

ABSTRACT

Key Audit Matters (KAM) are matters that according to auditor's professional judgement are the most significant matters in the audit of financial statements for the current period. This study aims to analyze the influence of auditor characteristics on the disclosure of Key Audit Matters (KAM). The independent variables in this study consist of audit firm reputation, audit fee, industry specialization of the auditor, auditor rotation, and audit tenure. The dependent variable in this study is KAM disclosure.

This study uses secondary data from the company's annual report and financial statement accessed through the company's official website and the Indonesia Stock Exchange website. The population used in this study consists of manufacturing sector companies listed on the Indonesia Stock Exchange for the years 2022-2023. The sampling was conducted using the purposive sampling method, with a total of 245 firm-years. The analysis method used in this study is multiple linear regression analysis.

The results of this study indicate that audit fees have a positive effect on the disclosure of KAM. Meanwhile, the reputation of the audit firm, industry specialization of the auditor, auditor rotation, and audit tenure do not have a significant impact on KAM disclosure.

Keywords: Key audit matters (KAM), audit firm reputation, audit fee, industry specialization of the auditor, auditor rotation, audit tenure

