

## ***ABSTRACT***

*This study aims to examine the determinants of Key Audit Matters (KAM) disclosure in non-financial companies with high audit complexity listed on the Indonesia Stock Exchange during the 2023-2024 period, representing the initial phase of full implementation of OJK Regulation No. 30 of 2023. The variation in the number of KAM disclosed by auditors despite operating under the same regulatory framework raises questions regarding the underlying factors influencing such differences. This study investigates the effects of firm size, firm complexity, leverage, financial distress, profitability, and auditor industry specialization on KAM disclosure, both partially and simultaneously, within the agency theory framework.*

*This research employs a quantitative explanatory approach using a pooled cross-sectional (firm-year) design. The sample consists of 558 observations from companies in the industrial, basic materials, and consumer non-cyclicals sectors during 2023-2024, selected using a total sampling method. The dependent variable is measured by the absolute number of KAM disclosed in the independent auditor's report. Data analysis is conducted using Poisson regression with a log link function and robust standard errors (HC3) to address underdispersion. The model also controls for year and industry sector effects.*

*The results indicate that firm size and firm complexity have a positive and significant effect on KAM disclosure. Meanwhile, leverage, financial distress, profitability, and auditor industry specialization do not show significant partial effects. Simultaneously, all independent variables significantly influence KAM disclosure. These findings suggest that structural firm characteristics, particularly scale and operational complexity, are the primary determinants of audit risk communication intensity through KAM during the early phase of regulatory implementation in Indonesia.*

*Keywords: Key Audit Matters, firm characteristics, auditor industry specialization, agency theory.*