

UNIVERSITAS INTERNASIONAL BATAM

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Odd Semester 2019/2020*

ANALYSIS OF INFLUENCE OF CORPORATE GOVERNANCE PRACTICES ON AUDIT QUALITY IN COMPANIES LISTED IN INDONESIA STOCK EXCHANGE

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ABSTRACT

This research was conducted with the target of testing the effect of corporate governance practices on audit quality. The intended corporate governance practices are board independence, institutional ownership, managerial ownership, and audit committee. This study has several control variables consisting of company size, business complexity, and leverage.

This study was applied by a logistic analysis method using 468 samples of companies listed on the Indonesia Stock Exchange. The sample data used is 2.210 data. The time range of data selection starts from 2014 to 2018. This study uses SPSS (Statistical Product and Service Solutions) software that is used in the process of testing and analyzing the data that has been collected.

The results of data testing prove that managerial ownership, company size, and business complexity have a significant positive effect on audit quality. The leverage variable has a significant negative effect on audit quality. The results also showed that there were variables that did not significantly influence audit quality, namely board independence, institutional ownership, and audit committee.

Keywords: *audit quality, corporate governance.*