

ABSTRACT

Audit quality is the ability of auditors to be professional in giving opinions on the audited financial statements. The auditor cannot provide a reasonable opinion without exception if there are material misstatements in the client's financial statements is pervasive or not pervasive. Audit quality in this study uses earning surprise benchmark as proxy and measured with return on asset.

This study aims to determine the effect of audit capacity stress, industry specialization of auditors and audit committees on audit quality in companies of food and beverage sub-sectors listed on the Indonesia Stock Exchange in 2014-2018. The sample in this study are 60. The sampling technique used purposive sampling technique. This research uses descriptive statistical analysis and logistic regression analysis.

The results showed that the audit of capacity stress, industry specialization auditor and audit committee simultaneously influence audit quality in the food and beverage subsectors Companies listing at Indonesia Stock Exchange (IDX) in 2014-2018. Partially, audit capacity stress has positive effect on audit quality. Meanwhile, industry specialization auditor and audit committee had no effect on audit quality

Keywords: audit capacity stress, audit committee , audit quality, earning surprise benchmark and specialization of industry auditor.