

ABSTRACT

This study aimed to analyze the influence of audit committees and firm ownership type to audit fees on all companies listed on Bursa Efek Indonesia (BEI) in 2013. The existence the audit committee as a mechanism of checks and balances is expected to reduce control risk, so low external audit fees can be achieved.

The sample used is secondary data from the Indonesia Stock Exchange (BEI) is a company's annual report base in 2013. This study is a modification of the research conducted by Rustam et.al.,(2013). The modification on this study is adding adding several independent variables and reducing several other independent variables. Independent Variable in this study are audit committees size, audit committee activity, committee member's independence, committee member's expertise, private-owned company, and foreign-owned company. This study analyzed by using multiple linear regression analysis method to test hypothesis testing and statistical test statistic t and F. This is because the variables are tested more than one independent variable. Before being conducted the regression test, it is examined by using the classical assumption tests

These results indicate that the variable audit committee's size, audit committee activity, had significant positive effect on audit fees. Variable committee member's expertise had significant negative on audit fees, While the committee member's independence, private-owned company, and foreign-owned company had no significant effect.

Keywords: audit fees, audit committee, firm ownership type, external auditor