

The Influence Of Environmental Disclosure On Audit Quality In Indonesia: The Moderating Role Of Media Attention

Pengaruh Pengungkapan Lingkungan Terhadap Kualitas Audit Di Indonesia: Peran Moderasi Perhatian Media

Andrew Anayah Hasian¹, Hisar Pangaribuan², Heddry Purba³

Universitas Advent Indonesia, Bandung, Indonesia^{1,2,3}

andrew.andman@gmail.com¹

*Corresponding Author

ABSTRACT

This study aims to analyze the influence of Media Attention and Environmental Information Disclosure on Audit Quality, as well as the moderating role of Media Attention in the relationship between Environmental Information Disclosure and Audit Quality. The research employs a regression analysis method using the Partial Least Squares – Structural Equation Modeling (PLS-SEM) approach. Data were collected through questionnaires distributed to 61 external auditors working at various Public Accounting Firms (KAP) in Jakarta. The sampling technique used was purposive sampling to ensure the relevance of respondents to the study. The results indicate that Media Attention has a positive and significant effect on Audit Quality, suggesting that higher media attention leads to better audit quality for a company. Meanwhile, Environmental Information Disclosure also has a positive and significant impact on Audit Quality, indicating that environmental transparency alone is sufficient to enhance audit quality. However, this study finds that Media Attention fails to moderate the relationship between Environmental Information Disclosure and Audit Quality.

Keywords: Media Attention, Environmental Information Disclosure, Auditor

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh Perhatian Media dan Pengungkapan Informasi Lingkungan terhadap Kualitas Audit, serta peran moderasi Perhatian Media dalam hubungan antara Pengungkapan Informasi Lingkungan dan Kualitas Audit. Metode yang digunakan dalam penelitian ini adalah analisis regresi dengan pendekatan *Partial Least Squares – Structural Equation Modeling* (PLS-SEM). Data dikumpulkan melalui kuesioner yang disebarakan kepada 61 auditor eksternal yang bekerja di berbagai Kantor Akuntan Publik (KAP) di Jakarta. Teknik pengambilan sampel dilakukan dengan metode purposive sampling untuk memastikan relevansi responden terhadap penelitian. Hasil penelitian ini menunjukkan bahwa Perhatian Media berpengaruh positif dan signifikan terhadap Kualitas Audit, yang mengindikasikan bahwa semakin tinggi perhatian media, semakin baik kualitas audit suatu perusahaan. Sementara itu, Pengungkapan Informasi Lingkungan memiliki pengaruh positif dan signifikan terhadap kualitas audit yang menunjukkan bahwa transparansi lingkungan saja cukup untuk meningkatkan kualitas audit. Namun penelitian ini menunjukkan bahwa Perhatian Media terbukti tidak mampu memoderasi hubungan antara Pengungkapan Informasi Lingkungan dan Kualitas Audit.

Kata kunci: Perhatian Media, Pengungkapan Informasi Lingkungan, Auditor.

1. Introduction

Audit quality is one of the crucial aspects in the fields of accounting and finance, serving to ensure that a company's financial statements are presented fairly and in accordance with applicable accounting principles. In order to guarantee the accuracy and reliability of financial reporting across various industries, high audit quality is essential. The complexity of audits has increased along with changes in international markets and regulatory frameworks; audits today not only encompass financial aspects, but also operational and environmental dimensions (Pangaribuan, 2024). Audit quality influences not only stakeholder trust, but also investment decisions and a company's reputation in the market (Supriyanto et al., 2022). In this context,

environmental disclosure has emerged as a factor that may affect audit quality. Research indicates that auditors should take environmental disclosure into account when assessing risks and the materiality of financial statements (Moalla, 2023).

Audit quality can be understood as the auditor's ability to detect errors and fraud in financial statements, as well as to provide an appropriate opinion regarding the fairness of those statements. In this context, transparent and accurate environmental disclosure can contribute to improving audit quality. Auditors who have access to relevant environmental information are better equipped to assess risks associated with financial reporting, thereby enhancing the reliability of the audit outcomes (Novita et al., 2022). A study by Calocha & Herwiyanti (2020) indicates that sound environmental disclosure can support improvements in audit quality, particularly in sectors with significant environmental impact.

The relationship between environmental disclosure and audit quality cannot be separated from the influence of external factors, one of which is media attention. The media plays a vital role in shaping public and stakeholder perceptions of companies and can serve as an informal watchdog over auditing practices (E. Cowle, 2020). Research by Cai et al. (2024) shows that media attention can increase a company's motivation to adopt high-quality auditing practices, which positively impacts their environmental, social, and governance (ESG) performance. Thus, media attention may serve as a significant moderating factor in the relationship between environmental disclosure and audit quality.

Several cases in Indonesia have demonstrated that a lack of transparency in environmental disclosure can negatively affect audit quality and public trust in companies. A prominent example is the case of PT Garuda Indonesia Tbk in 2019. The company was suspected of manipulating its financial statements by recognizing unrealized revenue from a partnership with PT Mahata Aero Teknologi. As a result, Garuda Indonesia reported a profit of USD 809.85 thousand, despite previously incurring losses. Following audits conducted by various parties, including the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX), it was found that the financial statements did not comply with applicable accounting standards. Consequently, the company was required to restate its financial statements and was subjected to monetary penalties (Maulida, 2025).

Another case reflecting a similar issue is PT Asuransi Jiwasraya (Persero). Since 2006, Jiwasraya was suspected of recording financial statements with fictitious profits. In 2017, the auditor issued an adverse opinion on Jiwasraya's financial statements after identifying a technical reserve shortfall of IDR 7.7 trillion and inaccuracies in reported earnings amounting to IDR 360 billion. Although the auditor had flagged these irregularities, Jiwasraya failed to revise its financial statements, highlighting weaknesses in internal control and corporate transparency (Puspadini, 2025).

These two cases underscore the importance of transparency and accountability in corporate disclosure. A lack of transparency not only harms stakeholders but also diminishes audit quality and erodes public trust in the company.

This study aims to explore this relationship more deeply by considering factors that may influence the interaction between audit quality, environmental disclosure, and media attention. Accordingly, this research will not only provide insight into the importance of audit quality but also examine how environmental disclosure and media attention interact to influence audit outcomes.

As an initial step, this study will identify and analyze the factors affecting audit quality. These include internal company factors, such as organizational culture and leadership, as well as external factors such as regulations and stakeholder pressure (Calocha & Herwiyanti, 2020). In addition, the study will consider how media attention may influence auditors' perceptions of audit quality and environmental disclosure.

Literature Review And Hypothesis Development

Stakeholder Theory

Stakeholder Theory that developed by Freeman, emphasizes that organizations should consider the interests of all stakeholders not just shareholders in their decision-making processes. Various stakeholder groups such as employees, customers, suppliers, and the broader community are closely interconnected, making their involvement essential in achieving sustainable business performance (Tapaninaho & Heikkinen, 2022). The integration of corporate social responsibility (CSR) within stakeholder management plays a crucial role in enhancing organizational legitimacy and building trust, which ultimately contributes positively to business outcomes (Ni Putu Manik Julythiawati & Putu Agus Ardiana, 2023).

Stakeholder theory is relevant in this context because environmental disclosure is a component of CSR practices that can influence public and stakeholder trust in the company. Transparent environmental disclosure can enhance a company's legitimacy in the eyes of auditors and other stakeholders, thereby potentially improving audit quality. In addition, media attention serves as a moderating factor that can either strengthen or weaken this relationship. High media coverage of environmental issues can increase public pressure on companies to disclose environmental information more transparently and accurately. Thus, media attention may reinforce the impact of environmental disclosure on audit quality, in line with the principles of stakeholder theory, which emphasize that responding to public and stakeholder expectations is a key aspect of sustainable business.

Legitimacy Theory

Legitimacy theory complements stakeholder theory by providing a framework for understanding how organizations gain and maintain legitimacy in the eyes of their stakeholders. This theory posits that organizations must align their actions with prevailing social norms and values in order to be perceived as legitimate by society. In the context of corporate social responsibility (CSR), companies that effectively communicate their CSR efforts are more likely to gain higher legitimacy, thereby strengthening their relationships with stakeholders (Adomako & Tran, 2023).

In this study, legitimacy theory plays an essential role in explaining how environmental disclosure may enhance audit quality. When companies disclose environmental information transparently, they not only meet stakeholder expectations but also reinforce their legitimacy as socially responsible entities. Auditors, who are responsible for assessing the reliability of financial and non-financial reports, are more likely to apply stricter audit assessments to companies with lower legitimacy or those under intense public scrutiny.

Media attention functions as a moderating factor that can either strengthen or weaken the influence of environmental disclosure on audit quality. Extensive media coverage of environmental issues can increase pressure on companies to be more transparent in their environmental reporting in order to maintain their legitimacy (Indri Adinda Asha et al., 2023). Conversely, in the absence of significant media attention, companies may have less incentive to provide detailed environmental disclosures. Therefore, legitimacy theory helps explain why media attention can moderate the relationship between environmental disclosure and audit quality, as companies seek to preserve their reputation and public trust through enhanced transparency.

Audit Quality

Audit quality refers to the extent to which an audit is conducted effectively, encompassing various aspects such as auditor competence, independence, and the audit process itself. According to Sudrajat, audit quality can be assessed through indicators such as discretionary accruals and auditor status (Big N vs. non-Big N firms) (Sudrajat, 2023). Audit

quality is also influenced by several elements including audit inputs, audit processes, audit outputs, and contextual factors such as ethics, audit procedures, PCAOB inspections, and non-audit services (Sudrajat, 2023). This implies that audit quality is not solely determined by the final outcome but also by the processes undertaken by the auditor in performing their duties.

Common indicators of audit quality include auditor competence, independence, and management support (Saputra, 2024). Auditor competence encompasses the auditor's level of education, experience, and professional certifications, all of which are critical in ensuring that audits are conducted in accordance with high standards. Auditor independence refers to the auditor's ability to act objectively without being influenced by internal or external parties that may create conflicts of interest (Mongkito, 2024). Meanwhile, management support reflects the extent to which company management provides adequate access to data and information necessary for the audit process, as well as their commitment to following up on audit findings.

Environmental Disclosure

Environmental disclosure refers to the communication of information related to the environmental impact of a company's activities to stakeholders. This practice is essential for ensuring corporate transparency and accountability within the context of sustainability. Environmental disclosure includes not only quantitative data but also qualitative insights that explain how the company operates within its environmental context (Hasan, 2023).

Indicators of environmental disclosure may include the frequency and quality of the information provided, as well as the relevance of such information to current environmental issues (Gunawansyah, 2021). Disclosure frequency refers to how often a company or entity reports information regarding the environmental impact of its operations whether through annual reports, sustainability reports, or other communication platforms. The quality of information relates to the clarity, transparency, and reliability of the data presented, enabling stakeholders to better understand how the company manages its environmental impact (J. J. Burke & Hoitash, 2019). Additionally, the relevance of the information is crucial to ensure that the disclosed data addresses current environmental challenges such as climate change, energy efficiency, waste management, or the sustainable use of natural resources. High-quality environmental disclosure not only enhances corporate accountability but also helps build public trust and attract investors who prioritize sustainability principles (Ananditya, 2024).

Media Attention

Media attention refers to the degree of focus and interest given by the media to specific issues, including news, advertisements, and other forms of content. In an academic context, media attention can significantly influence public perception and consumer behavior. Research suggests that high media attention to a particular issue can enhance public awareness and impact purchasing decisions (Rahmi, 2019). Social media, in particular, has become a powerful platform in shaping public attention toward a wide range of topics, including health, environmental issues, and economic matters.

Indicators of media attention can be measured through questionnaire analysis, publication frequency, and user interaction with specific content (Rozikin & Suyati, 2023). Publication frequency refers to how often a particular issue or topic appears across various media platforms print, online, and social media reflecting its perceived relevance and urgency to the public (Anindatama, 2024). Meanwhile, user interaction can be assessed through metrics such as views, comments, shares, and other forms of audience engagement on digital platforms. These reactions illustrate the level of public involvement and responsiveness to the information presented. Together, these indicators provide a more comprehensive picture of the extent of media attention to an issue and its influence in shaping public opinion and related policies.

Hypothesis Formulation

Media Attention on Audit Quality

Daugherty et al. (2013) found that media scrutiny can influence audit quality by raising public expectations for transparency in financial reporting. Media attention to issues related to audit quality, such as auditor changes that reduce client-specific understanding, can encourage auditors to exercise greater caution in maintaining audit standards. This finding suggests that external attention to audits, including from the media, contributes to improvements in audit quality.

Burke et al. (2019) examined the impact of media criticism on clients' environmental, social, and governance (ESG) practices on auditor decision-making. Their study found that media pressure can influence auditors' decisions regarding client retention and audit fees, indicating a link between media oversight and audit quality. When clients receive negative media attention, auditors tend to be more selective and conduct more thorough audits to maintain credibility. This is supported by Huang (2023), who noted that public attention to audits can control corporate behavior and trigger policy changes to protect stakeholder interests.

Research by Alotaibi and Alnesafi (2023) further highlights that external pressure, including media attention, can drive the adoption of audit technology to improve audit quality. The implementation of more efficient and transparent audit software is often accelerated by public demands and media scrutiny, which call for enhanced audit effectiveness.

Based on the above, this study proposes the following hypothesis:

H1: Media attention significantly influences audit quality.

Environmental Disclosure and Audit Quality

Research by Cormier and Magnan (2013) revealed that high-quality environmental disclosure can enhance a company's legitimacy in the eyes of stakeholders. Companies with poor environmental performance often disclose more environmental information as a response to social and political pressure. In this context, auditors are required to conduct more thorough evaluations of environmental disclosures to ensure the integrity of their audit opinions. This finding is supported by Julianto and Sjarief (2016), who indicated that environmental disclosure can be used to build a positive image and divert stakeholder attention from earnings management practices. Therefore, auditors must verify the accuracy of such disclosures more rigorously to maintain the credibility of financial reports.

Lumangkun and Leon (2022) emphasized that environmental disclosure promotes innovation and competitiveness, which also affects the audit process. With increasing stakeholder demands for transparency regarding environmental issues, auditors are expected to carry out more in-depth and comprehensive audits. Similarly, Wahyuningrum et al. (2020) noted that strong environmental disclosure can attract more investment, thereby requiring auditors to be more meticulous in assessing the presented information. In this regard, enhanced transparency in environmental aspects not only adds value to the company but also influences the quality standards applied in audits.

Cowle et al. (2020) found that audit firms take media coverage of environmental disclosures into account due to its impact on their reputation. When a company receives negative publicity due to irresponsible environmental practices, auditors face pressure to improve audit quality in order to ensure greater transparency. This aligns with the findings of Daffa and Hasnawati (2024), who reported that sound environmental disclosure correlates with improved financial performance. Transparency in environmental matters not only builds investor trust but also reinforces the auditor's role in assessing the reliability of information in financial statements.

Based on these insights, this study proposes the following hypothesis:

H2: Environmental disclosure significantly influences audit quality.

Environmental Disclosure and Audit Quality with Media Attention as a Moderating Variable

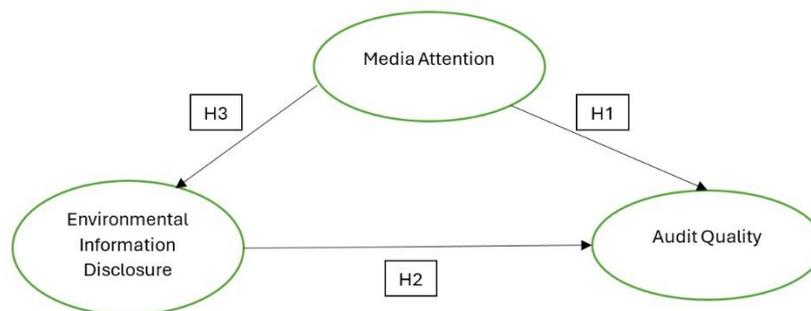
Khan (2017) examined how media attention can push companies to enhance their environmental disclosures in order to avoid negative publicity. In parallel, auditors become more vigilant when companies are under media scrutiny for environmental issues, leading them to be more cautious in assessing the quality of financial reports and the company's compliance with audit standards. Braam et al. (2016) further emphasized that companies with poor environmental track records tend to engage in more extensive environmental disclosure as a strategy to mitigate reputational risks. This suggests that the greater the media attention to environmental disclosures, the stronger its influence on how auditors assess audit quality.

Cowle et al. (2020) found that media attention toward auditing practices can influence auditors' behavior in maintaining their professional reputation. Auditors facing negative media exposure are more likely to apply higher audit quality standards. In the context of environmental disclosure, media attention acts as an external pressure that compels auditors to be more thorough and objective in evaluating the environmental disclosure reports provided by companies.

Based on these findings, this study proposes the following hypothesis:

H3: Environmental disclosure significantly influences audit quality, with media attention acting as a moderating variable.

Theoretical Framework



Picture 1. Theoretical Framework

The illustration of the theoretical framework above shows the relationship between three main variables: Media Attention, Environmental Information Disclosure, and Audit Quality. Within this framework, there are three hypotheses:

1. H1: Media Attention influences Audit Quality.
2. H2: Environmental Information Disclosure influences Audit Quality.
3. H3: Environmental Information Disclosure influences Audit Quality, with Media Attention acting as a moderating variable.

Research Method

This study employs a quantitative method using moderation regression analysis to examine the effect of environmental information disclosure on audit quality, with media attention serving as a moderating variable. The population of this research consists of all auditors working at Public Accounting Firms (PAFs) in Indonesia, while the sample is selected using purposive sampling based on criteria relevant to the study. Data collection is conducted through questionnaires distributed to respondents who meet the research criteria.

Population and Sample

Population

The population in this study consists of external auditors working at various Public Accounting Firms (PAFs) in Jakarta, as well as branch offices located in Bandung and Lampung. External auditors play a crucial role in assessing the fairness of a company's financial statements and ensuring that the presented information complies with applicable accounting principles. In the context of this study, external auditors are selected as the population because they hold responsibility in evaluating corporate transparency, including the disclosure of environmental information. With the increasing attention to sustainability issues and corporate social responsibility, auditors are expected to possess a strong understanding of the extent to which environmental information disclosure may affect audit quality.

Sample

The sample in this study consists of 61 respondents who are external auditors working at various Public Accounting Firms (PAFs) in Indonesia and have completed the questionnaire via Google Forms. The sampling method was conducted by considering the relevance of the auditors' profession in understanding the impact of environmental information disclosure on audit quality. The respondents in this study come from various levels of experience and positions within the PAFs, thus providing diverse perspectives on the factors that influence audit quality. The sample data were collected between January 23, 2025, and February 18, 2025.

Data Analysis Method

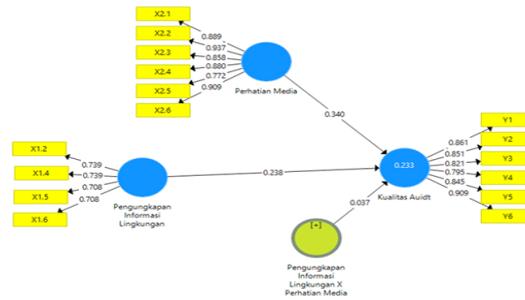
This study will test the research hypotheses using Smart-PLS modeling based on data collected from Microsoft Excel derived from the completed questionnaires. The analysis aims to examine the relationship between variables, specifically the Effect of Environmental Information Disclosure on Audit Quality in Indonesia: The Moderating Role of Media Attention.

Results And Discussion

This analysis employs the Partial Least Squares (PLS) method to examine the relationship between Environmental Information Disclosure, Media Attention, and Audit Quality. The Environmental Information Disclosure variable consists of six indicators that reflect the extent to which environmental information is disclosed, while the Media Attention variable, acting as a moderator, represents the role of media in observing or disseminating such information. The Audit Quality variable, as the dependent variable, reflects the quality of audits influenced by the other two variables.

In addition, there is a moderating effect through the interaction between Environmental Information Disclosure and Media Attention, indicating that media attention may either strengthen or weaken the influence of environmental disclosure on audit quality. Therefore, this model tests both direct and indirect relationships in improving audit quality through transparency and media exposure.

Outer Loading



Picture 2. Outer Loading

Based on the structural model presented, the indicator variables X1.1 and X1.3 were excluded from the analysis due to having loading values below 0.6. In SEM (Structural Equation Modeling)-based analysis, indicators with factor loadings below 0.6 are generally considered invalid for representing latent variables due to their weak contribution to the measured construct (Hair et al., 2014). Therefore, these indicators were eliminated in order to enhance the accuracy and validity of the model in explaining the relationship between Environmental Information Disclosure, Media Attention, and Audit Quality.

Table 1. Outer Loading

	Audit Quality	Environmental Information Disclosure	Environmental Information Disclosure X Media Attention	Media Attention
X1.2	0,739			
X1.4	0,739			
X1.5	0,708			
X1.6	0,708			
X2.1				0,889
X2.2				0,937
X2.3				0,858
X2.4				0,880
X2.5				0,772
X2.6				0,909
Y1	0,861			
Y2	0,851			
Y3	0,821			
Y4	0,795			
Y5	0,845			
Y6	0,909			
Environmental Information Disclosure * Media Attention			0,905	

Source: Output PLS 3, 2025

Based on the outer loading results in Table 1, all indicators have values above 0.70, indicating that each indicator demonstrates strong convergent validity in measuring their respective latent variables. The indicators for the Audit Quality variable show loading values ranging from 0.795 to 0.909, indicating that all indicators effectively represent this variable. The same applies to the Environmental Information Disclosure and Media Attention variables, where

all indicators exhibit high loading values, with the highest being on Media Attention (X2.2) at 0.937.

In addition, the interaction between Environmental Information Disclosure and Media Attention shows an outer loading value of 0.905, indicating that this variable plays a significant role in the research model. Therefore, it can be concluded that media attention strengthens the relationship between environmental information disclosure and audit quality, as hypothesized in this study.

Construct Validity and Reliability

Table 2. Construct Validity and Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Audit Quality	0,924	0,956	0,939	0,719
Enviromental Information Disclosure	0,924	0,956	0,766	1,000
Enviromental Information Disclosure Media Attention	1,000	1,000	1,000	1,000
Media Attention	0,939	0,966	0,952	0,767

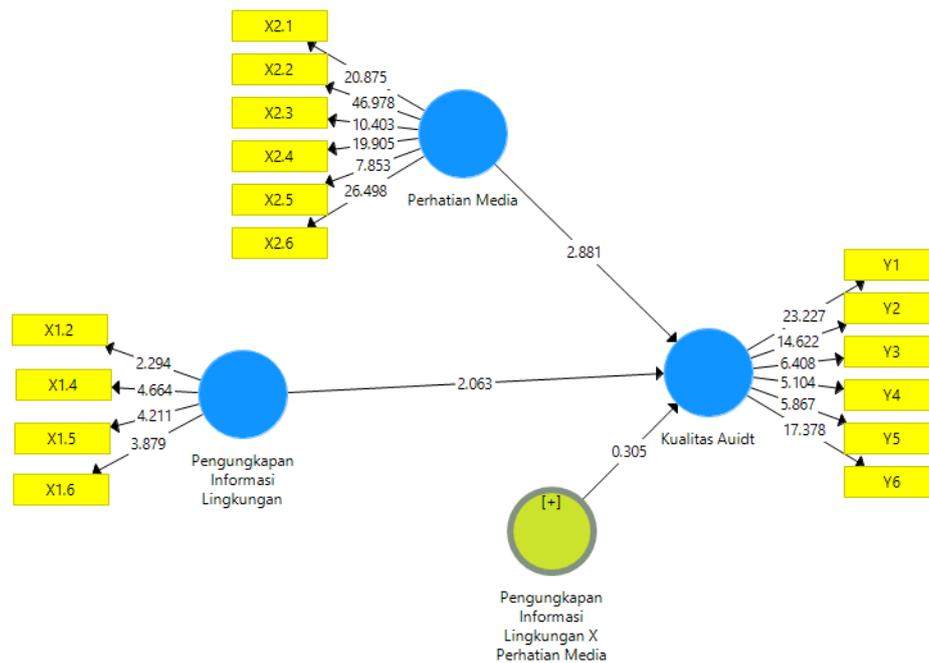
Sumber: Output PLS 3, 2025

In terms of reliability, the values of *Cronbach's Alpha* and Composite Reliability for all variables are above 0.70, indicating that the instruments used have strong internal consistency. The Media Attention variable has the highest *Cronbach's Alpha* value at 0.939, while the Environmental Information Disclosure × Media Attention variable shows a perfect value of 1.000, indicating very high reliability. The rho_A values, which also exceed 0.70, further reinforce the evidence that the instruments used possess adequate reliability.

From the perspective of convergent validity, all variables have Average Variance Extracted (AVE) values above 0.50, suggesting that the indicators used are able to sufficiently explain the variance of their respective latent constructs. The Environmental Information Disclosure × Media Attention variable has an AVE value of 1.000, indicating that this construct perfectly represents its indicators.

Based on these results, it can be concluded that all variables in this study meet the criteria for good validity and reliability, and thus can be reliably used in the analysis of relationships among variables within the research model.

Hypothesis Test



Picture 3. The Result of Bootshrapping

Sumber: Output PLS 3

The results of the Partial Least Squares-Structural Equation Modeling (PLS-SEM) indicate that media attention has a significant effect on audit quality, with a path coefficient of 2.881. This suggests that the greater the media attention directed toward an entity, the higher the quality of the audit produced. Additionally, environmental information disclosure also influences audit quality, with a path coefficient of 2.063. Although its impact is not as strong as that of media attention, this finding demonstrates that transparency in disclosing environmental information can enhance audit quality.

The interaction between environmental information disclosure and media attention on audit quality shows a smaller effect, with a path coefficient of 0.305. This indicates that while media attention may strengthen the relationship between environmental disclosure and audit quality, its moderating effect is not as substantial as the direct influence of the two individual variables on audit quality.

In terms of the contribution of indicators to latent variables, some indicators have a greater weight than others. For instance, indicator X2.2 has the highest loading on media attention (46.978), signifying that this aspect plays a key role in shaping the media attention variable. This implies that certain dimensions of media attention are more dominant in influencing audit quality. Overall, the model confirms that media attention is the most dominant factor in enhancing audit quality, followed by environmental information disclosure, while their interaction exerts only a minor influence.

Table 4. Total Effect

	Original Sample (O)	Sample (M)	Mean	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
aMedia Attention -> Audit Quality	0,340	0,382		0,118	2,881	0,004
Environmental Information Disclosure -> Audit Quality	0,238	0,268		0,115	2,063	0,040

Enviromental Disclosure X Media Attention -> Audit Quality	0,037	0,021	0,120	0,305	0,761
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Source: SMART PLS 3, 2025

Based on the analysis results from Table 4, the following is the discussion of the three research hypotheses:

Hypothesis 1 (H1): Media Attention on Audit Quality

The analysis results indicate that media attention has a significant effect on audit quality, with a path coefficient of 0.340 and a *p-value* of 0.004 (< 0.05), as well as a *T-Statistic* value of 2.881 (> 1.96). This suggests that the higher the media attention on an entity, the better the audit quality achieved. Media attention can enhance corporate transparency and accountability, which in turn motivates auditors to conduct more rigorous and accurate examinations. These findings are consistent with those of B. E. Daugherty et al. (2013), who demonstrated that media scrutiny can improve audit quality by encouraging auditors to be more cautious in upholding audit standards. Thus, this study reinforces the evidence that media attention plays a significant role in enhancing audit quality.

Hypothesis 2 (H2): Environmental Information Disclosure on Audit Quality

The effect of environmental information disclosure on audit quality shows a path coefficient of 0.238, with a *T-Statistic* value of 2.063 (> 1.96) and a *p-value* of 0.040 (< 0.05). This indicates that environmental disclosure significantly influences audit quality, although the impact is smaller compared to media attention. In other words, companies that are more transparent in disclosing environmental information tend to achieve higher audit quality. Thus, the second hypothesis (H2) is accepted, meaning that the higher the level of environmental disclosure, the better the audit quality. This finding is consistent with the study by Surachman (2020), which also concluded that environmental disclosure has a significant effect on audit quality.

Hypothesis 3 (H3): Media Attention Moderates the Effect of Environmental Information Disclosure on Audit Quality

The analysis results indicate that the interaction between media attention and environmental information disclosure on audit quality has a path coefficient of 0.037, with a *T-Statistic* of 0.305 (< 1.96) and a *p-value* of 0.761 (> 0.05). This means that media attention does not have a significant moderating effect on the relationship between environmental information disclosure and audit quality. In other words, although media attention may potentially strengthen the influence of environmental disclosure on audit quality, the effect is very small and statistically insignificant.

This finding contrasts with previous studies, such as Khan (2017), which suggested that media attention could enhance the relationship between environmental disclosure and audit quality. While prior research indicated that the media could pressure companies to improve environmental transparency and encourage auditors to be more thorough in evaluating financial reports, the results of this study suggest that such an effect is not strong enough to act as a moderating variable. This indicates that without consistent media scrutiny, environmental information disclosure alone is insufficient to significantly influence audit quality.

Conclusion

The results of this study indicate that Media Attention has a positive and significant effect on Audit Quality, suggesting that the higher the level of media attention, the better the audit quality of a company. Meanwhile, Environmental Information Disclosure also shows a positive and significant effect on audit quality, indicating that environmental transparency alone is

sufficient to enhance audit quality. Furthermore, Media Attention was found to be ineffective in moderating the relationship between Environmental Information Disclosure and Audit Quality. These findings emphasize the important role of media in enhancing corporate transparency and accountability.

Suggestions

The results of this study show that Media Attention does not serve as a moderating variable in the relationship between Environmental Information Disclosure and Audit Quality. Therefore, future research may consider alternative moderating variables that could be more relevant or impactful, such as:

1. Government Regulations and Policies: Stricter regulations regarding environmental disclosure may influence company compliance levels and enhance transparency, ultimately impacting audit quality.
2. Stakeholder Pressure: Pressure from investors, customers, or environmental organizations may push companies to be more transparent in disclosing environmental information, thereby improving audit quality.
3. Audit Committees and Corporate Governance: The effectiveness of audit committees and strong corporate governance practices can strengthen the link between environmental disclosure and audit quality by ensuring stricter oversight of financial and non-financial reporting.
4. Company Reputation: Firms with a strong reputation are more likely to be cautious and accurate in disclosing environmental information, which in turn can enhance audit quality through increased accountability.
5. Operational Complexity: Companies with more complex operational structures may require more rigorous audits. In such cases, environmental disclosures may have a greater impact on audit quality when this factor is taken into account.

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