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FACTORS AFFECTING AUDIT FEE IN COMPANIES REGISTERED IN INDONESIA STOCK EXCHANGE

**Andy Mandela
NPM: 1642002**

ABSTRACT

This study studies the factors that influence audit costs on companies related to the Indonesian stock exchange. Audit fee represents the income received by auditors to do their work related to their profession. The characteristics of the board are represented according to the size of the board of directors, the independent board of directors and the board of woman directors. The characteristics of the audit committee are represented by the audit committee size, independent audit committee, effectiveness audit committee, and the number of audit committees meeting. Audit characteristics using the variable of auditor type. Company characteristics are represented by total assets, profitability, and the number of subsidiaries.

This study uses purposive sampling in the data collection process, and the sample used is from the annual report of listed companies listed on the Indonesia Stock Exchange in 2014-2018. There are 81 companies out of 649 companies that meet the research criteria. The data is processed using SPSS version 22 and eviews version 10 before being analyzed by panel regression.

The results showed that the audit fee was significantly positive effect by the variables of the independent audit committee, type of auditor, and size of the company, while the number meetings of the audit committee, effectiveness audit committee, and profitability showed significant negative results. The variable size of the board directors, independent board of directors, the board of woman directors, audit committee size, and subsidiaries do not affect the cost of the audit.

Keywords: *audit fee, characteristics of the board of directors, audit committee characteristics, audit characteristics, company characteristics*