

## **ABSTRACT**

This study is purposed to analyze whether ethical culture; that consists of ethical environment and penalties; has a contribution in determining audit quality under time constraint. In addition, this study also analyzes the relationship between ethical culture and time budget pressure. Audit quality is proxied by reduced audit quality acts and under-reporting time. The study is based on a field survey of 51 auditors from 15 public accounting firms in Surabaya that are listed in directory of Institut Akuntan Publik Indonesia (IAPI) in 2018 and processed through regression with SPSS Statistics 21 by IBM. This study finds that time budget pressure has a positive relationship with reduced audit quality acts. This study also finds that time budget pressure has a negative relationship with ethical culture. Under-reporting time has no relationship with both ethical culture and time budget pressure. Finally, this study finds a negative relationship between ethical culture and reduced audit quality acts indicating that ethical culture mediates an indirect effect of time budget pressure on reduced audit quality acts.

Keywords: auditing, audit quality, ethical culture, time budget pressure, Indonesia.