

ABSTRACT

The purpose of this study is to examine the influence of good corporate governance mechanism with external auditor fees on all companies listed on Bursa Efek Indonesia (BEI) in 2009-2013. Good corporate governance mechanisms in this study consisted of the independence of the board commissioner, the board of commissioners, the board of commissioner meetings, audit committee, audit committee meetings and internal auditor on companies listed in Bursa Efek Indonesia (BEI).

This study is a modification of the research conducted by Yasin and Nelson (2012). This study is modified by adding several independent variables and reducing several other independent variables. This study uses secondary data from annual reports of all companies which listed on Bursa Efek Indonesia (BEI) in 2009-2013. This study uses purposive sampling method and uses multiple linear regression model as the analysis instrument. Before being conducted the regression test, it is examined by using the classical assumption tests

The results of this study indicate that the meeting of the board commissioners and the meeting of audit committee do not have significant influence with external auditor fees. This study indicate that the number of independent commissioners, the size from board of commissioners, the size of audit committee, and internal auditor have a significant influence with external auditor fees. The existence of independent commissioners and internal auditor will give a superior surveillance so that risk of controlling can be minimized and make external audit fees lower. On the other side the size from board of commissioners will lead to higher external auditor fees because of the difficulty in monitoring. Similar to the size from board of commissioners, the size of audit committee will lead to higher external auditor fees. This is because the audit committee asked for high quality audits of external auditor.

Keywords: external auditor fees, good corporate governance mechanism, the board of commissioners, audit committee, internal auditor.