

ABSTRACT

The purpose of this study is to examine the effect of Consultation Review, Environmental Litigation, and Fee Size on Auditor's Judgment In Acceptance of Aggressive Accounting Methods. Researchers use experimental approach by using Accounting students of UII as research respondents. Independent variable in this research use consultation review and litigation environment, dependent variable in this research is audit judgement about client's aggressive accounting treatment and moderating variable is fee size.

Three judgments were examined: allowability of the proposed accounting treatment under GAAP; assessment of the appropriateness of the proposed accounting treatment in the circumstances; and the likelihood of accepting the client-proposed accounting treatment. Using the Mann-Whitney U nonparametric test, the results of this study prove that the consultation review requirement will reduce the auditor's assessment level to accept the client's aggressive accounting treatment if the audit cost is low but not when the cost is high. Auditors faced with high fee conditions, consultation review requirements will increase the level of allowability, appropriateness, and accepting a client's aggressive accounting treatment.

Keywords: *Review Consultation, Judgment Audit, Environmental Litigation, Fee Size, Aggressive Accounting Method*