

The Effect of Abnormal Audit Fees, Key Audit Matters, and Audit Tenure on Audit Quality (A Study of Companies Listed on the Indonesia Stock Exchange for the 2022-2023 Period)

Dimas Hafizh Gunawan¹, Elly Suryani²

Program Studi Akuntansi, Fakultas Ekonomi dan Bisnis
Universitas Telkom, Bandung, Indonesia

Email: ¹Dimashafizh@student.telkomuniversity.ac.id ²ellysuryanizainal@telkomuniversity.ac.id

Abstract

Keywords:

Abnormal Audit Fee, Key Audit Matters, Audit Tenure, Audit Quality

Audit quality refers to the auditor's ability to detect and disclose errors in financial documents. In performing this task, auditors are required to comply with applicable auditing standards and the professional code of ethics. This study aimed to examine the effect of abnormal audit fee, key audit matters, and audit tenure on audit quality in energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2023 period. The population in this study consisted of energy sector companies listed on the IDX during the specified period. The sampling method used was purposive sampling, resulting in 51 company-year observations over two years. After the removal of 7 companies identified as outliers, the final sample consisted of 44 companies. The study utilized secondary data and applied panel data regression using EViews 13, with firm size and audit firm size included as control variables. The results of the simultaneous test indicated that abnormal audit fee, key audit matters, and audit tenure had a significant effect on audit quality. However, the partial test showed that each of these variables individually did not have a statistically significant effect. These findings suggest that although the three variables are collectively important in influencing audit quality, none of them had a strong individual impact on audit quality in the energy sector during the observation period. This study offers important implications for regulators and companies in understanding and evaluating the broader factors that influence the quality of audit services in practice.

INTRODUCTION

The energy sector comprised business activities related to the supply of energy, including the exploration of energy resources, conversion of these resources into usable energy, and the transmission and distribution of both renewable and non-renewable energy. The energy sector was one of the most active sectors on the Indonesia Stock Exchange in terms of transaction frequency, volume, and value (Jabir et al., 2022). The management of both naturally occurring and artificial energy sources was essential to enable their conversion into usable energy. Coal, petroleum, and natural gas were the primary energy sources widely used across industries, transportation, and households (Lestari & Ramadhan, 2024).

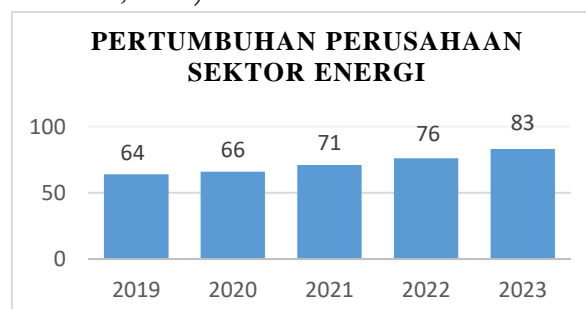


Figure 1. Growth of Energy Sector Companies*Source: Data processed by the author from the Indonesia Stock Exchange (2025)*

Figure 1 illustrated a significant increase in the number of companies in the energy sector from 2019 to 2023. In 2020, despite the COVID-19 pandemic, the sector continued to attract attention with the entry of two new companies. Subsequently, in 2021 and 2022, the number of new entrants rose to five each year, reflecting economic recovery and growing opportunities in the sector. In 2023, the number increased again to six new companies, marking a notable rise. This upward trend indicated strong momentum in the energy industry, particularly driven by the growing interest in renewable energy and green technologies. Overall, the sector demonstrated steady growth and showed promising prospects for the future.

Although investment in the energy sector continued to increase, the realization of renewable energy in the national energy mix reached only around 13,09% in 2023. This figure remained far below the government's target of 23% by 2025. Several pressing challenges needed to be addressed, including regulatory constraints, infrastructure limitations, lack of cross-sectoral coordination, and the low investment appeal of the renewable energy sector (Arifin Tasrif, 2024). These challenges were also reflected in the current achievement. Regulatory issues, limited infrastructure, and weak investment interest in renewables created additional challenges for auditors. High-quality audits not only supported companies in complying with regulatory standards but also encouraged greater transparency in managing resources and ensuring the sustainability of energy-related projects (Humas EBTKE, 2023).

The audit quality issue involving PricewaterhouseCoopers (PwC) Zhong Tian in China was linked to audit fraud related to the property giant China Evergrande. The China Securities Regulatory Commission (CSRC) found that PwC Zhong Tian had "turned a blind eye" to fraudulent practices conducted by Evergrande's subsidiary, Hengda Real Estate, during the audit of its 2019 and 2021 annual financial statements. In addition, PwC was found to have assisted in the issuance of corporate bonds based on falsified financial reports. As a result, PwC Zhong Tian was subjected to severe sanctions, including a fine of 441 million yuan (approximately IDR 958 billion) and a six-month suspension of operations. Beyond technical failures in audit execution, this case illustrated a serious breach of professional ethics. According to the CSRC, PwC Zhong Tian's conduct exceeded ordinary audit failure, as it indirectly facilitated fraud that harmed shareholders, creditors, and the general public (Nugroho, 2024). This case demonstrated that large public accounting firms required stricter oversight and improvements in audit practices to enhance audit quality and integrity. Moreover, it showed that despite having sufficient resources, audit failures could still occur in the absence of a strong commitment to the principles of Good Corporate Governance (GCG) and ethical standards (Nugroho, 2024).

In addition, the case of financial statement manipulation by PT Timah Tbk in 2019 served as a concrete example of weak audit quality in detecting financial information irregularities, even though the audit was conducted by a large and reputable Public Accounting Firm (PAF), namely Tanudiredja, Wibisana, Rintis & Rekan, a member of the PricewaterhouseCoopers (PwC) network. The manipulation was carried out to balance the financial statements and conceal the company's financial imbalance. Furthermore, according to the Ministry of Energy and Mineral Resources (ESDM), the estimated state losses due to alleged corruption in the tin trade from 2015 to 2022 reached IDR 271 trillion, calculated based on the resulting environmental damage (Setiawan, 2024). These findings indicated that the involvement of a well-known audit firm did not always guarantee

high-quality audit outcomes, particularly if there were weaknesses in auditor independence, competence, or the effectiveness of audit procedures. Therefore, improving audit quality was essential to ensure financial statement transparency and accountability, as well as to serve as a preventive measure against corruption in publicly listed companies.

Based on these cases, it could be concluded that auditors still performed low-quality financial audits, as fraud in financial statements remained undetected. Ideally, such fraud should have been identified if the audit had been conducted with a high level of quality. This condition indicated that deficiencies still existed in the implementation of audit procedures, including the effectiveness of risk assessment and the auditor's professional judgment. Despite the involvement of reputable audit firms, these incidents demonstrated that audit failure was still possible when auditors lacked independence, competence, or adequate diligence. To meet the needs of companies and management in gaining public trust, financial statement audits should have been conducted properly and thoroughly. A high-quality audit was essential not only to satisfy client expectations but also to ensure that financial statements were reliable for third parties and the public. Enhancing the quality of audits played a critical role in strengthening transparency and accountability in corporate financial reporting, which ultimately contributed to the credibility and sustainability of the capital market and the broader financial system.

The objective of this study was to re-examine whether Abnormal Audit Fee, Key Audit Matters, and Audit Tenure had an effect on Audit Quality. The observation period was set from 2022 to 2023, as the energy sector experienced significant developments during this time due to post-pandemic economic recovery and global energy price volatility.

Teori Keagenaan

According to Fretty et al. (2020), agency theory described the relationship between management, acting as the agent, and shareholders (or investors), acting as the principal. The agent was expected to carry out tasks assigned by the principal, while the principal provided compensation based on the agent's performance. However, in practice, managers often possessed more comprehensive information about the company than shareholders. This information asymmetry created opportunities for managers to act opportunistically, including committing fraud, which could lead to conflicts of interest. Therefore, the role of an independent auditor was essential as a third party to evaluate and provide an opinion on the fairness of financial statements prepared by management.

Audit Quality

According to DeAngelo (1981) audit quality referred to the extent to which an auditor was able to detect, identify, and report irregularities or violations in a client's accounting system. Meanwhile, Kane & Velury (2005) defined audit quality as the degree of a public accounting firm's ability to understand and analyze the client's business. Audit quality represented both the characteristics and outcomes of the financial statement audit process, which were based on auditing standards and quality control standards. It served as a benchmark in carrying out the responsibilities and duties of an auditor (Biduri et al., 2021). In principle, high-quality audits could be achieved when auditors adhered to professional auditing standards, maintained independence, complied with legal frameworks, and followed the professional code of ethics (Dewita & NR, 2023). According to Kalita & Tiwari (2023), emphasized that high-quality audits effectively reduced information asymmetry between management and stakeholders, while also strengthening overall corporate governance. Audits conducted in accordance with high professional standards not only

minimized the risk of errors or irregularities in financial statements but also enhanced the trust of external parties, such as investors and creditors. Transparent and reliable financial information was essential in supporting rational and well-targeted economic decision-making. On the other hand, strong internal audit quality also contributed to mitigating conflicts of interest between management and owners. In the context of sustainability, high-quality internal audits ensured that disclosures related to environmental aspects genuinely reflected actual conditions and performance, thus reducing the risk of manipulation of non-financial data (Purnamasari & Umiyati, 2024). Therefore, both external and internal audits of high quality played a significant role in maintaining the integrity of corporate information and building public trust. In this study, audit quality was measured using Abnormal Working Capital Accruals (AWCA) based on the approach developed by Francis & Wang (2008). As a sensitivity test, the study also referred to the method introduced by Han & Wang (1998). The AWCA formula was as follows:

$$AWCA_{i,t} = WC_{i,t} - \left[\left(\frac{WC_{i,t-1}}{S_{i,t-1}} \right) \times S_{i,t} \right]$$

Description:

$AWCA_{i,t}$ adalah abnormal working capital accruals for firm i in period t .

WC represented non-cash working capital accruals, calculated as (current assets – cash and short-term investments) – (current liabilities – short-term loans)

S denoted total sales.

The AWCA value was then scaled by total assets (McCLOSKEY, 1952). and transformed into its absolute value to measure the level of earnings management and allow for comparability across firms (Leovany & Feliana, 2016). A lower AWCA value, approaching zero, indicated better audit quality.

Abnormal Audit Fee

According to Choi et al. (2010) abnormal audit fee referred to the difference between the actual audit fee paid to the auditor and the expected normal audit fee that should have been charged for the engagement. Abnormal audit fees were also known as “client-specific quasi-rents” because their magnitude was generally influenced by client characteristics. Abnormal audit fees were classified into two types. When the actual audit fee exceeded the normal audit fee, it was referred to as a positive abnormal audit fee. Conversely, if the actual fee was lower than the normal audit fee, it was termed a negative abnormal audit fee Jung et al. (2016). there were two potential causes of abnormal audit fees. First, negative abnormal audit fees occurred when auditors received fees below the standard level, which could reduce their incentive to perform a thorough audit. Second, positive abnormal audit fees arose when clients offered higher-than-normal fees, potentially impairing auditor objectivity due to pressure to deliver favorable opinions. These two conditions indicated that unreasonable audit fees had the potential to undermine audit quality. In this study, abnormal audit fee was measured using the formula: $ABFEE = Actual\ Audit\ Fee - Normal\ Audit\ Fee$ (Jung et al., 2016).

Key Audit Matters

According to Institut Akuntan Publik Indonesia (2023), Key Audit Matters (KAM) referred to matters that, in the auditor’s professional judgment, were considered the most significant in the audit of the financial statements for the period being audited. Mwintome et al. (2024) defined KAM as key issues in the financial statement audit that required special attention from the auditor. These issues included aspects that had a significant impact on the financial

statements and the evaluations performed by management. The identification of KAM allowed auditors to focus more effectively on the risks and challenges that could affect the accuracy and reliability of the financial reports. The disclosure of KAM aimed to improve the quality of communication in the audit report and to assist users in understanding the risks faced by the entity (Mwintome et al., 2024). According to Fajraini Hasibuan et al. (2022), the disclosure of KAM added value to the audited financial statements and enhanced audit quality. KAM disclosures were expected to provide meaningful contributions to the audit process. In this study, the influence of KAM on audit quality was measured using the number of KAM disclosed as the measurement tool (Suttipun, 2021). The ideal number of KAM was in the range of one to three key audit points. This range was considered sufficient to provide relevant information without causing confusion and was believed to enhance users' understanding of overall audit quality (Sirois et al., 2018).

Audit Tenure

The Financial Services Authority (Otoritas Jasa Keuangan/OJK) issued several regulations concerning the tenure of external auditors for financial service institutions in Indonesia. According to OJK Regulation No. 09/POJK/2023, the engagement of public accountants (PA) to provide audit services was limited to a maximum of five consecutive financial reporting years. Van Johnson et al. (2002), as cited in Suryani et al. (2023a) defined audit tenure as the number of consecutive years in which an audit firm (auditor) provided audit services to the same client. Audit tenure referred to the duration of the auditor's engagement in auditing a particular company (Rizkiani & Nurbaiti, 2019). Audit tenure biasanya dikaitkan dengan dua hal, yaitu keahlian auditor dan insentif ekonomi. Audit tenure was generally associated with two key aspects: auditor expertise and economic incentives. It related to auditor expertise because the longer the auditor worked with a company, the better the auditor understood the client's business processes. According to Suryani et al., (2023) prolonged engagement between auditors and their clients could lead to perceptions of reduced objectivity, raising doubts regarding the credibility of the audit results. Conversely, a short engagement period could limit the auditor's understanding of the client, potentially affecting audit quality. In this study, audit tenure was measured by summing the total duration of the auditor's engagement with a client prior to auditor rotation (Auliyah et al., 2022).

Pengaruh Abnormal Audit Fee terhadap Kualitas audit

Abnormal audit fee referred to the difference between the actual audit fee paid to the auditor and the normal audit fee that should have been applied in an audit engagement (Choi et al., 2010). If the difference between the actual and normal fee was positive, it was referred to as a positive abnormal audit fee, whereas a negative difference was classified as a negative abnormal audit fee. The magnitude of abnormal audit fees was influenced by the strength of negotiation and the economic relationship between the auditor and the client (Asthana & Boone, 2012). A study conducted by Rachma Dwiandari & Widodo Mardijuwono (2020) stated that abnormal audit fees had a positive effect on audit quality, as companies were willing to pay fees that aligned with the level of risk they faced, thereby maintaining the auditor's independence in analyzing financial statements. Stanley et al. (2015) argued that lower audit fees had a positive effect on audit quality because they encouraged improvements in financial statement analysis, which could lead to increased audit fees in the future (Rahmina & Agoes, 2014). suggested that higher audit fees could improve audit quality by motivating auditors to enhance the quality of their work. Based on the above explanation, it was concluded that abnormal audit fees could influence audit quality both positively and negatively. Abnormal audit fees were related to agency theory because unreasonable audit fees, whether excessively high or low, had the potential to impair auditor independence and

audit quality. This weakened the auditor's role as an external monitoring mechanism in reducing agency conflicts.

H₁ : *Abnormal Audit Fee Positively Affected Audit Quality.*

Pengaruh Key Audit Matters terhadap Kualitas Audit

According to Institut Akuntan Publik Indonesia (2023), Key Audit Matters (KAM) referred to those matters that, in the auditor's professional judgment, were considered most significant in the audit of the financial statements for the audited period. Through the disclosure of KAM, auditors were expected to present more detailed reports and provide relevant additional information for users of audited financial statements (Yoga & Dinarjito, 2021). Statement on Auditing Standard (SA) 701, which governed the disclosure of KAM in the independent auditor's report, marked a significant development in expanding the auditor's role by requiring the disclosure of the most significant risks faced by the client (Sierra-García et al., 2019). The findings of Shamsuddin (2020) indicated that Key Audit Matters influenced audit quality. The disclosure of KAM could enhance the value of audit reports from the perspective of external auditors and increase their usefulness to investors. External auditors found that the information communicated through the KAM section had significant value (Ariadi et al., 2023). Based on the explanation above, it was concluded that the disclosure of Key Audit Matters had a positive effect on enhancing audit quality. Key Audit Matters (KAM) served as an additional monitoring tool that strengthened the principal's position by providing more transparent and relevant information. Accordingly, appropriate and substantive KAM disclosures contributed to improving audit quality by clarifying risk areas and minimizing the likelihood of managerial misstatements.

H₂ : *Key Audit Matters Positively Affected Audit Quality.*

Pengaruh Audit Tenure terhadap Kualitas Audit

According to Evana & Agrianti (2020) audit tenure referred to the length of time during which a Public Accounting Firm (PAF) provided audit services to its client. Audit tenure became a critical issue when the engagement period was excessively long and not subject to regulation, as it could potentially compromise auditor independence. However, other views argued that the duration of the engagement did not necessarily affect auditor independence (Aritonang & Darmawati, 2022). A long-term relationship between the auditor and the client allowed the auditor to gain deeper knowledge and understanding of the nature of the client's business. With such understanding, auditors were more capable of carrying out their duties effectively, and the resulting audit reports were expected to be of higher quality. The longer the audit tenure, the better the auditor's comprehension of the client's operations, business risks, and accounting systems, thereby contributing to a more efficient audit process (Mariani & Latrini, 2016). The findings of Latifah et al. (2019) showed that audit tenure had a positive effect on audit quality. This aligned with Mariani & Latrini (2016), who stated that a longer engagement period enabled auditors to develop a deeper understanding of the audited entity's characteristics, including its business conditions, risk levels, and accounting systems. Such insights allowed auditors to plan and execute audit procedures more accurately, resulting in more reliable and credible audit outcomes. Therefore, a longer audit tenure could contribute to increased effectiveness and efficiency of the audit process, ultimately enhancing the quality of the audit. Audit tenure had the potential to enhance audit quality due to the auditor's accumulated experience and understanding of the audited entity. However, to maintain the effectiveness of the monitoring function, it was essential for auditors to uphold their independence and professionalism to avoid overly close relationships with management.

Therefore, audit tenure could either strengthen or weaken oversight, depending on how auditors maintained their role within the agency relationship.

H₃ : *Audit Tenure Positively Affected Audit Quality.*

Based on the aforementioned theoretical foundation, the research framework in this study was constructed as follows:

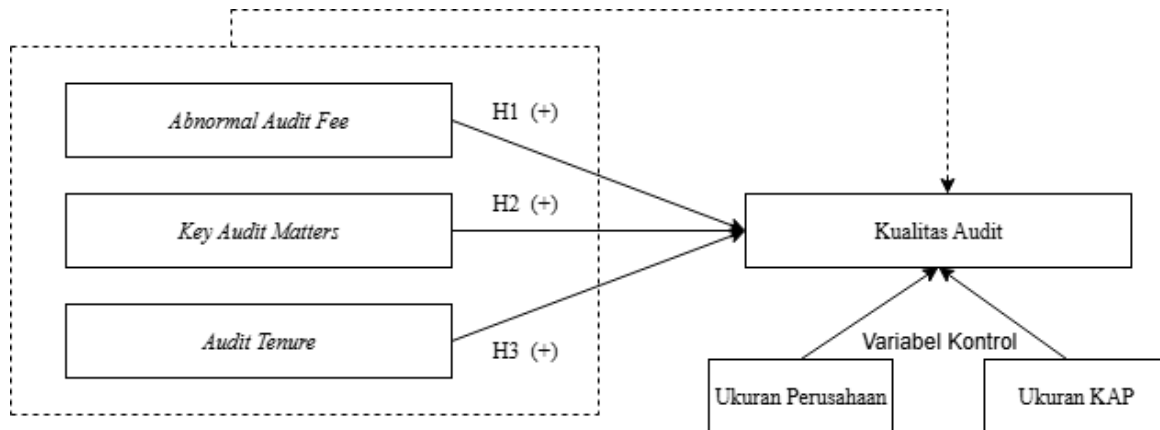


Figure 2. Theoretical Framework

METHODS

The research method applied in this study was a descriptive quantitative approach. The population consisted of 83 energy sector companies listed on the Indonesia Stock Exchange (IDX) during 2022–2023. The final sample included 44 companies, reduced from 51 due to the removal of 7 outlier companies from the dataset.

Tabel 1. Operational Variable

Variable	Definition	Indicator	Scale
Variable Dependent			
Audit Quality (Y)	Audit quality referred to the auditor's ability to detect and disclose material misstatements in documents. In doing so, the auditor was required to comply with auditing standards and the code of ethics for public accountants (Novrilia et al., 2019).	$AWCA_{i,t} = WC_{i,t} - \left[\left(\frac{WC_{i,t-1}}{S_{i,t-1}} \right) \times S_{i,t} \right]$ (Francis & Wang, 2008)	Ratio
Variable Independent			
<i>Abnormal Audit Fee</i> (X1)	Abnormal audit fee was defined as the difference between the audit fee paid to the auditor and the expected normal audit fee that should have been applied in an audit engagement (Choi et al., 2010).	ABFEE = Actual Audit Fee – Normal Audit Fee (Jung et al., 2016)	Ratio
<i>Key Audit Matters</i> (X2)	Key Audit Matters (KAM) referred to those matters that, in the auditor's professional judgment, were considered most significant in the audit of the financial statements for the audited period (Institut Akuntan Publik Indonesia, 2023).	Number of KAM disclosed (Suttipun, 2021)	Ratio
<i>Audit Tenure</i> (X3)	Audit tenure referred to the duration of time an auditor (Public Accountant) had been engaged with the same client company (Haalisa & Inayati, 2021).	Length of auditor-client engagement. (Auliyah et al., 2022)	Ratio
Variable Control			
Ukuran Perusahaan	Firm size referred to an indicator used to assess the overall financial strength and magnitude of a company (Sidhi & Wirakusuma, 2015).	Firm Size = Ln (Total Assets) (Fajaryani & Suryani, 2018).	Ratio

Ukuran KAP	A Public Accounting Firm (PAF) was a professional entity where licensed public accountants provided auditing services. Audit firm size referred to affiliation with one of the four major international firms—PricewaterhouseCoopers (PwC), Deloitte, Ernst & Young (EY), and KPMG—which were known for their high standards and reputation in detecting material misstatements in financial statements (Setiawan, 2022).	Audit firm size was measured using a dummy variable: 1 for Big 4-affiliated firms, and 0 otherwise (Wicaksono & Purwanto, 2021).	Nominal
------------	---	--	---------

In this study, the panel data regression equation that was used was formulated as follows:

$$y = a + x_1b_1 + x_2b_2 + x_3b_3 + e$$

Keterangan:

Y : Audit Quality

x_1 : *Abnormal Audit Fee*

x_2 : *Key Audit Matters*

x_3 : *Audit Tenure*

a : Constant

$b_1b_2b_3$: The regression coefficient of each independent variable

e : *Error*

RESULT AND DISCUSSION

Analisis Statistik Deskriptif

Table 2. Analysis Descriptive

	AWCA	ABFEE	KAM	AT	SIZE
Mean	0,13	32.533.831.385	1,36	1,80	29,29
Max	1,59	1.350.025.799.748	3,00	4,00	36,92
Min	0,00	-30.412.483.439	0,00	1,00	24,99
Std. Dev.	0,24	202.139.586.109	0,61	0,83	2,05
Observations	88	88	88	88	88

Audit quality with a mean value of 0,13 indicated a favorable AWCA score, as the value was low and close to zero. This suggested that many companies in the sample did not exhibit indications of earnings management. The abnormal audit fee variable showed a mean of IDR 32,533,831,325, indicating that most companies in the sample paid audit fees higher than the normal range. Key Audit Matters (KAM) had a mean value of 1,61, suggesting that the majority of companies disclosed between one and three key audit points. This range was considered sufficient to provide relevant information without causing confusion and was expected to enhance users' understanding of overall audit quality. Audit tenure had a mean value of 1,36, indicating that most companies had short-term relationships with their auditors. From the perspective of auditor independence, this was considered positive, as shorter engagements reduced the potential for bias or undue familiarity. However, in terms of understanding the company's systems, business processes, and associated risks, the auditor may not have yet acquired deep knowledge. Firm size, with a mean value of 29,29, suggested relatively uniform company sizes in the sample. The use of the logarithmic transformation of total assets helped minimize disparities in asset scale among companies, allowing for a fairer and more accurate analysis. Regarding audit firm size, out of 88 company data points, 31 (35%) were audited by Big 4 firms, while the remaining 57 (65%) used

non-Big 4 auditors. This result indicated that most companies in the sample preferred non-Big 4 firms, potentially due to cost-efficiency considerations or accessibility of audit services.

Panel Data Regression Analysis

Tabel 3. Hasil Uji *Fixed Effect Model*

Dependent Variable: AWCA				
Method: Panel Least Squares				
Date: 07/11/25 Time: 12:04				
Sample: 2022 2023				
Periods included: 2				
Cross-sections included: 44				
Total panel (balanced) observations: 88				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	18.46514	4.310829	4.283431	0.0001
ABFEE	-4.345021	6.479776	-0.670551	0.5065
KAM	0.094825	0.055221	1.717205	0.0939
AT	-0.018505	0.038203	-0.484387	0.6308
SIZE	-0.623859	0.147612	-4.226336	0.0001
BIG4	-0.048156	0.267658	-0.179915	0.8582
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.737885	Mean dependent var	0.130594	
Adjusted R-squared	0.415281	S.D. dependent var	0.240079	
S.E. of regression	0.183581	Akaike info criterion	-0.252458	
Sum squared resid	1.314381	Schwarz criterion	1.126968	
Log likelihood	60.10815	Hannan-Quinn criter.	0.303278	
F-statistic	2.287279	Durbin-Watson stat	3.911111	
Prob(F-statistic)	0.004459			

. Sumber: Hasil olahan Eviews 13 (2025)

Based on Table 3, the results of the Fixed Effect Model test produced the panel data regression equation formulated to explain the influence of the studied variables.

$$KA = 18,46514 - 4,3455021(ABFEE) + 0,094825(KAM) - 0,018505(AT) - 0,623859(SIZE) - 0,048156(BIG4) + \epsilon$$

Keterangan:

Y = Audit Quality (AWCA)

X1 = *Abnormal Audit Fee* (ABFEE)

X2 = *Key Audit Matters* (KAM)

X3 = *Audit Tenure* (AT)

Kontrol = Ukuran Perusahaan (SIZE)

Kontrol = Ukuran KAP (BIG4)

Uji Simultan (Uji F)

Based on Table 3, the results of the simultaneous test showed that the Prob (F-Statistic) value was $0,004459 < 0,05$. Accordingly, H_0 was rejected and H_a was accepted, indicating that the variables abnormal audit fee, key audit matters, and audit tenure simultaneously had a significant effect on audit quality in energy sector companies listed on the Indonesia Stock Exchange during 2022–2023.

Uji Parsial (Uji t)

Based on Table 3, the results of the partial test (t-test) showed that the variables abnormal audit fee, key audit matters, audit tenure, firm size, and audit firm size had significance values greater than 0,05. Therefore, the hypotheses were rejected, indicating no significant effect on audit quality.

Koefisien Determinan (R^2)

Based on Table 3, the results of the coefficient of determination (R^2) showed that the adjusted R-squared value was 0,415281 or 41%. This indicated that abnormal audit fee, key audit matters, and audit tenure collectively explained 41% of the variation in audit quality, while the remaining 59% was influenced by other factors outside the study.

DISCUSSION

The simultaneous hypothesis testing aimed to determine whether all independent variables collectively had a relationship or influence on the dependent variable. Based on the results of the simultaneous hypothesis test (F-test) presented in Table 3, the Prob (F-Statistic) value was $0,004459 < 0,05$, thus H_0 was rejected and H_a was accepted. This indicated that abnormal audit fee, key audit matters, and audit tenure, along with the control variables of firm size and audit firm size, simultaneously had a significant effect on the dependent variable, audit quality. Therefore, the selected independent variables were appropriate and capable of explaining the dependent variable in this study.

Based on the results presented in Table 3, the regression coefficient for abnormal audit fee was $-4,3455021$ with a significance level (probability) of 0,5065, which exceeded the 0,05 threshold. This indicated that abnormal audit fee did not have a significant partial effect on audit quality, and therefore, the hypothesis was accepted. These findings suggested that neither high nor low abnormal audit fees significantly influenced audit quality. Abnormal audit fee was defined as the difference between the audit fee paid to the auditor and the expected reasonable fee that should have been charged for the audit engagement (Choi et al., 2010). An audit fee that was unreasonably higher than the normal audit fee was referred to as a positive abnormal audit fee, while an audit fee that was unreasonably lower was referred to as a negative abnormal audit fee (Jung et al., 2016). Abnormal audit fees could arise from two main situations. First, a negative abnormal audit fee occurred when auditors received fees that were too low, reducing their incentive to maintain audit quality. Second, a positive abnormal audit fee emerged when auditors received excessively high fees from clients, which could impair auditor independence due to pressure to issue favorable audit opinions (Sofia et al., 2018). According to Fitriany et al. (2016), abnormal audit fee had no significant effect on audit quality, as the amount of the fee did not directly reflect the quality of the audit provided. A high abnormal audit fee had the potential to reduce auditor independence due to economic dependence on the client. Conversely, a low audit fee did not necessarily indicate poor audit quality, as auditors might still maintain professional standards to protect their reputation. Similar findings were reported by Shafira & Keristin (2022), who concluded that abnormal audit fee did not significantly affect audit quality. This was because the size of the audit fee was often driven by factors such as the complexity of the financial statements or special client requests, rather than by improvements in audit quality. Likewise, lower fees could reflect efficient audit processes or fee discounts offered to sustain long-term client relationships.

Based on the results presented in Table 3, the regression coefficient for key audit matters (KAM) was 0,094825, with a significance level (probability) of 0,0939, which was greater than 0,05.

This indicated that KAM did not have a significant partial effect on audit quality, and therefore, the hypothesis was rejected. These findings suggested that the quantity of KAM disclosures did not necessarily reflect higher audit quality. In practice, auditors might disclose a greater number of KAMs in response to the complexity of financial statements, but without providing in-depth explanations or conducting additional substantive audit procedures. This indicated that a high number of disclosed KAMs did not always correlate with increased audit effectiveness. The failure of KAM to serve as a reliable indicator of audit quality could be attributed to the formalistic approach adopted by auditors, where disclosures were made merely to fulfill regulatory requirements rather than as a reflection of professional skepticism or enhanced audit diligence. According to Coram & Wang (2021), the disclosure of KAM did not always significantly affect audit quality. Although the primary objective of KAM was to enhance transparency and provide additional insights into the most significant areas of the audit process, its presence did not necessarily improve users' understanding or confidence in the audit. KAM disclosures were often perceived as formalities, particularly when lacking specificity or relevance to the company's actual conditions. Kitiwong & Sarapaivanich (2020) also found that KAM had no significant effect on audit quality. Although KAM was designed to improve transparency and auditor accountability, its implementation frequently involved generic disclosures that did not reflect a higher degree of auditor diligence or skepticism. In some cases, auditors viewed KAM reporting as a form of compliance protection, potentially reducing audit intensity—an issue referred to as “moral licensing.” Azis (2024) similarly stated that KAM had no effect on audit quality. While KAM aimed to highlight critical audit areas, its disclosure was often conducted formally, without meaningful improvement in audit procedures. Moreover, the selection of KAM was subjective and did not always reflect the actual audit risk, thus limiting its contribution to audit quality.

Based on the results presented in Table 3, the regression coefficient for audit tenure was $-0,018505$ with a significance level (probability) of $0,6308$, which was greater than $0,05$. This indicated that audit tenure did not have a significant partial effect on audit quality. Therefore, the hypothesis was rejected, meaning that audit tenure did not have a significant influence on audit quality. In this study, audit tenure was found to be insignificant because the length of the auditor's engagement with a company did not necessarily guarantee higher audit quality. While a long-term engagement may have allowed auditors to gain a deeper understanding of the client's business, it did not automatically lead to improvements in audit quality if not accompanied by adequate levels of professionalism and professional skepticism. Excessively long audit tenure posed a risk to auditor independence due to the potential development of overly close relationships with clients, which could compromise objectivity in evaluating financial statements (Knechel & Vanstraelen, 2007). According to Myers et al. (2003) audit tenure that was too short was also not ideal, as auditors may not have had sufficient time to understand the risks and characteristics of the client, resulting in a less effective audit. Fauziyyah & Praptiningsih (2020) argued that audit tenure did not affect audit quality because the duration of the working relationship between public accounting firms and clients could not be used as a definitive measure of audit quality. A lengthy audit tenure did not always impair auditor independence and therefore did not necessarily reduce audit quality. Conversely, a short engagement period did not guarantee reliable audit results, as auditors may lack the knowledge and experience required for a comprehensive audit. According to Hartono & Laksito (2022) audit tenure alone did not ensure high audit quality. Public accounting firms needed a thorough understanding of the engagement duration to better comprehend the client's business and detect potential financial reporting fraud.

CONCLUSION

This study was conducted to examine the effect of abnormal audit fee, key audit matters, and audit tenure on audit quality in energy sector companies listed on the Indonesia Stock Exchange (IDX) for the 2022–2023 period. The results indicated that abnormal audit fee, key audit matters, and audit tenure did not have a significant impact on audit quality. High or low abnormal audit fees did not influence audit quality, as higher audit fees might arise from the complexity of financial statements or specific client requests, rather than from an improvement in audit quality. Conversely, lower audit fees did not necessarily reflect poor audit quality, as auditors might offer discounts to maintain client relationships or conduct audits more efficiently. The disclosure of a larger number of Key Audit Matters (KAM) did not always indicate better audit quality, as such disclosures were often made solely to fulfill regulatory obligations rather than to enhance audit effectiveness. Furthermore, the length of the auditor-client relationship (audit tenure) did not guarantee higher audit quality. Auditors who had long-standing relationships with clients were not necessarily more independent, and newly appointed auditors did not always possess sufficient understanding of the client's business.

Based on the research findings, it was recommended that Public Accounting Firms (PAFs) should not focus solely on the amount of audit fees when assessing audit quality, but also consider the complexity of the audited entity and the effectiveness of the audit procedures applied. Auditors also needed to ensure that the disclosure of Key Audit Matters (KAM) was substantial and relevant, rather than merely fulfilling reporting requirements. Companies were advised not to regard the length of the auditor-client relationship as the sole indicator of audit quality, as audit quality was more strongly influenced by the auditor's independence, professionalism, and understanding of the audited entity. Therefore, continuous evaluation of audit processes and outcomes remained essential to ensure audit reliability and accountability.

REFERENCE

- Ariadi, Jasmine, J., & Oktavia, V. (2023). Dampak Penerapan Masalah Audit Utama di Indonesia. *SINOMIKA Journal: Publikasi Ilmiah Bidang Ekonomi Dan Akuntansi*, 1(5), 1031–1040. <https://doi.org/10.54443/sinomika.v1i5.556>
- Arifin Tasrif. (2024). *Investasi Sektor ESDM Tembus 30 Miliar USD Pada 2023*. KEMENTERIAN ENERGI DAN SUMBER DAYA MINERAL. <https://www.esdm.go.id/id/media-center/arsip-berita/investasi-sektor-esdm-tembus-30-miliar-usd-pada-2023>
- Aritonang, & Darmawati, D. (2022). Pengaruh Rotasi Audit, Audit Capacity Stress Dan Audit Tenure Terhadap Kualitas Audit. *Jurnal Ekonomi Trisakti*, 2(2), 1425–1436. <https://doi.org/10.25105/jet.v2i2.14898>
- Asthana, & Boone, J. P. (2012). Abnormal audit fee and audit quality. *Auditing*, 31(3), 1–22. <https://doi.org/10.2308/ajpt-10294>
- Auliyah, Fitriyani, D., & Herawaty, N. (2022). Analisis Pengaruh Ukuran KAP, Audit Tenure, Audit Fee dan Independensi Auditor Terhadap Integritas Laporan Keuangan. *Jurnal Ilmiah Universitas Batanghari Jambi*, 22(1), 272. <https://doi.org/10.33087/jiubj.v22i1.2012>
- Azis. (2024). *Pengaruh Pengungkapan Key Audit Matters (KAM), Kompetensi, Independensi, dan Pengalaman Auditor Terhadap Kualitas Audit (Studi Empiris Pada Kantor Akuntan Publik Kota Pekanbaru)*.
- Biduri, Hermawan, S., Hariyanto, W., & Ningdia, E. W. (2021). Auditor Experience as Moderator on Audit Quality in creating Qualified Financial Statements. *AKRUAL: Jurnal Akuntansi*, 13(1), 14–25. <https://doi.org/10.26740/jaj.v13n1.p14-25>

- Choi, Kim, J. B., & Zang, Y. (2010). Do abnormally high audit fees impair audit quality? *Auditing*, 29(2), 115–140. <https://doi.org/10.2308/aud.2010.29.2.115>
- Coram, & Wang, L. (2021). The effect of disclosing key audit matters and accounting standard precision on the audit expectation gap. *International Journal of Auditing*, 25(2), 270–282. <https://doi.org/10.1111/ijau.12203>
- DeAngelo. (1981). Auditor Size and Audit Quality. In *Journal of Accounting and Economics* (Vol. 3). North-Holland Publishing Company.
- Dewita, & NR, E. (2023). Pengaruh Audit Tenure, Rotasi Audit, dan Fee Audit terhadap Kualitas Audit. *Jurnal Eksplorasi Akuntansi*, 5(1), 370–384. <https://doi.org/10.24036/jea.v5i1.627>
- Evana, & Agrianti, dan. (2020). *Effects Of Moderating Variables On Audit Tenure And Audit Quality*. www.ijstr.org
- Fajaryani, & Suryani, E. (2018). Struktur Modal, Likuiditas, Dan Ukuran Perusahaan Terhadap Kinerja Keuangan Perusahaan. *Jrak*, 10(2), 74–79. <https://doi.org/10.23969/jrak.v10i2.1370>
- Fajraini Hasibuan, Ekonomi, F., & Bisnis, D. (2022). *Pengaruh Pengungkapan Key Audit Matters (KAM), Kompetensi dan Independensi Auditor Terhadap Kualitas Audit*.
- Fauziyyah, & Praptiningsih, P. (2020). Pengaruh Audit Fee, Audit Tenure, Dan Rotasi Audit Terhadap Kualitas Audit. *Monex Journal Research Accounting Politeknik Tegal*, 9(1), 1–17. <https://doi.org/10.30591/monex.v9i1.1232>
- Fitriany, Veronica, S., & Anggraita, V. (2016). Impact of Abnormal Audit Fee to Audit Quality: Indonesian Case Study. *American Journal of Economics*, 6(1), 72–78. <https://doi.org/10.5923/j.economics.20160601.09>
- Francis, & Wang, D. (2008). The joint effect of investor protection and big 4 audits on earnings quality around the world. *Contemporary Accounting Research*, 25(1), 157–191. <https://doi.org/10.1506/car.25.1.6>
- Fretty, Silaban, Suryani, & Si, M. (2020). *Pengaruh Audit Capacity Stress, Spesialisasi Industri Auditor dan Komite Audit Terhadap Kualitas Audit (Studi Empiris pada Perusahaan Subsektor Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia The Influence of Audit Capacity Stress, Industry Spe*.
- Haalisa, & Inayati, N. I. (2021). Pengaruh Ukuran Perusahaan, Audit Tenure, Kualitas Audit, Dan Audit Report Lag Terhadap Opini Audit Going Concern. *Review of Applied Accounting Research*, 1(1), 25–36. <http://jurnalnasional.ump.ac.id/index.php/RAAR/>
- Han, & Wang, S.-W. (1998). Political Costs and Earnings Management of Oil Companies during the 1990 Persian Gulf Political Costs and Earnings Management of Oil Companies Persian Gulf Crisis. In *Source: The Accounting Review* (Vol. 73, Issue 1).
- Hartono, & Laksito, H. (2022). Pengaruh Audit Tenure, Fee Audit, Ukuran Kantor Akuntan Publik, Spesialisasi Auditor, Komite Audit Terhadap Kualitas Audit. *Diponegoro Journal Of Accounting*, 11(1981), 1–12.
- Humas EBTKE. (2023). *Tren Energi Global Menuju Energi Bersih dan Berkelanjutan*. Kementerian ESDM Indonesia. <https://ebtke.esdm.go.id/post/2023/03/30/3456/dirjen.ebtke.tren.energi.global.menuju.energi.bersih.dan.berkelanjutan>
- Institut Akuntan Publik Indonesia. (2023). *Penerapan Tahun Pertama SA 701 Tentang Pengomunikasian Hal Audit Utama (HAU) di Indonesia*. www.iapi.or.id
- Jabir, Rusni, & Tafsir, M. (2022). Pengaruh Profitabilitas, Likuiditas Dan Solvabilitas Terhadap Nilai Perusahaan pada Sektor Energi Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Magister Research*, 1(1), 44–59.

- Jung, Kim, B. J., & Chung, J. R. (2016). The association between abnormal audit fees and audit quality after IFRS adoption Evidence from Korea. *International Journal of Accounting and Information Management*, 24(3), 252–271. <https://doi.org/10.1108/IJAIM-07-2015-0044>
- Kalita, & Tiwari, R. K. (2023). Audit Quality Review: An Analysis Projecting the Past, Present, and Future. In *Scientific Annals of Economics and Business* (Vol. 70, Issue 3, pp. 353–377). Alexandru Ioan Cuza University of Iasi. <https://doi.org/10.47743/saeb-2023-0032>
- Kane, & Velury, U. (2005). The Impact of Managerial Ownership on the Likelihood of Provision of High Quality Auditing Services. *Review of Accounting and Finance*, 4(2), 86–106. <https://doi.org/10.1108/eb043424>
- Kitiwong, & Sarapaivanich, N. (2020). Consequences of the implementation of expanded audit reports with key audit matters (KAMs) on audit quality. *Managerial Auditing Journal*, 35(8), 1095–1119. <https://doi.org/10.1108/MAJ-09-2019-2410>
- Knechel, & Vanstraelen, A. (2007). The relationship between auditor tenure and audit quality implied by going concern opinions. *Auditing*, 26(1), 113–131. <https://doi.org/10.2308/aud.2007.26.1.113>
- Latifah, Magnaz Lestira Oktaroza, & Edi Sukarmanto. (2019). Pengaruh Fee Audit dan Audit Tenur Terhadap Kualitas Audit (Studi Kasus Pada Kantor Akuntan Publik Di Kota Bandung). *Prosiding Akuntansi*, 62–67.
- Leovany, & Feliana, Y. K. (2016). Pengaruh Corporate Governance Terhadap Earnings Management Sebelum dan Setelah IFRS. *Calyptra*, 5(1), 1–12. <http://journal.ubaya.ac.id/index.php/jimus/article/view/2562%0Ahttps://journal.ubaya.ac.id/index.php/jimus/article/download/2562/2022>
- Lestari, & Ramadhan, M. Z. (2024). *Does Green Accounting , Intellectual Capital , and Dividend Policy Affect Corporate Value ?* (Issue Scbtii). Atlantis Press International BV. <https://doi.org/10.2991/978-94-6463-558-4>
- Mariani & Latrini. (2016). Komite Audit Sebagai Pemoderasi Pengaruh Reputasi Auditor dan Tenure Audit Terhadap Audit Report Lag. *E-Jurnal Akuntansi*, 16, 2122–2148.
- McCLOSKEY. (1952). Public health aspects of poliomyelitis in Victoria. *The Medical Journal of Australia*, 2(1), 8–10. <https://doi.org/10.5694/j.1326-5377.1952.tb109167.x>
- Mwintome, Agana, J. A., & Zamore, S. (2024). Audit partner attributes and key audit matters readability. *Journal of Applied Accounting Research*, 25(3), 623–649. <https://doi.org/10.1108/JAAR-01-2023-0009>
- Myers, Myers, L. A., & Omer, T. C. (2003). Exploring the term of the auditor-client relationship and the quality of earn ... *The Accounting Review*, 78(3), 779–799.
- Novrilia, Indra Arza, F., & Fitria Sari, V. (2019). Pengaruh Fee Audit, Audit Tenure, dan Reputasi KAP Terhadap Kualitas Audit. *Jurnal Eksplorasi Akuntansi*, 1(1), 256–276. <http://jea.ppj.unp.ac.id/index.php/jea/issue/view/2>
- Nugroho. (2024). *China dendan PwC Rp956 miliar akibat terlibat penipuan audit Evergrande*. Bisnis.Com. <https://ekonomi.bisnis.com/read/20240914/620/1799657/china-denda-pwc-rp956-miliar-akibat-terlibat-penipuan-audit-evergrande>
- Purnamasari, & Umiyati, I. (2024). Greenwashing and financial performance of firms: the moderating role of internal audit quality and digital technologies. *Cogent Business and Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2404236>

- Rachma Dwiandari, & Widodo Mardijuwono, A. (2020). Abnormal Audit Fee, Audit Tenure, and Audit Quality. In *International Journal of Innovation, Creativity and Change*. www.ijicc.net (Vol. 13). www.ijicc.net
- Rahmina, & Agoes, S. (2014). Influence of Auditor Independence, Audit Tenure, and Audit Fee on Audit Quality of Members of Capital Market Accountant Forum in Indonesia. *Procedia - Social and Behavioral Sciences*, 164, 324–331. <https://doi.org/10.1016/j.sbspro.2014.11.083>
- Rizkiani & Nurbaiti. (2019). Pengaruh Audit Tenure, Ukuran Perusahaan, Spesialisasi Auditor Dan Leverage Terhadap Kualitas Audit (Studi Pada Perusahaan Infrastruktur, Utilitas Dan Transportasi Yang Terdaftar Di BURSA EFEK INDONESIA Tahun 2013-2017. *Jurnal Akuntansi*, 53(9), 1689–1699.
- Setiawan. (2022). Tinjauan Kualitas Audit Selama Masa Pandemi Covid-19. *Jurnal Akuntansi*, 2(6), 115–126.
- Setiawan. (2024). *Kasus Timah Bikin RI Boncos Rp 271 Triliun? Ini Penjelasan ESDM*. CNBC Indonesia.
- Shafira, & Keristin, U. (2022). Pengaruh Ukuran Perusahaan, Abnormal Audit Fee, Dan Audit Tenure Terhadap Kualitas Audit (Studi Pada Perusahaan Property dan Real Estate yang Terdaftar Di Bursa Efek Indonesia (BEI) Tahun 2018-2020). *Publikasi Riset Mahasiswa Akuntansi*, 3(2), 101–110. <https://doi.org/10.35957/prima.v3i2.2489>
- Shamsuddin. (2020). *Impact Of Key Audit Matters (Kams) Disclosure On Audit Quality: Malaysian Perspective*. 67–72. <https://doi.org/10.15405/epsbs.2020.12.05.8>
- Sidhi, B. A. D. M. , & Wirakusuma, M. G. (2015). Pengaruh Ukuran Perusahaan, Tingkat Penjualan Perusahaan, Dan Reputasi Kap Pada Pergantian Kap. *E-Jurnal Akuntansi*, 13(3), 723–736.
- Sierra-García, Gambetta, N., García-Benau, M. A., & Orta-Pérez, M. (2019). Understanding the determinants of the magnitude of entity-level risk and account-level risk key audit matters: The case of the United Kingdom. *British Accounting Review*, 51(3), 227–240. <https://doi.org/10.1016/j.bar.2019.02.004>
- Sirois, Bédard, J., & Bera, P. (2018). The informational value of key audit matters in the auditor's report: Evidence from an eye-tracking study. *Accounting Horizons*, 32(2), 141–162. <https://doi.org/10.2308/acch-52047>
- Sofia, Nelly, R., Apandi, N., & Kunci, K. (2018). Analysis of Public Accounting Firm Services and Audit Quality with Structure Conduct Performance Approach in Indonesia Capital Market. *Jurnal Riset Akuntansi Dan Keuangan. Program Studi Akuntansi. Fakultas Pendidikan Ekonomi Dan Bisnis Universitas Pendidikan Indonesia*, 6(1), 147–154. <https://doi.org/10.17509/jrak.v6i1.13697>
- Stanley, Brandon, D. M., & McMillan, J. J. (2015). Does lowballing impair audit quality? Evidence from client accruals surrounding analyst forecasts. *Journal of Accounting and Public Policy*, 34(6), 625–645. <https://doi.org/10.1016/j.jaccpubpol.2015.05.007>
- Suryani, Winarningsih, S., Avianti, I., Sofia, P., & Dewi, N. (2023a). Does Audit Firm Size and Audit Tenure Influence Fraudulent Financial Statements? *Australasian Accounting, Business and Finance Journal*, 17(2), 26–37. <https://doi.org/10.14453/aabfj.v17i2.03>
- Suryani, Winarningsih, S., Avianti, I., Sofia, P., & Dewi, N. (2023b). Does Audit Firm Size and Audit Tenure Influence Fraudulent Financial Statements? *Australasian Accounting, Business and Finance Journal*, 17(2), 26–37. <https://doi.org/10.14453/aabfj.v17i2.03>

- Suttipun. (2021). Impact of key audit matters (KAMs) reporting on audit quality: evidence from Thailand. *Journal of Applied Accounting Research*, 22(5), 869–882. <https://doi.org/10.1108/JAAR-10-2020-0210>
- Van Johnson, Khurana, I. K., & Reynolds, J. K. (2002). Audit-Firm Tenure and the Quality of Financial Reports. *Contemporary Accounting Research*, 19(4), 637–660. <https://doi.org/10.1506/LLTH-JXQV-8CEW-8MXD>
- Wicaksono, & Purwanto, A. (2021). Pengaruh Audit Tenure, Rotasi KAP, Ukuran KAP, dan Spesialisasi Industri Auditor Terhadap Kualitas Audit. *Diponegoro Journal of Accounting*, 10(2), 1–15.
- Yoga, & Dinarjito, A. (2021). *The Impact Of Key Audit Matters Disclosure On Communicative Value Of The Auditor's Report: A Systematic Literature Review*. *Jurnal Akuntansi Dan Keuangan Indonesia*, 18(1), 15–32. <https://doi.org/10.21002/jaki.2021.02>