

The Influence Of Audit Tenure, Auditor Reputation, Auditor Rotation, Audit Fee On Audit Quality

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ABSTRACT

This research aims to empirically examine the effect of audit tenure, auditor reputation, auditor rotation, and audit fee on audit quality in BUMN (State-Owned Enterprises in Indonesia) listed on the Indonesia Stock Exchange (IDX) from 2018 to 2023. Audit quality is a key indicator of the reliability of financial statements and reflects the auditor's ability to detect and report irregularities objectively. This study uses a quantitative approach with purposive sampling based on specific criteria: BUMN that consistently published complete annual reports and financial statements in Indonesian Rupiah during the observation period. The study results, obtained through logistic regression analysis, show that audit tenure and auditor rotation have a significant and positive impact on audit quality, suggesting that both longer engagement duration and proper auditor rotation enhance auditor performance and independence. In contrast, auditor reputation and audit fee do not significantly affect audit quality, indicating that affiliation with Big Four accounting firms or higher audit payments does not necessarily guarantee better audit outcomes. The regression model demonstrated good fit with a Nagelkerke R Square of 0.695, meaning the independent variables explain 69.5% of the variation in audit quality. These findings have practical implications for regulators and stakeholders in optimizing audit assignment policies to strengthen the quality of financial reporting. The research also highlights the need for greater oversight and accountability, particularly in the context of public companies. Future studies are encouraged to explore other factors that may influence audit quality using larger and more diverse samples.

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INTRODUCTION

Audit quality is the auditor's ability to detect and report errors in the accounting system during the financial statement audit process. Quality audits are conducted by competent and independent auditors (Arista et al., 2023). Auditor qualifications refer to the auditor's professional competence to detect errors or irregularities in financial statements, while independence is related to the attitude of the auditor who dares to inform the auditor of errors found objectively and without influence from other parties. Audit quality can also be interpreted as characteristics that are based on auditing standards and quality control standards, such as the Professional Standard for Public Accountants (SPAP) for auditing financial statements or ISO 9001 for quality control in organizations. It includes an overview of auditing practices and results that can be used to measure the effectiveness of auditors' professional performance. In other words, the quality of the audit depends on the extent to which the audit work is carried out according to the criteria that have been applied. In the performance of his duties, the auditor is guided by auditing standards and professional regulations to ensure that any violations in his client's financial reporting can be accurately identified and reported in the audited financial statements. This means that the quality of

audits is not limited to the competence of the auditor, but also by compliance with applicable standards and regulations.

The low quality of audits in Indonesia encourages the Ministry of Finance to form a PPPK that is the authority to supervise audits to ensure that the financial statements that have been audited remain reliable and trustworthy. In order to affirm the crucial position of public accountants as an inseparable element of the financial industry in maintaining the credibility and sustainability of the system, the government passed the Financial Sector Development and Strengthening Law (P2SK) this year. Through this regulation, the Ministry of Finance collaborates with Bank Indonesia (BI) and the Financial Services Authority (OJK) to strengthen the role of supervision, especially in audit practices and the guarantee industry (Antara, 2023). Cases of financial report fraud also occurred within SOEs, one of which involved PT Waskita Karya, a large-scale construction company. The company has been dragged into two major scandals that have a serious impact on state finances, namely the manipulation of financial statements and the implementation of fictitious projects. The fraud was practiced by a number of high-ranking individuals in the company and caused state losses of Rp202 billion, but the recovery rate of losses only reached 34%. Five former officials of PT Waskita Karya (Persero) Tbk have been sentenced to 4 to 7 years in prison for being proven to have signed 41 fictitious employment contracts that cost the state Rp202.296 billion, as stated in the Central Jakarta District Court's Decision Number: 59/Pid.Sus-TPK/2020/PN Jkt.Pst. Based on the audit results of the Financial Audit Agency (BPK), it is indicated that Waskita Karya fabricated financial statements throughout the 2018-2021 period. These unreasonable accounting practices include improper recording of income, postponement of expenses, and accelerated recognition of assets in order to disguise their true financial condition (Nuari Ferlian, 2024).

This topic has been studied several times by other researchers with various variables to affect the quality of audits. This study will combine variables that are considered strong to measure quality audits, namely audit fees, auditor reputation, auditor rotation, and tenure audits. However, studies using these variables produced inconsistent findings when associated with audit quality. In the study (Hartadi, 2012), (Andriani & Nursiam, 2018), (Ayuni & Handayani, 2023) produced findings, audit fees affected the quality of the audit. With the high audit fees given by the client, the wider the audit procedures that he implements, which makes the quality of his work improve (Soares et al., 2021). However, inversely proportional to the findings of the study from (Suwarno et al., 2020), (Farid & Baradja., (Sunaryanto & Farida, 2022) shows that audit fees do not affect audit quality. Refers (Suwarno et al., 2020) There is an independence factor that causes why audit fees do not affect audit quality.

From the above problem, there is an inconsistency in the study of (Hartadi, 2012), (Andriani & Nursiam, 2018), (Ayuni & Handayani, 2023) producing findings, audit fees affect the quality of audits. Meanwhile, in the study (Suwarno et al., 2020), (Farid & Baradja, 2022), (Sunaryanto & Farida, 2022) it produced different findings, namely that audit fees did not affect the quality of the audit. The inconsistency of previous findings indicates a research gap regarding the effect of these variables on audit quality. It is not yet clear what conditions make audit fees and other factors can or cannot improve audit quality. In addition, there are still limited studies that specifically examine the context of state-owned companies (BUMN), even though these companies have unique governance characteristics and high demands for public accountability.

This study aims to fill this gap by analyzing the effect of audit fees, auditor reputation, auditor rotation, and audit capacity stress on audit quality, by taking a sample of SOEs listed on the Indonesia Stock Exchange during 2018-2023. The results of the study are expected to make an academic contribution in the development of audit quality theory, as well as provide practical implications for regulators and auditors in increasing the transparency and accountability of public sector financial statements.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency Theory

The concept of agency theory is used for the theory underlying the business practices of a company. According to (Jensen & Meckling, 1976) agency theory is a contractual agency relationship, where one or more people (principal) asks another party (agent) to carry out a number of jobs on behalf of the principal, which can involve delegating some decision-making authority to the agent.

This agency conflict can be avoided by using the services of a third party as an intermediary between the principal and the agent, namely an independent external auditor (Permatasari & Astuti, 2019). What is meant by an independent party is an external auditor which provides audit services including assessment and examination of the performance, control, risk and governance of public companies. external auditor is important to maintain because the audit costs incurred are large so that the audit quality results are also high, then the auditor will have difficulties when dealing with the auditor's agency interests (Ayuni & Handayani, 2023).

Audit Quality

Audit quality is the auditor's ability to detect and report errors in the accounting system during the financial statement audit process. Quality audits are conducted by competent and independent auditors (Arista et al., 2023).

Audit quality refers to the likelihood that an auditor is able to detect and uncover irregularities in the client's accounting system. The level of probability is influenced by the auditor's technical competence, the audit procedures applied, the scope of sampling, and various other supporting factors (DeAngelo, 1981) In (Monoarfa, 2018).

The auditor's qualifications reflect the professional expertise he or she has in detecting errors and irregularities in the presentation of financial statements. Meanwhile, independence refers to the auditor's ability to convey the findings objectively and unaffected by external pressures. Audit quality can also be interpreted as characteristics that are based on auditing and quality control standards, such as SPAP for auditing financial statements or ISO 9001 for quality control in organizations. It includes an overview of auditing practices as well as results that can be used to measure the effectiveness of auditors' professional duties and responsibilities.

Tenure Audit

Tenure refers to the period of audit cooperation between the Public Accounting Firm (KAP) and the client based on a mutually determined audit service agreement. Debates arise when tenure lasts too short or lasts for a long time, as both are considered to affect the effectiveness and objectivity of the audit process (Edyatami & Sukarmanto, 2020). Some studies, such as (Nurhayati & Dwi, 2015) and (Andriani & Nursiam, 2018), state that the longer the auditor's attachment, the better his understanding of the client, so that audit quality increases. However, this finding is criticized by (Yulaeli, 2022) and (Effendi & Ulhaq, 2021) who show that tenure that is too long actually reduces auditor independence due to emotional closeness with clients. This indicates that the effect of audit tenure on audit quality is contextual and not fully consistent, so it needs to be studied further, especially in a complex organizational environment such as BUMN.

Auditor Reputation

Auditor reputation refers to the auditor's ability to maintain principles and carry out the audit process with the professionalism and competence he has (Irma et al., 2019). The Big Four KAP is often the benchmark for a KAP's reputation. This means that KAP affiliated with the Big Four is seen as able to produce higher audit quality than unaffiliated KAP (Andriani & Nursiam, 2018).

Auditor Rotation

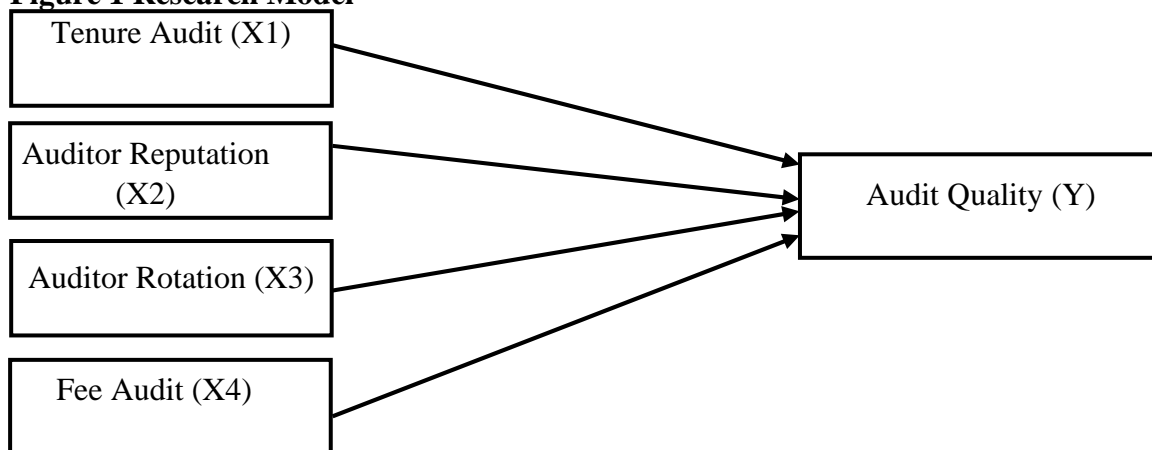
Auditor rotation is the replacement of auditors that must be practiced by companies in order to improve audit quality and maintain auditor independence. The importance of this rotation also lies in the potential for too close relationships between KAP and its clients due to long tenures, which can interfere with independence and ultimately make the quality of its audits decrease (Arini & Yandra, 2022). This rotation process occurs because a long or short period of engagement between the auditor and his client can affect the quality of the audit. Too close a relationship between the auditor and the client should be avoided by conducting periodic auditor changes, thus creating a new environment that allows the auditor to be more objective (Arista et al., 2023).

Fee Audit

Audit fee is the total cost paid by a company to be a reward for audit services provided by the audit company (Onyabe, 2022). The amount of audit fees can contribute to improving audit quality, because the fees obtained in a period and the predicted operational costs needed to carry out the audit mechanism can positively affect the quality of the audit (Ayuni & Handayani, 2023). The higher the fee given by the client, the wider the audit mechanism will be carried out by the auditor, the better the audit quality (Soares et al., 2021).

Research Model

Figure 1 Research Model



Hypothesis

The Audit Tenure on Audit Quality

Audit tenure is the period of attachment between the Public Accounting Firm (KAP) and the client which is believed to affect audit quality, either positively or negatively. Several previous studies such as (Nurhayati & Dwi, 2015) and (Andriani & Nursiam, 2018) found that the longer the auditor's attachment to the client, the better the auditor's understanding of the company's condition, so that audit quality increases. However, these findings contradict the research of (Yulaeli, 2022), (Effendi & Ulhaq, 2021), and (Yolanda et al., 2019) which state that audit tenure has no significant effect on audit quality due to the potential decrease in auditor independence due to a too long relationship with the client. This difference in results indicates that the effect of audit tenure on audit quality is contextual and not fully explained, especially within the scope of state-owned companies (BUMN) which have different governance characteristics and higher public expectations. Therefore, audit tenure was selected as one of the variables in this study to re-examine its relevance and significance in influencing audit quality, especially considering the context of SOEs in Indonesia, which are complex and at high risk of financial statement manipulation practices.

H1 : Audit Tenure Affects Audit Quality

The Auditor Reputation on Audit Quality

Auditor reputation reflects the level of public trust in the professionalism and competence of auditors in carrying out audit tasks objectively and according to standards. Auditors who come from highly reputable Public Accounting Firms (KAP) - especially those who are members of the Big Four - are generally considered to have better resources, experience, and quality control systems so that they are believed to be able to produce higher audit quality. Research by (Rizki & Sudarno, 2020), (Giandaiva & Burhany, 2022), and (Nurhayati & Dwi, 2015) supports this view by concluding that auditor reputation has a positive effect on audit quality. However, this finding is not in line with the results of research by (Andriani & Nursiam, 2018), (Ayuni & Handayani, 2023), and (Hartadi, 2012) which state that auditor reputation has no significant effect on audit quality, because auditors from non-Big Four KAP still have the same professional responsibilities and ethics in maintaining the quality of audit results. This difference shows that auditor reputation is not necessarily a guarantee of audit quality, especially if it is not supported by other factors such as independence and compliance with audit standards. Therefore, the auditor reputation variable was selected in this study to reassess its significance in the context of state-owned enterprises (SOEs), where expectations for audit transparency and accountability are much higher than in the private sector.

H2 : Auditor Reputation Affects Audit Quality

The Audit Rotation on Audit Quality

Auditor rotation is a periodic change of auditors that aims to maintain independence and avoid too close a relationship between auditors and clients. Auditors who handle one client for too long are at risk of losing objectivity, so rotation is expected to improve audit quality. Research by (Kurniasih & Rohman, 2014) and (Laili, 2021) shows that auditor rotation has a positive effect on audit quality because new auditors tend to have a fresher and more independent point of view. However, different results were found by (Hartadi, 2012), (Andriani & Nursiam, 2018), and (Ayuni & Handayani, 2023) who stated that rotation did not significantly affect audit quality. They argue that new auditors need adaptation time so that audit effectiveness can actually decrease. This difference in findings indicates that the effect of auditor rotation is still inconsistent and depends on the context of its implementation. Therefore, this study includes auditor rotation as an independent variable to re-examine its impact on audit quality, especially in the context of SOEs that have a high level of accountability.

H3 : Audit Rotation Affects Audit Quality

The Audit Fee on Audit Quality

Audit fees are fees paid by companies to auditors for audit services provided. Theoretically, the amount of the audit fee is considered to reflect the complexity of the audit and the scope of procedures performed by the auditor, so that the greater the fee received, the audit quality tends to increase. Research by (Hartadi, 2012), (Andriani & Nursiam, 2018), and (Ayuni & Handayani, 2023) supports this view, concluding that audit fees have a positive effect on audit quality because auditors will tend to perform more in-depth and comprehensive procedures when given adequate fees. However, different results were found in the studies of (Suwarno et al., 2020), (Farid & Baradja, 2022), and (Sunaryanto & Farida, 2022) which state that audit fees have no significant effect on audit quality. This is based on the argument that professional auditors must still carry out their duties according to auditing standards, regardless of the amount of fees received, and in fact high fees risk reducing independence due to potential pressure from clients. This difference shows that the relationship between audit fees and audit quality is still contextual and has not been fully explained consistently. Therefore, audit fee is used as a variable in this study to empirically re-

examine its effect in the context of SOEs, which have greater public pressure and complex audit scope.

H4 : Audit Fee Affects Audit Quality

RESEARCH METHODS

Population and Sample

The population in this study are all BUMN sector listed on the Indonesia Stock Exchange (IDX) for the 2018-2023 period. The total number all BUMN listed on the IDX is 27 companies. One way to obtain a sample is by *purposive sampling* technique.

Table 1 List of Research Sample Criteria

No	Description	Total
1.	State-owned companies registered on the Indonesia Stock Exchange (IDX) for the period 2018-2023	27
2.	State-owned companies that issue a complete annual report for the period 2018-2023	(7)
3.	State-owned companies that issue financial statements in rupiah.	(1)
4.	BUMN companies listed on the Indonesia Stock Exchange that meet the criteria and can be used as mining companies. as the research sample.	19
4.	Period of observation year	6
5.	The amount of data used as a research sample	114

Source : www.idx.com (data processed)

Data collection techniques

This study uses data collection techniques in the form of documentation, namely by collecting data contained in the company in the form of financial reports and annual reports (Annual Report) of companies for the 2018-2023 period on the Indonesia Stock Exchange (IDX) website which are listed as BUMN companies.

Operational Definition of Variables

Table 2 Definition of Research Variables

Variables Independent	Variable Definition	Indicator	Scale
Audit Quality (Y)	Audit quality describes the extent to which the audit findings meet the audit standards that are the auditor's professional obligations. This aspect shows the level of conformity of the auditor's work with the predetermined standards (Supriyanto et al., 2022). In this study, the valuation will be based on ROE (Return On Equities).	In this study, audit quality was demonstrated through dummy variables, with a value of 1 in high-quality audits and 0 in low-quality audits. The determination depends on ROE (Return on Equity), which is the ratio of profit to the company's total equity, which is assessed based on its suitability with the set (Darmawan & Ardini, 2021) benchmarks.	Ratio
Audit Tenure (X1)	Tenure is a period of audit cooperation between KAP and its clients based on a mutually agreed audit service agreement. This tenure period is often the subject of debate, especially related to the implementation of audits that	The audit tenure period is calculated based on the number of years the auditor has been working with the same company, which in the first year of the engagement starts with the	Ratio

	take place in a short duration or a long period of time.(Edyatami & Sukarmanto, 2020)	number 1 and increases by 1 for each subsequent year.(Yolanda et al., 2019)	
Auditor Reputation (X2)	Auditor rotation is the replacement of auditors that must be implemented by the company in order to improve audit quality and maintain auditor independence. The importance of this rotation also lies in the potential for too close relationships between KAP and its clients due to long tenures, which can disrupt independence and ultimately make the quality of its audits decrease (Arini & Yandra, 2022)	The reputation of auditors is measured through dummy variables, namely companies whose auditors from the Big Four KAP are given a score of 1, while companies whose auditors from the Non-Big Four KAP are given a score of 0 (Irma et al., 2019).	Ratio
Auditor Rotation (X3)	Auditor reputation refers to the auditor's ability to maintain principles and carry out the audit process with his professionalism and competence. (Irma et al., 2019)The Big Four KAP is often used as a benchmark for the reputation of a KAP. It is interpreted that KAP affiliated with the Big Four is seen as able to make the quality of its audit better than KAP without affiliation.(Andriani & Nursiam, 2018)	In this study, audit rotation was assessed using dummy variables, with a value of 1 given to companies that carried out audit rotations, and a value of 0 to companies that did not (Hartadi, 2012).	Ratio
Audit Fee (X4)	Audit fee is the total cost paid by a company as a reward for audit services provided by the audit company (Onyabe, 2022).	The measurement of audit fees is carried out using a natural logarithm (ln) of the amount of audit fees obtained by the auditor (Darmawan & Ardini, 2021).	Ratio

Data Analysis Technique

The data analysis technique in this study uses logistic regression tests and in data processing using SPSS software

RESULTS AND DISCUSSION

Descriptive Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TRANSFORM_X1	114	1.00	2.45	1.5606	.49208
TRANSFORM_X2	114	.00	1.00	.4123	.49442
TRANSFORM_X3	114	.00	1.00	.2456	.43235
TRANSFORM_X4	114	4.04	5.26	4.6014	.19313
Valid N (listwise)	114				

Table 3 Descriptive Statistical Test Results

Descriptive Statistics

Source: Data processing using SPSS

Based on the results of the descriptive test, it can be seen that the amount of research data in this study is 114 research data. In the table it is stated that the audit fee variable has a minimum value of 4.04, a maximum value of 5.26, an average value (mean) of 4.6014 and a standard deviation of 0.19313.

Regression Model Feasibility Test

Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	4.462	8	.813

From the Hosmer and Lemeshow's Goodness of Fit Test, a Chi-Square score of 4.462 was produced while the significance was 0.813 (> 0.05), which means that this research model is declared appropriate and can be continued to the next stage of analysis.

Test the Overall Model

Iteration History,b,c,d

Iteration	- 2 Log likelihood	Coefficients				
		Constan	Audit Tenure	Auditor Reputation	Auditor Rotation	LN_X4
Step 1 1	89.589	1.340	-2.122	-.230	-2.504	.118
2	77.139	3.435	-3.499	-.416	-4.142	.144
3	73.869	5.389	-4.575	-.534	-5.536	.149
4	73.473	6.302	-5.086	-.574	-6.253	.151
5	73.464	6.452	-5.174	-.578	-6.380	.152
6	73.464	6.455	-5.176	-.578	-6.383	.152
7	73.464	6.455	-5.176	-.578	-6.383	.152

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 157.159

d. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

In block number 0, the value -2LogL is only with a constant of 157.159. Meanwhile, in block number 1 which includes independent constants and variables, the number of observations (N) is 114. After subtracting the number of independent variables and 1, the degree of freedom (DF) of 110 is obtained. The Chi-Square value in DF was recorded at 135,480. Since the value of -2LogL is less than Chi-Square, the model to which independent variables have been added is declared to fit the data and the null hypothesis (H_0) is accepted.

Coefficient Determination Test (Nagelker R Square)

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	73.464a	.520	.695

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

The value of Nagelkerke R Square is 0.695. This proves that independent variables have a contribution to clarifying the audit quality factor variable as much as 69.5%, while the other 30.5% are determined by other factors that are not observed in the model.

Logistic Regression Test

Variables in the Equation

	B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1a Audit Tenure	-5.176	1.121	21.316	1	.000	.006
Auditor Reputation	-.578	.610	.900	1	.343	.561
Auditor Rotation	-6.383	1.437	19.729	1	.000	.002
LN_Fee	.152	.170	.795	1	.373	1.164
Constant	6.455	4.088	2.493	1	.114	635.971

a. Variable(s) entered on step 1: Audit Tenure, Auditor Reputation, Auditor Rotation, LN_X4.

According to the logistic regression model table, the formations include:

$$KA = 6.455 - 5.176AUD - 0.578REP - 6.383ROT + 0.152FEE + e$$

The model can be described through the following points:

1. Constant (α)

The constant is 6,455 which indicates that the audit quality can change by 6,455 through the influence of a number of independent variables, ranging from audit fees, audit rotation, auditor reputation, to auditor specialization.

2. Regression Coefficient (β) of Tenure Audit

The audit tenure variable (AUD) regression coefficient is -5,176 which indicates that for every one unit increase in audit fees, the company's chance of getting adequate audit quality decreases by -5,176.

3. Regression Coefficient (β) of Auditor Reputation

The auditor reputation variable (REP) has a regression coefficient of -0.578 which indicates that every time one unit increases for audit rotation, the company's chance of getting adequate audit quality also decreases by -0.578.

4. Regression Coefficient (β) of Auditor Rotation

The auditor rotation variable (ROT) has a regression coefficient of -6.383 which indicates that every time one unit increases for the auditor's reputation, the company's chance of getting adequate audit quality also decreases by -6.383.

5. Regression Coefficient (β) of Audit Fee

The variable audit fee (FEE) regression coefficient is 0.152 which indicates that every time one unit increases for auditor specialization, the company's opportunity to get adequate audit quality also decreases by 0.152.

Hypothesis Test (Wald Test)

The wald test is to investigate whether there is an influence of a number of independent variables on dependents. Referring to table 4.8, the results can be obtained in the form of:

1. The Tenure audit resulted in a wald score of 21.316 while its significance was worth 0.00 which is less than the α coefficient score of 5% (0.05). It can be said that tenure audits have a significant and positive impact on audit quality.
2. The auditor's reputation resulted in a wald score of 0.900 while its significance was 0.343 which exceeded the α coefficient score of 5% (0.05). It can be said that audit rotation does not affect audit quality.
3. The auditor's rotation resulted in a wald score of 19.729 while its significance was 0.000 which was less than the α coefficient of 5% (0.05). It can be said that auditor rotation affects audit quality.
4. The audit fee resulted in a wald score of 0.795 while the significance was 0.373 which exceeded the α coefficient score of 5% (0.05). It can be interpreted that audit fees do not affect the quality of audits.

The Effect of Tenure Audits on Audit Quality

The first hypothesis proposed is, whether tenure audits affect audit quality. Referring to the test results, it can be seen that the tenure audit produced a coefficient of -5,176, while the significance level was 0.00 which signified, less than the value of 0.05. The findings produced can be evidence, the audit tenure has a significant and positive effect on the quality of the audit, **H1 is accepted**.

This finding is in line with the opinion of (Edyatami & Sukarmanto, 2020) which states that too long a period of auditor attachment can lead to personal closeness and reduce objectivity in the examination. As a result, auditors can lose their professional skepticism and become less critical of potential financial statement errors. In this context, the negative results reinforce the assumption that audit tenure does not always have a positive impact on audit quality, especially if it is not accompanied by strict independence monitoring.

The Influence of Auditor Reputation on Audit Quality

The second hypothesis tested is whether the auditor's reputation affects the quality of the audit. Referring to the test results, it can be seen that the auditor's reputation coefficient is -0.578 while the significance level is 0.343 which indicates that it exceeds 0.05. The findings produced provide evidence that the auditor's reputation does not affect the quality of the audit, it can be said that **H2 was rejected**. From these findings, it can be concluded that the results of a good audit quality are not always KAP affiliated with the Big Four KAP. Auditors from the Big Four or non-Big Four KAP have equal responsibilities to maintain public trust. Although a KAP has a high reputation, it does not fully guarantee that it is free from errors or violations in the audit process of financial statements, which can result in a decrease in audit quality.

The findings are supported by studies from (which produce findings, the reputation of the auditor does not affect the quality of the audit. But unlike the study of (Andriani & Nursiam, 2018; Ayuni & Handayani, 2023; Hartadi, 2012)(Nurhayati & Dwi, 2015), which (Rizki & Sudarno, 2020)(Giandaiva & Burhany, 2022) produced findings, auditor reputation has a positive impact on audit quality.

The Effect of Auditor Rotation on Audit Quality

The third hypothesis proposed is whether auditor rotation affects audit quality. Referring to the test results, it can be seen that the audit rotation coefficient is -6,383 while the significance level is 0.00 which indicates that it exceeds 0.05. The findings produced provide evidence that auditor rotation affects the quality of the audit, it can be said that **H3 is accepted**. Auditor rotation is important to be carried out as POJK Number 9 of 2023 concerning the Use of Public Accountant Services and Public Accounting Firms in Financial Services Activities is given a limit of 5 (five) consecutive years through a gap period of 2 (two) consecutive years to maintain auditor independence.

The resulting findings are supported by studies from, which resulted in the findings, auditor rotation affects audit quality. But inversely proportional to the study of proportional to the study of (Kurniasih & Rohman, 2014), (Hartadi, 2012), (Andriani & Nursiam, 2018), (Ayuni & Handayani, 2023) which produced findings, auditor rotation affected audit quality.

The Effect of Audit Fees on Audit Quality

The fourth hypothesis proposed is whether audit fees affect audit quality. Referring to the test results, it can be seen that the audit fee coefficient is 0.152 while the significance level is 0.373 which indicates that it exceeds 0.05. The findings produced provide evidence, the audit fee does not affect the quality of the audit, so **H4 is rejected**. Audit fees are measured based on the total payment for audit services received by KAP. It can be said that the amount of fees paid by the company does not directly affect the improvement or decrease in the quality of the audit produced.

The resulting findings are supported by studies from (Suwarno et al., 2020); (Farid & Baradja, 2022); (Sunaryanto & Farida, 2022) which produced findings, audit fees did not affect audit quality. But it is inversely proportional to the study from (Hartadi, 2012); (Andriani & Nursiam, 2018); (Ayuni & Handayani, 2023) which produced findings, audit fees significantly affect audit quality.

CONCLUSIONS AND SUGGESTION

Referring to the findings of the analysis and discussion, from this study, it can be concluded that audit tenure and auditor rotation affect and positively affect the quality of audits in SOEs registered on the IDX in 2018-2023. Meanwhile, the reputation of auditors and audit fees do not affect the quality of audits in SOEs registered on the IDX in 2018-2023.

According to the existing conclusions, this study has a number of limitations, for example related to the use of the sample. The samples taken were limited and not representative of the entire wider population. In addition, the limited sample size can also reduce the statistical power of the analysis performed, thus affecting the validity of the results obtained.

The suggestions given by the researcher include the use of large and more varied samples so that the findings produced are more representative and can be generalized to a wider population.

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