

ABSTRACT

The audit fee is the amount of the cost incurred by the client company to the public accounting firm for the audit services performed by the auditor. Regulations regarding the basis for imposing audit fees have been established by the Indonesian Institute of Certified Public Accountants (IAPI) through Management Regulation Number 2 of 2016 concerning Determination of Fees for Auditing Financial Statements regarding the lower limit indicator in the imposition of hourly audit rates based on classification and staff level. However, the absence of a standard that regulates the amount of audit fees causes the determination of audit fees sometimes still based on the ability to negotiate between the company and the Public Accounting Firm.

The purpose of this study was to determine the effect of firm size, firm complexity, profitability, and audit committee on audit fees for LQ45 index companies listed on the Indonesia Stock Exchange for the 2016-2020 period.

The population of this study is the LQ 45 index companies listed on the IDX in 2016-2020. The sample used in this study was 145 using purposive sampling technique. The data analysis method in this study was analyzed by descriptive analysis using panel data regression analysis using Eviews 10 software and carrying out several stages of testing.

The results of the study show that company size, company complexity, profitability, and the audit committee have a simultaneous effect on audit fees. Partially, firm size and profitability have a positive effect on audit fees. Meanwhile, the complexity of the company and the audit committee has no effect on the audit fee.

The next researcher is expected to use a different object and develop variables outside of this research and it is hoped that this research can assist the Public Accounting Firm in considering and determining the amount of the audit fee for the services that have been performed by the auditor in auditing the financial statements.

Keywords: *Company Size, Company Complexity, Profitability, Audit Committee, and Audit Fee.*