The Effect of Audit Tenure, Audit Rotation and Client's Company Size on Audit Quality with Audit Fee as Moderating Variable

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ABSTRACT

Transparency of financial reports is one of the important things for decision-makers. In proving that financial statement information has been presented fairly, companies need independent parties, one of which is the audit services provided by the Public Accounting Firm (PAF). Good or bad Audit Quality for the information presented really depends on the auditor in carrying out his duties.

This research was conducted at Financial Sector Companies listed on the Indonesia Stock Exchange (IDX) in 2015 - 2019. This research was conducted using quantitative methods and sample selection using purposive sampling method. The analysis used in this research is binary logistic regression.

The results showed that Audit Tenure and Audit Rotation had no effect on Audit Quality, Client’s Company Size had a negative effect on Audit Quality, and Audit Fees had a positive effect on Audit Quality. Audit Fee Interactions are unable to moderate the effect of Audit Tenure and Audit Rotation on Audit Quality, while Audit Fee Interactions are able to weaken the influence of Client’s Company Size on Audit Quality.

Suggestions from this research are expected to all companies that have high complexity to choose a PAF that suits the audit needs and not too pressurize the Audit Fee given. In addition, companies need to pay attention to Audit Tenure again by considering from a cost-benefit analysis point of view. For future researchers, it is expected to extend the research period and use Audit Quality proxies, population, methods, and analysis tools outside of this study.

Introduction

Transparency of financial report information is one of the important things for decision-makers. In proving that financial statement information has been presented fairly, companies need independent parties, one of which is the audit services provided by the Public Accounting Firm (PAF). Jamaluddin (2018) states that auditors play an important role in the information presented in financial statements so that the information generated becomes relevant and reliable for its users. Good or bad Audit Quality for the information presented really depends on the auditors in carrying out their duties. The results of the audit process are expected to reduce fraud in the preparation of financial reports, especially in public companies that are the center of attention of various parties.
Financial reports are a means of communication carried out by companies that contain information about financial data and operational activities as an important instrument in providing information to interested parties (stakeholders). Previous studies have shown that the quality of financial reports increases investment efficiency by reducing the Asymmetry Information between management and shareholders. Asymmetry Information is a condition in which the company's internal parties have more access to information about the company’s prospects that are not owned by the company’s external parties. With the increase in Audit Quality provided by auditors, it will improve the quality of financial information to give confidence to investors that companies that want to raise capital are not low-quality companies (Boubaker, 2018).

In general, the auditor is an independent party who has an important role as a supervisor in the presentation of financial statements. The auditor does not have responsibility for the overall content of the financial statements presented by the company, but the auditor has the main responsibility to provide an opinion on the fairness of the financial statements as a basis for decision making. But unfortunately, the audit services provided by auditors are still in doubt due to the rampant fraud cases committed by companies involving PAF. Kirana & I Wayan (2020) provide examples such as the case of Enron Corporation in 2001 in the United States, followed by other large companies such as Tyco International, Adelphia Communication, Global Crossing, Xerox Corp., the Walt Disney Company, and ImClone System Incorporation which are also involved in fraudulent preparation of the company's financial statements.

Low Audit Quality does not only occur in international companies but also occurs in companies in Indonesia, especially companies in the financial sector. Audit failure is caused by the auditor's inability to obtain evidence or deliberate involvement in fraud against the company's financial statements. In 2002, Bank Lippo committed fraud in reporting multiple financial statements. The Capital Market Supervisory Agency (Bapepam) found 3 different versions of the financial statements, all of which had an “Unqualified” opinion.

In 2008 the case of PT. Bank Century Tbk. Where this case is a case of auditor failure because he is unable to predict the continuity of his client's business. Bank Indonesia (BI) as the central bank of the Republic of Indonesia discovered various foreign currency securities belonging to PT. Bank Century Tbk. which is due so that PT. Bank Century Tbk. liquidation difficulties resulting in default with a total debt of $ 56 million. The next case came from PT. Sunprima Nusantara Financing (SNP Finance) with PAF Satrio, Bing, Eny & Partners. This case stems from the default of short-term notes (MTN) issued by SNP Finance which resulted in the theft of funds from 14 banks (both private and State-Owned Enterprises (BUMN)) in Indonesia by providing false collateral or guarantees.

Another thing that is not less interesting is the fraud case of PT. Jiwasraya Insurance. Based on information reported from various sources, the Jiwasraya case began in 2002.
when the state-owned insurance company was experiencing difficulties. According to the records of the Supreme Audit Agency (BPK), PT. Jiwasraya Insurance has been doing pseudo profit bookkeeping since 2006. Gusti (2019) said Jiwasraya's income seemed to fluctuate with an increasing trend. Judging from the year 2009 the company was able to get a profit of 356 billion rupiahs and in 2013 the company was able to get a profit of 457 billion rupiahs, which means that for five years the company was able to increase its profit by 28%. However, an astonishing thing has happened since 2014 when the company was able to increase its profit by 46% within one year, followed by 2015 with an increase in profit by 59%, 2016 with an increase in profit by 60%, and in 2017 it experienced significant losses. very extraordinary at minus 79%.

The rise of fraud cases that occur in financial sector companies is in line with the report published by the Association of Certified Fraud Examiners (ACFE) in the Report to The Nations. Graph 1. shows that the financial sector companies have the highest number of cases each year. These cases tended to increase from 2014 to 2020. It was followed by other sectors that also had the highest cases of fraud, namely government and public administration, manufacturing, health, and education.

![Graph 1. Number of Cases by Industry](image)


Previous research has shown that several factors that affect Audit Quality, such as internal factors and external factors. This study focuses on external factors that are implemented from the cases that occur. Choi, et al. (2017) proved that Audit Tenure and Audit Rotation have an influence on Audit Quality. Similar research conducted by Ayu, et al. (2019) proved that Client's Company Size and Audit Fee have an effect on Audit Quality. Thus, the authors conclude to conduct research on variables consisting of Audit Tenure, Audit Rotation, Client's Company Size and Audit Fee.

**Literature Review**

The Grand Theory that underlies this research is Asymmetry Information, Agency Theory, and Theory of Comfort. Asymmetry Information was first introduced by Kenneth J. Arrow (1963) in an article in the field of
Asymmetry Information is a condition in which one party knows more information than the other party. Concerning financial reports, the internal company (insider) has better information about the company's performance than the external party (user). This in turn provides an opportunity for insiders to manipulate financial reports.

Jensen & Meckling (1976) defines Agency Costs as a contract in which one or more people (the principal(s)) engage another person (the agent) to perform some service that delegates some decision-making authority to the agent. The principal referred to in this research is the owner of the company such as the stakeholders, while the agent is the management of the company. If both parties in the relationship maximize their satisfaction, indeed the agent does not always act in the best interest of the principal.

Theory of Comfort was first introduced by Harmer (1926) in his research on nursing practice. This study found a combination of environmental comfort as a pain reliever is the basis for good nursing practice for patients. Carrington & Catasus (2007) expand the context of Theory of Comfort by applying it to the practice of auditing the Big Four accounting firms located in Sweden. Carrington & Catasus (2007) describe three feelings of comfort in auditing practices based on Kolcaba & Kolcaba (1991). The three feelings of comfort are: (1) State of Comfort about providing comfortable conditions during the audit process, (2) Relief Sense of Comfort about changing discomfort to be comfortable during the audit process, and (3) Renewal Sense of Comfort about trying to prepare for an acceptable new level of convenience in conducting the audit process.

Ndubuisi & Beatrice (2017) explain that the longer the engagement period between the client and the auditor will improve Audit Quality. This is based on the longer the engagement will increase the auditor's ability to understand the overall client company so that the auditor can find more errors, violations, and inconsistencies with the client's rules. Research results Kirana & I Wayan (2020) found that Audit Tenure has a positive effect on Audit Quality.

H1: Audit Tenure has a positive effect on Audit Quality

Audit Rotation is a service change provided by a Public Accounting Firm that previously audited clients to a Public Accounting Firm that subsequently
has not audited the client for a certain period time. Audit Rotations should not be carried out too often in too short a period time. This can result in a decrease in Audit Quality caused by the inability of the newest auditor (after the change) to understand the overall complexity of the client within the agreed timeframe. Although the newest auditors can get information from the previous auditors, this cannot guarantee that the newest auditors can provide higher Audit Quality than the previous auditors, especially if the communication is not effective. Research results by Priyanti & Nurul (2019) found that Audit Rotation has a negative effect on Audit Quality.

H2: Audit Rotation has a negative effect on Audit Quality

Client's Company Size is a scale that measures the size of a client company. The greater the size of the client company, the greater the separation that occurs between company management (agent) and company owner (principal). Unlike a small company where the manager and owner are an integral part of the company. The bigger the company size, of course, will have an impact on the higher complexity in it. The results of research by Ayu, et al. (2019) found that Client's Company Size has a negative effect on Audit Quality.

H3: Client's Company Size has a negative effect on Audit Quality

DeAngelo (1981) argues that Audit Fee is the number of costs incurred by users of external auditor services so that the amount of fee that represents income for PAF depends on how complex and broad the audit scope and reputation of PAF are in society, government and investors. When a company expects a good Audit Quality from the auditors as a basis for investors in making decisions, this needs to be avoided by preparing large funds to pay auditors from large-scale public accounting firms. Higher costs will increase Audit Quality because the Audit Fees earned will be used to carry out various audit procedures which of course can reduce bias in the presentation of financial information which in turn improves Audit Quality. The results of research by Ndubuisi & Beatrice (2017) and Ayu, et al. (2019) found that the Audit Fee has a positive effect on Audit Quality.

H4: Audit Fee has a positive effect on Audit Quality

Audit tenure is the length of the engagement between the client and the auditor. Previous studies have shown that Audit Tenure has a positive effect on Audit Quality. This is the longer the relationship that occurs, the more it will increase the auditor's ability to understand the whole client so that the auditor will find it easier to find errors or fraud committed by the client.
This is of course a different matter when the Audit Fee makes the interaction. If the company is still in a relationship with the same auditor, of course, the auditor will have a deep understanding of the processes of the business entity concerned. Another thing that needs attention is the closeness of the relationship between the two parties concerned. It is not a natural thing for a company to increase the Audit Fee either in an extreme way or not when the auditors concerned already understand the business entity processes and know the scope of the audit procedures to be performed.

H5: Audit Fee interactions weaken the effect of Audit Tenure on Audit Quality

Research conducted by Johnson et al. (2002) in Kyriakou & Augustinos (2018) show that a decrease in Audit Quality can occur when the tenure is less than three years. Rotations that are done too fast without understanding the situation and conditions that occur will reduce the Audit Quality where the latest auditors are unable to understand the complexities of the client company in a short enough time.

This is of course a different matter when the Audit Fee makes the interaction. When a company has an adequate budget for the audit process, of course, the company will not waste the opportunity to choose the appropriate PAF in providing audit services. The author provides a positive sentiment because it is in line with previous research by Choi, et al. (2017) which explains that Audit Rotation is able to have a positive influence on Audit Quality when companies move to PAF affiliated with BIG 4.

PAF affiliated with BIG 4 indeed tends to set a higher Audit Fee when compared to PAF affiliated with BIG 4. To provide a better Audit Quality is certainly not a complicated problem. When the company increases the budget for the Audit Fee and chooses the PAF that suits the needs, it will certainly increase the trust of the stakeholders to continue to trust the company. Not only that, but the company has also become more famous and trusted when choosing a PAF that has a big name so that it can develop its wings to reach new investors in growing the company.

H6: Audit Fee Interaction weakens the effect of Audit Rotation on Audit Quality

Audit Fee is one of the common problems that must have been faced by all Public Accounting Firm (PAF). Not infrequently, clients ask for an audit that has a high level of complexity and risk but offers inappropriate rewards for the work done. Therefore, the Public Accounting Firm (PAF) needs to cut audit
procedures so that the fees paid are following the work carried out to achieve certain results.

Emphasis on audit fees for large companies is not recommended. This is because large companies have high complexity. If the benefits given are not appropriate, it will cause bias in the reporting submitted. This of course will affect the decline in Audit Quality as well as the trust of users of financial statements.

A different situation will be seen when a large company is able to provide an adequate Audit Fee and select a PAF according to the audit requirements required. The Audit Fee will have a positive influence so that it can reduce the negative influence of Client's Company Size on Audit Quality. Increasing the Audit Fee is certainly not a matter of "free" without a purpose but to increase the capacity and capability of audit services in conducting an audit process on an entity. If a company has high complexity and risk, this can be resolved if the auditing auditor is able to compensate for it. Do not let unwanted things happen when the auditor provides an opinion without completing the audit procedures that should be done, because stakeholders are very dependent on the opinion that will be issued by the auditor.

H7: Audit Fee interactions weaken the influence of Client's Company Size on Audit Quality

Method

This study uses a quantitative approach, in which the population analysis method used focuses on data in the form of numbers and is processed using statistics. This study examines the theory based on previous research and is expected to be able to bring the latest ideas on the variables used in this study on Audit Quality.

The data used in this study are secondary data. Secondary data is data obtained through intermediaries or indirectly from the object in question. Secondary data used in this study is the annual financial report published on the official website of the Indonesia Stock Exchange (www.idx.co.id).

<table>
<thead>
<tr>
<th>No.</th>
<th>Information</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Financial sector companies listed on the Indonesia Stock Exchange (IDX) during the study period (2015 - 2019)</td>
<td>76</td>
</tr>
</tbody>
</table>
2. Report the audited financial report and state in Rupiah (Rp) (0)

3. Include the amount of the Audit Fee in the published annual report (41)

The number of companies that fulfill the criteria 35
Unit of analysis 175

Source: Processed Data, 2020

The dependent variable used in this study is Audit Quality (with measurement of Big Four Effect. If a company using audit services from Big Four will be given a value of 1 and if not 0). While, the independent variables are Audit Tenure (with measurement of the number of years of the company’s engagement with the Public Accounting since the year of research started), Audit Rotation (with measurement dummy variable, if company changes PAF will be given a value of 1 and if not 0) and Client's Company Size (with measurement of Ln (Total Asset)) with Audit Fee (with measurement of Ln (Audit Fee)) as a moderating variable.

The data collection technique used in this research is documentation study. Documentation study is a study conducted on documentation regarding an object or event in the past which can be in the form of written sources, films, pictures, and various other types. The documents used in this study are annual reports of financial sector companies listed on the Indonesia Stock Exchange (BEI). If the required documents are not found on the IDX website, the author will access the required data directly on the website of the company concerned. The analysis software used in this study is IBM SPSS 21.

Result and Discussion

The results of the descriptive statistical test of the research variables are presented in the following table:

<table>
<thead>
<tr>
<th>Table 2. Descriptive Statistical Analysis Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong></td>
</tr>
<tr>
<td>TNR</td>
</tr>
<tr>
<td>ROT</td>
</tr>
<tr>
<td>LN_SIZE</td>
</tr>
<tr>
<td>LN_FEE</td>
</tr>
<tr>
<td>MOD1</td>
</tr>
<tr>
<td>MOD2</td>
</tr>
<tr>
<td>MOD3</td>
</tr>
</tbody>
</table>
The descriptive statistical test of the Audit Tenure, Client's Company Size and Audit Quality variables has an average value greater than the standard deviation value so that the data distribution is homogeneous. Meanwhile, the Audit Rotation, Audit Fee and Audit Fee interactions with Audit Tenure, Audit Rotation, and Client's Company Size variables have an average value smaller than the standard deviation value so that the data distribution is heterogeneous.

The inferential statistical analysis used in this study is logistic regression analysis with the conditions that must be met is that the regression model must be fit with the data so that it can be used for further research. The overall model test is used to test the fit model with the data and the results show that the -2LL value has decreased in Step 0 and Step 1 so that the regression model fits the data. The Hosmer and Lemeshow Test is a regression model feasibility test where the results have a significance value of all regression models >0.05, meaning the model fits the observation data.

<table>
<thead>
<tr>
<th>Step 1a</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LN_FEE</td>
<td>7.094</td>
<td>2.53</td>
<td>7.861</td>
<td>1</td>
<td>0.005</td>
<td>1204.596</td>
</tr>
<tr>
<td>MOD1</td>
<td>0.353</td>
<td>0.52</td>
<td>0.46</td>
<td>1</td>
<td>0.497</td>
<td>1.423</td>
</tr>
<tr>
<td>MOD2</td>
<td>-0.395</td>
<td>0.856</td>
<td>0.213</td>
<td>1</td>
<td>0.644</td>
<td>0.673</td>
</tr>
<tr>
<td>MOD3</td>
<td>-0.369</td>
<td>0.182</td>
<td>4.112</td>
<td>1</td>
<td>0.043</td>
<td>0.692</td>
</tr>
<tr>
<td>Constant</td>
<td>11.67</td>
<td>3.457</td>
<td>11.399</td>
<td>1</td>
<td>0.001</td>
<td>117048.8</td>
</tr>
</tbody>
</table>

The results showed that Audit Tenure had no effect on Audit Quality, so H1 was rejected. This study refutes previous research by Ndubuisi & Beatrice (2017) which states that Audit Tenure has a positive influence on Audit Quality. The results of this study explain that the length of professional relationship that occurs between the client and the Public Accounting Firm (PAF) in auditing financial statements does not always improve Audit Quality.
Renewal sense of comfort in Theory of Comfort describes the level of comfort that continues to change and be updated in line with the audit process carried out. The longer the engagement, the more comfortable the auditor feels towards the client (either increasing or decreasing) which will affect Audit Quality. This change is in line with changes that occur in humans, organizations, and the information technology used. Not all auditors experienced a decrease in comfort and neither experienced an increase in comfort at the same time. It is this diversity that in the end does not provide sufficient significance in decision making.

This research shows that Audit Tenure cannot be fully used as a measure of Audit Quality. Where Audit Tenure cannot affect the level of independence and objectivity carried out by the auditors in carrying out their duties. Public Accounting Firm (PAF) must appoint a duty auditor who understands and complies well with the code of ethics, SPAP, and applicable laws and regulations without involving a close relationship with clients. In addition, as a public company, of course, you cannot rely solely on the external auditors' side but also from the internal side, such as whistleblowers, internal auditors, audit committees, and so on. This research supports previous research by Priyanti & Nurul (2019) and Purnamasari & Hari (2019) which prove that Audit Tenure has no effect on Audit Quality.

Effect of Audit Rotation on Audit Quality

The results showed that the Audit Rotation has no effect on the Audit Quality, so H2 is rejected. This study refutes previous research by Priyanti & Nurul (2019) which stated that Audit Rotation has a negative effect on Audit Quality. If the replacement of the Public Accounting Firm (PAF) is carried out, indeed that the next auditor does not have the same knowledge of the company as the previous auditor. Moreover, if the communication that existed with the previous auditors regarding the information required was not very good. This of course will impact a new level of comfort on a low scale so that the latest auditors need to create a variety of comfortable conditions to improve Audit Quality.

One possibility that causes this research to have no effect is because the market is not concerned with whether the Public Accounting Firm (PAF), which audits the company's financial statements, has ever made a rotation or not. This is based on the habits of investors who are more dominant in using technical analysis than fundamental analysis as a basis for making investment decisions. Technical analysis is the choice that is often used because it can be used in the short and long term, unlike fundamentals which are more suitable for use in the long term. This study supports research that has been done previously by Kirana & I Wayan (2020). This explains that the turnover of professional services in auditing financial statements cannot affect Audit Quality.

Effect of Client's Company Size on Audit Quality
The results showed that Client’s Company Size has a negative effect on Audit Quality, so H3 is accepted. This study refutes previous research by Priyanti & Nurul (2019) which stated that Client’s Company Size had a positive influence on audit quality. In Agency Theory (Jensen & Meckling, 1976) it is explained that if the principal and the agent try to maximize their satisfaction, it is true that the agent does not always act in the interests of the principal. It is not uncommon for companies to commit fraud (in the form of corruption, misappropriation of assets, and fraud of financial reports) that is not known by external parties, including auditors who may fail in carrying out their duties. This is further emphasized by the large size of the company which indicates the magnitude of the separation between the owner and management of the company.

Concerning Asymmetry Information, the bigger the company will certainly have an impact on the greater information asymmetry between internal and external parties of the company. This is of course the responsibility of the independent party, namely the auditor to provide an opinion on the financial statements which will then become the basis for decision making by users of financial statements. However, not infrequently due to the limited time they have in performing audit procedures, auditors choose to do a “premature sign-off” or sign an independent report before completing the audit procedure. The results of this study explain that the larger the size of the company will reduce the Audit Quality which is caused by the inability of professional services to audit companies that are too large in a short time following the agreement, so that the auditor in charge only takes samples that may be biased in making them. This study supports previous research conducted by Ayu, et al. (2019).

Effect of Audit Fees on Audit Quality

The results showed that the Audit Fee has a positive influence on Audit Quality, so H4 is accepted. This study refutes previous research by Ibrahim & Ibrahim (2017) which states that Audit Fee has a negative effect on Audit Quality. The results of this study explain that the greater the reward for services provided by clients for professional services in auditing financial statements, the higher the Audit Quality. The higher the level of complexity and expectations that clients expect on the quality of the financial statements, the higher the fees for services provided to professional services. This is in line with how the fees will be allocated to support the various things needed during the audit process. In the theory of Information Asymmetry, it is explained that the audit process can reduce the asymmetry of information presented in financial reports so that users of information can rely on the opinions given by the auditors. The better the audit procedures performed, the more precise the opinion issued.

Fees for auditing the financial statements should not be too low either. Because this can trigger threats in the form of personal interests that have the potential to violate compliance with the accounting profession code of ethics. Public accountants are sometimes in a dilemma when it comes to dealing with inappropriate fees. On the
one hand, public accountants must still be independent in providing opinions on the fairness of financial statements, but on the other hand, public accountants must also be able to meet the demands desired by clients. This is of course with the hope that clients like the work that the auditor has done and continue to use the services provided in the future. This research supports research that has been done previously by Ndubuisi & Beatrice (2017) and Ayu, et al. (2019).

Audit Fee Interaction in Moderating the Effect of Audit Tenure on Audit Quality

The results showed that the Audit Fee Interaction was not able to moderate the effect of Audit Tenure on Audit Quality. This research supports research that has been done previously by Lee & I Made (2017) and Mustari (2018). This explains that either the high or low Audit Fee has given if it is related to the length of professional relationship in auditing financial statements cannot affect the Audit Quality.

Lee & I Made (2017) explain that the engagement that exists between the auditor and the client is always based on a contract. This contract is the basis for the objectives to be achieved and the Audit Fee to be received. This contract also explains that either the high or low Audit Fee has given will not affect the length of the relationship between the auditor and the client because the auditor is a profession that should obey the professional and ethical standards that apply to achieve Audit Quality.

The results in this study produce a positive regression coefficient which indicates that the length of professional relationship gives a high value to Audit Quality because the professional services already know the client company more deeply and this is further confirmed by their interaction with the Audit Fee, even though in this study the results are obtained does not meet the requirements of significance due to the varying length of the engagement between PAF and the client. Theory of Comfort explains that auditors always have different levels of comfort in each audit engagement. However, when the agreement between the company and the same PAF is still established, this will further increase the level of auditor comfort, such as the jump made by the increasing high jumper. The interaction that occurs between these two variables could endanger stakeholders where this situation allows for potential fraud, such as the case of the Enron Company with PAF Arthur Andersen which has been running for 20 years.

Audit Fee Interaction in Moderating the Effect of Audit Rotation on Audit Quality

The results showed that the Audit Fee Interaction was not able to moderate the effect of Audit Rotation on Audit Quality. This research supports research that has been done previously by Lee & I Made (2017) and Mustari (2018). This explains that either the high or low Audit Fee has given if it is associated with changes in the Public Accounting Firm in auditing financial statements cannot affect the Audit Quality.
Lee & I Made (2017) explain that the engagement that exists between the auditor and the client is never separated from a contract. A good contract must meet one of the conditions, namely the certainty regarding service fees. The risk regarding service fees is a small level of risk that will be borne by the company because the compensation to be given by the auditor will be the same as what was stated in the contract before entering into the engagement. Therefore, the change of auditors will provide the same Audit Quality without taking into account the Audit Fee that is received either high or low.

The results of this study showed insignificant results. However, the author expressed a different opinion from Lee & I Made (2017). The insignificant results in this study are caused by the opinion that the more frequent auditor changes, the more ineffective the audit process is, which in turn has an impact on the decline in Audit Quality. Where the newest auditor (after the change is made) needs to understand the whole client company and the company needs to increase the service fees provided as a result of the presence of inflation. However, increased service fees may not necessarily affect the ability of the latest auditors to audit the company, especially if the company has very high complexity in a very limited audit time.

Audit Fee Interaction in Moderating the Influence of Client's Company Size on Audit Quality

The results showed that the Audit Fee Interaction was able to moderate the influence of Client's Company Size on Audit Quality, so H7 was accepted. This research supports the research conducted by Mustari (2018) which states that Audit Fee Interactions are able to moderate the influence of Client's Company Size on Audit Quality. However, the results in this study indicate a different direction of influence. If the research conducted by Mustari (2018) has a positive direction, while in this study it has a negative direction. This explains that the higher the Audit Fee given if it is related to the size of the company in auditing financial statements, it can improve the Audit Quality.

The results of this study are influenced by the characteristics of the financial sector companies where the average company has too large a complexity so that the Audit Fee is needed in giving the influence to increase Audit Quality, namely by weakening the negative influence between Client's Company Size on Audit Quality. The results in this study indicate the direction of the negative influence on Audit Quality because the sample used in this study is around 29.14% or 51 companies (within 5 years) that did not choose BIG 4-affiliated PAF as a professional service in providing audits in their company. Indeed, will impact on the decline in Audit Quality if the company does not choose a PAF that fits its needs.

Conclusion
The results showed that Audit Tenure and Audit Rotation had no effect on Audit Quality, Client's Company Size had a negative effect on Audit Quality, and Audit Fees had a positive effect on Audit Quality. Meanwhile, Audit Fee interactions with Audit Tenure and Audit Rotation do not have an influence on Audit Quality and Audit Fee interactions with Client's Company Size have a negative effect on Audit Quality. The results of the analysis show that Client's Company Size and Audit Fee have an effect on Audit Quality, so it is expected that all companies listed on the Indonesia Stock Exchange (IDX), especially those with high complexity to choose a Public Accounting Firm (PAF), are in accordance with the audit requirements required. Do not put too much pressure on the given Audit Fee because it will result in an inadequate audit procedure which results in a decrease in the given Audit Quality. The limitation of this study is the measurement of Audit Quality with the dummy variable PAF BIG 4 and Non BIG 4, the population used only focuses on financial sector companies listed on the IDX, the research period starts from 2015 - 2019. Suggestions given for further research are to use outside of this study, the proxy for Audit Quality is examine other variables related to this study, using the population outside the population that has been studied by selecting companies by sector or by index, and extending the research period in the hope that the accuracy of the research results will be more perfect.

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