

*Faculty of Economics
Accounting Study Program
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***ANALYSIS THE INFLUENCE OF OWNERSHIP STRUCTURE AND
CORPORATE GOVERNANCE ON AUDIT QUALITY***

NPM: 1642072

FELICIA

ABSTRACT

This study aimed to examine the effect of ownership structure and corporate governance on the possible demand for audit quality. The independent variables of ownership structure consisted of majority, managerial, and institutional ownership, while the essence of corporate governance was represented by an independent board of directors, the level of audit committee and the frequency of audit committee meetings. The dependent variable studied was audit quality. The study also utilized debt level, size and age of the company as control variables.

The sample of this study were 476 public companies listed in Indonesia Stock Exchange (IDX) in the period of 2014-2018. Types of sampling were categorized as purposive sampling. The data examined was the company's annual audited financial statement. Data analysis method used is logistic regression analysis, where the dependent variable was non-metric data. Hypothesis testing was conducted using statistical data test.

The results showed companies with majority ownership, frequency of audit committee meetings, and age of the company increased the possibility of choosing good audit quality, while managerial ownership, the presence of an independent board of directors, debt level, and size of the company increased the possibility of choosing poor audit quality. The study also revealed that the level of the audit committee and institutional ownership did not affect the selection of audit quality.

Keywords: *ownership structure, corporate governance, audit quality.*