Journal of Research in Social Science And Humanities (2024); 4(2):
DOI: http://dx.doi.org/10.47679/jrssh.v4i2.174
ISSN 2809-3356 (print), ISSN 2807-3916 (online)

RESEARCH ARTICLE

Influence Of Audit Fee, Client Size, Audit Tenure On Audit Quality

Prima Wijaya[1*], Kartika Hendra Titisari[1], Dimas Ilham Nur Rois [1]

Published online: 25 September 2024

Abstract

Auditors are obliged to examine the information presented in the annual financial report and provide an opinion on the fairness of the financial report, so that the annual financial report can be used as a reliable decision-making tool. Therefore, it is very important to improve the audit quality of financial reports from auditors so that stakeholders can make better decisions. This research aims to test and analyze the effect of audit tenure on audit quality. The data used in this research is secondary data, obtained from annual financial reports. The population and sample in this research are property and reel estate companies listed on the IDX for the 2018-2024 period. The sampling technique for this research uses a purposive sampling technique. The number of samples in this research was 54 companies in the property and reel estate sectors with research sample observations of 77 observations. The analysis technique used to test this research hypothesis is multiple regression with SPSS version 22. The independent variables of this research are audit fees, client size, and audit period. The dependent variable of this research is audit quality. The results of this research indicate that audit fees, client size, and audit period have an influence on audit quality.

Keyword: Audit fees, client size, audit period, audit quality.

Introduction

Financial reports are one of the consideration instruments most often used by stakeholders to make strategic decisions. Based on Financial Services Authority Regulation Number 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies, companies that have received funding from external parties or have registered their shares on the Indonesian Stock Exchange (BEI) are required to publish an annual report containing the company's financial report. has been publicly audited. The function of financial reports published by companies is to provide an overview of the company's performance, financial position, cash flow and information on retained earnings or changes in equity. Thus, every company should publish financial reports that provide true information to stakeholders. This correct information is very important to avoid conflicts of interest between the principal (stakeholder) and the agent (management) as the manager of the company.

To ensure that the company has published true financial reports, it is necessary to assess whether the resulting financial reports do not contain material misstatements. This assessment is carried out by the auditor. Auditors are obliged to examine the information presented in the annual financial report and provide an opinion on the fairness of the financial report, so that the annual financial report can be used as a reliable decision-making tool. Therefore, it is very important to improve the audit quality of financial reports from auditors so that stakeholders can make better decisions.

Stakeholders trust annual financial reports that have gone through an audit process more than annual financial reports that have not been audited. Thus, an auditor in carrying out his profession must maintain work professionalism by applying the basic ethical principles of the profession according to the 2013 Public Accountant Professional Standards (SPAP), as stated in the Framework for Assurance Engagements, namely the principle of integrity, the principle of objectivity, professional competence and accuracy, the principle of confidentiality, and principles of professional behavior.

In addition, according to IAPI in the Draft Guidelines for Audit Quality Indicators for Public Accounting Firms in 2016, audit quality can be seen from the publication of transparency reports on audit quality indicators. This transparency report is voluntary and explains information about the types of engagements and collaborations including approval from the Minister of Finance, if any. To maintain audit quality, each KAP is required to establish an adequate service compensation policy (audit fee).

Kurniasih and Rohman, (2014) said that the amount of the fee is positively related to the quality of the audit produced. High audit fees reflect greater effort and judgment in providing audit services. This statement is in line with research by Kurniasih and Rohman (2014), Pramaswaradana and Atika (2017), and Ardani (2017) which emphasize that audit fees produce good audit quality, and vice versa.

Research conducted by Fahrunisyah (2014) shows that company size has a positive effect on earnings management, namely the larger the company size, the greater the earnings management practices carried out and accepts the positive accounting theory put forward by Watts and Zimmerman (1986) that company size is used in cost guidelines. politics and political costs will continue to increase as the size and risk of the company increases. Kafabih and Agustinus Santosa Adiwibowo (2017) stated that the size of the client company has a significant positive effect on audit quality.

Audit tenure becomes a polemic when the audit tenure is short or long. This term of office can have an impact on the auditor's performance at the client company, such as independence (Pertiwi, Hasan and Hardi, 2016). According to Nugroho (2018), the concept of audit tenure and audit quality can be interpreted as if there has been a previous engagement between the auditor and his client, then it will be easier for the auditor to understand the presentation and recording made by the client so that it can help the audit process to improve audit

[1]Batik Islamic University of Surakarta.

*) corresponding author

Prima Wijaya.

Email: primawijaya966@gmail.co.id .

quality. Research conducted by Puspitasari (2017), Lee and Sukartha (2017), and Ardani (2017) shows that audit tenure affects audit quality because longer audit tenure can increase auditor competency.

Agency Theory (Agency Theory)

Agency theory is a theory that explains that an agency relationship arises when one or more people (principal) employ another person (agent) to provide a service and delegate decision-making authority to the agent Jensen and Meckling (1976). This theory generally assumes that the principal is risk neutral and the agent is risk averse. Agents and principals are assumed to be motivated by their own interests and their interests often conflict. The principal (company owner) wants to know all information, including management activities, related to their investment or funds in the company. This is done by requesting an accountability report from the agent (company management). Financial reports prepared by management require testing to make them more reliable. This testing is carried out by an independent external party, in this case an auditor who has high professionalism. Agency theory helps auditors as third parties to understand conflicts of interest that arise between principals and agents. The principal as the owner collaborates and signs a work contract with the agent or company management to invest their finances. By having an independent auditor, it is hoped that there will be no fraud in the financial reports prepared by management. At the same time, it can evaluate the performance of agents (managers) so that it will produce relevant information that is useful for investors and creditors in making rational investment decisions.

Conflicts of interest between owners and agents occur because the agent may not always act in the interests of the principal, thereby triggering agency costs. In agency theory, independent auditors act as intermediaries between two parties (agent and principal) who have different interests. The existence of information asymmetry can create the need for an independent third party to examine and provide guarantees for financial reports prepared by management, namely auditors. The aim of the assurance that is part of the audit is to reduce the information asymmetry that occurs between management and principals (Ittonen, 2010).

Audit Quality

According to Watkins, Hillison and Morecroft (2004) audit quality is the possibility that the auditor will discover and report material misstatements in the client's financial statements. Based on the Professional Standards for Public Accountants (SPAP, 2015), audits carried out by auditors are said to be of good quality if they meet auditing requirements or standards. Auditing standards include professional quality, independent auditors, considerations used in conducting audits and preparing audit reports. Audit quality is measured by the audit opinion issued by the auditor.

Audit Fees

Audit fee is the amount of opinion received by the auditor as compensation for audit services provided in accordance with the company's audit agreement with the auditor. Audit fees can affect audit independence which makes a difference in audit quality. High audit fees can make auditors side with management so that they do not report errors found in the financial statements. This shows poor audit quality. On the other hand, a high audit fee can increase the auditor's motivation to work optimally, resulting in better audit quality. Formal audit assignments attract a service fee. The amount of money that makes up this fee is called the audit fee. This fee, according to the Securities and Exchange Commission Final Regulations (in Yuniarti, 2011), is paid for the annual audit and review of financial reports for the most recent fiscal year. The total fee paid is usually the sum of all costs incurred for the audit (Hoitash, Markelevich & Barragato, 2007); thus, equally reflecting the cost of public editors' efforts and the risk of litigation (Choi, Kim, Liu & Simunic, 2009). With this explanation, audit costs will vary depending on the size of the audit and how complex the audit process is (Lyon & Maher, 2005).

ClientsSize

Company size is also an influencing factor on audit quality. Large companies have a better internal control system than small companies. This proves that good internal control will improve audit quality, as it will be easier for auditors to obtain the information they need. Likewise, with weak internal control, audit quality will decrease, because auditors have to work harder (Sinaga, 2012).

Tenure Audit

Audit tenure is the tenure of auditors who provide audit services within an agreed period of time to their clients. Longer tenure audits can increase auditor competency. The audit period is measured by calculating the length of work period in which the auditor from the same KAP carries out the audit engagement with the auditee (Ardani, 2017).

The Influence of Audit Fees on Audit Quality

Audit fee is the amount of opinion received by the auditor as compensation for audit services provided in accordance with the company's audit agreement with the auditor.Audit fees can affect audit independence which makes a difference in audit quality. High audit fees can make auditors side with management so that they do not report errors found in the financial statements. This shows poor audit quality.

Research conducted by Ardani (2017), Pramaswaradana and Atika (2017) emphasizes that audit fees produce good audit quality, and vice versa. Good audit quality is created because more professional auditor performance is required in auditing clients' financial reports. Professional auditors analyze the cost of what they will do, length of time, location, responsibilities, and so on. The research hypothesis is formulated as follows:

H1: Audit fees have a significant positive effect on audit quality.

The Influence of Client Size on Audit Quality

ClientsSize is a scale that determines the size of a company entity which can be expressed through total assets, total income, total sales in one year, stock market value, and so on which describes the company's wealth. Companies with a large scale have wider activities, the volume of activity increases, the quantity of transactions within the company increases so that the complexity of transactions increases.

Research conducted by Fahrunisyah (2014) shows that company size has a positive effect on earnings management, namely the larger the company size, the greater the earnings management practices carried out and accepts the positive accounting theory put forward by Watts and Zimmerman (1986) that company size is used in cost guidelines. politics and political costs will continue to increase as the size and risk of the company increases. Kafabih and Agustinus Santosa Adiwibowo (2017) stated that the size of the client company has a significant positive effect on audit quality. The research hypothesis is formulated as follows:

H2: Client company size has a significant positive effect on audit quality.

The Influence of Audit Tenure on Audit Quality

Tenure auditsis the time period of the engagement between the auditor and the client which is measured by the number of years. Audit tenure is associated with two constructs, namely auditor expertise and economic incentives. Audit tenure is associated with the auditor's expertise. Auditors can gain a better understanding of the client's business processes, and risks. Apart from that, audit tenure is related to vigilance regarding the auditor's familiarity with clients. The higher the quality of the auditor, the longer the engagement will be. Second, audit tenure can create economic incentives for auditors to become less independent. It is feared that the existence of a

relationship between the auditor and the client for a long period of time will result in a loss of auditor independence. The loss of independence can be seen from the increasing difficulty for auditors to provide going concern audit opinions.

According to Nugroho (2018), the concept of audit tenure and audit quality can be interpreted as if there has been a previous engagement between the auditor and his client, then it will be easier for the auditor to understand the presentation and recording made by the client so that it can help the audit process to improve audit quality. Research conducted by Puspitasari (2017), Lee and Sukartha (2017), and Ardani (2017) shows that audit tenure affects audit quality because longer audit tenure can increase auditor competence.

H3: Audit tenure has a positive effect on audit quality.

Method

This type of research is quantitative. The data source for this research is secondary. In this research, it was obtained from the annual financial reports of property and real estate companies listed on the Indonesian Stock Exchange for the 5 periods 2018-2022, including financial reports accessed via the official website of the Indonesian Stock Exchange.www.idx.co.id.

The research population is property and real estate companies listed on the BEI (Indonesian Stock Exchange) during the period December 2018-May 2022 respectively. The sampling technique uses purposive sampling or a data sampling technique that is based on certain considerations (Sugiyono, 2018). The criteria for determining the sample include:

1. Companies listed on the BEI (Indonesian Stock Exchange) during the period December 2018-December 2022 respectively.
2. Companies that publish annual reports and have information regarding KAP Big4, audit fees, client size, audit tenure for 2018-2022.
3. Companies that publish financial reports using the rupiah currency.

The use of this research instrument is documentation in the annual reports of property and real estate companies listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period.

In this research, descriptive statistical tests were carried out to provide an overview or description of data regarding the distribution and behavior of sample data (Ghozali, 2016:19). The dependent variable in this research is audit quality, while the independent variables consist of: audit fee, client size, and audit tenure in BEI listed companies for the period December 2018 to 2022. The data normality test was carried out using the One Sample Kolmogorov-Smirnov test. Data is declared to be normally distributed if the Asymp Sig (2-tailed) value resulting from Kolmogorov-Smirnov calculations is greater than 0.05 or 5%.

A good model should not have heteroscedasticity, that is, the variance from the residuals from one observation to another is different. If the significant coefficient (profitability value) of each independent variable is greater than 0.05 (Sig. > 0.05), then it can be said that the independent variables in this study do not have symptoms of heteroscedasticity. The autocorrelation test is used to determine whether or not there is a correlation between the residuals in one observation and other observations in the regression model. The test method used is the Durbin-Watson test (Dw test) with the criteria according to Santoso (2018: 216-219) as follows.

1. If the DW number is below -2; The conclusion is that there is positive autocorrelation.
2. If the DW number is between -2 and +2; then there is no autocorrelation.
3. If the DW number is above +2; The conclusion is that negative autocorrelation occurs.

To find out whether there is multicollinearity, you can look at the VIF (Variance Inflation Factor) value. If the tolerance value is > 0.10 or the same as the VIF value < 10, it means that multicollinearity does not occur. The analysis technique uses the IBM SPSS 22 application program. The formula according to Ghozali (2016:94) for the multiple linear regression model is as follows:

$Y = \alpha + \beta1AF + \beta2CS + \beta3AT + e$

Information:

A	: Constant
β1β2β3β4β5	: Regression Coefficient
AF	:Audit fees
CS	:Clientssize
AT	: Auditing tenure
E	: error

Results and Discussion

Descriptive Statistical Test

Descriptive statistical tests are carried out to provide an overview or description of data regarding the distribution and behavior of sample data (Ghozali, 2016:19). The description is seen from the average (mean), maximum, minimum and standard deviation values. The dependent variable in this research is audit quality, while the independent variables consist of: audit fee, client size, and audit tenure. After carrying out descriptive statistical tests for these variables, the following results were obtained:

Table 1. Descriptive Statistical Test Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Audit fee	270	12.663058	24.853159	20.41955831	2.697539923
Client Size	270	8.835574	13.264138	11.74827591	1.126685073
Audit Tenure	270	1	5	3,12	1,344
Kualitas Audit	270	0	1	0,04	0,198
Valid N (listwise)	270				

The descriptive statistical test table above shows the N value or the amount of data to be studied totaling 270 samples, with the results:

1. *Audit fees*has an average value (mean) of 20.41; maximum value of 24.85; minimum value of 12.66; and standard deviation of 2.698. With a standard deviation value of 2.698, this means that the maximum increase in the average and maximum decrease in the average audit fee variable is 2.698 respectively.
2. *Clients*size has an average (mean) value of 11.74827591; maximum value of 13.264138; minimum value of 8.835574; and standard deviation of 1.13. With a standard deviation value of 1.13, this means that the maximum increase in the average and maximum decrease in the average client size variable is 1.13 respectively.
3. Audit tenure has an average value (mean) of 3.12; maximum value of 5; minimum value of 1; and standard deviation of 1.344. With a standard deviation value of 1.344, this means that the maximum average increase and the average maximum decrease in the audit tenure variable are respectively 1.344.
4. Audit quality has an average value (mean) of 0.04; maximum value of 1; minimum value of 0; and standard deviation of 0.198. With a standard deviation value of 0.198, this means that the maximum increase in the average and maximum decrease in the average of each variable is 0.198.

Normality Test

The normality test aims to test whether or not there are confounding or residual variables in the regression model so that it can be ensured that the data is normally distributed. The data normality test was carried out using the One Sample Kolmogorov-Smirnov test with the test criteria, if the calculation results show a significance value or Asymp Sig (2-tailed) > 0.05, then the data is normally distributed.

Table 2. Normality Test Results

Kolmogorov-Smirnov	Asymp. Sig.	Information
0.05	0.254	Normally distributed

Based on the table of normality test results above, it shows a significance value (Asymp Sig-2 tailed) of 0.254 > 0.05. So it can be said that the residual values in the regression model are normally distributed.

Heteroscedasticity Test

According to Ghozali (2016: 134) this test is carried out to determine whether or not there is similarity in variance from the residuals of one observation to another. A good model should not have heteroscedasticity, that is, the variance from the residuals from one observation to another is different. If the significance coefficient or Sig is > 0.05, then it can be said that there are no symptoms of heteroscedasticity.

Table 3. Heteroscedasticity Test Results

Variable	*p-value*	Information
Audit fees	0.405	Heteroscedasticity does not occur
***Clients*size**	0.169	Heteroscedasticity does not occur
Tenure audits	0.054	Heteroscedasticity does not occur

Based on the heteroscedasticity test results table above, it shows that all independent variables: audit fee, client size, audit tenure, and have a significance value (p-value) > 0.05. So it can be said that heteroscedasticity does not occur in the regression model.

Autocorrelation Test

The autocorrelation test is used to determine whether or not there is a correlation between the residuals in one observation and other observations in the regression model. The test method used is the Durbin-Watson test (Dw test) with the criteria according to Santoso (2018: 216-219) as follows.

1. If the DW number is below -2; The conclusion is that there is positive autocorrelation.
2. If the DW number is between -2 and +2; then there is no autocorrelation.
3. If the DW number is above +2; The conclusion is that negative autocorrelation occurs.

Table 4. Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.422[a]	.178	.169	.181	1.068

a. Predictors: (Constant), Audit *Tenure*, Audit fee , *Client Size*
b. Dependent Variable: Kualitas Audit

Based on the output above, it is known that the DW value is 1.068. Based on the opinion above, the Durbin-Watson value tested is 1.068 which is between -2 and +2. Thus it can be concluded that this research variable does not have autocorrelation.

Multicollinearity Test

According to Ghozali (2016:103) this test was carried out to determine whether or not there was a correlation between independent variables. A good model should have no correlation between independent variables. The multicollinearity test is assessed by looking at the VIF (Variance Inflation Factor) value. If the tolerance value is > 0.10 and the VIF value is < 10, it means that multicollinearity does not occur.

Table 5. Multicollinearity Test Results

Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	Audit fees	,289	4,659
	*Clients*Size	,265	7,796
	Tenure Audit	.403	2,482

a. Dependent Variable: Audit Quality

Based on the multicollinearity test table above, showing all independent variables, including audit fee, client size, audit tenure, and showing tolerance values > 0.10 and VIF < 10, it can be interpreted that there is no multicollinearity between the independent variables.

Multiple Linear Regression Test

According to Ghozali (2016:93), multiple linear regression analysis is in the form of a coefficient value for each independent variable. The results of the multiple linear regression test in this study are as follows:

Table 6. Multiple Linear Regression Test Results

Variable	*Unstandardized Coefficients*
	B
(Constant)	0.721
Audit fees	0.129
***Clients*size**	-0.293
Tenure audits	0.038

From the linear regression test table above, the multiple linear regression equation is formed as follows:

Y = 0.721 + 0.129X1- 0.293X2 + 0.038X3

Based on the model above, it can be seen that:

1. The constant value (α) is 0.721. This can be interpreted as if the audit fee, client size, audit tenure value is 0, then the audit quality value is 0.721.
2. The regression coefficient value of the audit fee variable (β1) is positive, namely 0.129. This can be interpreted as meaning that for every increase in audit fee of 1 unit, audit quality will increase by 0.129 units, assuming the value of other independent variables remains constant.
3. The regression coefficient value for the client size variable (β2) is negative, namely -0.293. This can be interpreted as meaning that for every increase in client size by 1 unit, audit quality will decrease by -0.293 units, assuming the value of other independent variables is constant.
4. The regression coefficient value of the audit tenure variable (β3) is positive, namely 0.038. This can be interpreted as meaning that for every increase in audit tenure by 1 unit, audit quality will increase by 3,887 units assuming that the other independent variables have constant values.

Model Feasibility Test (F Test).

The model feasibility test (F test) is illustrated through the results of statistical calculations in the ANOVA output or analysis of variance, namely testing the regression coefficients together or simultaneously on the influence of several independent variables on the dependent variable, and also to see the feasibility of the regression model. Test criteria, namely: if F-count > F-table and sig < 0.05, then H0 is accepted or the model is fit.

Table 7. Model Feasibility Test Results

F_{hitung}	F_{tabel}	Sig	Syarat	Kesimpulan
19,262	2,64	0,001	< 0,05	Model Fit

With a value of df = 266 (n–k–1 = 270–3–1), k = 3 (where n is the amount of data, k is the number of independent variables) and a probability of 0.05, the value Ftable = 2.64 is obtained. Based on the model feasibility test table above, Fcount shows a value > Ftable, namely 19.262 > 2.64 and a significance value of 0.001 < 0.05, it can be concluded that the independent variables are: audit fee, client size, audit tenure, and together or simultaneous influence on audit quality.

Hypothesis Test (t Test)

Hypothesis testing (t test) is a partial or individual regression coefficient test that is used to determine whether each independent variable has a significant effect or influence on the dependent variable. Test criteria, namely: if tcount > ttable or -tcount <-ttable and sig. < 0.05, then H0 is accepted.

Table 8. Hypothesis Test Results

	t-count	t-table	Sig.	Standard	Note.
Audit fees	5,389	> 1.6505	0,000	< 0.05	Accepted
***Clients*size**	4,878	> 1.6505	0,000	< 0.05	Accepted
Tenure audits	2,946	> 1.6505	0.004	< 0.05	Accepted

From the results of calculations using SPSS, the results obtained are t-count > t-table (5.389 > 1.6505) with a significance value of 0.000 < 0.05, which means that H1 is accepted, thus indicating that the audit fee variable has an effect

on the audit quality variable. So it can be concluded that Hypothesis 1 is accepted. From the results of calculations using SPSS, the result was (4.878 > 1.6505) with a significance value of 0.000 < 0.05, which means that H2 is accepted, thus indicating that the client size variable has an effect on the audit quality variable. So it can be concluded that Hypothesis 2 is accepted. From the results of calculations using SPSS, the results obtained are -t-count > -t-table (2.946 > -1.6505) with a significance value of 0.004 < 0.05, which means that H3 is accepted, thus indicating that the audit tenure variable has an effect on the audit quality variable. So it can be concluded that Hypothesis 3 is accepted.

Coefficient of Determination Test (Adjusted R2).

According to Ghozali (2016:95), the coefficient of determination (Adjusted R2) is a test to measure how far the model's ability is to explain variations in the dependent variable. The coefficient of determination value determined is 0 < R2 < 1. An adjusted R2 value that is close to one means that the greater the contribution of the independent variable in explaining the dependent variable.

Coefficient of Determination Results

Adjusted R Square	Conclusion
0.169	Influence of 16.9%

From the coefficient of determination test table above, it shows that the Adjusted R Square value is 0.169, which means that the contribution of the influence of the independent variables: audit fee, client size, audit tenure is only 16.9%. Meanwhile, the remaining 83.1% was influenced by other variables not included in this study

The Influence of Audit Fees on Audit Quality

The test results show that audit fees have an effect on audit quality. By using auditor services to audit financial reports, it will be easier for management to convince stakeholders that the financial reports contain reliable information (Mulyadi, 2002). DeAngelo (1981) in Diaz et al. (2014) said that audit quality is determined by the competence and independence of public accountants. One of the determinants of independence is audit fees. Audit fees can affect audit independence which makes a difference in audit quality. Research conducted by Hoitash et al. (2007) managed to find evidence that audit fees are positively related to audit quality. Kurniasih and Rohman, (2014) said that the amount of the fee is positively related to the quality of the audit produced. High audit fees reflect greater effort and judgment in providing audit services.

This research is in line with the research results of Kurniasih and Rohman (2014), Pramaswaradana and Atika (2017), and Ardani (2017) which emphasize that audit fees produce good audit quality, and vice versa.

The Influence of Client Size on Audit Quality

The results of client size testing influence audit quality. The auditor's role is needed in assessing the financial reports. On the other hand, companies also have an important role. O'Brien and Bhushan (1990) in Fernando et al. (2010) said that the larger the company size, the company must be able to design an effective control system. This aims to reduce managers' opportunities to carry out earnings management, so that the information in the report can be relied on, which means the quality of the audit is getting better.

This research is in line with the results of research by Kafabih and Agustinus Santosa Adiwibowo (2017) which states that the size of the client company has a significant positive effect on audit quality.

The Effect of Audit Tenure on Audit Quality

The test results show that audit tenure has an effect on audit quality. Audit tenure is associated with the auditor's expertise. Auditors can gain a better understanding of the client's business processes, and risks. Apart from that, audit tenure is related to vigilance regarding the auditor's familiarity with clients. The higher the quality of the auditor, the longer the engagement will be. Second, audit tenure can create economic incentives for auditors to become less independent. It is feared that the existence of a relationship between the auditor and the client for a long period of time will result in a loss of auditor independence. The loss of independence can be seen from the increasing difficulty for auditors to provide going concern audit opinions.

According to Nugroho (2018), the concept of audit tenure and audit quality can be interpreted as if there has been a previous engagement between the auditor and his client, then it will be easier for the auditor to understand the presentation and recording made by the client so that it can help the audit process to improve audit quality.

This research is in line with the results of research conducted by Puspitasari (2017), Lee and Sukartha (2017), and Ardani (2017) showing that audit tenure affects audit quality because longer audit tenure can increase auditor competence

Conclusion

The data used in this research is secondary data, which means the data is taken from the annual reports of companies listed on the Indonesia Stock Exchange (BEI). The population of this research is property and real estate companies listed on the IDX during the 2018-2022 period. The type of sample selection in this research used the purposive sampling method. The number of companies sampled in this research was 54 sample companies that met all sampling criteria. The data analysis technique uses linear regression analysis. The results of this research show that audit fees, client size, audit tenure influence audit quality.

Based on the conclusions and limitations of the research above, suggestions from researchers for further research are as follows:

1. It is hoped that further research can expand the research population to include all companies listed on the IDX and increase the period of years studied.
2. Future research is expected to add variables other than those in this research so as to produce diverse research.

References

Ardani., SV (2017). The Effect of Audit Tenure, Audit Rotation, Audit Fee on Audit Quality with Audit as a Moderating Variable (Study of Financial Sector Companies Listed on the IDX 2010-2014. Journal of Accounting, Vol. 6, No. 1, Pages. 1-12.

Choi JH, Kim JB, Liu X, & Simunic DA (2009). Cross-Listing Audit Fee Premiums: Theory and Evidence". The Accounting Review. 84: 1429-1463.

DeAngelo, L. 1981. Auditor Size and Audit Quality. Journal of Accounting and Economics, Vol.3 (3). August: p.183-199.

DeAngelo, L. 1981. Auditor Size and Audit Quality. Journal of Accounting and Economics. Pp. 113-127.

Fahrunisya, Tria Inggid. 2014. "Analysis of the Effect of Dividend Policy and Company Size on Earnings Management". Journal of the MDP College of Economics. Vol. 1 No. 3. Pg. 1-11.

Fernando, GD, Ahmed M., and Randal JE 2010. Audit quality attributes, client size and cost of equity capital. Review of Accounting and Finance. 9(4): p: 363-381.

Ghozali, I. (2016). MULTIVARIATE analysis application with the IBM SPSS 25 edition 9 program. Semarang: Diponegoro University Publishing Agency.

Hoitash, Rani, Ariel Markelevich and Charles A. Barragato. 2007. Audit Fees and Audit Quality. Managerial Auditing Journal, Vol. 22, Iss 8, p 761 – 786.

Ittonen, Kim. 2010. A Theoretical Examination of the Role of Audit and the Relevance of Audit Reports. Vaasa University, Vaasa.

Jensen, M., & Meckling, W. (1976). theory of the firm: managerial behavior, agency costs, and ownership structure. journal of financial economics, vol. 3. p: 305-360.

Kafabih, AS (2017). Analysis of the Influence of Client Size, Audit Firm Size and Audit Fee on Audit Quality. National Journal, Vo. 6, no. 3, Pg. 1-11.

Kurniasih, Margi and Rohman, Abdul. 2014. The Effect of Audit Fees, Audit Tenure, and Audit Rotation on Audit Quality. Dipenogoro University E-Journal. Vol. 3, no. 3: 1-10. ISSN: 2337-3806.

Lee, David and Sukartha, I Made. 2017. Audit Fees as a Moderating Effect of Auditor Switching and Audit Tenure on Audit Quality. Udayana University Accounting E-Journal. Vol. 18, no. 2: 1455-1484. ISSN: 2302-8556.

Lyon & Maher (2005). The Importance of Business Risk in Audit Fee Determination: Evidence from Client Negligence Cases. Journal of Accounting Research, Vol. 43, No. 1: pp. 133-151.

Mulyadi. 2002. Auditing. Jakarta : Salemba Empat.

Nugroho, Lucky. 2018. Analysis of Factors Affecting Audit Quality of MercuBuana University Maneksi Journal. Vol 7, No. 1: 55-65. ISSN: 2597-4599.

O'Brien, P. and R. Bhushan. 1990. "Analyst Following And Institutional Ownership". Journal of Accounting Research 28 (Supplement). Pages: 55-82.

Pertiwi, Nastia Putri, Amir Hasan and Hardi. 2016. The Influence of Audit Engagement Period, KAP Industry Specialization, KAP Reputation and Audit Committee on Audit Quality (Empirical Study of Manufacturing Companies on the IDX 2011-2014). Riau University Accounting Journal. Vol. 4, no. 2: 147-160. ISSN: 2337-4314.

Pramaswaradana, I Gusti NI, and Astika, Ida BP 2017. "The Effect of Audit Tenure, Audit Fees, Auditor Rotation, Auditor Specialization, and Age of Publication on Audit Quality." Udayana University Accounting E-Journal. Vol 19.1, p. 168- 194.

Sari, ea (2019). The Influence of Audit Tenure, Audit Rotation, Audit Fees, Accounting Firm Size and Auditor Specialization on Audit Quality. Indonesian Accounting and Finance Research Journal, Vol. 4, no. 3.

Sinaga, David. (2012). "Analysis of the Effect of Audit Tenure, KAP Size and Client Company Size on Audit Quality". Diponegoro University Semarang publication journal.

Watkins, A. W. (2004). Audit Quality: Synthesis of Theory and Empirical Evidence. Journal of Accounting Literature, N0.23, pp: 153-193.

Yuniarti, R. (2011). Audit firm size, audit fees and audit quality. Global Management, 2.(1). p.84-97