

ABSTRACT

Audit fee is the amount of compensation received by a public accountant that is adjusted to the assignment, complexity of services, and level of expertise in connection with the provision of financial statement auditing services. The rules related to the Audit Fee are made by the Indonesian Institute of Certified Public Accountants (IAPI) in Management Regulation Number 2 of 2016 concerning "Determination of Fees for Auditing Financial Statements". However, in reality the disclosure of the amount of the Audit Fee in most companies is done implicitly, which means that the Audit Fee is presented together with professional services in the company's income statement.

This study aims to determine the effect of profitability, audit committee and company complexity on Audit Fees in Food and Beverage sector companies listed on the Indonesia Stock Exchange for the 2016-2020 period.

The population in this study is the Food and Beverage sub-sector companies listed on the Indonesia Stock Exchange 2016-2020. The sample used in this study were 8 companies in the Food and Beverage sector for 5 years so that 40 observation data were obtained using purposive sampling technique. The data in this study were analyzed by descriptive analysis and panel data regression using Eviews 10 software.

The results of the study indicate that profitability, audit committee and company complexity have a simultaneous effect on Audit Fee. Partially, the profitability and complexity of the company have a positive effect on the Audit Fee, while the audit committee has no effect on the Audit Fee.

It is recommended for further researchers to use the Audit Fee proxy which is presented explicitly in the income statement, so it is necessary to choose a sector that shows the actual amount of Audit Fee or use data samples from all publicly listed companies. For public accounting firms, it is necessary to look at the profitability and complexity of the company to consider the amount of the Audit Fee, and for companies it is advisable to use the services of a specialist auditor to reduce the Audit Fee.

Keywords: Audit fee, profitability, audit committee, company complexity.

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