



The Effect Of Audit Tenure, Public Accounting Firm Specialization, And Public Accounting Firm Size On Audit Quality With Auditor Independence As A Moderating Variable

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ABSTRACT

Audit quality is essential for ensuring the credibility of financial statements and sustaining public trust. However, prior studies have produced inconsistent findings regarding the effects of audit tenure, Public Accounting Firm (PAF) specialization, and PAF size on audit quality. This study investigates the influence of these variables on audit quality and examines whether auditor independence moderates the relationships. Using a quantitative approach with ordinal logistic regression in IBM SPSS version 30, data were collected from 50 responden working at PAFs in the Jabodetabek area. The results show that audit tenure significantly affects audit quality, while PAF specialization and PAF size do not. Additionally, auditor independence moderates the relationship between audit tenure and audit quality but does not moderate the effects of PAF specialization and PAF size. Collectively, audit tenure, PAF specialization, and PAF size simultaneously influence audit quality.

INTRODUCTION

Audit quality plays a vital role in maintaining the credibility of financial statements and strengthening public trust in business entities, particularly in an increasingly globalized and complex business environment. External audits provide assurance that financial statements are fairly presented in accordance with generally accepted accounting principles, thereby supporting transparency, accountability, and informed decision-making by stakeholders.

However, several major financial scandals, both globally and in Indonesia such as Enron, WorldCom, PT Kimia Farma, and PT Garuda Indonesia have raised serious concerns regarding the effectiveness and reliability of audit practices. These cases highlight auditors' failure to detect material misstatements and have intensified public scrutiny of audit quality and auditor independence. The Garuda Indonesia case in particular illustrates how weak audit judgment and compromised independence can undermine confidence in the auditing profession.

Previous studies suggest that audit quality is influenced by various factors, including audit tenure, public accounting firm (PAF) specialization, and PAF size. Audit tenure reflects the length of the auditor–client relationship, which may enhance auditors' understanding of the client's business but may also threaten objectivity and independence if the relationship becomes too close. PAF specialization is believed to improve audit effectiveness due to industry-specific expertise, while larger PAFs are often associated with higher audit quality because of superior resources, reputation, and quality control systems. Nevertheless, empirical findings on these relationships remain inconsistent.

Auditor independence is a fundamental principle of auditing and plays a crucial role in ensuring objective judgment and reliable audit opinions. Despite its importance, prior research has rarely examined auditor independence as a moderating variable in the relationship between audit tenure, PAF specialization, PAF size, and audit quality. This gap suggests the need for further investigation into how independence may strengthen or weaken the influence of these factors on audit quality.

This study focuses on auditors working in Public Accounting Firms located in the Jabodetabek area, a major economic and business hub in Indonesia characterized by high transaction complexity. By examining audit tenure, PAF specialization, and PAF size with auditor independence as a moderating variable, this research aims to provide a more comprehensive understanding of the determinants of audit quality. The findings are expected to contribute both theoretically to the auditing literature and practically to auditors, regulators, and companies in enhancing audit quality and financial reporting credibility.

LITERATURE REVIEW

The Effect between Audit Tenure and Audit Quality

Audit tenure describes the length of the professional working relationship between the auditor and the client in conducting an examination of the company's financial statements. When this relationship lasts for an extended period, concerns arise that the auditor's independence in performing audit duties may decline (Ardianingsih, 2014).

According to Elvania and Kurniawan (2023), audit quality is not influenced by the length of the auditor's tenure in Indonesian industrial companies. In contrast, Purnomo and Aulia (2024) argue that a longer audit tenure can enhance the auditor's understanding of the client; however, increased familiarity may also lead to a reduction in auditor independence. Furthermore, Ramadhan (2023) states that the effect of audit tenure on audit quality is contextual and varies depending on the unique characteristics and conditions of the audited company.

H₁ : Audit Quality has a significant effect on Going Concern Audit Opinion.

The Effect between Public Accounting Firm Specialization and Audit Quality

Audit practices conducted by Public Accounting Firms that belong to the Big Four do not always guarantee that companies are free from various forms of fraud (Alhadab, 2017). Therefore, the presence of auditors with industry specialization becomes an important factor in improving audit quality, as it enables more effective suppression of earnings management practices (Bergen, 2013). This is consistent with the findings of Ali and Putri (2015), who state that auditors with specific industry specialization are more effective in reducing the risk of managerial manipulation through accrual control. Such specialized expertise is typically reflected in the application of professional values such as integrity, discipline, honesty, transparency, and careful judgment in decision-making. With deeper competencies, specialized auditors are considered capable of delivering higher-quality audit outcomes and enhancing the quality of information presented by companies (Azis, Harymawan, & Nasih, 2022).

Buchori and Budiantoro (2019) demonstrate that auditor specialization improves audit quality, as auditors with expertise in specific industries possess a better understanding of the unique characteristics and potential risks within those sectors. On the other hand, other variables such as organizational complexity and relevant regulations may influence the relationship between auditor specialization and audit quality, as noted by Budiantoro et al. (2021).

H₂ : Public Accounting Firm (PAF) specialization has a significant effect on audit quality.

The Effect between Public Accounting Firm Size and Audit Quality

Auditors working under large-scale Public Accounting Firms (PAFs) are generally considered to have a greater ability to maintain independence, as institutional reputation is a key asset that must be preserved. This condition encourages them to produce higher-quality audits. According to Kurniati and Suratno (2018), large-sized Public Accounting Firms are more capable of identifying errors or material misstatements in financial statements compared to small-sized PAFs.

Faisal (2019) states that the size of a Public Accounting Firm has a positive effect on audit quality, as larger PAFs are typically supported by more adequate resources and well-structured quality control systems. However, Paputungan and Kaluge (2018) emphasize that firm size is not always the primary determinant of audit quality. Without strong auditor competence and integrity, audit outcomes may remain suboptimal even when conducted by large-scale PAFs.

H₃ : Public Accounting Firm size has a significant effect on audit quality.

The Effect of Audit Tenure on Audit Quality Moderated by Auditor Independence

Audit tenure, or the length of the working relationship between the auditor and the client, may influence audit quality in two opposing directions. On one hand, a longer audit tenure allows auditors to develop a deeper understanding of the client's characteristics, which can enhance the effectiveness of audit procedures and lead to higher audit quality. On the other hand, prolonged relationships may also threaten auditor independence due to increased familiarity with the client, potentially resulting in the neglect of indications of errors or fraud. Consequently, prior research has produced inconsistent findings regarding the effect of audit tenure on audit quality.

In the context of the relationship between audit tenure and audit quality, auditor independence serves as a key factor that may either strengthen or weaken this effect. Auditors who are able to maintain objectivity and impartiality, despite a long-term engagement with a client, can continue to deliver professional and reliable judgments. Conversely, when independence deteriorates, extended audit engagements may create excessive closeness with clients, which can ultimately reduce audit quality. Therefore, auditor independence functions as a moderating variable that determines the strength and direction of the effect of audit tenure on audit quality.

H₄ : Auditor independence moderates the relationship between audit tenure and audit quality.

The Effect of Public Accounting Firm Specialization on Audit Quality Moderated by Auditor Independence

Public Accounting Firm (PAF) specialization reflects the level of competence and experience of auditors in handling companies operating within specific industries. Auditors with industry specialization typically possess a deeper understanding of business patterns, potential risks, and applicable regulations or standards within that sector. This comprehensive insight enables auditors to identify potential misstatements more accurately and to design appropriate and effective audit procedures, thereby enhancing audit quality. However, excessive specialization

may also lead to overly close relationships with clients, which can ultimately reduce auditor objectivity and impair independence. Under such conditions, audit quality may instead decline.

In this context, auditor independence becomes a key factor that moderates the relationship between PAF specialization and audit quality. When auditors are able to maintain professional independence, the benefits of specialization can be maximized without compromising objectivity. Conversely, if auditor independence deteriorates due to close relationships with clients within the same industry, audit quality may decrease despite a high level of specialization. Therefore, auditor independence plays an important role in strengthening or weakening the effect of PAF specialization on audit quality.

H₅ : Auditor independence moderates the relationship between Public Accounting Firm specialization and audit quality.

The Effect of Public Accounting Firm Size on Audit Quality Moderated by Auditor Independence

The size of a Public Accounting Firm (PAF) is often associated with stronger reputation, greater resources, more robust quality control systems, and extensive audit experience. Large-sized PAFs generally apply stricter audit standards, provide better auditor training, and have access to advanced technology and expertise. These conditions enable auditors from large PAFs to deliver more objective and comprehensive audit opinions, thereby enhancing audit quality. In contrast, small-sized PAFs may face resource limitations and client pressures that potentially reduce audit quality. Therefore, PAF size is believed to have a positive effect on audit quality.

However, the extent to which PAF size improves audit quality also largely depends on the level of auditor independence. Auditors from large PAFs may experience pressure to retain influential or significant clients, which could compromise their independence. Conversely, auditors from large PAFs who are able to maintain professional independence are more likely to provide reliable and high-quality audit opinions. Thus, auditor independence may strengthen or weaken the relationship between PAF size and audit quality.

H₆ : Auditor independence moderates the relationship between Public Accounting Firm size and audit quality.

METHODS

This study employs a causal research design to examine the effect of audit tenure, Public Accounting Firm (PAF) specialization, and PAF size on audit quality. The causal approach is used to identify and measure the impact of independent variables on the dependent variable in a systematic and measurable manner. In addition, this study adopts both descriptive and verificative approaches. The descriptive approach is applied to describe the characteristics and conditions of each research variable, while the verificative approach is used to test the formulated hypotheses based on empirical data.

The population of this study consists of all Public Accounting Firms operating in the Jabodetabek region, Indonesia. This area is selected due to its high concentration and diversity of PAFs, which allows the findings to better represent actual professional auditing conditions. The sample is selected using a simple random sampling technique, where each member of the population has an equal opportunity to be included. The sample size is determined using the Slovin formula with a precision level of 10% and a confidence level of 95%.

Primary data are collected through questionnaires distributed to respondents. The questionnaire items are designed based on relevant literature and prior studies to ensure data relevance and accuracy. Audit quality is treated as the dependent variable, while audit tenure, PAF specialization, and PAF size are the independent variables. All variables are measured using an ordinal scale.

Audit tenure reflects the length of the professional engagement between auditors and clients. PAF specialization represents the auditor's industry-specific expertise and professional competence. PAF size is measured based on the number of clients, total revenue, and the number of professional auditors employed. Audit quality is assessed through indicators such as audit findings, professional skepticism, and the clarity of audit reports.

The validity of the research instrument is tested using the Product Moment correlation method by correlating each item score with the total score. An item is considered valid if the calculated correlation coefficient exceeds the critical value. Reliability testing is conducted using Cronbach's Alpha, where a coefficient of 0.60 or higher indicates acceptable internal consistency.

Data analysis begins with descriptive statistical analysis to summarize the data through minimum values, maximum values, means, and standard deviations. Hypothesis testing is conducted using logistic regression analysis, as the model involves both metric and non-metric data and does not require normality assumptions. Model fit is evaluated using the -2 Log Likelihood value and the Hosmer and Lemeshow Goodness of Fit Test. The explanatory power of the model is assessed using Nagelkerke R Square. Partial effects are tested using the Wald test, while simultaneous effects of independent variables are examined using the likelihood ratio (G) test, with a significance level of 5%.

Table 1. Operationalization of Research Variables

No	Variable	Indicator	Scale
	Audit Tenure	According to Johnson et al. (2002:640), the length of the audit engagement (audit tenure) can be influenced by two types of relationships, namely organizational relationships and personal relationships. Organizational relationships reflect the duration of the institutional engagement between the public accounting firm and the client, while personal relationships describe the length of the relationship between the individual auditor and the client being audited.	Ordinal
	Accounting Firm Specialization	Elshawarby (2017) classifies auditor specialization systems into five main categories, namely: independence, professionalism, professional skepticism, initial audit fees, and assessments by professional auditors.	Ordinal

	KAP Size	According to Syaiful M. Ruky (2019:56), the size of a Public Accounting Firm (PAF) can be assessed through several indicators, namely: The number of clients utilizing the audit services of the public accounting firm. The amount of revenue earned by the public accounting firm within a specific period. The number of auditors or professional personnel employed and working within the public accounting firm.	Ordinal
	Audit Quality	According to Sukriah et al. (2018), audit quality is measured using the following indicators: Audit Findings The auditor's ability to accurately identify audit results, including detecting irregularities even when they are minor or insignificant. Professional Skepticism The application of a cautious and professionally skeptical attitude by auditors, in which they do not immediately trust information provided by the auditee, allowing potential irregularities to be objectively evaluated. Clarity of the Audit Report The audit report is prepared in a systematic and easily understandable manner, enabling comprehension by both the auditee and other stakeholders who have the authority to evaluate it.	Ordinal

RESULTS**Validity Test and Reliability Test****Table 2. Validity Test**

VALIDITY TEST 50 RESPONDEN				
Variable	Item	r _{calculate}	r _{table} 5%	Notes
Audit Tenure (X1)	X1.1.1	0,672	0,2732	Valid
Audit Tenure (X1)	X1.1.2	0,708	0,2732	Valid
Audit Tenure (X1)	X1.1.3	0,736	0,2732	Valid
Audit Tenure (X1)	X1.2.1	0,616	0,2732	Valid
Audit Tenure (X1)	X1.2.2	0,611	0,2732	Valid
Audit Tenure (X1)	X1.2.3	0,662	0,2732	Valid
Accounting Firm Specialization (X2)	X2.1.1	0,588	0,2732	Valid
Accounting Firm Specialization (X2)	X2.1.2	0,694	0,2732	Valid
Accounting Firm Specialization (X2)	X2.1.3	0,747	0,2732	Valid
Accounting Firm Specialization (X2)	X2.1.4	0,727	0,2732	Valid
Accounting Firm Specialization (X2)	X2.1.5	0,750	0,2732	Valid
Accounting Firm Specialization (X2)	X2.1.6	0,738	0,2732	Valid
Accounting Firm Specialization (X2)	X2.1.7	0,611	0,2732	Valid
Accounting Firm Specialization (X2)	X2.2.1	0,547	0,2732	Valid
Accounting Firm Specialization (X2)	X2.2.2	0,676	0,2732	Valid
Accounting Firm Specialization (X2)	X2.2.3	0,744	0,2732	Valid

Accounting Firm Specialization (X2)	X2.3.1	0,657	0,2732	Valid
Accounting Firm Specialization (X2)	X2.3.2	0,440	0,2732	Valid
Accounting Firm Specialization (X2)	X2.3.3	0,500	0,2732	Valid
Accounting Firm Specialization (X2)	X2.3.4	0,540	0,2732	Valid
Accounting Firm Specialization (X2)	X2.3.5	0,457	0,2732	Valid
Accounting Firm Specialization (X2)	X2.3.6	0,508	0,2732	Valid
Accounting Firm Specialization (X2)	X2.3.7	0,610	0,2732	Valid
KAP Size (X3)	X3.1.1	0,771	0,2732	Valid
KAP Size (X3)	X3.1.2	0,855	0,2732	Valid
KAP Size (X3)	X3.1.3	0,840	0,2732	Valid
KAP Size (X3)	X3.2.1	0,830	0,2732	Valid
KAP Size (X3)	X3.2.2	0,826	0,2732	Valid
KAP Size (X3)	X3.2.3	0,826	0,2732	Valid
KAP Size (X3)	X3.3.1	0,882	0,2732	Valid
KAP Size (X3)	X3.3.2	0,872	0,2732	Valid
KAP Size (X3)	X3.3.3	0,779	0,2732	Valid
Audit Quality (Y)	Y.1.1	0,543	0,2732	Valid
Audit Quality (Y)	Y.1.2	0,543	0,2732	Valid
Audit Quality (Y)	Y.1.3	0,543	0,2732	Valid
Audit Quality (Y)	Y.1.4	0,423	0,2732	Valid

Audit Quality (Y)	Y.1.5	0,543	0,2732	Valid
Audit Quality (Y)	Y.2.1	0,423	0,2732	Valid
Audit Quality (Y)	Y.2.2	0,708	0,2732	Valid
Audit Quality (Y)	Y.2.3	0,781	0,2732	Valid
Audit Quality (Y)	Y.2.4	0,820	0,2732	Valid
Audit Quality (Y)	Y.2.5	0,820	0,2732	Valid
Independence (Z)	Z.1	0,466	0,2732	Valid
Independence (Z)	Z.2	0,739	0,2732	Valid
Independence (Z)	Z.3	0,770	0,2732	Valid
Independence (Z)	Z.4	0,782	0,2732	Valid
Independence (Z)	Z.5	0,747	0,2732	Valid
Independence (Z)	Z.6	0,792	0,2732	Valid
Independence (Z)	Z.7	0,903	0,2732	Valid

Source: Primary data processed by the authors (2025)

Based on the validity test results, all survey items have correlation coefficient values higher than the r-table value. Therefore, the research instrument is declared to have met the validity requirements..

Table3. Reliability Test

RELIABILITY TEST 50 RESPONDEN			
Variable	Realiability Coeficience	Cronbach's Alpha	Notes
Audit Tenure (X1)	7 item	0,759	Reliable
Accounting Firm Specialization (X2)	18 item	0,750	Reliable
KAP Size (X3)	10 item	0,788	Reliable
Audit Quality (Y)	11 item	0,749	Reliable
Independence (Z)	8 item	0,778	Reliable

Source: Primary data processed by the authors (2025)

Based on the reliability test results, all variables in this study exhibit Cronbach's Alpha values greater than 0.70. These findings indicate that the research instrument is appropriate for measuring the intended variables and demonstrates a high level of internal consistency.

Goodness of Fit Test**Table 3. Goodness of Fit Test**

	Chi-Square	Sig.
Pearson	91.534	1.000
Deviance	46.789	1.000

Source: Primary data processed by the authors (2025)

Table 3 presents the results of the model fit test, showing that the Pearson chi-square value is 91.534 and the deviance value is 46.789, both with significance levels of 1.00. Based on these results, it can be concluded that the regression model is appropriate for the observed data, as the significance values are substantially higher than the threshold of $\alpha = 0.05$. Therefore, the constructed model adequately represents the relationship among the variables examined in this study.

Overall Model Fit Test**Table 4. Overall Model Fit Test**

Model	-2 Log Likelihood	Chi-Square	Sig.
Intercept Only	66.487		
Final	48.175	18.312	<,001

Source: Primary data processed by the authors (2025)

Based on the table, it can be observed that the -2 Log Likelihood value for the intercept-only model (Block 0) is 66.487, which is higher than that of the final model (Block 1) at 48.175. The substantial reduction in the -2 Log Likelihood value indicates that the final model provides a better fit in explaining the dependent variable compared to the intercept-only model. Therefore, it can be concluded that the model is appropriate for further analysis and the study can be continued.

Coefficient of Determination Test (Pseudo R-Square)**Table 5. Coefficient of Determination Test**

Pesudo R-Square	
Cox and Snell	0.307
Nagelkerke	0.413
McFadden	0.270

Source: Primary data processed by the authors (2025)

Based on the table above, the Cox and Snell R Square value is 30.7% and the Nagelkerke R Square value is 27%. These results indicate that the independent variables are able to explain a substantial proportion of the variation in the dependent variable. Overall, the contribution of the independent variables to the dependent variable is 41.3%.

G Test**Table 5. G Test**

Model	Chi-Square	df	Sig.
Final	48.175	3	<,001

Source: Primary data processed by the authors (2025)

Based on the test results presented in Table, the Chi-Square value is 48.175 with 3 degrees of freedom (df) and a significance level of 0.001. Since the p-value (0.001) is lower than the 0.05 significance threshold, the null hypothesis (H_0) is rejected. This finding indicates that audit tenure, public accounting firm (KAP) specialization, and public accounting firm size simultaneously have a significant effect on audit quality. Referring to the testing criteria applied in this study, hypothesis H_4 is therefore accepted.

Wald Test (Without Moderation)

Based on the results presented in Table 4.8, the audit tenure variable (X1) records a Wald value of 6.493 with a significance level of 0.011. Since the p-value (0.011) is lower than the 0.05 significance threshold, this result indicates that audit tenure has a significant effect on audit quality. Referring to the testing criteria applied in this study, hypothesis H_1 is therefore accepted.

The Wald value for the public accounting firm (KAP) specialization variable (X2) is 0.021 with a significance level of 0.884. As the p-value exceeds 0.05, this finding indicates that KAP specialization does not have a significant effect on audit quality. Accordingly, hypothesis H_2 is rejected.

In addition, the public accounting firm (KAP) size variable (X3) yields a Wald value of 0.767 with a significance level of 0.381. Since the p-value is greater than 0.05, there is no statistically significant relationship between KAP size and audit quality. Therefore, hypothesis H_3 is rejected based on the study's testing criteria.

Wald Test (Moderation Effect)

The interaction between auditor independence and audit tenure produces a Wald value of 5.814 with a significance level of 0.016. This significance value is below the 0.05 threshold, indicating that auditor independence strengthens the effect of audit tenure on audit quality. Therefore, hypothesis H_4 is accepted, as it satisfies the testing criteria applied in this study.

Furthermore, the interaction between auditor independence and public accounting firm (KAP) specialization yields a Wald value of 2.673 with a significance level of 0.102. Since the p-value exceeds 0.05, auditor independence is unable to enhance the effect of KAP specialization on audit quality. Accordingly, hypothesis H_5 is rejected.

The interaction between auditor independence and public accounting firm size records a Wald value of 0.605 with a significance level of 0.437. This result indicates that auditor independence does not significantly moderate the relationship between KAP size and audit quality, as the p-value is greater than the 0.05 significance level. Therefore, hypothesis H_6 is rejected.

DISCUSSION

The Effect of Audit Tenure on Audit Quality

The results of the Wald test in the ordinal logistic regression indicate that audit tenure has a significant effect on audit quality. The significance value of 0.011 is below the 5% threshold, with a coefficient value of 6.493. The confidence interval (CI), ranging from 0.173 to 1.322 and entirely positive, further confirms that audit tenure has a strong and positive impact on audit quality.

These findings suggest that a longer auditor–client relationship enhances auditors' understanding of client operations and reduces the likelihood of audit errors. Although extended engagement may pose a risk to auditor independence due to familiarity, maintaining a balance between expertise and objectivity allows audit tenure to positively contribute to audit quality.

This result is consistent with previous studies by Hidayat (2024) and Irana et al. (2025), which report a positive relationship between audit tenure and audit quality.

The Effect of Public Accounting Firm Specialization on Audit Quality

The Wald test results show that Public Accounting Firm (PAF) specialization does not have a significant effect on audit quality. The coefficient value of 0.021 with a significance level of 0.884 exceeds the 5% significance threshold. In addition, the confidence interval (-0.184 to 0.159) includes both negative and positive values, indicating an inconsistent and insignificant effect. Therefore, the hypothesis proposing an effect of PAF specialization on audit quality is rejected.

Although auditor specialization is theoretically expected to enhance audit quality through deeper industry knowledge, the findings indicate that audit quality is influenced more by professional standards, auditor integrity, and internal quality control mechanisms than by specialization alone. This result is consistent with the findings of Setyowati et al. (2025) and Angeline et al. (2023).

The Effect of Public Accounting Firm Size on Audit Quality

The Wald test results indicate that PAF size does not significantly affect audit quality. The coefficient value of 0.007 with a significance level of 0.979 exceeds the 5% threshold, and the confidence interval (-0.120 to 0.313) includes both negative and positive values, indicating an unstable relationship. Consequently, the hypothesis stating that PAF size affects audit quality is rejected. Although larger PAFs are generally assumed to possess greater resources, stronger control systems, and advanced audit technologies, these findings suggest that firm size alone is not a determining factor of audit quality. Instead, individual auditor competence and internal supervision appear to play a more dominant role. This finding aligns with studies by Ratna et al. (2024) and Wisnu Darmawan et al. (2020).

The Effect of Audit Tenure on Audit Quality Moderated by Auditor Independence

The Wald test results show that auditor independence significantly strengthens the effect of audit tenure on audit quality. The interaction term has a coefficient value of 5.814 with a significance level of 0.016, which is below the 5% threshold. The confidence interval (0.004 to 0.039) is entirely positive, confirming the moderating role of auditor independence. Therefore, the hypothesis is accepted.

This finding indicates that longer audit engagements can enhance audit quality when auditors maintain professional independence. Strong independence enables auditors to leverage accumulated client knowledge without compromising objectivity. This result is consistent with the findings of Muslim et al. (2020), who identify auditor independence as a significant moderating variable.

The Effect of Public Accounting Firm Specialization on Audit Quality Moderated by Auditor Independence

The Wald test results indicate that auditor independence does not moderate the relationship between PAF specialization and audit quality. The coefficient value of 2.673 with a significance level of 0.102 exceeds the 5% threshold. The confidence interval (-0.010 to 0.001) includes both negative and positive values, indicating an insignificant and unstable moderating effect. Therefore, the hypothesis is rejected. These findings suggest that technical expertise and industry experience alone do not automatically lead to higher audit quality without adequate procedures, strong supervision, and compliance mechanisms within the firm. The absence of a moderating effect may also indicate that auditors already maintain independence at a minimum professional standard, resulting in limited variability.

The Effect of Public Accounting Firm Size on Audit Quality Moderated by Auditor Independence

The Wald test results show that auditor independence does not moderate the relationship between PAF size and audit quality. The coefficient value of 0.605 with a significance level of 0.437 exceeds the 5% threshold, and the confidence interval (-0.004 to 0.009) includes both negative and positive values. Thus, the hypothesis is rejected.

This finding indicates that although large PAFs may have sufficient resources and institutional support, audit quality is not guaranteed unless auditors consistently maintain independence. Firm size merely provides structural support, while audit quality ultimately depends on auditors' professionalism, objectivity, and integrity.

The Simultaneous Effect of Audit Tenure, PAF Specialization, and PAF Size on Audit Quality

The G-test results indicate that audit tenure, PAF specialization, and PAF size simultaneously have a significant effect on audit quality. The significance value is less than 0.001, which is below the 5% threshold. Therefore, the hypothesis is accepted.

Although several variables are insignificant when tested individually, their combined influence significantly affects audit quality. This finding highlights the importance of an integrative approach in evaluating audit quality determinants and confirms that a single-factor perspective is insufficient to explain the complexity of the audit process. These results are consistent with studies by Huda and Dharma (2023) as well as Mayangsari and Sazangka (2023).

CONCLUSION

Based on the discussion of the research findings on the effects of Audit Tenure, Public Accounting Firm (PAF) Specialization, and PAF Size on Audit Quality, the following conclusions can be drawn:

Audit tenure has a significant effect on audit quality. A longer auditor engagement period allows auditors to gain a deeper understanding of the client's business environment and accounting systems, thereby enabling more accurate audit procedures and improving audit quality. This finding indicates that auditor experience plays a crucial role in producing high-quality audits.

PAF specialization does not have a significant effect on audit quality. Auditor expertise in a specific industry is not sufficient to guarantee an improvement in audit quality. Although, in theory, specialization can enhance auditors' ability to detect misstatements, empirical evidence from this study suggests that specialization is not always a key determinant of audit quality.

PAF size does not have a significant effect on audit quality. The size of a public accounting firm does not necessarily determine differences in audit quality. Audit quality is more strongly influenced by auditors' compliance with auditing standards and professional competence rather than by institutional scale alone.

Auditor independence strengthens the relationship between audit tenure and audit quality. Auditors with longer engagement periods are able to produce higher-quality audits when they maintain professional independence. Independence acts as a reinforcing factor that ensures extended audit tenure does not compromise auditor objectivity.

Auditor independence does not moderate the relationship between PAF specialization and audit quality. Although auditors may possess higher technical expertise and industry knowledge, such capabilities are insufficient to improve audit quality without consistent independence and proper implementation of auditing procedures. Auditor independence does not moderate the relationship between PAF size and audit quality. Greater resources and reputation of large public accounting firms do not guarantee higher audit quality if auditor independence is not properly maintained. Audit quality remains dependent on auditor integrity and objectivity rather than organizational structure alone.

Simultaneously, audit tenure, PAF specialization, and PAF size have a significant effect on audit quality. Although not all variables have a significant partial effect, their combined influence significantly affects audit quality. This finding indicates that audit quality is the result of the interaction of multiple complementary factors.

Based on the conclusions of this study, several recommendations are proposed for relevant stakeholders:

For Public Accounting Firms, it is recommended to manage audit tenure optimally. While auditor experience has been shown to improve audit quality, it must be balanced with strong independence to avoid excessive familiarity with clients. Public accounting firms should also strengthen internal quality control systems to maintain auditor objectivity over long-term engagements. For auditors, this study emphasizes the importance of maintaining independence throughout all stages of the audit process. Although experience and industry knowledge increase with longer engagements, independence remains the primary factor ensuring high audit quality. Auditors are encouraged to continuously enhance their professional competence through training, broaden their industry knowledge, and consistently apply auditing standards.

For regulators and professional bodies, it is necessary to strengthen policies related to auditor rotation and oversight of auditor independence to ensure that extended audit tenure does not reduce audit quality. In addition, regulatory authorities should enhance supervision of audit practices, particularly regarding compliance with professional standards and auditor integrity.

For companies, greater selectivity in choosing auditors is recommended. Companies should consider not only the reputation and size of public accounting firms but also auditors' integrity and independence track records. Furthermore, companies should provide transparent and accurate financial information to support effective audit processes.

For future researchers, it is suggested to expand the scope of research by including different industry sectors or extending the observation period to obtain more representative results. Future studies may also incorporate additional variables such as audit complexity, audit fees, auditor rotation, and auditor competence to gain a more comprehensive understanding of factors affecting audit quality. Further research could also compare local and international public accounting firms and expand the study area beyond the Jabodetabek region.

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A: Conceptualization, Methodology, Data Collection, Data Analysis,

J: Writing – Original Draft, Visualization, Review and Editing

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3. Research Ethics:

The study did not involve any intervention, biological specimens, vulnerable groups, or sensitive personal data. Participation was voluntary, and the confidentiality of the respondents was maintained

4. Use of Artificial Intelligence (AI):

No Use of AI. The authors declare that generative AI was not used in the preparation of this article.

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