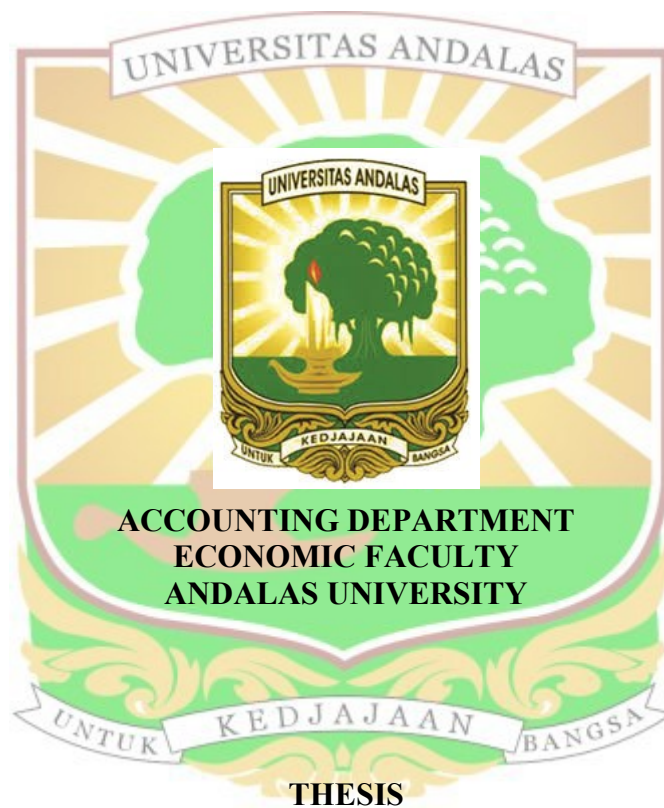


**“ANALYSIS OF THE EFFECT OF PUBLIC ACCOUNTANT FIRM
SIZE, AUDITOR TENURE, AUDITOR ROTATION, AND TYPE OF
THE AUDITOR ROTATION ON THE AUDIT QUALITY”**

By:


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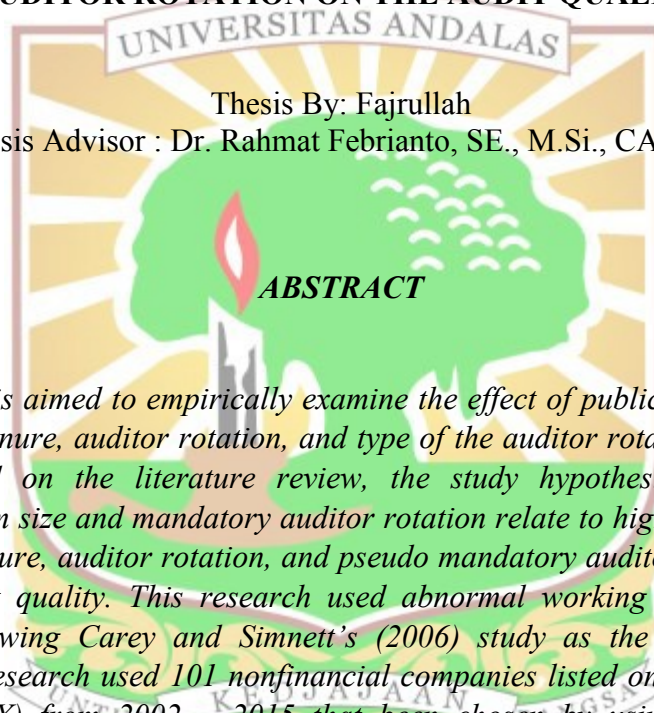
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**ANALYSIS OF THE EFFECT OF PUBLIC ACCOUNTANT FIRM SIZE,
AUDITOR TENURE, AUDITOR ROTATION, AND TYPE OF THE
AUDITOR ROTATION ON THE AUDIT QUALITY**



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ABSTRACT

This research is aimed to empirically examine the effect of public accountant firm size, auditor tenure, auditor rotation, and type of the auditor rotation on the audit quality. Based on the literature review, the study hypothesized that public accountant firm size and mandatory auditor rotation relate to higher audit quality, while audit tenure, auditor rotation, and pseudo mandatory auditor rotation relate to lower audit quality. This research used abnormal working capital accruals (AWCA), following Carey and Simnett's (2006) study as the proxy for audit quality. This research used 101 nonfinancial companies listed on Indonesia Stock Exchange (IDX) from 2002 – 2015 that been chosen by using the purposive sampling method. To analyze the effect of independent variables on the dependent variable, data were analyzed by using multiple regression analysis. The empirical results shows that, public accountant firm size, mandatory auditor rotation, and pseudo mandatory auditor rotation that have significant influence on audit quality, while audit tenure and auditor rotation have insignificant influence. The result concluded that auditor tenure, auditor rotation, and mandatory auditor rotation relate to higher audit quality. Meanwhile, public accountant firm size and pseudo mandatory auditor rotation relate to lower audit quality.



Keywords: public accountant firm size, auditor tenure, auditor rotation, type of auditor rotation, audit quality, abnormal working capital accruals

ABSTRAK

Penelitian ini bertujuan untuk menguji secara empiris pengaruh ukuran perusahaan akuntan publik, *auditor tenure*, rotasi auditor, dan jenis rotasi auditor terhadap kualitas audit. Berdasarkan tinjauan literatur, studi ini menghipotesiskan bahwa ukuran perusahaan akuntan publik dan rotasi auditor wajib berkaitan dengan kualitas audit yang lebih tinggi, sementara *auditor tenure*, rotasi auditor, dan rotasi auditor wajib pseudo berkaitan dengan rendahnya kualitas audit. Penelitian ini menggunakan *abnormal working capital accruals* (AWCA), mengikuti studi Carey and Simnett (2006) sebagai proxy untuk kualitas audit. Penelitian ini menggunakan 101 perusahaan non finansial yang terdaftar di Bursa Efek Indonesia (BEI) dari tahun 2002 - 2015 yang telah dipilih dengan menggunakan metode purposive sampling. Untuk menganalisis pengaruh variabel independen terhadap variabel dependen, data dianalisis dengan menggunakan analisis regresi berganda. Hasil empiris menunjukkan bahwa, ukuran perusahaan akuntan publik, rotasi auditor wajib, dan rotasi auditor wajib pseudo yang memiliki pengaruh signifikan terhadap kualitas audit, sedangkan masa audit dan rotasi auditor memiliki pengaruh yang tidak signifikan. Hasilnya menyimpulkan bahwa masa jabatan auditor, rotasi auditor, dan rotasi auditor wajib berkaitan dengan kualitas audit yang lebih tinggi. Sementara itu, ukuran perusahaan akuntan publik dan rotasi auditor wajib pseudo berhubungan dengan rendahnya kualitas audit.

Kata Kunci: ukuran kantor akuntan publik, *auditor tenure*, rotasi auditor, jenis rotasi auditor, kualitas audit, *abnormal working capital accruals*

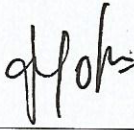
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