

ABSTRACT

The aim of this study is to examine the impact of firm ownership type and earnings management to auditor choice and audit fees. The independent variables are used in this study are firm ownership type and earnings management. In this study, firm ownership type is divided to three categories, they are state-owned company, private-owned company, and foreign-owned company. The earnings management as independent variabel is estimated by discretionary accruals Jones Model (1991). In this study, there are two dependent variables, they are auditor choice and audit fees. Auditor choice is measured by dummy variables, bigfour audit firm or nonbigfour audit firm. In other hand, audit fees is estimated by natural logarithm of audit fees that repeorted in annual report.

Population of this study is all of non financial go public companies that listed in Indonesian Stock Exchange in period of 2010-2011. Using purposive sampling method, the 55 company as sample of this study was selected. To analyze the effect of firm ownership type and earnings management to auditor choce, logistic regression is used. And then the multiple linear regression is used to examine the effect of firm ownership type and earnings management to audit fees.

The results show that firm ownership type which owned by foreign effect the auditor choice. Firm ownership type do not effect audit fees. Earnings management do not effect auditor choice and audit fees. Auditor choice also effect audit fees.

Keywords : *firm ownership type, earnings management, auditor choice, and audit fees*