

## ABSTRAK

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### **PENGARUH *FREE CASH FLOW* TERHADAP KUALITAS AUDIT DALAM KONDISI *FINANCIAL DISTRESS***

(xiii + 55 halaman: 1 gambar; 14 tabel; 17 lampiran)

Penelitian ini bertujuan untuk menilai perusahaan dengan *free cash flow* yang tinggi cenderung dapat memilih KAP yang berkualitas dan menganalisis intensitas *financial distress* mempengaruhi kecenderungan perusahaan dalam memilih kualitas audit. Kualitas audit dalam penelitian ini diukur menggunakan *proxy* skandal/kasus, *restatement*, *audit tenure*, dan *auditor switching*. *Free cash flow* dilihat dari *cash flow operating activities* dan *capital expenditure*, lalu *financial distress* diukur melalui tiga tahap yaitu tahap awal, tahap menengah, dan tahap ekstrim. Penelitian ini menggunakan data sekunder dari 45 perusahaan yang termasuk dalam kategori industri *Consumer Durable and Apparel*, *Consumer Service*, dan *Consumer Staples* pada S&P Capital IQ selama periode 2018-2022. Teknik pengumpulan sampel dalam penelitian ini menggunakan *purposive random sampling method*. Penelitian ini berhasil menemukan bahwa perusahaan yang memiliki *free cash flow* yang tinggi cenderung memilih KAP yang berkualitas dan intensitas *financial distress* mempengaruhi kecenderungan perusahaan dalam memilih kualitas audit.

Referensi: 57 (1976 -2023)

**Kata Kunci:** *free cash flow*, kualitas audit, *financial distress*

## **ABSTRACT**

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### ***THE EFFECT OF FREE CASH FLOW ON AUDIT QUALITY IN FINANCIAL DISTRESS CONDITIONS***

*(xiii + 55 pages: 1 image; 14 tables; 17 appendices)*

*This research aims to assess companies with high free cash flow tend to be able to choose quality KAP and analyze the intensity of financial distress which influences the company's tendency to choose quality audits. Audit quality in this study was measured using proxies for scandal/case, restatement, audit tenure, and auditor switching. Free cash flow is seen from cash flow operating activities and capital expenditure, then financial distress is measured through three stages, namely the initial stage, middle stage and extreme stage. This research uses secondary data from 45 companies included in the Consumer Durable and Apparel, Consumer Service, and Consumer Staples industry categories on S&P Capital IQ during the 2018-2022 period. The sample collection technique in this research used a purposive random sampling method. This research succeeded in finding that companies that have high free cash flow tend to choose quality KAPs and the intensity of financial distress influences the company's tendency to choose quality audits.*

*References: 57 (1976 -2023)*

**Keywords:** *free cash flow, audit quality, financial distress*