenure (TA) and audit fee (FA) are independent variables, the interaction of audit tenure with audit committee quality (TA_KKOM), the interaction of fees audit with audit committee quality (FA_KKOM), as well as firm size (Size), leverage (Lev), and firm growth (Growth) as control variables simultaneously influence discretionary accruals (ABS_DA) which proxies audit quality.

4.1.6 Determinant Coefficient Test

Table 4.9 - Determinant Coefficient

Effect Specifications	
R-squared	0.592535
Adjusted R-squared	0.31722

Source: Eviews data processing 12, 2023

Based on table 4.9 shows that the Adjusted R-square value in this research model is 0.317220. It can be said that the variable audit tenure (TA), audit fee (FA), the interaction of audit tenure with audit committee quality (TA_KKOM), the interaction of audit fee with

audit committee quality (FA_KKOM), firm size (Size), leverage (Lev), growth company (Growth) can explain the audit quality variable of 31,722%, and the rest is explained by other variables.

4.1.7 Partial Test (T)

Table 4.10 – Partial Test (T)

Dependent Variable: ABS_DA				
Variable	coefficient	std. Error	t-Statistics	Prob.
C	1.894631	1.738823	1.089605	0.2794
TA	0.126884	0.045634	2.780456	0.0069
FA	-0.034716	0.025299	-1.372212	0.1741
TA_KKOM	-0.004785	0.001822	-2.625511	0.0105
FA_KKOM	0.000802	0.000734	1.092104	0.2783
SIZE	-0.054393	0.061302	-0.887300	0.3778
Lev	0.001436	0.061392	0.023384	0.9814
GROWTH	0.153331	0.046862	3.271986	0.0016

Source: Eviews data processing 12, 2023

Based on Table 4.10, by looking at the t-statistic value compared to the t-table of this study, it is 1.65714 and with a significance level > 0.05 .

1. Audit tenure has a t-count value of 2.780456 with a positive relationship $>$ t-table value of 1.65714 and a significance of $0.0069 < 0.05$. This indicates that tenure audit has a positive effect on discretionary accruals, which means that tenure audit has a negative effect on audit quality.
2. Feesaudit has a t-count of -1.372212 with a negative relationship direction $<$ t-table value of 1.65714 and a significance of $0.1471 > 0.05$. This indicates that the audit fee does not affect audit quality.
3. The interaction variable of audit tenure with audit committee quality has t-count of -2.625511 with a negative relationship $>$ t-table value of 1.65714 and a significance of $0.0105 < 0.05$. This indicates that audit committee quality can weaken the relationship between audit tenure and discretionary accruals, which means committee quality audits can strengthen the relationship between tenure audits and audit quality.
4. The interaction variable of audit fees with audit committee quality has a t-count of 1.092104 with a positive relationship $<$ t-table value of 1.65714 and a significance of $0.2783 > 0.05$. This indicates that audit committee quality does not moderate the relationship between audit fees and audit quality.
5. Firm size has a t-count of 0.887300 with a negative relationship $<$ t-table value of 1.65714 and a significance of $0.3778 > 0.05$. This indicates that firm size as a control variable does not affect audit quality.
6. Leverage has a t-count of 0.023384 with a positive relationship $<$ t-table value of 1.65714 and a significance of $0.9814 > 0.05$. This shows that leverage as a control variable does not affect audit quality.

7. Company growth has a t-count of 3.271986 with a positive relationship direction > t-table value of 1.65714 with a significance of 0.0016 < 0.05. This indicates that company growth as a control variable has a positive effect on discretionary accruals, which means that company growth has a positive effect on audit quality.

4.2 Discussion

4.2.1 Effect of Tenure Audit on Audit Quality

The test results show that tenure audits have a negative effect on audit quality, so the first hypothesis is rejected. The possibility that this can occur is caused by a long tenure that will lead to a relationship of mutual need so that the pattern of the relationship between the public accountant and the client changes to a work partner relationship and underlies all acceptance from the client to make the company following the client's expectations. The results of this study are in line with the research of Diny & Majida (2020) and Angela et al. (2019), who said that a long engagement period would build an emotional relationship between the public accountant and the client so that independence would be reduced and would create obstacles to carrying out audits following their competence.

4.2.2 Effect of Audit Fee on Audit Quality

Based on the test results, the audit fee does not affect audit quality, so the second hypothesis is rejected. These different results may be caused by payments for services provided by public accountants, which will be paid based on initial negotiations and following regulations API (2016). Thus the amount of the audit fee is appropriate based on the risk of the assignment, the complexity of the services provided in the audit, and the expertise required to carry out the audit. The big four KAPs can do this to maintain the quality and professionalism of public accountants and for non-big four KAPs to build the reputation of public accountants. Research conducted by Diny & Majida (2020) and Agustini & Siregar (2020) said in his research that the quality or not of the audit could not be influenced by audit fees, presumably because audit quality can be maintained when public accountants maintain professionalism in auditing and adherence to the professional code of ethics of public accountants.

4.2.3 Audit Committee Quality Moderates the Effect of Tenure Audit on Audit Quality

Based on the test results shows that the interaction variable audit tenure with audit quality has a positive effect on audit quality. It can be interpreted that the presence of a qualified audit committee in carrying out its duties and authorities, accompanied by the length of the tenure between the public accounting firm and its client company, will improve the quality of the audit conducted, generated so that the third hypothesis is accepted. The test results related to the third hypothesis are in line with the agency theory related to audit committees, where a quality audit committee can suppress agency problems by supervising the quality of financial reports and public accountants so that

they can maintain the independence of public accountants. Accompanied by an adequate tenure audit will help the public accountant to better understand the client's business field so that when there is a change in the client's company, the public accountant will easily find out. The results of this study are in line with research Rusli & Wiratmaja (2016) states that tenure audits have a positive effect on audit quality and research Lailatul & Yanthi (2021) which states that a more active and effective audit committee will improve the resulting audit quality.

4.2.4 The Quality of the Audit Committee Moderates the Effect of Audit Fees on Audit Quality

Based on the tests that have been carried out, the interaction variable of audit fees and audit committee quality does not affect audit quality, which means that the quality or not of the audit committee in carrying out its activities and responsibilities cannot influence the relationship between audit fees and audit quality. Therefore, the fourth hypothesis in this study was rejected. This is likely to occur because, in OJK Regulation No.55/POJK.04/2015, the duties and responsibilities of the audit committee only refer to providing recommendations for the appointment of a public accountant based on monitoring and reviewing the results of previous audited reports. The results of this study are consistent with research Aprilia (2019) stated in his research that the audit fee is an initial negotiation between the public accountant and the client company following the fee structure of the public accounting firm so that the audit committee cannot influence the audit fee on audit quality. Other research conducted by Damayanti (2022) states that the audit committee provides oversight of public accountants in obtaining audit evidence but for determining the size of the audit fee received by the public accountant.

4.2.5 Effect of Company Size, Leverage, and Company Growth on Audit Quality

The test results show that firm size does not affect audit quality which is proxied using the absolute value of discretionary accruals. These results may be caused by the companies that are the research sample tend to have high total assets, from a minimum value of 25.25185 and a maximum value of 31.60302, so that high total assets can indicate that companies tend to have good internal control and monitoring systems so that company size has no impact negatively on the quality of the audit. In addition, it is said in research Susanti & Margareta (2019) which is that large and small companies both have an interest in showing the actual conditions.

The leverage variable is known in the test that does not affect audit quality which is proxied using the absolute value of discretionary accruals. This result is probably due to the average debt ratio in this research sample of 53%. This shows that these companies have a debt ratio that is not so high, which means that the company does not depend on debt in financing its company assets. Research conducted by Christian & Nugrahanti (2014) states that many factors can affect the security of the agreement, such as the

collateral provided, the credibility of the company, and based on the history of previous loan payments, so the company does not have to rely on earnings management.

Based on the results of the study shows that company growth has a positive effect on discretionary accruals, which means that company growth has a negative effect on audit quality. This is likely to occur because the average value of company growth related to the company that is the research sample has a growth of 4%, which means the company is growing. Companies that have growth will tend to get attention compared to other companies from outsiders, such as the government, investors, and the public. Therefore, to avoid a negative reaction to the company's growth when it slows down, companies will tend to increase the value of discretionary accruals so that audit quality will decrease. Following research conducted by Christian & Nugrahanti (2014) states that companies with high growth will tend to do earnings management to maintain the consistency of their growth.

4. CONCLUSION

Based on the results of research related to non-cyclical customer sector companies found on the Indonesia Stock Exchange in 2019-2021, it can be concluded that audit tenure has a negative effect on audit quality. There is no significant relationship between audit fees and audit quality, audit committee quality can strengthen the influence of positive tenure audit on audit quality, but the quality of the audit committee cannot moderate the effect of audit fees on audit quality. Therefore it is suggested that public accountants maintain independence in carrying out audits so that they can produce quality audited reports and be accountable to the principal so that conflicts of interest can be minimized by the role of public accountants.

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