

**THE IMPACT OF KEY AUDIT MATTERS DISCLOSURES TO
AUDIT QUALITY ON MANUFACTURE COMPANIES IN
INDONESIA (2022-2023)**

THESIS

Presented as Partial Fulfillment of the Requirements for the Degree of Sarjana

Akuntansi (S1)

In International Undergraduate Program Bachelor of Accounting

Faculty of Business and Economics Universitas Atma Jaya Yogyakarta



Arranged By

Gloria Ivana Sutedjo

Student ID Number: 211526334

FACULTY OF BUSINESS AND ECONOMICS

UNIVERSITAS ATMA JAYA YOGYAKARTA

2025

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THE IMPACT OF KEY AUDIT MATTERS DISCLOSURES TO AUDIT QUALITY ON MANUFACTURE COMPANIES IN INDONESIA (2022-2023)



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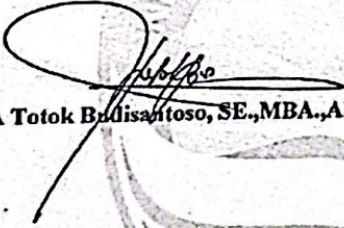
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I hereby declare that the thesis with the title:

**THE IMPACT OF KEY AUDIT MATTERS DISCLOSURES TO AUDIT
QUALITY ON MANUFACTURE COMPANIES IN INDONESIA (2022-2023)**

is entirely the result of my own thoughts and writing. I fully acknowledge that this thesis does not include the work of others, except for those that have been properly cited and listed in the references.

Yogyakarta, 12 June 2025



Gloria Ivana Sutedjo

MOTTO

"Do not grow weary in doing good, for at the proper time we will reap a harvest if we
do not give up."

— *Galatians 6:9*

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All praise and glory to God for His blessings and guidance, without which I would not have been able to complete this undergraduate thesis titled "The Impact of Key Audit Matters in Audit Quality on Manufacture Companies in Indonesia." Throughout this journey, I received encouragement, guidance, and advice from many people, and I am deeply grateful to all of them.

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I realize that this thesis has its limitations and may contain errors or gaps. I welcome any constructive criticism and suggestions that could improve the quality of my work. Finally, I hope this thesis proves to be useful and valuable to its readers.

Yogyakarta 12 June 2025

A handwritten signature in black ink, appearing to read 'Gloria Ivana Sutedjo', with a stylized, cursive script.

Gloria Ivana Sutedjo

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ABSTRACT

This research aims to explore how the disclosure of Key Audit Matters (KAM) reflects auditor competence in enhancing audit quality. Introduced by the International Auditing and Assurance Standards Board (IAASB), KAM disclosures were designed to improve audit transparency and accountability. By examining the *length* and *number of issues* reported in KAM sections, this research assesses whether these elements serve as indicators of audit quality, thereby offering insights into auditor judgment and competence. The data utilized in this research consist of secondary data, which are obtained in the form of Corporate Annual Report. The research uses a Modified Jones model to measure audit quality and the proxies used to measure Key Audit Matters are content and word counting. The sample are determined by purposive sampling method with total 156 companies listed in Indonesia Stock Exchange (IDX) from 2022 until 2023. The research results showed that the disclosure of Key Audit Matters is associated with the quality of auditing, specifically the length and the number of issues disclosed in KAM have a significant impact on audit quality. Audit Fees, Company Size, and Company Solvability (DER) that are used as control variables also significantly influence audit quality. However, audit tenure and corporate profitability (ROA) have no significant impact on audit quality.

Keywords: *Key Audit Matters, Audit Quality*