

ABSTRACT

Research on audit fees remains necessary due to their importance as an expenditure, yet few companies in Indonesia have implemented separate disclosures between audit fees and other professional fees. This study aims to examine the effect of internal and external factors of the company on audit fees. The internal factors are company size, company profitability, company complexity, and the effectiveness of an audit committee. The effectiveness of an audit committee is measured by audit committee size, frequency of audit committee meetings, and expertise of the audit committee. Meanwhile, auditor switching is the external factor.

This study used 655 data population in consumer non-cyclicals companies listed on the Indonesia Stock Exchange in 2017-2023. Data are obtained from company's financial statements and annual reports. 374 samples were selected based on purposive sampling. Multiple linear regression analysis is used to test the hypothesis using the SPSS version 26.

The results of this study indicate that the size of the company, company profitability, complexity of the company, the size of the audit committee, and frequency of audit committee meetings have a positive effect on audit fees. However, expertise of the audit committee and auditor switching have no positive or negative effect on audit fees.

Keywords: Audit Fees, Company Size, Profitability, Company Complexity, Audit Committee, Auditor Switching