



## **THE EFFECT OF AUDIT FEES, AUDIT TENURE AND AUDIT COMMITTEE ON AUDIT QUALITY IN MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN THE 2016-2020 PERIOD**

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### **Abstract**

*This study aims to analyze the effect of audit fees, audit tenure and audit committees on audit quality in manufacturing companies listed on the Indonesia Stock Exchange in 2016-2020. The sampling technique used random sampling to obtain 17 companies listed on the Indonesia Stock Exchange in 2016-2020 or other words 85 samples were used in the study. This study uses panel data regression using E-views 12 software. The results show that audit fees, audit tenure and audit committees significantly affect audit quality. Partially, audit fees, audit tenure and audit committee have no significant effect on audit quality. Simultaneously audit fee, audit tenure and audit committee significantly affect audit quality.*

**Keywords:** *Audit Fee, Audit Tenure, Audit Committee, Audit Quality*

### **INTRODUCTION**

In this era of globalization, competition in the business world today is increasingly rapid, including competition in public services. By the preparation of public companies in Indonesia continues to undergo very rapid progress, this development has led to an increase in financial reporting audits. This allows the company as an organization to be responsible for all economic events or financial transactions that occur and summarize them in the company's annual financial statements

In addition to being used by companies, audit results can be used by potential investors, creditors, and the Financial Services Authority (OJK) outside the company to evaluate the company and make strategic decisions. From the audit industry's point of view, the public expects a free and fair assessment of the information provided by management in the annual financial statements.

As said by (Sugiono et al., 2010) Financial statements in the company are the final asset, from accounting activities (accounting cycle) that reflect the financial condition and results of the company's operations. Information about the financial condition and results of operations of the company is very

beneficial for various parties, both parties inside (internal) the company and parties outside (external) the company, therefore financial statements can be used as a tool to communicate with parties interested in the company's financial data.

The company's obligated to honestly without manipulation and be open to disclosing its financial statements to interested parties. Public accounting is expected to increase the auditor's independence both in appearance and in fact, limiting the length of time the auditor examines the client company is expected so

that there is no escalation of the auditor's commitment to irregularities committed by the client.

The manufacturing company industry is one of the industries that supports the Indonesian industrial world. along with Indonesia's increasing population growth, the need for raw goods or raw materials and semi-finished materials continues to increase. The tendency of Indonesian people to consume raw goods and raw goods produced by factories, such as food, textiles, automatic, and others. This has led to new companies popping up because they consider the manufacturing company's industry to have both present and future favourable prospects.

An audit aims to increase the confidence level of the intended users of financial statements. This is achieved through the statement of an opinion by the auditor on whether the financial statements were prepared, in all material respects, by an applicable financial reporting framework.

The phenomenon that has occurred throughout the last 5 (five) years starting from 2016-2020 confirms that companies *go public* that there is fraud in reporting financial statements carried out by Public Accountants and internal and external audits.

on August 30, 2018 a financial statement manipulation case occurred at PT Sunprima Nusantara Financing (SNP) Tbk, a subsidiary of Columbia Group, a home furnishings and retail financing company involving Public Accountant Marlina, Public Accountant Merliyana Syamsul, Public Accounting Firm (KAP) Satrio Bing Erny and Partners (Deloitte Indonesia).

The results of the examination concluded that Public Accountant Marlinna, Public Accountant Merliyana Syamsul, Public Accountant (KAP) Satrio Bing Erny and Partners (Deloitte Indonesia) have not fully complied with the Audit Standards-Professional Standards of Public Accountants in conducting general audits of financial statements at PT Sunprima Nusantara Financing (SNP).

The Financial Services Authority (OJK) considers that Public Accountant Marlinna, Public Accountant Merliyana Syamsul, Public Accountant (KAP) Satrio Bing Erny and Partners (Deloitte Indonesia) have committed severe violations to violate POJK Number 13 / POJK.03 / 2017 concerning the use of Public Accountant Services and Public Accounting Firms, among others, with considerations:

1. Has provided an opinion that does not reflect the actual condition of the company.
2. The amount of losses to the financial services industry and the public caused by the opinions of the two Public Accountants against the LKTA of PT Sunprima Nusantara Financing (SNP).
3. Decreased public trust in the financial services sector due to the quality of LKTA presentation by Public Accountants.

Therefore, OJK imposes sanctions in the form of Cancellation of Registration on Public Accountant Marlina, Public Accountant Merliyana Syamsul, and Public Accounting Firm (KAP) Satrio Bing Erny and Partners (Deloitte Indonesia) and the imposition of sanctions on Public Accountants and Public Accounting Firms by OJK considering that the audited LKTA is used by PT Sunprima Nusantara Financing (SNP) to obtain credit from banks and issue MTN that has the potential to default and become credit Problematic. So that OJK's firm step is an effort to maintain public trust in the Financial Services Industry.

In addition to being sanctioned by OJK, they are also subject to sanctions by the Ministry of Finance of the Republic of Indonesia in the form of administrative sanctions to Public Accountant Marlina and Public Accountant Merliyana Syamsul in

the form of restrictions on providing audit services to financial service entities. Meanwhile, the Public Accounting Firm is related to the threat of closeness of senior engagement team members as above. Public Accounting Firms must implement these policies and procedures and report on them no later than February 2, 2019.

Many internal and external factors influence audit quality, these factors are Audit Fee, Audit Tenure, and Audit Committee. Audit Tenure is the length of the auditor's engagement period with the client in providing agreed audit services. The length or brevity of tenure is a debate because tenure can impact auditor performance in client companies such as the auditor's emotional relationship with clients, independence, fees, etc. The long relationship between auditors and their clients can create closeness, enough to hinder auditor independence and reduce audit quality (Agustini & Siregar, 2020).

According to previous research conducted by (Purnomo & Aulia, 2019), audit fee variables significantly affect audit quality. High audit fees result in good audit quality, and vice versa. Good audit quality is created because the auditor's performance is needed to be more professional in auditing client financial statements. Professional auditors analyze the cost of what they will do, the length of work, the location of the job, responsibility for the job, and so on. Then according to research (Jannah, 2019) which shows the influence between audit tenure on audit quality. This explains that audit tenure can be used to measure audit quality. As is known, the longer the engagement period between the auditor and a company will increase the auditor's business knowledge of the company's condition so that the auditor can design an effective audit program and create quality financial statements.

Furthermore, research (Pertiwi & NR, 2020) shows that audit committee variables have a positive and insignificant effect on audit quality. The above research contradicts the results of research conducted by (Rinanda & Nurbatiti, 2018) showing that audit fees do not affect audit quality. The research results conducted by (Andriani & Nursiam, 2017) show that tenure has no effect on audit quality. Furthermore, research conducted by (Yolanda et al., 2019) shows that the audit committee does not significantly affect audit quality.

The results of the comparative research above show that there are different results, which show an influence and no influence between the independent and dependent variables. This difference is considered a research gap. So it is necessary to re-examine the effect of audit fees, tenure, and committees on audit quality.

Based on the explanation above, the title that will be examined in this thesis research is "The Effect of Audit Fees, Audit Tenure and Audit Committee on Audit Quality in Manufacturing Companies Listed on the Indonesia Stock Exchange in the 2016-2020 Period"

## **LITERATURE REVIEW**

### **Theoretical Foundation**

#### 1. Understanding Agency Theory

Agency theory was first proposed by Ross (1973) while theoretical exploration was carried out by Jensen and Meckling (1976) which explained the relationship or contract between company owners (principal) and managers (agents). The principal hires agents to perform tasks to meet the principal's interests. So, agency relationships arise when one or more company owners

(principals) hire other people (agents) to manage the company and then give decision-making authority to the agent (Sumiati & Indrawati, 2019, p. 7).

According to (Pearce & Robinson, 2008, p. 47) in his book revealed that agency theory (Agency Theory) is When there is a separation between the owner (principal) and manager (agent) in a company, then there is a possibility that the wishes of the owner are ignored. This fact, and the realization that agents are expensive, set the foundation for a complex but valuable group of ideas.

Meanwhile, according to (Supriyono, 2018, p. 63) in his book states that agency theory is a concept that describes the relationship between the principal (contract recipient) and the agent (contract recipient), the principal contracts the agent to work for the interests or goals of the principal so that the principal gives decision-making authority to the agent to achieve these goals. The agent is responsible for the achievement of these objectives and the agent receives recompense from the principal. In a corporate organization, the principals are the shareholders and the agents are the top management (board of commissioners and directors). Principals can also be top management with central management accountability in the organization. Usually, the higher the achievement of the principal's goals, the higher the remuneration received by the agent.

So basically, agency theory (Agency Theory) explains that the emergence of agency problems is caused by information asymmetry and conflicts of interest between the two. Agents want high compensation for the work done. The compensation can be in the form of wages, salaries, benefits, bonuses, and various other forms of incentives the principal provides to motivate agents to improve their performance. On the other hand, the principal wants the maximum return on the capital invested. The principal does not know the actual performance of the agent because the principal functions as a supervisor and the agent plays an active role in the company.

## 2. Definition of *Auditing*

According to (Sari et al., 2020, p. 6) he is revealed in his book that Auditing is a systematic process carried out by a competent and independent person in order to collect and evaluate evidence on measurable information from assertions about various economic actions and events of a business entity to consider the degree of correspondence with the specified criteria and report the results to interested users.

Auditing is a testing process to prove and ensure that the items of the Financial Position Statement / Balance Sheet (accounts that can be in the statement of financial position) and profit and loss items (accounts contained in the income statement), are correct, with or without going through an audit correction journal and supported by related documents as Audit Working Papers (Priyadi, 2020, p. 4).

While another definition of audit according to (Hery, 2019, p. 10) revealed in his book is a systematic process to obtain and evaluate (objectively) evidence related to assertions about actions that occur economically, in order to determine the level of compliance between assertions and predetermined criteria, and communicate the results to interested parties.

From the definitions described above, it can be concluded that auditing is an examination carried out critically and systematically, by an independent party, on the financial statements that have been prepared by management, along with

bookkeeping records and supporting evidence, to provide an opinion on the level of fairness of the financial statements.

### 3. Understanding Audit Quality

De Angelo (1981) in the journal Andriani & Nursiam, (2017) defines audit quality as the probability that auditors will find and report violations in the client's accounting system. While the probability of finding a breach depends on the auditor's technical ability, the probability of reporting a breach depends on the auditor's independence.

According to (Yolanda et al., 2019) in the journal stated that Audit Quality is a form of illustration of the auditor's attitude in carrying out audit duties and is reflected in the results of reliable financial statement examinations by established and applicable standards. In addition to preventing accounting violations and misstatements in financial statements, audit quality also helps accountants maintain public confidence in the accuracy and validity of audited financial statements that auditors have issued. Therefore, public accountants need to maintain and improve the quality of their audits.

According to (Rinanda & Nurbatiti, 2018) in their journal revealed that Audit Quality is the implementation of audits carried out by standards to be able to disclose and report if clients commit violations. Audit of course refers to standards that are by the criteria or measures of quality of implementation and are associated with the objectives achieved by achieving the relevant procedures.

### 4. Understanding *Audit Fee*

According to (Agoes, 2012, p. 56) in his book, audit fees are services in the form of money or goods or other forms provided to or received by clients or other parties to obtain engagement from clients or other parties.

According to De Angelo (1981) stated that audit fees are income whose amount varies because it depends on several factors in audit management such as the size of the client company, the complexity of audit services faced by auditors, audit risks faced by auditors from clients and the name of the public accountant who performs audit services. Audit fees paid by clients to auditors are a form of remuneration provided by auditors to clients and as a form of reimbursement for the number of losses incurred during the audit (Fachruddin & Handayani, 2017).

According to (Andriani & Nursiam, 2017) in their journal revealed that audit fees are fees received by public accountants after carrying out their audit services, the amount depends on the risk of the assignment, the complexity of the services provided, the level, the level of expertise needed to carry out these services, the cost structure of the relevant public accountant.

### 5. Understanding *Audit Tenure*

In general, audit is an examination activity carried out critically and systematically by an independent person to obtain and evaluate evidence objectively regarding statements of economic activities and events (Badewin & Hujaimah, 2020).

According to (Pertamy & Lestari, 2018) in its journal, the Tenure Audit is an attitude that must be maintained independence and improve the quality of work, with the engagement period between auditors and companies will be more

qualified. This is because it does not interfere with the independence attitude possessed by auditors in carrying out their duties.

Audit Tenure is associated with two contracts, namely two contracts, namely auditor expertise and economic incentives. Auditors can better understand the client's business processes and risks. In addition, tenure audits are related to vigilance of the auditor's familiarity with clients. The higher the quality of the auditor, the relationship will be extended. Second, tenure audits can create economic incentives for auditors to become less independent. The existence of a relationship between auditors and clients for a long time is feared to cause a loss of auditor independence. The loss of independence can be seen from the increasing difficulty of auditors to provide going concern audit opinions (Lesmanawati & Sumarni, 2017).

## 6. Definition of Audit Committee

The Indonesian Institute of Audit Committee (2006) defines the Audit committee as a committee that works professionally and independently formed by the board of commissioners. Thus its task is to assist and strengthen the function of the board of commissioners or supervisory board in carrying out the function of overseeing the process of financial reporting, risk management, audit implementation and implementation of corporate governance in the company (Ardani, 2017).

According to (Mulyadi, 2017) in his journal revealed that the Audit Committee is a committee formed by the board of commissioners, whose task is to assist in conducting examinations or research deemed necessary to implement the functions of directors in managing the company.

The existence of an audit committee in a company can produce a better audit quality than a company that does not have an audit committee. The audit committee must recommend to the Board of Commissioners to appoint accountants based on independence, scope of assignment and fees to become external auditors (Pertiwi & NR, 2020).

## METHOD

This study is a study that examines the influence of three independent variables with dependent variables. This research is a type of quantitative research using descriptive methods. Quantitative research can be interpreted as collecting, processing, analyzing, and presenting data systematically and objectively to solve a problem or test a hypothesis to develop general principles. (Duli, 2019, p. 3) Descriptive research is conducted if the problem under study is a fact of a current population. The study aims to explain the current status of the subjects studied, knowing the characteristics of the variables studied in a particular case (Sayidah, 2018, p. 24).

Indonesia Stock Exchange in 2016–2020. The sample from the population uses the *probability random sampling* method with *simple random sampling*. The purpose of this sampling technique in this research is to facilitate researchers in collecting appropriate data and by the objectives of this study, so that the conclusions drawn by researchers can truly represent the actual situation. The sample obtained for research is the company. For sample selection in this study, the following criteria were determined:

1. Manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020.

2. Manufacturing companies listed on the Indonesia Stock Exchange in 2016-2020 do not have complete data and information needed.
3. Manufacturing companies listed on the Indonesia Stock Exchange that do not publish audited financial statements periodically per year 2016-2020.

The data collection method in this study is library research and documentation. Library research is a data collection technique carried out by reviewing various literature such as books, journals, problems and other sources related to research. While the documentation method is carried out by studying the necessary company documents and archiving data from available sources. The documents in this study are secondary data obtained from the financial statements of manufacturing companies listed on the IDX in the 2016-2020 period, and published on [www.idx.co.id](http://www.idx.co.id) website. The data used in this study are secondary.

This study uses descriptive statistical analysis techniques with quantitative research approaches and regression analysis of panel data (pool) data combination of *time series* and *cross section* data. While the type of approach used in this study is research

## RESULTS AND DISCUSSION

### A. Panel Data Regression Analysis Test

**Table 4.3.4**  
**Panel Data Results**

Dependent Variable: KUALITASAUDIT  
 Method: Panel Least Squares  
 Date: 08/07/22 Time: 16:10  
 Sample: 2016 2020  
 Periods included: 5  
 Cross-sections included: 17  
 Total panel (balanced) observations: 85

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.042505	1.243069	1.643114	0.1042
FEEAUDIT	0.008629	0.034710	0.248598	0.8043
TENUREAUDIT	0.015465	0.076697	0.201633	0.8407
KOMITEAUDIT	0.423753	0.360640	1.175003	0.2434
R-squared	0.018876	Mean dependent var		0.576471
Adjusted R-squared	0.017462	S.D. dependent var		0.497050
S.E. of regression	0.501371	Akaike info criterion		1.502975
Sum squared resid	20.36120	Schwarz criterion		1.617923
Log likelihood	59.87643	Hannan-Quinn criter.		1.549210
F-statistic	0.519465	Durbin-Watson stat		2.069547
Prob(F-statistic)	0.000000			

*Source: Output E-views 12*

Based on the table above are the results of panel data regression, the following is the panel data formula used in the study:

Information:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Y: Audit Quality

a: Constant

$\beta_1, \beta_2, \beta_3$ : Regression Coefficient of Audit Fee Variables, *Audit Tenure* and *Audit Committee*

X1: *Audit Fee*

X2: *Tenure Audit*

X3: Audit Committee

$\epsilon$ : Error (confounding error rate)

The following are the results of the regression analysis of panel data in this study:

Audit Quality = 2.042 + 0.008 Audit Fee + 0.015 Audit Tenure + 0.423 Audit Committee.

Thus, the data can be explained below:

1. If it is assumed that the audit *fee* (X1), audit *tenure* (X2) and audit committee are constant or equal to zero, then the audit quality value (Y) is 2,042.
2. The audit fee variable (X1) has a positive influence on audit quality (Y) with a regression coefficient of 0.008, meaning that if there is an increase in the audit fee variable (X1) by 1%, then the audit quality (Y) will increase by 0.008. Note that other variables are constant or fixed.
3. The audit tenure variable (X2) has a positive influence on audit quality (Y) with a regression coefficient of 0.015, meaning that if there is an increase in the audit *tenure* variable (X2) by 1%, then the audit quality (Y) will increase by 0.015. Note that other variables are constant or fixed.
4. The audit committee variable (X3) has a positive influence on audit quality (Y) with a regression coefficient of 0.423, meaning that if there is an increase in the audit committee variable (Y) will increase by 1%, then the audit quality (Y) will increase by 0.423. Note that other variables are constant or fixed.

## B. Simultaneous Significance Test (F Test)

**Table 4.3.5.1**  
**Simultaneous Significance Test Results (Test F)**

Dependent Variable: KUALITASAUDIT  
 Method: Panel Least Squares  
 Date: 08/07/22 Time: 16:10  
 Sample: 2016 2020  
 Periods included: 5  
 Cross-sections included: 17  
 Total panel (balanced) observations: 85

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.042505	1.243069	1.643114	0.1042
FEEAUDIT	0.008629	0.034710	0.248598	0.8043
TENUREAUDIT	0.015465	0.076697	0.201633	0.8407
KOMITEAUDIT	0.423753	0.360640	1.175003	0.2434
R-squared	0.018876	Mean dependent var		0.576471
Adjusted R-squared	0.017462	S.D. dependent var		0.497050
S.E. of regression	0.501371	Akaike info criterion		1.502975
Sum squared resid	20.36120	Schwarz criterion		1.617923
Log likelihood	59.87643	Hannan-Quinn criter.		1.549210
F-statistic	0.519465	Durbin-Watson stat		2.069547
Prob(F-statistic)	0.000000			

Source: Output E-views 12

Based on the table above taken from the *joint effect equation* table, the model gets the results of the simultaneous significance test (f-test) as follows:

1. A significant level of use of 0.05 is a standard measure often used in research. In test f with a probability of 0.000000 which means  $0.000000 < 0.05$  so that the regression model can be used to predict audit quality (Y) or it is said that audit



*fee* ( $X_1$ ), *audit tenure* ( $X_2$ ) and *audit committee* ( $X_3$ ) together affect audit quality ( $Y$ ).

- In addition to looking at the probability, to strengthen the f test, it can also be calculated from the F value calculated with an error level of 0.05, then obtained the result of the calculated F value of 0.519, then it can be said that  $F_{count} > 0.05$  or  $0.519 > 0.05$ . This means that  $H_0$  is rejected and  $H_a$  is accepted. So it can be concluded that the *audit fee* ( $X_1$ ), *audit tenure* ( $X_2$ ) and *audit committee* ( $X_3$ ) together affect the quality of the audit ( $Y$ ).

### C. Partial Significance Test (T Test)

**Table 4.3.5.2**  
**Partial Significance Test Results (T Test)**

Dependent Variable: KUALITASAUDIT  
 Method: Panel Least Squares  
 Date: 08/07/22 Time: 16:10  
 Sample: 2016 2020  
 Periods included: 5  
 Cross-sections included: 17  
 Total panel (balanced) observations: 85

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.042505	1.243069	1.643114	0.1042
FEEAUDIT	0.008629	0.034710	0.248598	0.8043
TENUREAUDIT	0.015465	0.076697	0.201633	0.8407
KOMITEAUDIT	0.423753	0.360640	1.175003	0.2434
R-squared	0.018876	Mean dependent var		0.576471
Adjusted R-squared	0.017462	S.D. dependent var		0.497050
S.E. of regression	0.501371	Akaike info criterion		1.502975
Sum squared resid	20.36120	Schwarz criterion		1.617923
Log likelihood	59.87643	Hannan-Quinn criter.		1.549210
F-statistic	0.519465	Durbin-Watson stat		2.069547
Prob(F-statistic)	0.000000			

Source: Output E-views 12

Based on the table above taken from the equation table of the *random effect model* gets the results of the partial significance test (t-test) as follows:

- The *audit fee* variable ( $X_1$ ) shows a significance value of  $0.8043 > 0.05$  or a more excellent significance result of 0.05. Meanwhile, with a comparison of the t-table value of 1.662 and the t-statistic value (t-count) of 0.248, the  $t_{count} < t_{table}$  or  $0.248 < 1.662$ . This means that  $H_0$  is accepted and  $H_1$  is rejected. So it is concluded that the *audit fee* variable ( $X_1$ ) has no significant effect on audit quality ( $Y$ ).
- The *audit tenure* variable ( $X_2$ ) shows a significance of  $0.8407 > 0.05$  or a more excellent significance result of 0.05. Meanwhile, comparing the t-table value of 1.662 and *t-statistic* (t-count) of 0.201., the t-count value  $< t_{table}$  or  $0.201 < 1.662$ . This means that  $H_0$  is accepted and  $H_2$  is rejected. So it can be concluded that the *audit tenure* variable ( $X_2$ ) does not significantly influence audit quality ( $Y$ ).
- The *audit committee* variable ( $X_3$ ) shows a significance of  $0.243 > 0.05$  or a more excellent significance result of 0.05. Meanwhile, comparing t-table values of 1,662 and t-statistic values (t-count) of 1,175, the t-count value  $> t_{table}$  or  $1,175 > 1,662$ . This means that  $H_0$  is accepted and  $H_3$  is rejected. So it can be

concluded that the audit committee variable ( $X_3$ ) has no significant effect on audit quality ( $Y$ ).

#### D. Test Coefficient of Determination ( $R^2$ )

**Table 4.2.5.3**  
**Test Results of Coefficient of Determination ( $R^2$ )**

Dependent Variable: KUALITASAUDIT  
 Method: Panel Least Squares  
 Date: 08/07/22 Time: 16:10  
 Sample: 2016 2020  
 Periods included: 5  
 Cross-sections included: 17  
 Total panel (balanced) observations: 85

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.042505	1.243069	1.643114	0.1042
FEEAUDIT	0.008629	0.034710	0.248598	0.8043
TENUREAUDIT	0.015465	0.076697	0.201633	0.8407
KOMITEAUDIT	0.423753	0.360640	1.175003	0.2434
R-squared	0.018876	Mean dependent var		0.576471
Adjusted R-squared	0.017462	S.D. dependent var		0.497050
S.E. of regression	0.501371	Akaike info criterion		1.502975
Sum squared resid	20.36120	Schwarz criterion		1.617923
Log likelihood	59.87643	Hannan-Quinn criter.		1.549210
F-statistic	0.519465	Durbin-Watson stat		2.069547
Prob(F-statistic)	0.000000			

Source: Output E-views 12

Based on the table above from the expected effect equation table, the model gets the coefficient of determination test ( $R^2$ ) results. The value of R squared or  $R^2$  is between 0 and 1. It can be concluded that the R squared value of 0.018 or 1.8% explains the variable ability of audit fees, audit tenure and audit committee, while the remaining 98.2% is explained by other variables that were not studied in this study.

#### The Effect of Audit Fee, Audit Tenure and Audit Committee on Audit Quality

Based on the test results, it is known that the F count result is 0.519, so it can be said that F count is  $> 0.05$  or  $0.519 > 0.05$ . This means that  $H_0$  is rejected and  $H_a$  is accepted. So it can be concluded that simultaneously (together) the variables of audit fee, audit tenure and audit committee affect audit quality.

#### The Effect of Audit Fees on Audi Quality

Based on the study's results, it shows that the partial test (t test) of the Probability value of the audit fee variable ( $X_1$ ) are 0.8043. When compared with the significance level of 0.05, these results can be seen as a probability value of 0.8403  $> 0.05$  or a significance result greater than 0.05. Meanwhile, with a comparison of t-table values of 1.662 and t-statistic values of 0.248, t-statistics  $<$  t-tables or  $0.248 < 1.662$ . This means that  $H_0$  is accepted and  $H_1$  is rejected. So it can be concluded that the audit fee variable ( $X_1$ ) does not significantly affect audit quality ( $Y$ ).

#### The Effect of Audit Tenure on Audit Quality

Based on the study results, it showed that the partial test (t test) of the Probability value of the audit tenure variable ( $X_2$ ) were 0.8407. When compared with the significance level of 0.05, these results can be seen as a probability value of  $0.8407 > 0.05$  or a significance result greater than 0.05. Meanwhile, with a comparison of t-table values of 1.662 and t-statistic values of 0.201, t-statistics  $<$  t-

tables or  $0.021 < 1.662$ . This means that  $H_0$  is accepted and  $H_2$  is rejected. So it can be concluded that the audit tenure variable ( $X_2$ ) does not significantly affect audit quality ( $Y$ ).

### **The Effect of Audit Committee on Audit Quality**

Based on the study's results, it shows that the partial test (t test) of the Probability value of the audit committee variable ( $X_3$ ) are 0.2434. When compared with the significance level of 0.05, these results can be seen as a probability value of  $0.2434 > 0.05$  or a significance result greater than 0.05. While with a comparison of t-table values of 1,662 and t-statistic values of 1,175,  $t\text{-statistics} > t\text{-tables}$  or  $1,175 > 1,662$ . This means that  $H_0$  is accepted and  $H_3$  is rejected. So it can be concluded that the audit committee variable ( $X_3$ ) does not significantly affect audit quality ( $Y$ ).

### **CONCLUSION**

Based on the results of data research on the effect of audit fees, audit tenure and audit committees on audit quality in manufacturing companies listed on the Indonesia Stock Exchange in 2016-2020, the following conclusions can be drawn:

1. The variables of audit fee, audit tenure and audit committee simultaneously affect the audit quality of manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the 2016-2020 period.
3. The variable audit fee does not significantly affect audit quality in manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the 2016-2020 period.
4. Audit tenure variables do not significantly affect audit quality in manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the 2016-2020 period.
5. Audit committee variables do not significantly affect audit quality in manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the 2016-2020 period.

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