

ABSTRACT

The purpose of this study is to examine the influence of the characteristics of structur governance (board commissioner and audit committee) on audit fees. The existence of the board commissioner and the audit committee as a mechanism of checks and balances is expected to reduce control risk, so low external audit fees can be achieved.

This study is replication of Yatim's et al. research in 2006 and uses secondary data from annual reports of manufacturing companies which listed on Bursa Efek Indonesia in 2006-2008. This study uses purposive sampling method and uses multiple linear regression 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 size of the board commissioner, the meeting intensity of the board commissioner, the size of the audit committee, and the meeting intensity of the audit committee did not influence the external audit fees. The independency of the board commissioner and the independency of the audit committee have significant positive relationship on the external audit fees. It means that the independency of the board commissioner and the independency of the audit committee will demand a high quality audit from external auditors, resulting in higher audit fees.

Keywords : board commissioner, audit committee, audit fees.