

ABSTRACT

The audit fee is the amount of costs incurred by the client company given to the public accounting firm that receives audit services. The rules regarding the determination of the amount of the audit fee have been stated in the Decree of PP No.2/IAPI/III/2016 concerning the Policy for Determining Fees for Auditing Financial Statements issued by the Indonesian Institute of Certified Public Accountants (IAPI). In this study, there are factors that can affect audit fees, including company risk, company complexity, managerial ownership, and audit partner rotation.

The purpose of this study is to determine the effect of company risk, company complexity, managerial ownership and audit partner rotation on audit fees in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020.

The population in this study are food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020. The sampling technique used is purposive sampling and obtained the number of samples used in this study as many as 90 samples consisting of 18 companies with a total period of 5 years. The data analysis method uses panel data regression analysis using Eviews 10 software by carrying out several testing stages.

The results of this study indicate that company risk, company complexity, managerial ownership, and audit partner rotation have a simultaneous effect on audit fees. Meanwhile, partially the company's risk and audit partner rotation have no effect on audit fees. Company complexity and managerial ownership partially have a positive effect on audit fees.

This research can help the Public Accounting Firm in determining the amount of the audit fee for the services that have been performed by the auditor in auditing the financial statements, can be considered in making policies on the regulation of the amount of the audit fee. The size of the audit fee can be influenced by factors that exist in the company so that audit work takes a long time and the amount of audit fees is higher.

Keywords: audit fee, company risk, company complexity, managerial ownership and audit partner rotation