International Journal of Economics, Business and Management Research

Vol. 10, No.06; 2026

ISSN: 2456-7760

Which Auditor or Firm Factor Can Influence to Audit Quality?

Sigit Handoyo* & Yulianisa Dwi Maharani
Accounting Department
Universitas Islam Indonesia
sigit. handoyo@uii.ac.id*

doi.org/10.51505/IJEBMR.2026.10606 URL: https://doi.org/10.51505/IJEBMR.2026.10606

Received: May 18, 2026 Accepted: May 27, 2026 Online Published: Jun 06, 2026

Abstract
Audit quality has become a critical issue in ensuring the credibility of financial statements, particularly amid increasing business complexity and inconsistent empirical findings regarding its determinants. This study aims to examine the effect of audit tenure, audit delay, PAF size, audit fee, and firm size on audit quality in consumer goods companies listed on the Indonesia Stock Exchange during the 2020–2024 period. The research employs a quantitative approach using secondary data and applies purposive sampling, resulting in 49 companies with 186 observations. Logistic regression analysis is used because audit quality is proxied by audit opinions (unqualified and non-unqualified opinions). The findings indicate that audit delay has a significant negative effect on audit quality, while audit fee has a significant positive effect. In contrast, audit tenure, PAF size, and firm size do not show significant effects.

Keywords: audit tenure, audit delay, PAF size, audit fee, company size, audit quality.

Introduction

The reliability of financial information is highly dependent on the quality of the audit as an independent mechanism that ensures that financial statements are presented in accordance with accounting standards. (DeAngelo, 1981) . As business complexity increases, audit quality becomes a crucial aspect in maintaining the integrity of capital markets and public trust. (Francis, 2011) . In Indonesia, attention to audit quality has increased since the emergence of various corporate scandals that showed the impact of inadequate audits can lead to the presentation of financial reports that do not reflect the actual conditions. (Mardianti et al., 2022) .

One example reflecting low audit quality in Indonesia is the incident involving PT Garuda Indonesia (Tbk) in 2018. The company reported a profit of USD 5.01 million, despite having suffered significant losses the previous year. The profit stemmed from revenue recognition from a partnership with PT Mahata Aero Teknologi, which was subsequently challenged as it did not meet accounting standards for revenue recognition. Two commissioners rejected the report, and regulators, through the Ministry of Finance and the Financial Services Authority (OJK), imposed sanctions on the management and auditors involved. This case sparked widespread debate

Vol. 10, No.06; 2026

ISSN: 2456-7760

regarding the independence, professionalism, and quality of audits in ensuring the fairness of financial reports. This incident demonstrated that suboptimal audit quality can lead to distortion of financial information and undermine investor confidence in the capital market (Christian Boedihardjo & Ardini, 2024) .

Therefore, audit quality is a major focus in accounting and finance, as it serves as a fundamental measure of the credibility of published financial statements. According to DeAngelo (1981), a high-quality audit is one in which the auditor is able to identify and report significant misstatements in the financial statements. However, several empirical studies have shown that factors such as audit tenure, audit delay, audit firm size, audit fees, and firm size can affect audit quality.

Audit tenure is the length of the relationship between the auditor and the client, which can improve the auditor's understanding of the company but can potentially threaten independence if it continues for too long (Kameyer & Yanti, 2023). Several studies have found that audit tenure has a positive effect on audit quality (Sisca Maria et al., 2023) , while other studies have shown no significant effect (Nope & Sudarmadi, 2024) , so the results are still inconsistent.

Audit delay refers to the time required for auditors to complete a financial statement audit (Kameyer & Yanti, 2023) . According to research conducted by Kameyer & Yanti (2023) , audit quality is negatively affected by audit delay. Conversely, a study by Sisca Maria et al. (2023) found that audit quality findings do not depend on the time required to prepare the audited financial statements, therefore audit delay has no effect on audit quality.

The size of a Public Accounting Firm (PAF) is often considered to have a close relationship with audit quality. According to DeAngelo's (1981) theory, large-scale auditors tend to produce higher-quality audits because they have resources and a reputation to maintain. Research by RVA Putri & Witono (2025) shows that the legitimacy and extensive professional expertise of large public accounting firms, such as the Big Four, have a positive effect on audit quality. On the other hand, research by Sisca Maria et al. (2023) and Aulia & Daljono (2022) shows that PAF size is not a major factor, indicating that both Big Four and non- Big Four PAFs have competent human resources and can perform audits at the same level.

Audit fees are compensation received by auditors for services rendered and can be a signal of a company's commitment to quality audits (Michael Spence, 1973). Nope & Sudarmadi (2024) found that audit fees increase the quality of RVA. Putri & Witono (2025) found no statistically significant relationship between audit fees and audit quality, so the results of previous studies still show differences.

Firm size is considered to influence audit quality because larger firms generally have better resources, systems, and access to information (Ryakaren & Claudia, 2025). However, existing empirical results still show inconsistencies. Research by Kameyer & Yanti (2023) found that

Vol. 10, No.06; 2026

ISSN: 2456-7760

audit quality is positively influenced by business size, but results obtained by Nope & Sudarmadi (2024) show little evidence that audit quality is substantially affected by business size.

Although various studies have examined the factors influencing audit quality, previous empirical findings remain inconsistent, necessitating further research. This study focuses on companies in the consumer goods sector because this sector has stable demand and a high level of oversight, making audit quality a crucial aspect in maintaining the credibility of financial reports. Research by Kameyer & Yanti (2023) and Yasodhara & Anggraeni (2024), which focused on the food and beverage subsector, revealed that companies in this subsector face significant pressure to maintain public trust, despite persistent delays in submitting financial reports. Furthermore, despite their products being directly related to public demand, companies in this sector still face delays in presenting financial reports. Therefore, this study aims to re-examine the effect of audit tenure, audit delay, PAF size, audit fees, and company size on audit quality in consumer goods companies listed on the Indonesia Stock Exchange. This research is expected to contribute to the development of accounting science, particularly in the field of auditing, and provide consideration for auditors and companies.

Literature Review

Agency Theory

Agency theory was first introduced by Jensen & Meckling (1976), defining an agency relationship as an agreement in which owners or principals authorize managers or agents to act on their behalf and make certain decisions, among other responsibilities. In a corporate context, shareholders act as principals who delegate responsibility to management for running day-to-day operations and making important business decisions.

According to Jensen & Meckling (1976), information asymmetry between principal and agent can lead to conflicts of interest in agency relationships, known as agency problems. Management having greater access to internal business data than shareholders is one example of information asymmetry. In such a scenario, managers may feel pressured to prioritize their own interests over those of shareholders and take actions that are detrimental to them.

An independent third-party audit of financial statements is a monitoring method that can help address agency problems and information asymmetry. Financial statement audits serve as a monitoring tool to ensure that the data presented by management accurately reflects the company's actual condition. With a high-quality audit, shareholders will have a higher level of confidence in the reliability of financial statements as a basis for strategic decision-making (Francis, 2011).

Signaling Theory

Signaling Theory was first introduced by Michael Spence (1973) in the context of the labor market, and has since been developed and applied in various disciplines, including accounting and finance. According to Connelly et al. (2011), to address information asymmetry, this theory

Vol. 10, No.06; 2026

ISSN: 2456-7760

focuses on how a more knowledgeable party (the signaler) can communicate with a less knowledgeable party (the signal receiver).

Through the auditor selection process and audit quality level, business entities can convey positive signals to stakeholders within the scope of audit operations. As explained by Connelly et al. (2011) , for these signals to be effective, they must meet a number of specific attributes: observable and costly, even by businesses with lesser quality compared to them. Selecting a reputable public accounting firm (PAF), allocating reasonable audit fees, and using high-quality audit services are manifestations of signals communicated by companies to strengthen the credibility and quality of their financial reports.

According to Michael Spence (1973) , the signal conveyed must have a high level of credibility to be accepted by the recipient. In audit research, a high-standard audit serves as a positive indicator that an entity's financial statements are reliable and accurately presented. Organizations utilize the services of trusted auditors to convey to investors and other stakeholders that they are truly committed to the principles of transparency and accountability.

Hypothesis Development

The Influence of Audit Tenure on Audit Quality

Audit tenure refers to the duration of a continuous working relationship between an auditor and the same client (Garcia-Blandon et al., 2020). According to agency theory (Jensen & Meckling (1976)), long audit tenure has the potential to create excessive closeness between the auditor and the client, which can ultimately threaten the auditor's independence in carrying out their audit duties. As a result, the auditor's role as a monitoring mechanism in addressing agency problems becomes less effective.

Research conducted by AN Putri & Pohan (2022) shows that audit tenure negatively impacts audit quality. The length of the relationship between a public accounting firm and a company can foster closeness, thereby reducing auditor objectivity and ultimately affecting audit quality.

H1: Audit Tenure has a negative effect on audit quality.

The Effect of Audit Delay on Audit Quality

In signaling theory, the timeliness of financial report submission serves as the primary signal a company sends to external stakeholders. Prolonged audit delays often indicate obstacles in the audit process, such as the discovery of material errors, complex negotiations with management, or a high level of audit complexity (Januari & Hisar, 2022) .

When audits drag on for too long, people tend to doubt the accuracy of the financial statements and the auditor's abilities. Investment activities and other decisions may be postponed if the audit takes longer than expected, as financial statement users will obtain this information at a later date (Saputra et al., 2024). This finding aligns with a study by Yasodhara & Anggraeni (2024) which

Vol. 10, No.06; 2026

ISSN: 2456-7760

showed that audit delay negatively impacts audit quality, as delays in audit reporting can disrupt management's decision-making process. Similarly, Kameyer & Yanti (2023) stated that audit delay negatively impacts audit quality, as reported audit results can indirectly reflect the company's poor financial condition and reduce the relevance of audit findings due to reporting delays, ultimately lowering overall audit quality.

H2: Audit Delay has a negative effect on Audit Quality

The Influence of Public Accounting Firm Size on Audit Quality

According to signaling theory, large public accounting firms (the Big Four) and other prominent firms are viewed by many as an indication to investors that a company's financial statements have been audited with high quality. The resources, quality control processes, and reputation of these large public accounting firms are more important to maintain internationally (DeAngelo, 1981). Leading accounting firms, particularly those within the Big Four, are highly valued by investors for their global reputations and superior training programs. Therefore, large public accounting firms are generally capable of producing high-quality audits; conversely, if they fail, their reputations can suffer and result in the loss of clients (Mayangsari & Sazangka, 2023).

Research conducted by Fajrina & Rohkhayatim (2021) shows that the size of a Public Accounting Firm (PAF) has a positive impact on audit quality. PAFs affiliated with the Big Four are equipped with adequate resources to comply with all established audit standards, thus contributing significantly to audit results. By utilizing audit services from large PAFs, achieving audit quality in terms of perceived quality becomes easier, particularly in building confidence that material errors in the financial statements have been correctly identified.

H3: PAF size has a positive effect on audit quality.

The Influence of Audit Fees on Audit Quality

To provide an opinion on the accuracy of the audited financial statements, external auditors charge a fee known as an audit fee. (Darmawan, 2021) Within the Signaling Theory framework, companies can send a credibility signal through the size of the audit fee paid to auditors. The higher the audit fee, the greater the likelihood that the Public Accounting Firm (PAF) is a skilled independent auditor who will provide a high-quality audit of the company's financial statements. (Ryakaren & Claudia, 2025) .

Research conducted by Nope & Sudarmadi (2024) provides evidence that audit fees significantly and positively impact audit quality. If auditors are adequately compensated for their work, they are more likely to devote the time and knowledge necessary to conduct a thorough audit. Research by Darmawan (2021) also shows similar results, highlighting the fact that audit fees positively impact audit quality. This conclusion implies that auditors are more likely to provide accurate and error-free reports when they are compensated with higher audit fees. These reports

Vol. 10, No.06; 2026

ISSN: 2456-7760

accurately represent the company's financial position and are free from both substantial and immaterial errors. Consequently, stakeholders can use these reports as a roadmap to make better investment choices in the companies they invest their money in.

H4: Audit Fee has a positive effect on Audit Quality.

The Effect of Company Size on Audit Quality

Based on agency theory, the larger a company, the greater the potential for agency conflicts to arise between management and shareholders. Company size refers to the scale of a business entity based on its size category. This can be evaluated through revenue, total assets, number of employees, and overall company capital. The greater the company's revenue, number of employees, and capital, the stronger the company's position (Januari & Hisar, 2022). Large companies often use reputable audit firms due to their professionalism, independence, and excellent audit track record (Fajrina & Rohkhayatim, 2021).

Research by Kameyer & Yanti (2023) found that larger firms are associated with higher-quality audits. Due to their size, expertise, access to cutting-edge technology, and well-defined processes, large firms often have superior management systems compared to their smaller competitors. This simplifies the audit process with greater access to necessary data, ultimately resulting in higher audit standards.

H5: Company size has a positive effect on audit quality.

Research Methods

Consumer goods companies listed on the Indonesia Stock Exchange for the 2020–2024 period as the population. The sample was selected using purposive sampling, resulting in 49 companies meeting the research criteria.

The sample criteria used in this study include: (1) Consumer goods companies listed on the Indonesia Stock Exchange (IDX) in 2020-2024; (2) Companies that include audit fees or professional fees in their annual reports; (3) Companies that use Rupiah currency in their financial reports; (4) Companies whose auditor's report was issued more than 90 days ago; (5) Companies that did not experience delisting or suspension during the observation period.

Research Variables

Dependent Variable

Audit quality is the dependent variable used in this study. Audit quality measurement in this study is based on audit opinion, referring to research by Damayanti & Trisnawati (2023). Audit opinion type is used as a dummy variable to measure audit quality, with a value of 1 given if the auditor issues an unqualified opinion (WTP), while a value of 0 is given if the opinion issued is non-unqualified (WTP).

Vol. 10, No.06; 2026

ISSN: 2456-7760

Independent Variables

Tenure Audit

Audit tenure refers to the duration of the relationship between an auditor or public accounting firm and the same client (Garcia-Blandon et al., 2020) . Audit tenure is measured by calculating the number of consecutive years the same public accounting firm has audited a company's financial statements up to the observation year.
Audit Tenure (TENURE) = Number of consecutive years the PAF audits the company

Audit Delay

Audit delay is the time interval between the end of the fiscal year and the date of signing of the audit report by the independent auditor, measured in the number of calendar days. (January & Hisar, 2022) .
Audit Delay = Independent Auditor Report Date – Book Closing Date

PAF Size
The size of the accounting firm is classified based on its affiliation with the Big Four international network (Deloitte, PwC, EY, and KPMG) (DeAngelo, 1981). This variable is measured using a dummy, with a value of 1 for Big Four accounting firms and 0 for non- Big Four firms.

Audit Fee
Audit fees are compensation received by auditors for audit services provided. (Kamil, 2020). This variable is measured using the natural logarithm of audit fees or professional fees listed in the company's annual report.
Audit Fee = Ln (Audit Fee or Professional Fees)

Company Size
Company size is the scale of a company's size as measured by its total assets (Nope & Sudarmadi, 2024). Company size is measured using the natural logarithm of the company's total assets at the end of the fiscal year.
SIZE = Ln (Total Assets)

Data Analysis Procedure

Descriptive Statistical Analysis

Descriptive statistics are used to describe data characteristics through minimum, maximum, average and standard deviation values, and to ensure the appropriateness of the data before further analysis is carried out. (Ghozali, 2018) .

Logistic Regression Analysis
Because the dependent variable is classified into two categories (WTP = 1 and non-WTP = 0), this study uses logistic regression. This method is used to test the effect of audit tenure, audit

Vol. 10, No.06; 2026

ISSN: 2456-7760

delay, PAF size, audit fee, and firm size on audit quality. The logistic regression model used in this study can be explained by the following equation:

$$\mathbf{KA = \alpha + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \beta_4 X4 + \beta_5 X5 + \varepsilon_i}$$

Information:

KA = Audit Quality
α = Constant
X1 = Tenure Audit
X2 = Audit Delay
X3 = PAF Size
X4 = Audit Fee
X5 = Company Size
ε_i = Error

The steps in the logistic regression analysis process include assessing the overall model fit, testing the goodness of fit of the regression model, evaluating the coefficient of determination using the Nagelkerke R Square value, testing the regression coefficient, and testing the hypothesis with the results of the logistic regression test.

Research Results and Discussion

Descriptive Statistics

Table 1. Descriptive Statistical Analysis

	N	Min	Max	Mean	Standard Deviation
Tenure Audit	186	1	5	2.22	1,273
Audit Delay	186	91	272	109.60	22,999
PAF Size	186	0	1	.26	.442
Audit Fee	186	17.66	24.10	20,5497	1.33062
Company Size	186	25.25	31.39	28.1641	1.55805
Audit Quality	186	0	1	.72	.453
Valid N (listwise)	186				

Source: Processed data, 2026

This study involved 186 observational data from 49 sample companies, with a general description of the data characteristics of each research variable as follows:

1. Tenure Audit
   It has a minimum value of 1 and a maximum of 5, with a mean of 2.22 and a standard deviation of 1.273. This indicates that the average company has a relatively short to medium auditor engagement period.
2. Audit Delay
   It has a minimum value of 91 and a maximum of 272, with an average of 109.60 and a standard deviation of 22.999, which indicates that there is variation in audit completion time

Vol. 10, No.06; 2026

ISSN: 2456-7760

between companies.

3. PAF Size
   It has a minimum value of 0 and a maximum of 1, with an average of 0.26 and a standard deviation of 0.442, which indicates that 26% of the sample companies were audited by the Big Four PAF.
4. Audit Fee
   It has a minimum value of 17.66 and a maximum of 24.10, with an average of 20.55 and a standard deviation of 1.33, which reflects the variation in the amount of audit fees between companies.
5. Company Size
   Having a minimum value of 25.25 and a maximum of 31.39, with an average of 28.16 and a standard deviation of 1.56, respectively, owned by PT Prima Cakrawala Abadi Tbk and PT Charoen Pokphand Indonesia Tbk.
6. Audit Quality
   It has a minimum value of 0 and a maximum of 1, with an average of 0.72 and a standard deviation of 0.453, which shows that 72% of sample companies received a WTP opinion.

Logistic Regression Analysis

Overall Model Fit Test

Table 2. Overall Model Fit

-2 Log Likelihood	**Mark**
Block Number = 0 (Initial)	222.294
Block Number = 1 (End)	149.408

Source: Processed data, 2026

Table 3. Results of the -2 Log likelihood Step 0 test

Iteration History [a,b,c]			
Iteration		**-2 Log likelihood**	**Coefficients** **Constant**
Step 0	1	222.431	0.860
	2	222.294	0.919
	3	222.294	0.920
a. Constant is included in the model. b. Initial -2 Log Likelihood: 222,294 c. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.			

Source: Processed data, 2026

Vol. 10, No.06; 2026

ISSN: 2456-7760

Table 4. Results of the -2 Log likelihood Step 1 Test

Iteration History [a,b,c,d]								
			Coefficients					
Iteration		**-2 Log likelihood**	**Constant**	**Tenure Audit**	**Audit Delay**	**PAF Size**	**Audit Fee**	**Company Size**
Step 1	1	164.612	-4,962	-0.102	-0.033	0.582	0.270	0.140
	2	151.516	-7,228	-0.164	-0.054	1.043	0.490	0.156
	3	149.516	-8,549	-0.188	-0.064	1.433	0.625	0.148
	4	149.409	-8,897	-0.191	-0.066	1.601	0.659	0.145
	5	149.408	-8,918	-0.191	-0.066	1.618	0.661	0.144
	6	149.408	-8,918	-0.191	-0.066	1.618	0.661	0.144
a. Method: Enter b. Constant is included in the model. c. Initial -2 Log Likelihood: 222,294 d. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.								

Source: Processed data, 2026

Based on the data in the table above, there was a decrease of 72.886 from the first stage (Block Number = 0) to the last stage (Block Number = 1), with a Likelihood value of -2 reaching 222.294 in the first stage and 149.408 in the last stage. This decrease indicates the formation of a better logistic regression model (better fit model) after the addition of independent variables to the model equation.

Goodness of Fit Test

Table 5. Hosmer and Lemeshow Test

Hosmer and Lemeshow Test			
Step	**Chi-square**	**df**	**Sig.**
1	6,799	8	.558

Source: Processed data, 2026

the Hosmer and Lemeshow test showed a chi-square value of 6.799 with a significance of 0.558 (> 0.05), where the null hypothesis cannot be rejected so that the model is declared fit and able to predict the data well.

Vol. 10, No.06; 2026

ISSN: 2456-7760

Coefficient of Determination Test (Nagelkerke's R. Square)

Table 6. Nagelkerke's R Square test

Model Summary			
Step	**-2 Log likelihood**	**Cox & Snell R Square**	**Nagelkerke R Square**
1	149.408 [a]	0.324	0.465
a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.			

Source: Processed data, 2026

The Nagelkerke R Square value of 0.465 indicates that the variables audit tenure, audit delay, PAF size, audit fee, and company size are able to explain 46.5% of the variation in audit quality, while the remainder is influenced by other factors outside the model.

Regression Coefficient Test

Table 7. Regression Coefficient Test

Variables in the Equation				
		B	**SE**	**Sig.**
Step 1 [a]	Tenure Audit	-0.191	0.188	0.310
	Audit Delay	-0.066	0.014	0,000
	PAF Size	1,618	0.850	0.057
	Audit Fee	0.661	0.243	0.007
	Company Size	0.144	0.158	0.360
	Constant	-8,918	4,662	0.056
a. Variable(s) entered in step 1: Audit Tenure, Audit Delay, PAF Size, Audit Fee, Company Size.				

Source: Processed data, 2026

Based on the results of the logistic regression analysis, the following model equation was obtained:

$KA = -8.918 – 0.191AT – 0.066AD + 1.618UK + 0.661AF + 0.144UP + \varepsilon_i$

Vol. 10, No.06; 2026

ISSN: 2456-7760

Hypothesis Testing

Table 8. Hypothesis Test Results

Hypothesis	Statement	B	Sig.	Results
H_1	Audit Tenure has a negative effect on Audit Quality	-.191	.310	Data not supported
H_2	Audit Delay has a negative effect on Audit Quality	-.066	.000	Data supported
H_3	PAF size has a positive effect on audit quality	1,618	.057	Data not supported
H_4	Audit Fee has a positive effect on Audit Quality	.661	.007	Data supported
H_5	Company size has a positive effect on audit quality	.144	.360	Data not supported

H1: Audit Tenure has a negative effect on Audit Quality
The test results show that audit tenure has a coefficient of -0.191 with a significance value of 0.310 (> 0.05), so it does not have a significant effect on audit quality and the first hypothesis (H_1) is not supported.

H2: Audit Delay has a negative effect on Audit Quality
The results of the analysis show that audit delay has a coefficient of -0.066 with a significance value of 0.000 (<0.05), so it has a significant negative effect on audit quality and the second hypothesis (H_2) is supported.

H3: PAF size has a positive effect on audit quality.
The results of the analysis show that the size of the PAF has a coefficient of 1.618 with a significance value of 0.057 (> 0.05), so it does not have a significant effect on audit quality and the third hypothesis (H_3) is not supported.

H4: Audit Fee has a positive effect on Audit Quality
The results of the analysis show that the audit fee has a coefficient of 0.661 with a significance value of 0.007 (<0.05), so it has a significant positive effect on audit quality and the fourth hypothesis (H_4) is supported.

H5: Company size has a positive effect on audit quality.
The results of the company size analysis have a coefficient of 0.144 with a significance value of 0.360 (> 0.05), so it does not have a significant effect on audit quality and the fifth hypothesis (H_5) is not supported.

Vol. 10, No.06; 2026

ISSN: 2456-7760

Discussion

Audit Tenure does not affect Audit Quality

The first hypothesis (H_1) states that audit tenure has a negative impact on audit quality. Regression analysis shows that the coefficient for the audit tenure variable is -0.191, indicating a negative impact. The first hypothesis (H_1) is not supported because the significance level obtained is 0.310, which is greater than the threshold of 0.05. Thus, audit quality is not affected by auditor tenure.

Based on agency theory, these results indicate that auditors are able to maintain their independence and professionalism regardless of the duration of the audit assignment. Although a long audit tenure can create potential closeness between auditor and client, auditors remain bound by professional responsibilities and a code of ethics that require them to act objectively in carrying out their duties. Oversight mechanisms through audit standards, internal quality control of public accounting firms, and the application of the principle of professional skepticism ensure that auditors remain committed to the public interest, not solely the client's interests.

These results align with research conducted by Nursyamsyiyah et al. (2024), proving that auditor familiarity with the client's business does not impact audit quality. Regardless of the length of the partnership, professional auditors will consistently adhere to their code of ethics, meaning their audits will consistently be of high quality.

Audit Delay has a negative effect on Audit Quality

Audit quality is negatively affected by audit delay , according to the second hypothesis (H_2). A coefficient of -0.066 was found in this study, with a significance level of 0.000 (less than 0.05). This conclusion indicates that audit delay negatively affects audit quality.

From a signaling theory perspective, the timely delivery of audit reports is an important signal to stakeholders. Prolonged audit delays can be perceived as a negative signal, indicating problems with the financial statements or a substandard audit process that has resulted in the work taking longer than planned.

These results align with research conducted by Kameyer & Yanti (2023) , who believe that audit quality declines when audits are delayed. This is because there is a three-month period after the issuance of financial statements during which audits must be reported. Reported audit results can indirectly indicate a company's poor financial condition, and the relevance of audit results decreases with delays in audit reporting, leading to decreased audit quality.

PAF size does not affect audit quality

According to the third hypothesis (H_3), the size of the Public Accounting Firm (PAF) has a positive impact on audit quality. However, this hypothesis is not supported because the study yielded a coefficient of 1.618 with a significance value of 0.057, which is greater than the

Vol. 10, No.06; 2026

ISSN: 2456-7760

threshold of 0.05. Thus, audit quality is not affected by the size of either the Big Four or non-Big Four PAFs.

Based on signaling theory, the selection of a large accounting firm (particularly the Big Four) is essentially intended to send a positive signal to external parties regarding the credibility of the company's financial statements. However, the results of this study indicate that this signal is not always accompanied by differences in audit quality. This is because both Big Four and non- Big Four accounting firms consist of auditors with credibility and professional competence who are still required to comply with audit standards and professional codes of ethics, so the resulting audit quality tends to be relatively similar.

This study's findings align with those of Aulia & Daljono (2022) , who found that audit quality is not affected by the size of the Public Accounting Firm (PAF). Because of their equally qualified staff, Big Four and non- Big Four PAFs are able to deliver audits of comparable quality. Professionalism also requires auditors in both groups of PAFs to ensure that their audit services meet standards regardless of their location or the nature of their work.

Audit Fee has a positive effect on Audit Quality

The fourth hypothesis (H_4) states that audit fees have a positive impact on audit quality. The analysis results show an audit fee coefficient of 0.661 with a significance value of 0.007, which is below the threshold of 0.05, thus supporting this hypothesis.

According to signaling theory, a high audit fee allows a public accounting firm to provide adequate resources during the audit process, such as sufficient audit time, the use of competent auditors, and more in-depth audit procedures. Furthermore, a high audit fee serves as a positive signal to external parties regarding the client's trust in the auditor's professionalism and reputation.

This study aligns with research by Fakhri et al. (2024) that found that audit fees significantly and positively impact audit quality. This is because increased audit fees allow public accounting firms to better utilize resources, such as hiring more auditors, using expert services, and even paying for longer audits.

Company size does not affect audit quality

According to the fifth hypothesis (H_5), audit quality is positively influenced by firm size. This hypothesis is not accepted because it shows a coefficient for firm size of 0.144 at a significance level of 0.360, which is greater than 0.05.

Based on agency theory, larger companies typically have a higher potential for conflict between management and owners, thus requiring stronger oversight through audits. However, the results of this study indicate that both large and small companies listed on the Indonesia Stock Exchange are under strict regulatory oversight and implement adequate internal control systems.

Vol. 10, No.06; 2026

ISSN: 2456-7760

Furthermore, companies listed on the Indonesia Stock Exchange generally have high credibility and accountability, as they are under the supervision and must comply with reporting and governance regulations set by the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX). Therefore, public companies tend to be more careful in selecting auditors to maintain their reputation and market confidence in their financial statements. Under these conditions, differences in company size do not result in significant differences in audit quality.

These results align with research conducted by Nurgina & Nurmalina (2024) , proving that audit quality is unaffected by company size. Both large and medium-sized companies implement effective internal control systems to maintain their reputations for the benefit of the wider community.

Conclusion

The findings indicate that audit tenure and audit firm size do not affect audit quality, indicating that engagement duration and audit firm affiliation do not significantly differentiate audit quality as long as the auditor maintains professionalism and independence. Conversely, audit delay negatively affects audit quality, indicating that delays in audit completion may reflect complexity or issues in the financial statements, while audit fees positively affect audit quality because they allow for more optimal audit procedures. Meanwhile, firm size does not affect audit quality, given that companies listed on the Indonesia Stock Exchange are under strict regulatory oversight.

Research Limitations

This Study Has Several Limitations That May Affect the Results. One is That the Scope of the Study Was Limited to Consumer Goods Companies Listed on the Indonesia Stock Exchange During the 2020–2024 Period. Furthermore, the Audit Quality Measurement Used Only Audit Opinion Indicators, Namely Unqualified Opinion (Wtp) and Non-wtp, Which Do Not Fully Reflect Overall Audit Quality.

Suggestion

Based on the Results and Limitations of This Study, Future Researchers Are Advised to Add Other Variables That Could Potentially Influence Audit Quality, Such as Auditor Independence, Auditor Competence, Auditor Rotation, Auditor Workload, or the Effectiveness of the Company's Internal Control System. Furthermore, Future Researchers Are Advised to Use Different Audit Quality Proxies, Not Solely Based on Audit Opinion, to Provide a More Comprehensive Audit Quality Measurement.

Vol. 10, No.06; 2026

ISSN: 2456-7760

Reference

Aulia, AN, & Daljono. (2022). The Effect of Audit Partner Tenure, Audit Firm Rotation, and Audit Firm Size on Audit Quality. *Diponegoro Journal of Accounting*, *11* (1), 1–12. http://ejournal-s1.undip.ac.id/index.php/accounting

Christian Boedihardjo, D., & Ardini, L. (2024). Violation of Audit Postulates in the Audit of PT Garuda Indonesia's 2018 Financial Statements. *Jurnal Bisnis Perspektif (BIP's)* , *16* (1), 64–77. http://jurnal.ukdc.ac.id/index.php/BIP

Connelly, B.L., Certo, S.T., Ireland, R.D., & Reutzel, C.R. (2011). Signaling theory: A review and assessment. *Journal of Management*, *37* (1), 39–67. https://doi.org/10.1177/0149206310388419

Damayanti, RA, & Trisnawati, R. (2023). The Effect of Audit Tenure, Audit Fee, Auditor Specialization, Auditor Reputation and Firm Size on Audit Quality. *International Journal of Application on Economics and Business*, *1* (4), 626–638. https://doi.org/10.24912/ijaeb.v1i4.1912-1922

Darmawan, MS (2021). The Effect of Audit Fee, Audit Tenure, and Auditor Switching on Audit Report Lag with Auditor Industry Specialization as Moderator. *Journal of Accounting Science and Research*, *10* (5), 1–18.

DeAngelo, L. E. (1981). (1981). Auditor size and audit quality. *Journal of Accounting and Economics*, *3* (3), 183–199.

Fajrina, ASI, & Rohkhayatim, JP (2021). The Effect of Audit Tenure, Company Size, and Public Accounting Firm Size on Audit Quality of Companies Listed on the LQ45 Index of the Indonesia Stock Exchange. *8* (2), 78–85.

Fakhri, M., Prima, P., & Gunawan, J. (2024). The Effect of Audit Fees, Audit Tenure, and Audit Rotation on Audit Quality. Jakarta. *2* (1).

Francis, J.R. (2011). A framework for understanding and researching audit quality. *Auditing*, *30* (2), 125–152. https://doi.org/10.2308/ajpt-50006

Garcia-Blandon, J., Argiles, J.M., & Ravenda, D. (2020). On the Relationship between Audit Tenure and Fees Paid to the Audit Firm and Audit Quality. *Accounting in Europe*, *17* (1), 78–103. https://doi.org/10.1080/17449480.2019.1669808

Ghozali, I. (2018). Multivariate Analysis Application with IBM SPSS 25 9th Edition Program.

Januari, KE, & Hisar, P. (2022). The Effect of Audit Tenure, Company Size, and Audit Delay on Audit Quality (Study on Non-Financial Sector Listed on IDX for the 2019-2021 Period). *Journal of Regional Economic and Financial Development*, *23* (1), 126–137.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure. *The Corporate Financiers*, 3, 305–360. https://doi.org/10.1057/9781137341280.0038

Kameyer, DN, & Yanti, LD (2023). The Effect of Audit Tenure, Audit Delay, and Company Size on Audit Quality in Food and Beverage Companies Listed on the Indonesia Stock Exchange in 2018-2022. *2* (2), 1–17. http://repositori.buddhidharma.ac.id/712/%0Ahttp://repositori.buddhidharma.ac.id/712/1/Lidia Oktaliandi - 20160100027.pdf

Kamil, I. (2020). The Effect of Audit Fee, Audit Tenure, and Audit Company Size of Audit Quality in Goods Consumer Companies Listed on Indonesia Stock Exchange (BEI) in

Vol. 10, No.06; 2026

ISSN: 2456-7760

2016-2019. *International Journal of Management Studies and Social Science Research*, *2* (4), 170–182. www.ijmsssr.org

Mardianti, E., Rosalina, K., Avanti, PT, & LH, LF (2022). Determinants of audit quality: evidence from Indonesia. *5* (4), 448–461. https://doi.org/10.22219/jaa.v5i4.17919

Mayangsari, RD, & Sazangka, AY (2023). The Effect of Public Accounting Firm Size, Audit Tenure, and Public Accounting Firm Specialization on Audit Quality. *7*, 2598–2611.

Michael Spence. (1973). Job Market Signaling Author (s): Michael Spence Published by: Oxford University Press Stable. *The Quarterly Journal of Economics*, *87* (3), 355–374. https://www.jstor.org/stable/1882010

Nope, D., & Sudarmadi. (2024). The Effect of Company Size, Audit Tenure, Audit Fee, and Audit Delay on Audit Quality. *1* (3), 1172–1194.

Nurgina, SA, & Nurmalina, R. (2024). *The Effect of Audit Tenure, Company Size, and Audit Delay on Audit Quality* . *4* (3), 204–214.

Nursyamsyiyah, V., Zakaria, A., Nasution, H., Accounting, PS, Jakarta, UN, Tenure, A., & Audit, K. (2024). The Influence of Audit Delay, Audit Tenure, and Audit Committee. *5* (2019), 779–793.

Putri, AN, & Pohan, TH (2022). The Effect of Audit Tenure, Audit Rotation, and Firm Size on Audit Quality. *2* (2), 919–928.

Putri, RVA, & Witono, B. (2025). The Effect of Auditor Independence, Audit Tenure, Audit Fee, Firm Rotation, and Firm Size on Audit Quality. *Digilibumk*, *8* (1), 586–597. https://digilibadmin.unismuh.ac.id/upload/13298-Full_Text.pdf

Ryakaren, SF, & Claudia, G. (2025). Analysis of Factors Influencing Audit Quality in Manufacturing Companies on the Indonesia Stock Exchange. *Economics, Finance, Investment and Sharia (EKUITAS)*, *6* (3), 234–243. https://doi.org/10.47065/ekuitas.v6i3.6874

Saputra, ST, Istianingsih, I., & Mukti, AH (2024). The Effect of Audit Fees, Audit Tenure, and Audit Delay on Audit Quality (An Empirical Study of Property and Real Estate Companies Listed on the Indonesia Stock Exchange in 2019-2022). *SENTRI: Journal of Scientific Research*, *3* (3), 1333–1345. https://doi.org/10.55681/sentri.v3i3.2417

Sisca Maria, Murtanto Murtanto, & Hermi Hermi. (2023). The Effect of Audit Tenure, Public Accounting Firm Size, Audit Rotation, and Audit Delay on Audit Quality in Manufacturing Companies in the Food and Beverage Subsector. *Journal of Accounting Sciences*, *2* (1), 217–234. https://doi.org/10.55606/jumia.v2i1.2360

Yasodhara, S., & Anggraeni, RD (2024). The Effect of Audit Tenure, Audit Delay, and Audit Fee on Audit Quality in Food and Beverage Companies Listed on the Indonesia Stock Exchange in 2018-2022. *1* (1), 19–30.