

ABSTRACT

The audit fee is the amount of the fee given to the external auditor for the services he has provided. The determination of the audit fee is carried out by agreement between the auditor and the client entity in accordance with the agreed engagement letter. The audit fee is given to the external auditor in accordance with the risks and responsibilities faced by the external auditor.

The dependent variables in this study are the internal audit function, corporate governance structure, and leverage. The independent variable in this study is the audit fee. This study was conducted to analyze the effect of company internal control, corporate governance structure, and leverage on audit fees in financial companies in the banking sub-sector listed on the Indonesia Stock Exchange in 2016-2020.

The population in this study are banking sub-sector companies listed on the Indonesia Stock Exchange in 2016-2020. This research is a descriptive research. The sample selection technique was purposive sampling and obtained 17 companies with a total sample of 85 samples in five years. The analysis technique in this research is panel data regression analysis.

Based on the results of research on the internal audit function, corporate governance structure, and leverage simultaneously affect the audit fee. For the partial internal audit function, the audit committee, managerial shareholders, and the board of commissioners have a negative effect on audit fees. Meanwhile, independent commissioners and leverage have a positive effect on audit fees.

The next researcher is expected to be able to expand the object of research and use other variables that have been used by researchers. Companies are expected to provide more complete information on audit fees, because in seeking audit fee information there are still many companies that do not disclose the amount of audit fees in their annual reports.

Keywords: *Audit Fee, Corporate Governance Structure, Internal Audit Function, Leverage*