UNIVERSITAS ANDALAS

FACULTY OF ECONOMIC AND BUSINESS

ACCOUNTING DEPARTMENT

UNDERGRADUATED THESIS

# THE EFFECT OF ESG REPORT ASSURANCE AND ANNUAL REPORT AUDIT BY THE SAME ACCOUNTING FIRM ON AUDIT QUALITY: EVIDENCE FROM COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE FROM 2020 - 2024

**By:**

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**Supervisor:**

**Dr. Suhernita S.E., M. For, Acc, Ak, CA**

**Submitted in partial fulfilment of the requirements for the degree of Bachelor of Science in Accounting**

**PADANG**

**2026**

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<tr>
<td rowspan="2"></td>
<td>Alumna's University Number :</td>
<td>MUTIA SHARIFA ZULMAR</td>
<td>Alumna's Faculty Number</td>
</tr>
<tr>
<td colspan="3">BIOGRAPHICAL DATA<br>a) Place /date of birth: Sungai Batang, 17 October 2003 b) Parent's Name: Zulmar Darwis and Yunimar Anwar c)Faculty Economics and Business d) Major: Accounting e) ID Number: 2210533038 f) Graduation Date: August 24 2026: Cumlaude h) IPK: 3,54 i) Length of Study : 4 Years 0 month j) Parent's Address : Jorong Bancah, Nagari Maninjau</td>
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***ABSTRACT***

*This study examines the effect of ESG report assurance, the use of the same accounting firm for ESG assurance and financial statement audits, and Big Four auditors on audit quality among non-financial companies listed on the Indonesia Stock Exchange during 2020–2024. Using a quantitative approach, this study analyzes 342 firm-year observations from 77 companies using panel data regression with the Fixed Effect Model. Audit quality is measured by discretionary accruals using the Modified Jones Model. The results show that ESG report assurance, the use of the same accounting firm, and Big Four auditors do not significantly affect audit quality. Among the control variables, firm size and return on assets have significant positive effects, while loss status has a significant negative effect. Leverage has no significant effect on audit quality. These findings indicate that ESG assurance and auditor characteristics do not necessarily improve audit quality in the Indonesian context.*

***Keywords:*** *ESG report assurance, same accounting firm, Big Four auditors, audit quality, discretionary accruals.*

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