

ABSTRACT

Audit fee is a reward received by the auditor for audit services performed by an external auditor. In addition to the disclosure which is still voluntary, the absence of rules that regulate the fair standard of audit fees makes the fees incurred vary by company, even in the same company. Low fees have the potential to cause non-compliance with applicable codes of ethics and standards.

The independent variables of this study are company size, company risk, company complexity, profitability, and firm size. Meanwhile, the independent variable is the audit fee. This research was conducted to analyze the influence of company size, company risk, company complexity, profitability, and size of KAP on audit fees in banking sub-sector companies listed on the Indonesia Stock Exchange (BEI).

The population of this research is the banking sub-sector companies listed on the IDX in 2017-2019. According to its type, this research is categorized as a descriptive study. The sample selection technique was purposive sampling and obtained 26 companies. So that the total sample amounted to 78 in three years. The analysis technique in this research is panel data regression analysis.

Based on the results of the study, company size, company risk, company complexity, profitability, and KAP size have a simultaneous effect on audit fees. Partially, firm size and KAP size have a positive effect on audit fees. Meanwhile, company risk, company complexity, and profitability have no effect on audit fees.

The next researcher is expected to use a different object and develop variables outside of this research. While expectations for the company can be considered in determining the audit fee. The limitation of this research is that there are still companies that do not disclose the nominal audit fees in their annual reports.

Keywords: *Company Size, Company Risk, Company Complexity, Profitability, KAP Size, Audit Fee.*