

ABSTRACT

This study aims to examine the effect of Key Audit Matters (KAM) disclosure on Audit Fees and Audit Report Lag in companies listed on the Indonesia Stock Exchange during the 2022–2023 period. A quantitative approach was used, employing panel data regression and secondary data from annual and financial reports. Audit Fees were measured using the difference between audit fees in 2022 and 2023, while Audit Report Lag was measured based on the gap between the financial statement date and the audit opinion date.

The results indicate that KAM has a positive influence on Audit Fees, reflecting increased audit complexity, risk, and additional audit procedures. However, the test of KAM's influence on Audit Report Lag could not be validly conducted, as the data failed to meet the normality assumption despite several treatments. These findings are in line with agency theory, which highlights the importance of monitoring mechanisms through KAM disclosure.

Keywords: Key Audit Matters, Audit Fees, Audit Report Lag.

