

## **ABSTRACT**

*Financial statements provide accounting information that can be used by users for decision making. To avoid material misstatement, financial statements need to be audited by qualified independent auditors. Therefore, the auditor is expected to be able to detect fraud practices executed by the company's management and provide assurance through opinions given to accounting information*

*This study aims to determine the effect of auditor factors (audit tenure, audit fee, auditor market share) and auditee factors (company size and publication age) simultaneously or partially on audit quality on non-financial SOEs listed on the Indonesia Stock Exchange in 2014-2018. The data used in this study were obtained from the 2014-2018 annual report and audited financial statements.*

*The population of this research is non-financial SOEs listed on the Indonesia Stock Exchange in 2014-2018. The sample was determined using purposive sampling method from 16 company samples with a total of 77 final observation data, after deducting 3 disturbing outlier data. The statistical analysis used is logistic regression analysis.*

*The results showed that audit tenure, audit fee, auditor market share, company size, and publication age simultaneously had an effect on audit quality. Meanwhile partially, audit tenure and auditor market share have a negative effect on audit quality, while audit fees, company size, and publication age have no effect on audit quality. The novelty of this research is to use market capitalization proxy for company size variable with audit quality as the main issue.*

*Further research can retest the variables that do not support the hypotheses on the other object with different observation periods. For the auditors are advised to consider the auditor's workload, because it is worried that will cause the dysfunctional auditor behavior which can result unqualified audit.*

*Keywords: Audit Quality, Audit Tenure, Audit Fee, Auditor Market Share, Company Size, and Publication Age.*