

## **ABSTRACT**

*This study aims to analyze the effect of audit quality on cash holding before and during the COVID-19 pandemic. The independent variable in this study is audit quality, measured using three proxies: Public Accounting Firm's (PAF size), audit fees, and audit opinions. The dependent variable used in this study is cash holding.*

*The sample used in this research consists of 44 companies listed in the consumer cyclicals sector in Indonesia during the 2017-2022 period, with a total of 264 observations. This research used secondary data that was obtained from the Indonesia Stock Exchange (IDX) website. The data then was analyzed using multiple regression analysis and the Chow test. The Chow test was used to assess whether there are differences in the relationship of audit quality on cash holding before and during the COVID-19 pandemic.*

*The results show that audit fees have a significant negative effect on cash holding. Meanwhile, the size of the PAF and audit opinions do not have a significant effect on cash holding. Additionally, the findings indicate that there is no difference in the relationship between audit quality and cash holding before and during the COVID-19 pandemic.*

*Keywords: audit quality, cash holding, size of public accounting firm, audit fees, audit opinions, COVID-19 pandemic.*

