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The Role of Corporate Governance Mechanisms, Leverage, and Financial Distress for Improving Audit Quality

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ABSTRACT

This study aims to evaluate the effect of corporate governance mechanisms on audit quality, focusing on the role of independent commissioners and independent audit committees, as well as considering leverage and financial distress factors. Through data analysis of transportation companies listed on the Indonesia Stock Exchange (IDX), this study seeks to provide in-depth insight into how corporate governance and financial conditions affect audit quality. The results are expected to provide significant recommendations for improving audit quality through strengthening corporate governance mechanisms and managing financial conditions more optimally, as well as guiding companies in improving governance practices and providing valuable input for policymakers to develop regulations that support the improvement of audit quality in the transportation sector. Research Hypothesis. Based on the statistical results, the study shows that the independent audit committee and leverage have a significant and positive effect on audit quality. This indicates that transportation companies listed on the Indonesia Stock Exchange with an active independent audit committee and good leverage management tend to have higher audit quality. In contrast, the presence of independent commissioners and financial distress conditions do not significantly affect audit quality. These findings confirm that strong internal oversight mechanisms and effective leverage management can enhance corporate transparency and accountability, and support better corporate governance and sustainable economic development. The results of this study highlight the relevance of the importance of independent audit committees and leverage in improving audit quality, and provide practical insights for the development of more effective governance and audit policies in the transport sector.

INTRODUCTION

In this modern era, audit quality has a very high urgency for the business world (Holm & Zaman, 2012). Excellent audit quality is the foundation of investor confidence, ensuring that the financial statements presented by companies are accurate and trustworthy (Zahid et al., 2022). Without quality audits, companies will be vulnerable to significant financial risks and lose credibility in the eyes of stakeholders (Ferriswara et al., 2022). Accurate and independent audits also play an important role in supporting good corporate governance, ensuring that every business decision is made based on correct and transparent information (Hossain et al., 2022). Therefore, audit quality is not only a necessity but also an imperative to maintain business integrity and sustainability in an increasingly competitive business world (Francis, 2023).

High audit quality helps companies identify and manage financial risks more effectively (Ciger, 2020). With in-depth and comprehensive audits, auditors can uncover potential problems before they become serious threats (Huang & Kang, 2022). This not only protects the company's assets but also ensures its operational sustainability (Sattar et al., 2020). Companies that can manage risks well tend to be more stable and gain the trust of business partners and other stakeholders (Ahmet et al., 2022). In addition, high-quality audits can also uncover efficiency opportunities that might otherwise be missed, allowing companies to optimize their resources. In the long run, high-quality audits help create a fairer and more sustainable business environment, where business decisions are based on accurate and reliable information. Therefore, investing in audit quality is a strategic move to ensure business growth and sustainability in this modern era (Uzliawati et al., 2023).

Several factors can affect audit quality, these factors include corporate governance (composition of independent commissioners, independent audit committee), financial distress, leverage, and others. Corporate governance is the framework that governs the relationship between a company's management, board of directors, shareholders, and other stakeholders. Corporate governance ensures that companies are run with transparency, accountability, and integrity, all of which contribute to better audit quality. With strong corporate governance, the risk of fraud and manipulation of financial data can be minimized, so that the resulting financial statements are more reliable. Corporate governance is proxied by the composition of independent commissioners and independent audit committees. Research conducted (Abdullah et al., 2024) shows that the composition of independent commissioners affects audit quality. However, other research results (Soliman, 2020) show that independent commissioners affect audit quality. Research conducted (Suryanto et al., 2017; Viet Ha et al., 2023) shows that independent audit committees affect audit quality. However, other research results (Boshnak, 2021; Khuong et al., 2022) show that independent audit committees do not affect audit quality.

Leverage refers to the use of debt to finance the company's operations. A high level of leverage means that the company has a large proportion of debt compared to its equity (Kalbuana, Taqi, Uzliawati, & Ramdhani, 2022). High leverage can affect audit quality because companies with high debt have greater financial risk, which can increase pressure to manipulate financial statements to meet debt obligations. With high leverage, auditors must be more careful and critical in evaluating financial statements to detect potential errors or fraud. High leverage requires tighter audit supervision to ensure that the resulting financial statements are reliable and free from manipulation. Research conducted (Kurt, 2022) shows that leverage affects audit quality. However, other research results (Triani & Yanthi, 2020) show that leverage does not affect audit quality.

Financial distress is defined as a situation in which a company is experiencing serious financial difficulties, such as the inability to pay debts or cover operating costs. Financial distress can have a significant impact on audit quality. Companies experiencing financial distress have a greater incentive to manipulate financial statements in an attempt to mask their financial problems and maintain investor and creditor confidence. This increases the risk of fraud and irregularities in the financial statements. Auditors must be more vigilant and perform more intensive and in-depth audit procedures to ensure that the financial statements reflect the true condition of the company. Research conducted (Cahyanti et al., 2022) shows that financial distress affects audit quality. However, other research results (Wijaya & Susilandari, 2022) show that financial distress does not affect audit quality.

1. LITERATURE REVIEW

Agency Theory

Agency theory, introduced by Jensen & Meckling in 1976, describes the relationship between owners of capital (principals) and managers (agents) who are hired to manage the company. Principals authorize agents to make decisions on their behalf. However, there is often a conflict of interest and unbalanced information between the two. According to, this problem is one of the major issues in finance and highlights the importance of auditing. Audits ensure that financial statements are prepared by applicable accounting principles, assuring stakeholders that the reports can be trusted.

Audit Quality

Audit quality is when an auditor can detect misstatements and has professional skepticism (Boshnak, 2021). To detect misstatements properly and correctly, an auditor must understand well the type of industry of his audit client. Audit quality can be proxied by KAP's reputation to assess the high and low quality of the audit (Khuong et al., 2022). In addition, a strong global reputation, access to advanced audit technology, as well as a team of highly trained auditors, make the Big 4 the first choice for many large companies. Strict independence and ethical standards also ensure that their audits are conducted objectively and free from undue influence (Huang & Kang, 2022). The intense scrutiny from regulators and the public drives the Big 4 to constantly update and improve their auditing methods. Therefore, the use of Big 4 firms as a proxy for high audit quality is still relevant today, due to their ability to continuously adapt and evolve according to changes in regulation, technology, and market needs (Kurt, 2022).

Independent Commissioners

Independent commissioners are members of the board of commissioners who are not affiliated with the directors or other commissioners and are free from business relationships that could prevent them from acting independently (Soliman, 2020). The board of commissioners has an important role in corporate governance, including overseeing strategy implementation, supervising management, and maintaining accountability (Khuong et al., 2022). Independent commissioners play an important role in the supervisory function, and the number of board members affects the quality of financial reports produced by management. The presence of independent commissioners is expected to improve company management, serve as a neutral watchdog, and improve the quality of financial statements, especially earnings reports that reflect company value (Abdullah et al., 2024).

Audit quality is strongly influenced by the effectiveness of supervision carried out by independent commissioners. By acting as a neutral supervisor and free from conflicts of interest, independent commissioners can ensure that the audited financial statements reflect the true condition of the company. This increases the auditor's confidence in the integrity of the data presented and allows the auditor to carry out his duties more effectively. Thus, the presence of independent commissioners is expected to contribute to improving overall audit quality. Therefore, the hypothesis is proposed:

H1: Independent commissioner has a positive effect on audit quality.

Independent Audit Committee

The audit committee is tasked with overseeing management performance, providing accurate information, and analyzing financial reports for the board of commissioners, as well as providing recommendations in choosing a public accounting firm so that financial reports remain objective (Suryanto et al., 2017; Viet Ha et al., 2023). An independent audit committee, consisting of members who are not involved in management or other commissioners, plays an important role in ensuring the objectivity and independence of the audit process. In the absence of conflicts of interest, an independent audit committee can improve the quality of financial reports by ensuring that the reports comply with standards and reflect the company's true financial condition (Boshnak, 2021). Audit quality is strongly influenced by the effectiveness of the supervision of the independent audit committee, which can increase

the auditor's confidence in the integrity of the data and assist in the effective implementation of audit tasks (Khuong et al., 2022). Therefore, the proposed hypothesis is: Therefore, hypotheses were proposed:

H2: Independent audit committee has positive impacts on audit quality.

Leverage

Leverage is a ratio that measures the proportion of a company's assets financed by debt, and is used to assess the extent to which a company relies on debt in its funding structure. This ratio reflects two important aspects: first, the extent to which debt is used to finance the company's investments, and second, the company's ability to repay its long-term debt.

Leverage can affect audit quality because companies with high debt ratios may face greater financial risk, which affects audit risk (Triani & Yanthi, 2020). Auditors need to consider the level of leverage when planning and performing audits, as highly leveraged companies may have additional challenges in meeting debt obligations and accurately reporting financial conditions (Kurt, 2022). A high level of leverage may increase audit risk due to a greater likelihood of financial problems or financial statement errors. Therefore, auditors may need to increase their audit attention and procedures on highly leveraged companies to ensure that the financial statements reflect the true condition and that the associated risks are disclosed. Therefore, the hypothesis is proposed:

H3: Leverage has positive impacts on audit quality.

Financial Distress

Financial distress refers to a condition in which a company is experiencing financial difficulties and cannot fulfill its financial obligations properly. Companies experiencing financial distress may not have the financial capacity to pay high audit fees. Financial distress may affect audit quality because companies in financial distress may face greater audit risk and potential conflicts of interest. Auditors may have to be more careful in planning and conducting the audit to ensure that the financial statements are accurate and reflect the true condition of the company. On the other hand, companies' financial limitations may restrict their ability to pay appropriate audit fees, which may affect the comprehensiveness and depth of the audit conducted (Cahyanti et al., 2022). Therefore, companies in financial distress often experience challenges in obtaining optimal audit quality, which in turn may affect the reliability of the financial statements presented. Therefore, the hypothesis is proposed: Therefore, hypotheses were proposed:

H4: Financial distress has a positive effect on audit quality.

2. METHODOLOGY

This study uses a quantitative approach to provide strong empirical evidence on how independent commissioners, independent audit committees, leverage, and financial distress affect audit quality. An explanatory approach is used to explore the cause-and-effect relationship between these variables. The study population includes transportation companies listed on the Indonesia Stock Exchange (IDX) during the period 2019-2023, with a sample consisting of 23 companies. The main data was obtained from the company's annual report which can be accessed through the official website of the Indonesia Stock Exchange, www.idx.co.id. Data analysis was conducted using the panel data method with the Ordinary Least Squares (OLS) Regression model and the Robust method, which was operated using Stata statistical software. This approach helps provide more accurate results in testing the research hypothesis.

2.1 Research Regression Model

This study uses the panel data regression analysis method, which combines data from various periods and units of analysis, such as different companies. This method allows us to evaluate the effect of independent commissioners, independent audit committees, leverage, and financial distress on audit quality. Panel data, also known as longitudinal or micro panel data, provides the ability to monitor changes over time as well as variations between units of analysis. By defining in detail the relevant

variables, this study develops an in-depth model to examine the relationship between these factors and audit quality. The model equation used to explore this relationship is as follows:

$$AUQ_{i,t} = \beta_0 + \beta_1 INC_{i,t} + \beta_2 IAC_{i,t} + \beta_3 LEV_{i,t} + \beta_4 FIND_{i,t} + \epsilon \dots\dots\dots(1)$$

To provide an in-depth explanation of the model that assesses the effect of independent commissioner, independent audit committee, leverage, and financial distress variables on audit quality, it can be described as follows:

Table 1. Variable Description

<i>Symbol</i>	<i>Description</i>
i	= Cross-section data
t	= Time series data
AUQ	= Audit Quality
INC	= Independent Commissioners
IAC	= Independent Audit Committees
LEV	= Leverage
FIND	= Financial Distress
α	= Constanta
β1, β2, β3, β4	= Regression coefficients of variables INC, IAC, LEV, FIND
ε	= Error

Source: Compiled by the authors

3. RESULTS AND DISCUSSION

3.1 Descriptive Statistics

The results of descriptive statistical analysis can be displayed by presenting the minimum, maximum, mean, and standard deviation values of the variables studied based on the company sample. Data presentation for transportation companies during the 2018-2023 period can be seen in the following table:

Table 2. Descriptive Variables

<i>Variables</i>	<i>Obs</i>	<i>Mean</i>	<i>Std. Dev.</i>	<i>Min</i>	<i>Max</i>	<i>p1</i>	<i>p99</i>	<i>Skew.</i>	<i>Kurt.</i>
AUQ	115	.209	.408	0	1	0	1	1.434	3.055
INC	115	.297	.062	0	.4	0	.4	-1.802	10.139
IAC	115	.288	.088	0	.5	0	.5	.62	4.79
LEV	115	.595	.501	.03	3.139	.054	2.272	2.064	8.993
FIND	115	1.273	12.26	-43.635	69.393	-33.49	34.116	1.139	12.402

Source: Compiled by the authors

3.2 Pearson Correlation Test

The Pearson correlation test is used to measure the strength of the relationship between the variables of independent commissioners, independent audit committees, leverage, and financial distress on audit quality. The results of this analysis are presented in the following output:

Table 3. Pearson Correlation Test

Variables	(1)	(2)	(3)	(4)	(5)
(1) AUQ	1.000				
(2) INC	0.115 (0.222)	1.000			
(3) IAC	0.351 (0.000)	0.404 (0.000)	1.000		
(4) LEV	0.342 (0.000)	0.009 (0.925)	0.013 (0.894)	1.000	
(5) FIND	-0.184 (0.049)	-0.047 (0.621)	-0.068 (0.472)	-0.619 (0.000)	1.000

Pairwise correlations

Variables	(1)	(2)	(3)	(4)	(5)
(1) AUQ	1.000				
(2) INC	0.115	1.000			
(3) IAC	0.351*	0.404*	1.000		
(4) LEV	0.342*	0.009	0.013	1.000	
(5) FIND	-0.184	-0.047	-0.068	-0.619*	1.000

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Source: Compiled by the authors

The table shows that the variables of independent commissioners, independent audit committee, leverage, and financial distress, as well as audit quality, have values above 0.05 (5%). This value indicates that these variables fulfill the eligibility criteria for use in model validation. The number greater than 0.05 (5%) is consistent with the reliability test results previously presented, which show that all variables provide consistent results when tested.

3.2 Goodness of Fit Model Testing

Hypothesis testing is a key element in research that evaluates the extent to which the model meets established scientific standards. This study applied two testing methods, including the Ordinary Least Squares (OLS) Regression and Robust approach to assess the model's validity depth. The results of these analyses are presented below:

Table 4. Goodness of Fit Model Testing

Variables	(Model 1) Ordinary Least Square Test	(Model 2) Robustness Test
INC	-.212 .598 0.724	-.212 1.523 0.721
IAC	1.680*** .420 0.000	1.680** .004 0.001
LEV	.315*** .086 0.000	.315*** .315 0.004
FIND	.003 .004 0.462	.003 .157 0.164
Constant	-.403* .183	-.403* .173
Observations	115	115
R-squared	0.241	0.241
Number of Year	5	5

Standard errors in parentheses *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Source: Compiled by the authors

3.3 Discussion of Research Results

3.3.1 Independent commissioner has a positive *impact* on audit quality

Independent Commissioners show negative coefficient estimation results that are not by the initial hypothesis. The t-test results explain that Independent Commissioners have no effect on audit quality at a significance level of $p\text{-value } 0.724 \geq 0.05$ (5%) in the OLS model, $p\text{-value } 0.721 \geq 0.05$ (5%) in the Robustness Test model. The results of these empirical findings do not support the proposed hypothesis that Independent Commissioners have a positive influence on audit quality, the hypothesis is rejected with a $p\text{-value of } 0.724 \geq 0.05$ (5%) with a negative coefficient estimate. The direction of this hypothesis is not in line with the findings of previous research (Abdullah et al., 2024) which leads positively. This research is consistent with the results of research conducted by (Soliman, 2020). The direction of the initial hypothesis with the empirical findings is due to the results of the Independent Commissioners coefficient with the results of the audit quality coefficient in Transportation companies listed on the IDX for the 2018-2023 period in the opposite direction.

In the perspective of agency theory, the existence of independent commissioners should reduce information asymmetry between management and shareholders, and ultimately improve audit quality through more effective supervision. However, the results of this study show that Independent Commissioners have no significant effect on audit quality, with negative coefficient estimates and $p\text{-values}$ far above 0.05 in the OLS model and Robustness Test. This finding contradicts the initial hypothesis that proposes a positive effect of independent commissioners on audit quality.

From an agency theory perspective, this result may be due to several factors: low supervisory effectiveness, persistent information asymmetry, incompatible interests, and varying levels of commitment and competence of independent commissioners. Although independent commissioners are expected to act as neutral watchdogs, in practice they may not have enough information or authority to conduct effective oversight of management. In addition, despite the presence of independent commissioners, information asymmetry between management and shareholders may still be significant, and management may have access to more detailed information and be able to hide or alter information presented to independent commissioners.

Independent commissioners may also face pressure from management or dominant shareholders, so they are not completely free from conflicts of interest. The level of commitment and competence of independent commissioners in carrying out their supervisory duties may also vary; if they lack competence or dedication, the expected positive impact on audit quality may not be achieved. Previous research showing positive results may have been conducted in a different context, with higher levels of supervisory effectiveness or with better-governed firms. This discrepancy in results highlights the importance of context and firm-specific factors in examining the effect of governance mechanisms on audit quality. As such, these empirical results provide valuable guidance for companies in managing their profitability strategies taking into account the implications for audit quality. The application of the principles of efficiency, transparency, and risk management within the agency's theoretical framework will potentially improve audit quality, which in turn can help increase stakeholder confidence in the company's financial information.

3.3.2 Independent audit committee has positive impacts on audit quality.

Independent Audit Committees show positive coefficient estimation results by the initial hypothesis. The t-test results explain that Independent Audit Committees have a positive and significant effect on audit quality at the $p\text{-value}$ significance level of 0.000 and $0.001 \leq 0.05$ (5%) in the OLS model and Robustness tests. The test results empirically prove that the higher the Independent Audit Committees have an impact on improving audit quality, and vice versa, the lower the Independent Audit Committees have an impact on reducing audit quality.

Empirical test results consistently reveal that the level of Independent Audit Committees significantly contributes to improving audit quality. Conversely, low Independent Audit Committees correlate with a decrease in audit quality. These empirical findings strongly support the hypothesis that has been

proposed, namely that Independent Audit Committees have a positive influence on audit quality (Hypothesis Accepted with a significance p-value of $0.000 \leq 0.05$ (5%)). This result is in line with the direction of the initial hypothesis which is based on the findings of previous research (Suryanto et al., 2017; Viet Ha et al., 2023). This result is also consistent with previous research which shows that the presence of an effective independent audit committee can improve audit quality by ensuring that audits are conducted by high standards and financial reports reflect the true condition of the company.

Independent Audit Committees consist of members who are not affiliated with management, so they are expected to provide more objective and independent oversight of the company's financial reporting process. The results of this study provide empirical support for agency theory, which states that tighter and independent supervision by independent audit committees can reduce managerial risk and information asymmetry. With effective oversight, independent audit committees can ensure that management acts in the interests of shareholders, which ultimately increases stakeholder confidence in the financial statements and audit process.

This research confirms the importance of strengthening corporate governance mechanisms to ensure managerial accountability and financial statement reliability. The existence of a strong and effective independent audit committee is key to improving audit quality and reducing agency problems within the company. Thus, the results of this study not only support agency theory but also provide practical implications for improving corporate governance to protect the interests of shareholders and other stakeholders.

3.3.3 Leverage has positive impacts on audit quality.

Leverage shows a positive coefficient estimate by the initial hypothesis. The t-test results explain that Leverage has a positive and significant effect on audit quality at the p-value significance level of 0.000 and $0.004 \leq 0.05$ (5%) in the OLS model and Robustness tests. The test results empirically prove that the higher the leverage has an impact on improving audit quality, and vice versa, the lower the leverage has an impact on reducing audit quality.

Empirical test results consistently reveal that the level of leverage significantly contributes to improving audit quality. Conversely, low leverage correlates with a decrease in audit quality. These empirical findings strongly support the hypothesis that has been proposed, namely that leverage has a positive influence on audit quality (hypothesis accepted with a significance p-value of $0.000 \leq 0.05$ (5%)). This result is in line with the direction of the initial hypothesis which is based on the findings of previous research (Kurt, 2022).

In agency theory, increased leverage can serve as a disciplinary mechanism that motivates management to produce more reliable and transparent financial reports, reducing information asymmetry between management and shareholders. Pressure from creditors to maintain confidence in financial statements can also strengthen audit quality. With higher leverage, companies tend to improve audit quality to reassure creditors and shareholders that the company can fulfill its obligations. This creates an environment where accurate and reliable financial statements are prioritized, which ultimately improves audit quality.

Empirically, these findings support agency theory by showing that leverage can serve as a tool to reduce agency risk. By increasing leverage, firms can strengthen external oversight, which in turn improves audit quality. This result is in line with previous studies that found that higher leverage contributes to improved audit quality, as additional pressure from creditors and external auditors forces management to maintain high financial reporting standards.

3.3.4 Financial distress has a positive impact on audit quality.

Financial distress shows a positive coefficient estimate by the initial hypothesis. The t-test results explain that financial distress has no effect on audit quality at a significance level of p-value $0.462 \geq 0.05$ (5%) in the OLS model, and p-value $0.164 \geq 0.05$ (5%) in the Robustness Test model. The results of these empirical findings do not support the proposed hypothesis that financial distress has a positive

effect on audit quality, the hypothesis is rejected with a p-value of $0.164 \geq 0.05$ (5%) with a positive coefficient estimate. The direction of this hypothesis is not in line with the findings of previous research (Cahyanti et al., 2022) which leads positively. This research is consistent with the results of research conducted by (Wijaya & Susilandari, 2022) showing that financial distress does not affect audit quality. The direction of the initial hypothesis with the empirical findings is due to the results of the Financial distress coefficient with the results of the audit quality coefficient in Transportation companies listed on the IDX for the 2018-2023 period in the same direction.

According to agency theory, financial distress can increase pressure on management to improve company performance and reduce agency problems by demonstrating a commitment to transparency and accountability. Financial distress conditions encourage companies to improve audit quality as part of an effort to reassure creditors and shareholders that their financial statements are accurate and reliable. However, the results of this study indicate that financial distress has no significant effect on audit quality.

Companies experiencing financial distress may not have sufficient resources to improve audit quality, despite the pressure to do so. In financial distress, companies often face tight budget constraints, so they may not be able to afford higher audit fees or improve their financial reporting processes. In financial distress, management may be more focused on restructuring and financial recovery efforts than on improving the audit process. Internal pressure to resolve immediate financial problems may distract from efforts to improve audit quality.

In addition, external oversight from auditors may not be sufficient to improve audit quality if management remains able to manipulate financial statements in the context of deep financial distress. In other words, although financial distress increases the potential for agency problems, there is not always a guarantee that this will translate into improved audit quality, especially if management can exploit the situation for their benefit.

CONCLUSION AND POLICY RECOMMENDATION

This study investigates the effect of corporate governance mechanisms, namely independent commissioners and independent audit committees, as well as financial factors such as leverage and financial distress on audit quality in transportation companies listed on the Indonesia Stock Exchange (IDX) from 2018-2023. Based on panel data regression analysis, it was found that: Independent Commissioner: The results show that independent commissioners have no significant effect on audit quality. Although independent commissioners are expected to improve audit quality by improving oversight and accountability, the empirical results show that this variable does not fulfill the proposed hypothesis. This finding suggests that there may be deficiencies in the effectiveness of independent commissioners in the context of transport companies on the IDX, or that other oversight mechanisms may be more dominant in influencing audit quality.

Independent Audit Committee: The independent audit committee has proven to positively and significantly influence audit quality. This finding supports the hypothesis that the presence of an independent audit committee can improve audit quality by providing more objective and independent oversight. This result is in line with agency theory which considers that independent audit committees can reduce information asymmetry and conflicts of interest, and increase transparency and accountability.

Leverage: Leverage shows a positive and significant impact on audit quality. This result is consistent with the hypothesis that companies with higher leverage levels tend to have better audit quality. From an agency theory perspective, highly leveraged firms may be more motivated to improve audit quality to maintain creditor and investor confidence and mitigate financial risk.

Financial Distress: Financial distress has no significant effect on audit quality. Although in agency theory financial distress should encourage the improvement of audit quality to reduce uncertainty and increase stakeholder confidence, empirical results show that financial distress does not significantly contribute to audit quality in this context. This may be due to resource constraints and management's focus on financial restructuring that neglects improving audit quality.

Overall, this study highlights the importance of the role of independent audit committees and leverage in improving audit quality, while the results on independent commissioners and financial distress point to the need for further research to understand the dynamics affecting audit quality in transport companies. The limitations of this study, including the focus on the transport sector and the limited timeframe, provide room for more in-depth future research to address the identified shortcomings and expand the understanding of the factors affecting audit quality.

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