


Determinants Of Audit Quality With Integrated Reporting As A Moderator (Study On Financial Sector Companies In Indonesia And Malaysia)

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Article Info	ABSTRACT
Keywords: Audit Quality, Integrated Reporting, Financial Sector Companies	Many regulations require companies to be audited by qualified independent auditors. Financial statements of high quality will be more trusted by users of financial statements, such as investors, creditors, and governments. This study aims to analyze the factors that influence Audit Quality with Integrated Reporting as a moderating variable. The study was conducted on the Financial Sector in the Indonesia Stock Exchange and Malaysia, which are part of ASEAN, because the financial sector is involved in complex transactions and has a complex financial portfolio, so risk assessment and audit quality become more important. This study used binary logistic regression analysis with SPSS 23 software. The study analyzed 302 research units generated from 63 companies over 5 years of research (2018-2022). The results of the study showed that board independence had a positive effect on audit quality. Audit fees had a negative effect on audit quality. Audit reputation and board size had no effect on audit quality. Integrated reporting can moderate the effect of audit fees and board independence on audit quality. Integrated reporting cannot moderate the effect of board size on audit quality.
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INTRODUCTION

In the era of globalization, companies collect capital from various shareholders and creditors. The public and external parties have a large interest in ensuring that a company's financial reports are accurate and reliable. High audit quality can increase public confidence in the financial information presented by the company. The phenomenon of widespread manipulation of financial reports carried out by management for the benefit of the company. In Indonesia, one of them is a Public Accountant (AP) - Kasner Sirumapea from KAP Tanubrata, Sutanto, Fahmi, Bambang & Rekan who conducted an audit of the Financial Report of PT Garuda Indonesia Tbk for the 2018 financial year. Kasner Sirumapea was proven to have violated Audit Standards (SA) 315 because it is substantially inappropriate in assessing transactions for accounting treatment activities, recognition of receivable income and other income. The next case, namely astonishing audit fraud involving 1 Malaysia Development Berhad (1MDB), has shocked the financial world and attracted international attention. The 1MDB case had a major impact not only on Malaysian politics, but also on the reputation of

the international audit firms involved in auditing 1MDB. The case rocked the world of international finance and raised serious questions about ethics in the audit and oversight practices of state-owned entities.

The great trust that users of audit reports give to public accountants makes public accountants maintain the quality of their audits. The results of audit quality can increase the credibility of financial reports for information users so that audit quality becomes very important in maintaining public trust in the accuracy and validity of financial reports. (Novrilia et al., 2019). Audit quality is influenced by several factors, namely, Audit Fee, Audit Reputation, Board Size, Board Independent, and Integrated Reporting, which is a report that not only contains financial information but also non-financial information which can help auditors to understand the organization better. These audits, improve audit effectiveness, and improve communication with management. The large number of fraud cases that occur in the financial sector, because they have very complex financial operations and companies, make audits more complicated and require a high level of understanding from an auditor. Therefore, this research focuses on the financial sector in Indonesia and Malaysia, entitled "The Influence of Audit Fee, Audit Reputation, Board Size, Board Independent on Audit Quality with Integrated Reporting as a moderator". The aim of this research is to find empirical evidence of the influence of Audit Fee, Audit Reputation, Board Size, Board Independent on Audit Quality, and the interaction of Integrated Reporting in moderating the influence of Audit Fee Board Size, and Board Independent on Audit Quality.

METHODS

Population and Sample

The population used in this research is financial sector companies listed on the Indonesian and Malaysian Stock Exchanges over a period of 5 years. The year used in this research is 2018 – 2022. The sampling technique in this research uses a purposive sampling method, the criteria are as follows:

- a. Financial sector companies were listed during the research period (2018 – 2022) and have never experienced delisting.
- b. Attach an audited annual report which can be accessed using universal language (English).
- c. The company has complete data to process.

Operational Definition of Variables and Measurement

The dependent variable in this research is Audit Quality. Audit Quality is a level of audit quality that can be provided by auditors to parties who need audit services. Measurement using the Earning Surprise Benchmark. The moderating variable in this research is Integrated Reporting. Integrated Reporting is a reporting approach that presents financial and non-financial information in one comprehensive report. Measurement uses \sum IR Score with a total of 39 indicators from Arie Pratema (2021). The independent variables in this research are Audit Fee, Audit Reputation, Board Size, Board Independent. Audit Fee measurement uses the Natural Logarithm (LN), Audit Reputation measurement uses a dummy, giving a value of 1 for KAPs that are affiliated with the Big Four and a value of 0 for KAPs that are not affiliated

with the Big Four. Board Size is measured using the number of directors and commissioners. The measurement of Board Independent uses the number of dependent directors and commissioners.

Theoretical review

Institutional Theory

Institutional Theory is a theory that underlies change in an organization which is influenced by factors from within and outside the organization. Factors from outside the organization are institutional factors that pressure an organization to become isomorphic. Isomorphic is a process that causes organizations to become more similar to each other. Isomorphism is said to be an external pressure that encourages organizations to adapt to the institutional environment (DiMaggio & Powell, 1983).

Stakeholders Theory

Stakeholders theory proposed by R. Edward Freeman et, al. (1984) explains that companies as organizations have relationships with various parties outside the company. Therefore, companies need auditors to improve the quality of financial report audits. Auditors who are independent and objective in assessing financial reports will produce reliable information for stakeholders (Freeman & Reed, 1983). Stakeholder Theory assists auditors in identifying relevant stakeholders in the context of the audited entity. By understanding who is interested.

Quality Audits

Permatasari & Astuti, (2019) The audit process is designed to assess the figures presented in the financial statements as relatively reasonable, aiming to evaluate whether the figures stated in the financial statements accurately reflect the company's financial condition. Audit quality plays an important role in building trust in financial reports, as it ensures the reliability and transparency of the financial information presented. The Indonesian Accountants Association (IAI) states that an audit is of good quality if it meets auditing standards and quality control standards.

Integrated Reporting

Integrated Reporting provides comprehensive and integrated information about all aspects and dimensions of the organization to stakeholders with the aim of creating business value and maintaining the company's sustainability in the long term. Integrated Reporting, developed by the International Integrated Reporting Council (IIRC), is a form of reporting that can complete all information needs required by report users, both financial and non-financial information.

Audit Fees

Idawati, (2018) states the compensation for professional services, including the amount of member fees which vary depending on, among other things, the complexity of the services provided, the risk of the assignment, the level of expertise required to carry out the services, the KAP's fee structure and other considerations.

Reputation Audit

Audit Reputation, or audit reputation, reflects the positive or negative assessment that an audit firm has among the audit industry. This reputation is built based on various factors,

such as the quality of the audit work, the integrity and independence of the auditor, the competence of the auditor, and the professionalism of the audit firm as a whole. Even though the measurement of audit quality is still not clearly defined, users of financial reports generally associate audit quality with the reputation of the auditor who conducted the audit. (Kesumojati, et al., 2017).

Board Size

Board size refers to the number of members of the board of directors in the company. The size of the board of directors can vary, based on company regulations and applicable laws in a country. A board size that is too large can also complicate coordination between members and reduce efficiency in carrying out their duties and responsibilities (Jensen, 1993).

Board Independent

An independent board ensures that company policies and decisions are taken fairly and transparently, and to protect the interests of minority shareholders. According to Fama (1980), Board of Directors Independence refers to the ability of a company's board of directors to make decisions that are not influenced by personal interests or conflicts of interest with other parties that could interfere with the interests of shareholders. The research object in this study uses One-Tier Corporate Governance (Malaysia), Two-Tier Corporate Governance (Indonesia).

Client's Size

Company size is a scale that classifies the size of a company, where the company can be categorized as large, medium or small (Andica, et al., 2022). Client's size itself can be measured by total assets, total sales, market capitalization, number of employees, and various others.

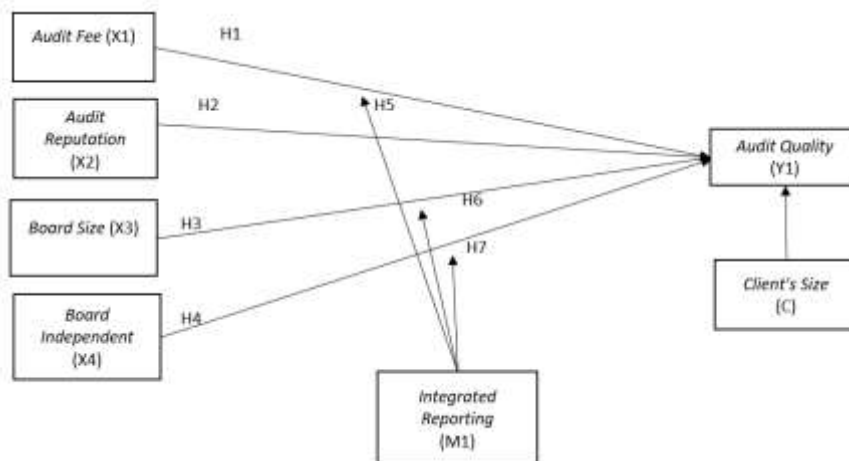


Figure 1. Research Model

Source: Data is processed by researchers (2023)

There are differences in research results from previous research, based on this, the researcher wants to test:

H1: Audit Fees influence Audit Quality

H2: Audit Reputation influences Audit Quality

- H3: Board Size influences Audit Quality
- H4: Board Independence influences Audit Quality
- H5: Integrated Reporting moderates the influence of audit fees on audit quality
- H6: Integrated Reporting moderates the influence of board size on audit quality.
- H7: Integrated Reporting moderates the influence of Board Independence on Audit Quality.

RESULTS AND DISCUSSION

Test the Overall Model (Overall Fit Model)

This test is used to assess whether the hypothesized model fits the data or not.

Table 1. Overall Model Test Results

Information	-2 Log Likelihood
BlockNumber = 0	150.101
Block Number = 1	125,219

Source: SPSS Output Ver 23, 2023

Based on the table above, it is known that the value of -2 LL Block Number = 0 is 150.101 and -2 LL Block Number = 1 is 125,219. This value shows a decrease from -2 LL Block Number = 0 to -2 LL Block = 1. These results show that the hypothesized model fits the data.

Omnibus Test of Model Coefficient Test

Table 2. Omnibus Test Results of Model Coefficient

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
	Step	57,425	9	,000
Step 1	Block	57,425	9	,000
	Model	57,425	9	,000

Source: SPSS Output Ver 23, 2023

The Omnibus Test of Model Coefficient is a test used to find out whether all independent variables have an effect on the dependent variable. Based on the table above, the Sig value is obtained. of 0.000. The resulting significance value is smaller than the significance level of 0.05 or 5%. This research rejects the 0 (zero) hypothesis and concludes that the independent variables used simultaneously have an influence on the dependent variable.

Determination Coefficient Test (Nagelkerke R Square)

Table 3. Coefficient of Determination Test Results

Step	-2 Log likelihood	Model Summary	
		Cox & Snell R Square	Nagelkerke R Square
1	67.504a	,174	,511

a. Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

Source: SPSS Output Ver 23, 2023

From table 3, it can be seen that by entering the independent variable there has been a change in the parameter estimate (-2 Log Likelihood) of 67.504. If you look at the R Square

value, it is 0.174 or 17.4% (Cox & Snell) and 0.511 or 51.1% (Nagelkerke). Thus, it can be interpreted that by including the independent variable, the dependent variable in the form of Audit Quality can be explained by 51.1%. Meanwhile, the remaining 48.9% is explained by other variables outside of the observations made.

Regression Model Feasibility Test (Goodness of Fit Test)

Table 4. Regression Model Feasibility Test Results

Hosmer and Lemeshow Test			
Step	Chi-square	Df	Sig.
1	6,821	8	,556

Source: SPSS Output Ver 23, 2023

Table 4. Shows the results of the Hosmer and Lemeshow's Test. Based on this table, it can be seen that Chi-square has a significance value of 0.556. These results show that the test results are greater than 0.05, which indicates that this research model rejects the 0 (zero) hypothesis and can accept this model because it matches the empirical data used.

Classification Test

Table 5. Classification Test Results Classification Tablea

Observed	Predicted			Percentage Correct
	AQ			
	Low	Tall		
AQ	Low	7	9	43.8
Step 1	Tall	0	284	100.0
Overall Percentage				97.0

a. The cut off value is .500

Source: SPSS Output Ver 23, 2023

The classification matrix shows the predictive power of the regression model to predict the Audit Quality of financial sector companies listed on the Indonesia and Malaysia Stock Exchanges in 2018 - 2022.

Parameter Estimation and Interpretation

Table 6. Data Significance Test Results

	Variables in the Equation						
	B	S.E	Wald	df	Sig.	Exp(B)	
AF	5223.92	9718.78	,289	1	,591	,000	
AR	-2,343	1,071	4,784	1	,029	,096	
BS	2,600	1,563	2,767	1	,096	13,461	
Step 1a	BI	18,775	7,600	6.103	1	.013	1,424
	CS	,094	.031	9,183	1	,002	1,099
	IrxAF	-59,950	79,071	,575	1	,448	,000
	IrxBS	-.020	.012	2,966	1	,085	,980
	IrxBI	-.141	,058	5,909	1	,015	,869
	Constant	-68,916	22,428	9,442	1	,002	,000

a. Variable(s) entered on step 1: AF, AR, BS, BI, CS, IrxAF, IrxBS, IrxBI.

Source: SPSS Output Ver 23, 2023

Hypothesis testing can be done by comparing the level of significance (sig.) with the level of error (α) = 5% or 0.05. Based on table 4.23. The results can be interpreted as follows:

1. First Hypothesis Testing (H1)

Testing of the first hypothesis was carried out between Audit Fee and Audit Quality. The Audit Fee variable has a significance level of 0.591 which is greater than $\alpha = 5\%$. The results of this research reject the first hypothesis which states that Audit Fees have an influence on Audit Quality.

2. Second Hypothesis Testing (H2)

Testing of the second hypothesis was carried out between Audit Reputation and Audit Quality. The Audit Reputation variable has a significance level of 0.029 which is greater than $\alpha = 5\%$. The results of this research accept the second hypothesis which states that Audit Reputation has an influence on Audit Quality.

3. Third Hypothesis Testing (H3)

Testing of the third hypothesis was carried out between Board Size and Audit Quality. The Board Size variable has a significance level of 0.096 which is greater than $\alpha = 5\%$. The results of this research reject the third hypothesis which states that Board Size has an influence on Audit Quality.

4. Fourth Hypothesis Testing (H4)

Testing of the fourth hypothesis was carried out between the Independent Board and Audit Quality. The Board Independent variable has a significance level of 0.013 which is smaller than $\alpha = 5\%$. The results of this research accept the fourth hypothesis which states that Board Independence has an influence on Audit Quality.

5. Fifth Hypothesis Testing (H5)

Testing of the fifth hypothesis was carried out between the interaction of Integrated Reporting and Audit Fees on Audit Quality. The interaction variable Integrated Reporting and Audit Fee has a significance level of 0.448 which is greater than $\alpha = 5\%$. The results of this research reject the fifth hypothesis which states that Integrated Reporting Interactions have an influence on Audit Fees on Audit Quality.

6. Testing the Sixth Hypothesis (H6)

Testing of the sixth hypothesis was carried out between the interaction of Integrated Reporting and Board Size on Audit Quality. The interaction variable Integrated Reporting and Board Size has a significance level of 0.085 which is greater than $\alpha = 5\%$. The results of this research reject the sixth hypothesis which states that Integrated Reporting Interaction has an influence on Board Size on Audit Quality.

7. Seventh Hypothesis Testing (H7)

Testing of the seventh hypothesis was carried out between the interaction of Integrated Reporting and Independent Board on Audit Quality. The interaction variable Integrated Reporting and Board Independent has a significance level of 0.015 which is smaller than $\alpha = 5\%$. The results of this research accept the seventh hypothesis which states that Integrated Reporting Interaction has an influence on Board Independent on Audit Quality.

Multigroup Analysis

Table 7. PLS Multigroup Analysis Results (Indonesia)

	Path coefficients	VIFs	P value
IR_AF	0.042	2,343	<0.001
IR_BS	-0.045	4,261	0.027
IR_BI	-0.131	4,430	0.010

Source: WarPLS 8.0 Output (2024)

Note:

IR (Integrated Reporting),

AF (Audit Fee),

BS (Board Size),

BI (Board Independent)

Based on table 7. PLS Integrated Reporting multigroup analysis for the Indonesian group is explained as follows:

- Integrated Reporting moderates the relationship between Audit Fee and Audit Quality. ($\beta=0.042$; p value $0.001 < 0.05$).
- Integrated Reporting moderates the relationship between Board Size and Audit Quality. ($\beta=-.045$; p value $0.027 < 0.05$).
- Integrated Reporting moderates the relationship between Board Independent and Audit Quality. ($\beta=-.131$; p value $0.010 < 0.05$).

Table 8. PLS Multigroup Analysis Results (Malaysia)

	Path coefficients	VIFs	P value
IR_AF	-0.208	1,689	<0.001
IR_BS	0.050	2,068	0.054
IR_BI	0.012	1,448	0.021

Source: WarPLS 8.0 Output (2024)

Note:

IR (Integrated Reporting),

AF (Audit Fee),

BS (Board Size),

BI (Board Independent)

Based on table 8, the multigroup PLS analysis for the Malaysian group is as follows:

- Integrated Reporting moderates the relationship between Audit Fee and Audit Quality. ($\beta=-0.208$; p value $0.001 < 0.05$)
- Integrated Reporting cannot moderate the relationship between Board Size and Audit Quality. ($\beta=0.050$; p value $0.054 < 0.05$).
- Integrated Reporting moderates the relationship between the Independent Board and Audit Quality. ($\beta=0.012$; p value $0.021 < 0.05$).

Table 9. PLS Multigroup Analysis Results (Indonesia and Malaysia)

	P coefficients (Indonesia)	P coefficients (Malaysia)	Difference (β)	P value
IR_AF	0.042	-0.208	0.250	0.314
IR_BS	-0.045	0.050	-0.095	0.253

	P coefficients (Indonesia)	Pcoefficients (Malaysia)	Difference (β)	P value
IR_BI	-0.131	0.012	-0.143	0.012

Source: WarPLS 8.0 Outup (2024)

Note:

IR (Integrated Reporting),

AF (Audit Fee),

BS (Board Size),

BI (Board Independent)

Based on table 9, the PLS multigroup analysis for Indonesia and Malaysia is as follows:

- Integrated Reporting moderates the relationship between Audit Fee and Audit Quality higher in the Indonesian group than in Malaysia. However, this difference is not significant ($\beta=0.250$; p value $0.314 > 0.05$).
- Integrated Reporting moderates the relationship between Board Size and Audit Quality higher in the Malaysian group than in Indonesia. However, this difference is not significant ($\beta=-0.095$; p value $0.253 > 0.05$).
- Integrated Reporting moderates the relationship between Board Independent and Audit Quality higher in the Malaysian group than in Indonesia. The difference is significant ($\beta=-0.143$; p value $0.012 < 0.05$).

Discussion of Research Results

- This shows that high audit fees do not always guarantee better audit quality. Audit companies or KAPs rely heavily on fees from certain clients, there is a potential conflict of interest. Audit standards require auditors to conduct audits of the same quality, regardless of the size of the audit fee. Auditors have a reputation that must be maintained, so they will always try to provide the best audit quality.
- A good audit reputation cannot always be judged by the fact that companies audited by KAPs affiliated with the Big Four have a better reputation than KAPs that are not affiliated with the Big Four. This can be seen from the many cases of low audit quality from large KAPs. The reputation that is built is more emphasized on the basis of the quality of audit work, integrity, independence, competence and professionalism of the auditor.
- The larger the size of the board, the more difficult it is to reach consensus in decision making. This can cause audits to be less effective because auditors can be pressured by board members who have different interests. Audit quality depends not only on the size of the board, but also on other factors such as board independence, board competence, quality of the company's internal control system. Supervision of management can be carried out by internal auditors, not just by the board of commissioners.
- The Independent Board has an important role in overseeing company policies and practices. With effective supervision, the risk of fraud or accounting violations can be minimized. Audits conducted in a well-supervised environment tend to be more thorough and accurate. The independent board consists of individuals who have expertise and experience in finance, accounting, or related industries. The presence of

board members with in-depth knowledge can help ensure that audits are conducted to a high standard and in accordance with applicable regulations.

5. Integrated Reporting is a relatively new concept and has not yet been widely adopted by companies. This causes auditors to still not have much experience in using Integrated Reporting to improve audit quality. Integrated Reporting that does not provide quantitatively measurable information will be more difficult for auditors to use in determining audit fees.
6. Integrated Reporting focuses more on how the company communicates with stakeholders as a whole, but does not directly influence internal factors such as the size of the board of directors. Board Size is important in making strategic decisions that influence the company's long-term direction and goals. The board of directors also oversees the company's finances, assesses financial reports, ensures compliance with financial regulations and makes decisions related to dividend policy and capital allocation, apart from Integrated Reporting. Although Integrated Reporting can be an important consideration in financial analysis, its impact on Audit Quality cannot be directly linked to Board Size practices.
7. Integrated Reporting can add complexity to the preparation of reports, especially because it involves financial and non-financial information. Independent boards and auditors may encounter difficulties in examining and verifying broader and more complex information. Preparing integrated reports involves many related parties within the company. The involvement of these various parties can create potential conflicts of interest, especially if there is pressure to present information that supports the company's positive image.
8. Larger companies generally have greater resources to support audits. These vast resources can be used to recruit more qualified auditors, provide better training for auditors, and use more sophisticated technology to support audits. A larger client's size generally has a better reputation in the eyes of the public.
9. Integrated Reporting in moderating the relationship between Audit Fee and Audit Quality in the Indonesian data group is higher than in the Malaysian data group. This shows that the availability of financial sector companies in reporting integrated reports in Indonesia is more than financial sector companies in Malaysia. The adoption rate of Integrated Reporting in Indonesia is higher compared to Malaysia.
10. Integrated Reporting in moderating the relationship between Board Size and Audit Quality in the Malaysian data group is higher than in the Indonesian data group. This shows that the availability of financial sector companies in reporting integrated reports in Malaysia is more than financial sector companies in Indonesia. Financial sector companies in Malaysia have better corporate governance than Indonesia.
11. In Indonesia, Integrated Reporting is still voluntary. Independent boards in Malaysia generally have more experience and expertise in finance and audit than independent boards in Indonesia. Malaysia has stricter regulations regarding corporate governance compared to Indonesia. In Indonesia, there are still a few companies that publish Integrated Reporting. Independent boards in Indonesia still need to increase their

experience and expertise in finance and audit. The government needs to strengthen regulations related to corporate governance to close existing gaps. However, there is no significant difference between Integrated Reporting from Indonesia and Malaysia in moderating the relationship between Board Independent and Audit Quality.

CONCLUSION

Based on the research results previously presented, the conclusions of this research are as follows: 1) Audit Fees have no influence on Audit Quality. This shows that high audit fees do not always guarantee better audit quality. Clients with more complex and high-risk operations require more time and resources to audit. Higher audit fees can cause auditors to feel bound to maintain good relationships with clients in order to maintain a significant source of income. This can hamper the auditor's independence and ability to act objectively. 2) Audit Reputation has an influence on Audit Quality. This shows that Audit reputation has an important role in the auditor selection process by 955 company, 955 investment efforts by stakeholders, and evaluation of the quality of financial reports. A good audit reputation cannot always be judged by 955 Companies audited by KAPs affiliated with the Big Four have a better reputation than KAPs that are not affiliated with the Big Four. The reputation that is built is more emphasized on the basis of the quality of audit work, integrity, independence, competence and professionalism of the auditor. 3) Board Size has no influence on Audit Quality. This shows that the large size of the board of directors does not guarantee that all its members have sufficient competence and independence to monitor performance 955 company and external auditors. The large size of a board of directors can make it difficult for its members to collaborate and achieve 955 efforts in collection 955 business. Organizational structure 955 A complex company can make it difficult for the board of directors to oversee all activities 955 company. 4) Independent Board has influence on Audit Quality. This shows board 955 company 955 has an important role in overseeing policy and practice 955 company. With effective supervision, the risk of fraud or accounting violations can be minimized. Audits conducted in a well-supervised environment tend to be more thorough and accurate. The presence of board members with in-depth knowledge can help ensure that audits are conducted to a high standard and in accordance with applicable regulations. 5) Integrated Reporting interactions are unable to moderate the influence of Audit Fees on Audit Quality. This shows that The availability of accurate and up-to-date information for preparing integrated reporting is an important factor. If the available information is incomplete or inaccurate, then Integrated Reporting will not be effective in improving audit quality. Integrated Reporting is a concept that 955 he new venture and not yet widely adopted by 955 company. This causes auditors to still not have much experience in using Integrated Reporting to improve audit quality. 6) Integrated Reporting interactions are unable to moderate the influence of Board Size on Audit Quality. This shows that a large Board Size does not guarantee that all its members have sufficient competence and independence to monitor performance 955 company and external auditors. Integrated Reporting cannot moderate the influence of Board Size on Audit Quality, therefore Integrated Reporting does not directly influence the supervision and accountability of the board of directors. Integrated Reporting is

financial reporting that presents information in a comprehensive and integrated manner, but does not directly change the way the board of directors carries out its functions. 7) Integrated Reporting interactions are able to moderate the influence of Independent Boards on Audit Quality. This shows that Integrated Reporting can add complexity to the preparation of reports, especially because it involves financial and non-financial information. Board and auditors may encounter difficulties in examining and verifying broader and more complex information. The complexity of Integrated Reporting can be a challenge for the Independent Board to monitor auditor performance. Therefore, the Independent Board may not have sufficient competence to understand the complexity of Integrated Reporting. 8) The influence of Integrated Reporting in moderating the relationship between Audit Fee and Audit Quality in the Indonesian data group is higher than in the Malaysian data group. This shows that financial sector companies in reporting integrated reports in Indonesia are more than financial sector companies in Malaysia. However, there is no significant difference between Integrated Reporting from Indonesia and Malaysia in moderating the relationship between Audit Fee and Audit Quality. 9) The influence of Integrated Reporting in moderating the relationship between Board Size and Audit Quality in the Malaysian data group is higher than in the Indonesian data group. Financial sector companies in Malaysia have a system that is a better company than Indonesia. However, there is no significant difference between Integrated Reporting from Indonesia and Malaysia in moderating the relationship between Board Size and Audit Quality. 10) The influence of Integrated Reporting in moderating the relationship between Board Independent and Audit Quality in the Malaysian data group is higher than in the Indonesian data group. Malaysia has stricter regulations regarding governance compared to Indonesia. In Indonesia, there are still few companies that publishes Integrated Reporting. However, there is no significant difference between Integrated Reporting from Indonesia and Malaysia in moderating the relationship between Board Independent and Audit Quality.

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