

ABSTRACT

The aim of this study is to examine the influence of the audit risk on the determination of audit fees. The independent variables that used in this research are inherent risk, control risk and detection risk while the dependent variable is audit fees. This research also used big 4 and firm size as control variable. The population in this study consists of all manufacturing firm in Indonesia Stock Exchange for the period 2015 - 2017. Sample determined with purposive sampling method. Total sample of this research is 132 companies. This study used multiple regression analysis for hypotheses testing. The results of this study indicate that not all attributes of audit risk such as inherent risk, control risk, and detection risk have a significant effect on the determination of audit fees in Indonesia.

Keywords: audit risk, inherent risk, control risk, detection risk, audit fees