

ABSTRACT

Audit Fee is a reward received by the auditor from the client entity in connection with providing audit services. Public accountants have a very important role in balancing the information asymmetry and conflict of interest. Payment of this audit fee is based on a contract between the company and a public accounting firm based on an engagement letter. With this audit fee, the auditor must fulfill his duties and responsibilities. The phenomenon that occurs in this study at PT Garuda Indonesia changes every year, either increasing or decreasing audit fees, which results in cost wars that can undermine the credibility of public accountants.

The purpose of this study was conducted to analyze the effect of company complexity, leverage and compensation on audit fees for BUMN listed on the Indonesia Stock Exchange from 2017 - 2021.

The population in this study are state-owned companies listed on the Indonesia Stock Exchange in 2017-2021. Obtained 13 companies selected as research samples. This study uses quantitative methods, analysis techniques using panel data regression. The data analysis method used is descriptive statistical test, classic assumption test, panel data regression model testing and hypothesis testing.

The results of this study indicate that company complexity, leverage, and compensation simultaneously influence audit fees. For partial functions, company complexity has a negative effect on audit fees. For leverage and compensation have a positive effect on audit fees.

Future researchers are expected to be able to expand the object of research and use variables other than the research variables. Companies are expected to provide audit fee information in annual reports to increase the transparency of acceptable information. And for the auditor it is hoped that it can be used as material for consideration in determining the amount of the Audit Fee.

Keywords: *Audit Fee, Company Complexity, Compensation, , Leverage*