



**THE IMPACT OF AUDIT FEE AND AUDIT TENURE ON
EARNINGS MANAGEMENT WITH AUDIT QUALITY AS A
MODERATING VARIABLE**

UNDERGRADUATE THESIS

Submitted as one of the requirements to obtain

Sarjana Akuntansi

By:

Rachel Putri Judika Gracia

008202200068

**FACULTY OF BUSINESS
ACCOUNTING STUDY PROGRAM
CIKARANG
SEPTEMBER, 2025**

PLAGIARISM CHECK RESULT

THE IMPACT OF AUDIT FEE AND AUDIT TENURE ON EARNINGS MANAGEMENT WITH AUDIT QUALITY AS A MODERATING VARIABLE

Rachel Putri Thesis.docx

ORIGINALITY REPORT

15%

SIMILARITY INDEX

14%

INTERNET SOURCES

15%

PUBLICATIONS

8%

STUDENT PAPERS

PRIMARY SOURCES

1

jisem-journal.com

Internet Source

1%

2

dinastipub.org

Internet Source

<1%

3

Submitted to Sriwijaya University

Student Paper

<1%

4

doaj.org

Internet Source

<1%

5

Lungchin Poluan, Jullie Sondakh, Claudia W. M. Korompis. "The influence of audit fees and audit tenure on audit quality with financial distress as a moderating variable (A case study on Property and Real Estate Companies in 2018-2022)", The Contrarian : Finance, Accounting, and Business Research, 2025

Publication

<1%

6

www.researchgate.net

Internet Source

<1%

7

www.ijmsssr.org

Internet Source

<1%

8

Dwi Irawan, Agung Prasetyo, Nugroho Wicaksono, Aviani Widyastuti, Rizki Febriani, Ali Roziqin. "Economic Sustainability and Social Equality in the Technological Era", CRC Press, 2024

Publication

<1%

AI CHECK RESULT



*% detected as AI

AI detection includes the possibility of false positives. Although some text in this submission is likely AI-generated, scores below the 20% threshold are not surfaced because they have a higher likelihood of false positives.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to work more about Turnitin's AI detection capabilities before using the tool.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results). It should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an institution's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.

What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.



TABLE OF CONTENTS

PANEL OF EXAMINERS APPROVAL.....	ii
STATEMENT OF ORIGINALITY	iii
SCIENTIFIC PUBLICATION APPROVAL FOR ACADEMIC INTEREST	iv
ADVISOR’S APPROVAL FOR PUBLICATION	v
PLAGIARISM CHECK RESULT	vi
ACKNOWLEDGEMENT	viii
ABSTRACT.....	xvi
<i>INTISARI</i>	xvii
CHAPTER I: INTRODUCTION	1
1.1 Research Background.....	1
1.2 Research Problem.....	4
1.3 Research Objectives	6
1.4 Research Scope and Limitation.....	7
1.5 Research Benefits.....	7
1.5.1 Theoretical Benefit.....	7
1.5.2 Practical Benefit.....	8
CHAPTER II: LITERATURE REVIEW	9
2.1 Agency Theory	9
2.2 Signaling Theory	10
2.3 Earnings Management.....	12
2.4 Audit Fee	14
2.5 Audit Tenure.....	15
2.6 Audit Quality	16

2.7 Hypotheses Development.....	18
2.7.1 The Effect of Audit Fee on Earnings Management.....	18
2.7.2 The Effect of Audit Tenure on Earnings Management.....	19
2.7.3 The Role of Audit Quality in Moderating	21
2.8 Research Framework.....	22
CHAPTER III: METHODOLOGY	23
3.1 Data Collecting and Processing	23
3.2 Dependent Variable	24
3.2.1 Earnings Management.....	24
3.3 Independent Variables	25
3.3.1 Audit Fee	25
3.3.2 Audit Tenure	26
3.4 Moderating Variable.....	26
3.4.1 Audit Quality	26
3.5 Research Model.....	27
3.6 Model Analysis	28
3.6.1 Common Effect Model.....	28
3.6.2 Fixed Effect Model	28
3.6.3 Random Effect Model	29
3.6.4 Chow Test.....	29
3.6.5 Hausman Test	30
3.6.6 Langrage Multiplier Test.....	30
3.7 Classic Assumption Test.....	30
3.7.1 Normality Test.....	31
3.7.2 Multicollinearity Test	31
3.7.3 Heteroscedasticity Test.....	31
3.7.4 Autocorrelation Test	32
3.8 Hypotheses Test.....	32

3.8.1 Determination Coefficient.....	33
3.8.2 Simultaneous Test (F-test).....	33
3.8.3 T-test.....	33
3.9 Moderate Regression Analysis.....	34
CHAPTER IV: RESULT ANALYSIS, DICSUSSION, AND IMPLICATION.	35
4.1 Research Object	35
4.2 Descriptive Analysis.....	36
4.3 Model Analysis	37
4.3.1 Chow Test.....	38
4.3.2 Hausman Test	38
4.4 Classic Assumption Test.....	39
4.4.1 Normality Test.....	39
4.4.2 Multicollinearity Test	39
4.4.3 Heteroscedasticity Test.....	40
4.4.4 Autocorrelation Test	41
4.5 Panel Data Regression.....	42
4.6 Hypotheses Testing	43
4.6.1 Determination Coefficient.....	43
4.6.2 Simultaneous Test (F-test).....	43
4.6.3 T-test.....	44
4.7 Moderate Regression Analysis	45
4.8 Discussion	46
4.8.1 The Effect of Audit Fee on Earnings Management.....	46
4.8.2 The Effect of Audit Tenure on Earnings Management.....	47
4.8.3 The Effect of Audit Quality in Moderating the Relationship Between Audit Fee and Earnings Management	49
4.8.4 The Effect of Audit Quality in Moderating the Relationship Between Audit Fee and Earnings Management	50

CHAPTER V: CONCLUSIONS, LIMITATIONS AND SUGGESTIONS	52
5.1 Conclusion	52
5.2 Limitation.....	53
5.3 Suggestions	54
REFERENCES.....	55
APPENDIX	64

LIST OF FIGURES

Figure 1 Research Framework	22
Figure 2 Normality Test	39

LIST OF TABLES

Table 1 List of Samples.....	36
Table 2 Descriptive Analysis.....	36
Table 3 Chow Test.....	38
Table 4 Hausman Test	38
Table 5 Multicollinearity Test	40
Table 6 Heteroscedasticity Test.....	40
Table 7 Autocorrelation Test	41
Table 8 FEM Test	42
Table 9 Moderate Regression Analysis	45

ABSTRACT

This study examines the impact of audit fees and audit tenure on earnings management, with audit quality serving as a moderating variable, in food and beverage firms listed on the Indonesia Stock Exchange from 2019 to 2023. The research employs a quantitative methodology utilizing an explanatory research design on 18 companies chosen through purposive sampling. Data analysis uses panel regression with the Fixed Effect Model and Moderated Regression Analysis. The findings indicate that audit fees do not significantly influence earnings management, whereas audit tenure has a significant positive impact on earnings management. Audit quality does not moderate the relationship between audit fees and earnings management, nor the relationship between audit tenure and earnings management. The limitations of this study encompass its concentration on a singular industry sector, specifically food and beverages, a relatively small sample size, a limited five-year research period, reliance on audit quality proxies solely on Big Four affiliation, and the exclusion of other variables, such as corporate governance or other company characteristics that could affect the relationship of the variables examined in this study.

Keywords: *earnings management; audit fee; audit tenure; audit quality*

INTISARI

Penelitian ini menganalisis pengaruh audit fee dan audit tenure terhadap earnings management dengan audit quality sebagai variabel moderating pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia periode 2019-2023. Penelitian menggunakan pendekatan kuantitatif dengan desain explanatory research terhadap 18 perusahaan yang dipilih melalui purposive sampling. Analisis data menggunakan regresi panel dengan Fixed Effect Model dan Moderated Regression Analysis. Hasil penelitian menunjukkan bahwa audit fee tidak berpengaruh signifikan terhadap earnings management, namun audit tenure berpengaruh positif signifikan terhadap earnings management. Audit quality tidak mampu memoderasi hubungan antara audit fee dan earnings management maupun hubungan antara audit tenure dan earnings management. Keterbatasan penelitian meliputi fokus pada satu sektor industri yaitu makanan dan minuman dengan sampel yang relatif kecil, periode penelitian lima tahun yang terbatas, penggunaan proksi audit quality yang hanya berdasarkan afiliasi Big Four, dan tidak mengikutsertakan variabel kontrol lain seperti corporate governance atau karakteristik perusahaan lainnya yang mungkin mempengaruhi hubungan antar variabel dalam penelitian ini.

Kata kunci: manajemen laba; audit fee; audit tenure; kualitas audit