Ijaraa International Journal Of Integrated Accounting
Vol. 1, No. 2 (Dec, 2024)
Page. 105-123
E-ISSN: 3062-2323

The Influence of The Board of Commissioners, Audit Committee, Company Size, Company Profitability, Company Risk and Company Complexity on Audit Fees

Adhe Saputra
Accounting Department, Universitas Islam Negeri Sultan Syarif Kasim Riau, Indonesia

***Desrir Miftah**
Accounting Department, Universitas Islam Negeri Sultan Syarif Kasim Riau, Indonesia
Email: desrir.miftah@uin-suska.ac.id

ARTICLE INFO :

Keywords :

Board Of Commissioners, Audit Committee, Company Size, Company Profitability Company Risk, Company Complexity, Audit Fees

----
Article History :
Received :2024-12-22
Revised : 2024-12-27
Accepted :2024-12-28
Online :2024-12-31

ABSTRACT

The purpose of this study is to test the influence of the Board of Commissioners, Audit Committee, Company Size, Company Profitability, Company Risk, and Company Complexity on Audit Fees in Banking Companies Listed on the Indonesia Stock Exchange in 2020-2022. Using quantitative methods. The sample in this study is 27 banking companies. Data analysis using panel data regression using Eviews 12. The results of this study explain that the Board of Commissioners and the Company's Size have a positive and significant effect on audit fees. The Audit Committee, Corporate Profitability and Corporate Risk and Company Complexity have no effect on the audit fee.

INTRODUCTION

Financial statements play a crucial role in providing data to company stakeholders, both internal and external, to monitor business progress and support the decision-making process (Izzani & Khafid, 2022). The information contained in it provides a comprehensive picture of the company's financial condition, especially in terms of its financial position. The financial position section has an important meaning, especially for external stakeholders such as management, investors, creditors, the general public, and the government. Since financial statements serve

*Corresponding Author : Desrir Miftah

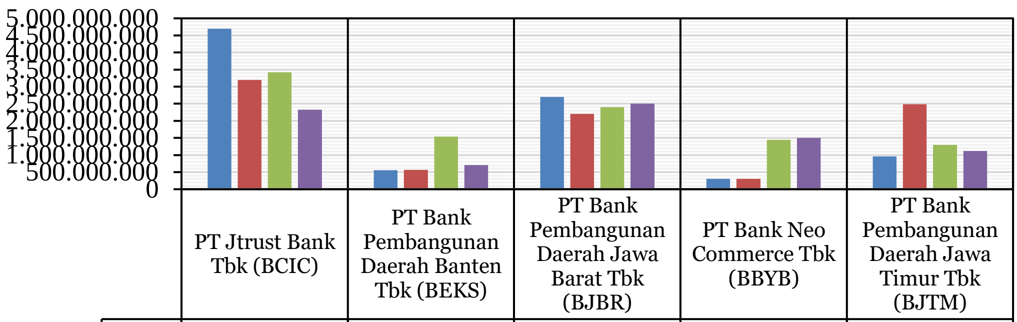
Vol. 1, No. 2 (Dec, 2024)
Page. 105-123
E-ISSN: 3062-2323

external parties, ensuring their accuracy, precision, and reliability is essential to maintain trust (Ginting, 2023).

The process of examining financial statements by auditors will produce audit reports and audit opinions that are the basis for company management to make decisions. The formal relationship between the company and the auditor is based on a contract that binds both parties. In this contract, the cost or price of audit services (auit fee) that must be fulfilled (Ginting, 2023). According to Cristansy & Ardiati (2018) stated audit fee It is a reward or honorarium received by the auditor after providing financial statement examination services to clients. In exchange for the audit services provided, the auditor is entitled to receive audit fee of the corporate entity being audited.

The following are the audit fees for banking companies listed on the Indonesia Stock Exchange for the 2019-2022 period:

The amount of audit fees (professional fees) for banking companies listed on the Indonesia Stock Exchange in 2019-2022



	PT Jtrust Bank Tbk (BCIC)	PT Bank Pembangunan Daerah Banten Tbk (BEKS)	PT Bank Pembangunan Daerah Jawa Barat Tbk (BJBR)	PT Bank Neo Commerce Tbk (BBYB)	PT Bank Pembangunan Daerah Jawa Timur Tbk (BJTM)
2019	4.700.000.00	552.500.000	2.700.000.00	300.000.000	960.000.000
2020	3.200.000.00	564.995.000	2.200.000.00	300.000.000	2.485.000.00
2021	3.425.000.00	1.542.975.00	2.400.000.00	1.450.000.00	1.300.000.00
2022	2.325.000.00	710.000.000	2.500.000.00	1.500.000.00	1.121.100.00

2019 2020 2021 2022

Source: Annual Report of banking companies listed on the Indonesia Stock Exchange www.idx.com.

The data above shows that the amount of audit costs in the company is still fluctuating or fluctuating and unstable, therefore the provision of Fee There is no stipulation so that there are differences or changes that are only based on negotiations between the Auditor and the Company. In addition, with the absence of standardization or determination of audit fees, as a result, many Indonesian

***Corresponding Author : Desrir Miftah**

companies listed on the Indonesia Stock Exchange do not include audit fees paid to KAP as part of their service provision.

Although the Indonesian Institute of Public Accountants has established rules regarding audit fees through Decree No.KEP.024/IAPI/VII/2008, which explains the policy of determining audit fees to improve the quality of audit services, as well as providing directions regarding the minimum hourly audit fee rates for various levels of auditor staff charged by Public Accounting Firms (KAP) to companies, regulation Number 2 of 2016 from IAPI allows Public Accounting Firm (KAP) to ensure that there is an imbalance in accounting services that exceed the set rates. However, facts on the ground show that audit costs in Indonesia are still fluctuating or fluctuating.

Audit costs can be affected by various factors, including the board of commissioners, the audit committee, the size of the company, the profitability of the company, the risk of the company and the complexity of the company. The initial factor that affects the cost of the audit is the board of commissioners. The board of commissioners is an entity within the company that is tasked with overseeing, providing guidance on the strategic direction, and ensuring the successful implementation of sound corporate governance. The supervision carried out by the board of commissioners will run more efficiently with the appropriate number of members. If the number of members of the board of commissioners is too large, internal control can become less effective, resulting in a decrease in the quality of financial statements. It can also force auditors to spend more time due to additional tasks, which ultimately increases the audit costs to be paid (Izzani & Khafid, 2022).

The audit committee is an independent team of the board of directors of a company that has the responsibility of overseeing and advising on audit activities, financial statements, and overall corporate governance. The duties and functions of the audit committee involve ensuring that the accounting and financial control procedures put in place by the company are followed correctly, as well as overseeing compliance with these procedures (Joshi et al., 2021). Companies with strong audit committees are expected to pursue higher standards of financial reporting quality, requiring a greater level of audit effort, which in turn can result in increased audit costs. Research conducted byi (Awinbugri & Prince, 2019)

The next factor is the size of the company, the size of the company is another element that has an impact on audit costs. The size of the company can reflect the

*Corresponding Author : Desrir Miftah

extent of the information contained in it and convey management's recognition of the importance of communication, both for external and internal parties. When compared to conducting audits on small companies, auditors who handle audits on large companiesi will take more timei and do more audit tasks because the number of transactions in large companies tends to be more (Amran et al., 2021). Therefore, the larger the company, the higher the audit costs that must be borne by the company.

Profitability reflects a company's capacity to generate revenue effectively over a period of time. and become a clue whether the company is well managed or not (Izzani & Khafid, 2022). Companies that achieve high levels of profitability often have higher levels of transaction intrigue. As a result, auditors need more thorough testing to gather adequate audit evidence. This results in the audit process requiring additional time, which has an impact on the increase in costs allocated for audit services.

Company risk is an uncertainty factor that has the potential to occur in the next times that can result in losses and reduce the company's performance (Wardani, 2017). Companies that have high risk also have the potential to face the risk of failure in the audit process, so preventive measures such as more intensive testing are necessary. The proportion of the company's debt, or leverage, high will increase the risk level of the company. This results in the need for extra audit actions that affect the time and effort required during the audit procedure. As a result, the audit costs that must be borne byi The company will also increase (Izzani & Khafid, 2022).

The complexity of the company is the last factor that can affect the cost of an audit. The complexity of a company refers to the level of complexity of the transactions that take place within it. According to (Sa'diah et al., 2022) stated that the more complex the company being audited, the more complex the audit tasks that will be carried out by the auditor and in turn will increase the audit cost.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A. Literature Review

Islamic Views on Audit Fees

An accountant who adheres to a code of ethics must meet good, fair, and trustworthy moral standards. They have an obligation to report all transactions

***Corresponding Author : Desrir Miftah**

accurately, honestly, and thoroughly in accordance with Islamic sharia principles. The values and principles underlying accounting, such as fairness, honesty, transparency, and accuracy of information, can be found and supported in the broader teachings of Islam (Djamil, 2023). This is also in line with the noble qualities of the Prophet Muhammad S.A.W., such as truth (shidiq), security (amanah), intelligence (fatonah), preaching (tabligh), and in line with verse 42 of Surah Al-Baqarah. Meaning: "And do not mix truth with falsehood and (do not) conceal the truth while you know it." In addition, the Quran explains the relationship with clients, especially in Surah Al-Baqarah verse 188. Meaning: And do not let some of you consume the property of others among you in a false way and (do not) you bring (the affairs of) the property to the judge, so that you can eat

B. Hypothesis Development

The Influence of the Board of Commissioners on Audit Fees

The board of commissioners can affect audit costs due to its role in the company's internal control and evaluation of reported financial information. If the board of commissioners is not effective in carrying out its duties, then the company's financial statements are of poor quality so that the auditor needs more time to conduct an audit. This results in an increase in audit fees paid by companies to auditors. Therefore, a large board of commissioners can cause the company's internal control to be ineffective and not ideal in evaluating reported financial information, resulting in increased audit costs (Izzani & Khafid, 2022). This is possible because the more members of the board of commissioners, the more difficult it is to reach an agreement in decision-making. In addition, the more members of the board of commissioners, the more difficult it is to carry out effective coordination and communication between members of the board of commissioners. Therefore, the number of board of commissioners can hinder the effectiveness of the company's internal supervision and control, resulting in poor quality of the company's financial statements and increased audit costs.

The findings revealed by Puspita & Tika (2018) stated that there was a positive correlation between the board of commissioners and audit fees. The same thing was also conveyed by (Sitompul, 2019) by saying that the board of commissioners has a positive impact on audit fees.

***Corresponding Author : Desrir Miftah**

H1 : The Board of Commissioners has a positive effect on audit fees.

The Influence of the Audit Committee on Audit Fees

According to Wulandari & Nurmala, (2019) emphasized that the audit committee is a body formed by the Board of Commissioners with the aim of supporting internal supervision, ensuring the effective performance of internal and external auditors, and strengthening the independence of auditors. An audit committee refers to a group of individuals selected from a larger entity to handle specific tasks or special tasks. If the audit committee has high independence, a large number of members, frequent meetings, and expertise in accounting, finance, or business, then this can reduce audit costs. An audit committee that has a high degree of independence can lower audit costs because it can provide increased oversight of the company's financial reporting procedures. With good supervision, external auditors will assess that the company's internal control is strong, thereby minimizing the risk of errors or fraud in financial statements. This leads to a decrease in audit costs because external auditors need shorter time to audit the company's financial statements. In addition, companies that have strong audit committees are expected to pursue high financial reporting standards, requiring a lot of audit effort and will lead to increased audit fees.

The findings of Handoko (2017) show that the audit committee has a significant effect on external audit fees. In contrast to research (Nisa & Triyanto, 2022) shows that the audit committee has a negative effect on audit fees. In view of this, this study proposes the following hypothesis:
H2 : Audit committee has a positive effect on audit fees

The Effect of Company Size on Audit Fees

The size of the company is one of the key factors that affect the determination of audit fees. Larger companies usually carry out transactions and activities that are more complex and have higher volumes. As a result, the audit procedure in large companies will be longer and more complicated in contrast to small companies. As a result, the audit fees that must be paid by large companies will tend to be higher. (Yulianti et al., 2019) in a study entitled The Impact of Company Size, Audit Complexity, Company Risk, and Cap Size on Audit Costs, it was determined that

***Corresponding Author : Desrir Miftah**

company size has a significant effect on audit costs. The same thing was also stated Fahrie & Hakim (2021), who noted that there is an interesting positive correlation between audit costs and company size. This shows that the size of a company plays an important role in influencing the level of audit costs. Based on the above information, the following hypotheses can be expressed:

H3 : Company size has a positive effect on audit fees

The Effect of Company Profitability on Audit Fees

In principle, companies that obtain high levels of profitability generally tend to incur high audit costs. This happens because companies with high profitability need to assess and recognize income and expenses more thoroughly, so it takes longer for the audit process to take longer. As a result, audit costs have increased significantly (Hasan, 2017). (Hasan, 2017) in a study entitled The Influence of Audit Complexity, Client Profitability, Company Size, and Public Accounting Firm Size on Audit Fees, it was emphasized that the magnitude of client profitability has a significant effect on audit fees. Likewise, the results of research conducted by Fahrie & Hakim (2021) in his research The Influence of Company Size, Client Profitability and Company Risk on Audit Fees, emphasized that profitability has an effect on audit fees. Based on the explanation above, the hypothesis can be formulated as follows:

H4 : Company Profitability has a positive effect on audit fees

The Effect of Corporate Risk on Audit Fees

Corporate risk affects the amount of audit costs due to the increased expertise required by external auditors and more time to fulfill audit responsibilities. Companies with high leverage, which is the relationship between a company's debt and capital and assets, may face some risks. First, companies with high leverage have a higher risk of audit failure, requiring more intensive testing and additional audit procedures. This can lead to an increase in the time and effort required for the audit procedure, which in turn will result in an increase in the cost of the audit that must be incurred by the company. What's more, organizations with a very large level of liability may face increased financial exposure. If the company is experiencing a bad financial situation, the manager may try to cover up the situation by making a

***Corresponding Author : Desrir Miftah**

mistake in the financial statements. This can lead to inaccuracies in financial statements and increase the risk of audit failure. To mitigate the risks associated with high leverage, companies need to implement effective internal controls and use the services of qualified external auditors. External auditors can help mitigate and prevent the impact of undue risks through intensive testing and additional audit procedures. Studies conducted by Sanusi & Purwanto (2017) and Khasharmeh (2018) show positive results related to the influence of the risk of companies facing the amount of audit costs. The hypothesis to examine the influence of corporate risk on the amount of audit fees is formulated as follows:

H5 : Corporate Risk Positively Affects Audit Fees

The Effect of Corporate Complexity on Audit Fees

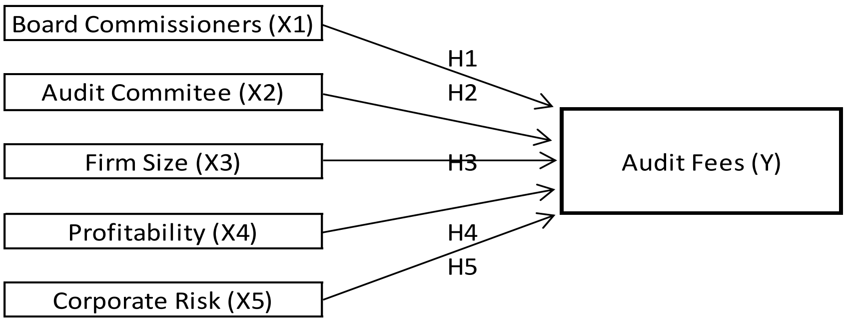
According to Fachriyah (2011) in (Paramitha & Setyadi, 2022), the complexity of a company is an aspect related to the level of complexity of transactions that occur within a company. The complexity of a company may stem from conducting transactions with foreign currencies, managing multiple subsidiaries and branches, or running business operations on an international scale. The level of corporate intrigue can be measured by assessing the number of subsidiaries both domestically and internationally. As the complexity of client companies increases, the risks and difficulties in conducting audits also increase because they require more intensive audit efforts. Therefore, the audit fees charged will also increase. Businesses with overseas subsidiaries are seen as adding to the complexity of the company, and variations in regulations and currencies will result in an increase in audit workload, which in turn leads to an increase in audit costs. In connection with the clarification above, the hypothesis that can be formulated is as follows:

H6 : Company complexity has a positive effect on audit fees

The relationship among those concepts has to be depicted in a figure of conceptual framework as example below.

***Corresponding Author : Desrir Miftah**

Figure 1. Conceptual Framework



RESEARCH METHOD

This research is included in the type of quantitative research. According to Sugiyono (2018), the quantitative method is a research approach based on philosophy positivism, used to study a specific population or sample, which involves collecting data through research instruments, data analysis is quantitative/ statistic, with the aim of assessing the hypothesis formulated. In this study, the population taken is all banking companies listed on the Indonesia Stock Exchange in the period 2020 to 2022. The sampling method applied in this study is nonprobability sampling using a purposive sampling approach. The analysis method used in this study is panel data regression analysis using the Eviews 12 program.

Table 1. Operational Definition and Measurement of Variables

No	Variable	Variable Difinition	Measurement	Scale
1	Audit Fee	Compensation or fees paid by a company to an auditor or public accountant for providing audit services.	Ln FE = Ln Professional fees	Ratio
2	Board of Commissioners	One of the key elements of effective corporate governance is the Board of Commissioners. The main tasks of this board include supervising and providing advice to the board of directors, and ensuring the effectiveness of the implementation of the corporate	DK= ∑ Board of Commissioners	Ratio

*Corresponding Author : Desrir Miftah

E-ISSN: 3062-2323

	governance system in the organization.		
Audit Committee	A committee formed by the board of commissioners with the aim of monitoring the financial reporting process.	Number of audit committees each year	Ratio
Company Size	Company size is an indicator of the scale or dimension of a company.	Company Size = Ln (Total Company Assets)	Ratio
Profitability	The ability to generate acceptable profits is an indicator used to evaluate the extent to which a company is able to make a profit.	ROA= Net Profit Total Assets	Ratio
Company Risk	A company's risk level reflects its ability to meet obligations using the assets it owns.	DER= Total Liabilities/Total Equity	Ratio
Company Complexity	The complexity of a company refers to the transaction-related aspects that exist within the organization.	Having subsidiaries = 1, Not having subsidiaries = 0	Nominal (Dummy)

RESULTS AND DISCUSSION

A. Results

Panel Data Model Selection

Based on the data processing results, value of the Chi-Square Cross-section Statistics is 154.2 with a Probability value of 0.00. This means that it is less than 0.05 (0.00 < 0.05), then statistically H1 is accepted and H0 is rejected. So in this Chow Test, the selected model is the Fixed Effect Model. The value of the statistical distribution of Chi-Square based on the table is 9.486 with a probability value of 0.1480. This means that it is more than 0.05 (0.1480 > 0.05) then statistically Ho accepts and rejects H1. So in this Housman Test, the selected model is the Random Effect Model (REM). From the table above, you can see the Prob Value of 0.0000 < 0.05, then what is selected is Common Effect Model. Based on the results of the Chow Test, Housman Test and Legrange Multiplier Test, the selected model is the Common Effect Model.

*Corresponding Author : Desrir Miftah

Panel Data Regression Analysis

Table 2. Significance Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8,882370	2,473191	3,591461	0,0006
DK	0,111188	0,048387	2,297898	0,0244
Ka	-0,097436	0,067690	-1,439449	0,1542
UP	0,389767	0,085964	4,535008	0,0000
PR	-0,419257	3,031172	-0,138315	0,8904
RP	-0,002594	0,024546	-0,105691	0,9161
KP	0,309696	0,196125	1,579070	0,1186
Effect Specification				
Cross-section fixed (dummy variables)				
R-Squared	0,758879	Mean dependent var		21,62797
Adjusted R-Squared	0,739329	S.D. dependent var		1,159334
F-statistic	38,81672	Durbin-Waston stst		0,570757
Prob (F-statistic)	0,000000			

Source: Processing results using Eviews 12, 2024

B. Discussion

The Influence of the Board of Commissioners on Audit Fees

The results of the regression analysis of the panel data showed that the probability value of the board of commissioners of 0.0244 was smaller than 0.05, which means that the board of commissioners had a significant positive effect on the audit fee. Based on these results, the first hypothesis (H1) can be concluded that the board of commissioners has a positive effect on the audit fee received.

This is in line with the agency theory which explains that every individual, both an agent and a principal, has the nature of acting in accordance with their respective interests (self interest). Companies that have an unideal number of board of commissioners can trigger opportunities for fraudulent acts in internal supervision duties and providing advice to the board of directors (Izzani & Khafid, 2022). External auditors are present as independent parties that can help provide professional services to companies to conduct investigations and evaluations, thus requiring companies to provide remuneration in the form of audit fee. The large number of board of commissioners will lead to ineffective internal control of the company and is not ideal in evaluating reported financial information. The ineffectiveness of the board of commissioners will cause the financial statements to be of poor quality as

***Corresponding Author : Desrir Miftah**

the auditor will take longer because of the additional work resulting in an increase in audit fee paid (Izzani & Khafid, 2022)

This is in line with the findings of Sitompul (2019), Anandita & Wiliasti (2020), and Nurjanah & Imam Amrozi (2021), which stated that the board of commissioners has a positive effect on Fee Audit. However, it is different from the research conducted (Pardede & Laksito, 2022) which states that the Board of Commissioners has no effect on audit fee. If the company's governance is good and the board of commissioners has performed its supervisory function well, the company's financial statements will be of high quality so that the auditor does not need more time to conduct an audit. This resulted in no increase in audit fees given to auditors.

The Influence of the Audit Committee on Audit Fees

The results of the regression analysis of the panel data showed that the probability value of the audit committee of 0.1542 was greater than 0.05, which means that the audit committee had no effect on the audit fee. Based on these results, the second hypothesis (H2) can be concluded that the audit committee has a positive effect on the audit fee being rejected. This means that there is no relationship between the audit committee and the audit fee. The increase and decrease in the number of audit committees will not be followed by the increase in audit fees paid to external auditors.

An increase in the number of audit committees does not necessarily have an impact on an increase audit fee which the client pays to the auditor. What's more important is to have audit committee members who have the right knowledge and expertise about the banking industry and applicable regulations. If the audit committee understands the specific risks that the company faces, then the auditor may spend less time explaining or validating some parts of the audit, because the audit committee members already understand it well, so it will not affect the magnitude Fee audits paid to auditors. The results of this study are in line with the research conducted (Januarti & Wiryaningrum, 2018) which states that the number of audit committees does not affect the amount of Fee audits paid to auditors, because the number of audit committees only meets the Financial Services Authority regulation No. 55/POJK.04/2025. And the research conducted (Anandita & Wiliasti, 2020), which states that the number of audit committees has no effect on audit fee

***Corresponding Author : Desrir Miftah**

because almost all companies listed on the Indonesia Stock Exchange already have an audit committee. And also because of the regulations issued by BAPEPAM through the circular letter BAPEPAM SE 03/PM/2000 dated May 5, 2000 and the regulations issued by the Jakarta Stock Exchange through regulation KEP-339/BEJ/07-2001 which requires companies listed on the Jakarta Stock Exchange to have an audit committee.

It can also be seen in this research data, namely from Bank Rakyat Indonesia Tbk (BBRI) where audit fee The company has not increased or decreased even with a greater or smaller number of audit committees. Likewise with Bank Negara Indonesia Tbk (BBNI), even with the same number of audit committees every year, audit costs are still increasing. However, this research is not in line with the research conducted (Febrina & Sri, 2022) and (Parmitha & Chetyaadi, 2022) which states that the audit committee has a positive influence on audit fee.

The Effect of Company Size on Audit Fees

The results of the regression analysis of the panel data showed that the probability value of the company size of 0.000 was less than 0.05, which means that the size of the company had a positive and significant effect on the audit fee. Based on these results, the third hypothesis (H3) can be concluded that the size of the company has a positive effect on the audit fee received. The results of this study are in line with the agency theory used in this study that each party in the agency relationship tends to pursue self-interest and tends to avoid risk (risk aversion). This is due to the increasingly complicated and numerous record-keeping process, while the main owner is limited in the company's operational affairs. So that the vulnerability and limitations of the owner can be used by the agent to take self-beneficial actions such as reducing the information that should be presented.

Owners and agents alike are at risk of avoidance, which is why quality and integrity audits are necessary to give owners strong confidence in the agent's performance. Auditors in auditing large companies face great risks, so the audit fees that must be paid by the audited party are also high. Companies with large capacity will have a higher transaction complexity than companies with small capacity. The number of transactions causes the auditor to take longer and requires more auditor

***Corresponding Author : Desrir Miftah**

members to collect audit evidence to be examined, which will increase the audit fees paid by the company (Izzani & Khafid, 2022).

The results of this study corroborate similar findings made by (Nurwulansari, 2017) and (Januarti & Wiryaningrum, 2018) which shows that the size of the company is directly correlated with the increase in audit costs. This is because large companies generally have complex transactions, a long audit process, require many auditors in carrying out audit tasks and will also provide more responsibility and auditing activities, so that the audit costs incurred also increase (Siregar et al., 2020).

The Effect of Profitability on Audit Fees

The results of the regression analysis of the panel data showed that the probability value of the company's profitability of 0.8904 was greater than 0.05, which means that the company's profitability had no effect on the audit fee. Based on these results, the fourth hypothesis (H4) can be concluded that the company's profitability has a positive effect on the rejected audit fee.

The cost of an external audit is usually determined by the amount, time and resources required by the auditor to gather sufficient evidence to support their audit opinion. Both high and low profitability companies still need the same evidence to support their financial claims. So that high or low profitability does not directly impact audit costs. Audit costs are more influenced by the complexity of the company's operations, the level of risk involved, regulatory requirements and the amount of work required by the auditor to obtain adequate evidence.

This research is in line with the research (Septyana et al., 2024) and (Sa’diah et al., 2022) which explains that the profitability variable has no effect on audit fee, this is possible because in this condition it provides an explanation that so far the determination of audit fee It is carried out subjectively, which is determined by one of the parties on the basis of bargaining between the Public Accountant conducted by the External Auditor and the Client or Company. So in this study, companies that have high or low profit levels do not affect audit fee which is paid by the company because of the bargaining price that has been agreed between the two parties. However, this is contrary to the results of research conducted by (Januarti & Wiryaningrum, 2018) and (Fahrie & Hakim, 2021) which states that profitability affects audit fee.

***Corresponding Author : Desrir Miftah**

The Effect of Corporate Risk on Audit Fees

The results of the regression analysis of the panel data showed that the probability value of the company's risk of 0.9161 was greater than 0.05, which means that the company's risk had no effect on the audit fee. Based on these results, the fifth hypothesis (H5) can be concluded that the risk of the company having a positive effect on the rejected audit fee can be concluded.

This result is different from the hypothesis proposed and the application of agency theory, which states that a company that has a higher corporate risk will increase agency cost issued by the company. Because the company's risk does not affect the auditor's time and effort in carrying out his responsibilities. Another reason is also the lack of effect on the debt-to- Fee external audits, although the ratio leverage company-owned is high, but the ratio leverage which is high is part of the company's business that has been adjusted to the company's competitiveness (Fajarini, 2021).

This research is in line with the research conducted (Fajarini, 2021) and (Humaira & Syofyan, 2020) which states that the company's risk has no effect on Fee Audit. If the company's risk increases, Fee audits will also increase. But in reality, the size or smallness of the risk of the company that is proxied to the ratio of leverage has no effect on Fee Audits paid to external auditors for audits of the company's financial statements. The results of this study can occur because if the auditor finds a risk to the company auditee Whether it is high or low will not affect the effort and time of the auditor in carrying out his responsibilities, so it will not affect the audit fees paid by the company (Yulianti et al., 2019).

On the contrary, this is contrary to the conclusions of the research conducted by (Wahyuni et al., 2022), (Agustina et al., 2023) and (Januarti & Wiryaningrum, 2018) which shows that the company's risk has a positive effect on Fee The audit is because the leverage ratio measures the extent to which a company is funded by loans. Excessive use of loans can potentially harm the company because it can result in the company being trapped in a high level of debt, making it difficult to reduce the debt burden. A higher level of risk associated with the amount of debt may affect the scale of the audit, which in turn may lead to an increase in the cost of audit services requested by Public Accounting Firms (KAP).

***Corresponding Author : Desrir Miftah**

The Effect of Company Complexity on Audit Fees

The results of the regression analysis of the panel data showed that the probability value of the company's complexity of 0.1186 was greater than 0.05, which means that the company's complexity had no effect on the audit fee. Based on these results, the sixth hypothesis (H6) can be concluded that the complexity of the company has a positive effect on the rejected audit fee. These findings contradict the initial hypothesis that complexity would have a positive impact on audit fees. This suggests that the complexity of the company may not always affect the amount of audit fees paid.

One possible explanation is that subsidiaries within a company may involve different auditors for their individual audits, so it does not directly affect the audit fees paid by the parent company. This finding is in line with a study conducted by Rukmana et al. (2017), which also concluded that complexity does not significantly affect audit fees. According to Rukmana et al. (2017), the existence of subsidiaries can indeed add to the complexity of the auditor's workload. However, it is possible that if a subsidiary employs different auditors, the workload of auditors for the parent company is not affected.

This research is in line with the research conducted (Gymnastiar & Nurbaiti, 2023) and (Zielma & Widyawati, 2019) which states that the complexity of the company has no effect on audit fee. This finding is different from the research conducted by (Salsabila Saifana et al., 2022), (Rizki Amelia et al., 2022) and (Afdhalastin & Yuyetta, 2021) which states that the complexity of the company is positively correlated with Fee Audit. Affhalastin and Yuyetta (2021) stated that the more the number of subsidiaries, the larger the Fee audits paid to auditors. This is due to the increased time required for auditors to fulfill their responsibilities, thus impacting Fee audits paid by the company.

CONCLUSION

This study aims to determine the effect of the Board of Commissioners, Audit Committee, Company Size, Company Profitability, Company Risk and Company Complexity on Audit Fees in banking companies listed on the IDX in 2020-2022. Based on the research that has been conducted, the following conclusions can be

***Corresponding Author : Desrir Miftah**

drawn: 1). The Board of Commissioners has a positive and significant effect on Audit Fees, the more the number of board of commissioners, the higher the audit fee issued, 2) The Audit Committee does not affect the Audit Fee, the more the number of audit committees, it will not affect the amount of audit fees issued, 3) Company Size has a positive and significant effect on Audit Fees, the larger the size of the company, the higher the audit fee issued, 4) Company Profitability does not affect Audit Fees, the size of the company's profitability will not affect the amount of audit fees issued, 5) Company Risk does not affect Audit Fees, the size of the company's risk will not affect the amount of audit fees issued, 6). Company Complexity does not affect Audit Fees, the complexity of a company will not affect the amount of audit fees issued. Suggestions for further research can add other variables that affect audit fees that are not examined in this study. Such as the quality of internal control, business risk, regulation, geographic location and so on. Research can also be done by adding a longer observation year, so that there is a greater opportunity to provide a picture of the research results that can be generalized. Because in this study the research period is only from 2020-2022, it may be too short to capture long-term trends or the impact of significant changes in policy or market conditions.

REFERENCES

Afdhalastin, A. D., & Yuyetta, E. N. A. (2021). Analisis Pengaruh Struktur Kepemilikan Terkonsentrasi, Kompleksitas, Profitabilitas, Dan Risiko Perusahaan Terhadap Audit Fee. *Diponegoro Journal Of Accounting*, *10*(4), 1–15. http://ejournal-s1.undip.ac.id/index.php/accounting

Agustina, L., Puspitosarie, E., & Hasan, K. (2023). Pengaruh Profitabilitas, Kompleksitas Perusahaan, Dan Resiko Perusahaaan Terhadap Audit Fee. *Jurnak Ekonomi Kreatif Indonesia*, *1*(4), 277–288. https://journal.tangrasula.com/index.php/jeki

Amran, A., Susanto, E., Kalsum, U., & Fitrianti, F. (2021). The Effect of Company Complexity and Company Size Against Audit Fees. *Point of View Research Accounting and Auditing*, *2*(1), 59–65. https://journal.accountingpointofview.id/index.php/povraa

Anandita, A., & Wiliasti, A. (2020). Pengaruh Independensi Dewan Komisaris, Komite Audit, Dan Internal Audit Terhadap Fee Audit Eksternal. *EKOMAKS : Jurnal Manajemen, Ilmu Ekonomi Kreatif dan Bisnis*, *9*(2), 92–97. http://ekomaks.unmermadiun.ac.id/index.php/ekomaks

Awinbugri, A. E., & Prince, G. (2019). The Impact of Audit Committees' Meetings and Audit Fees on the Financial Performance of Listed Banks in Ghana. *International Journal of Research and Innovation in Social Science (IJRISS)*, *3*(5), 341–346. https://doi.org/www.rsisinternational.org

***Corresponding Author : Desrir Miftah**

Fahrie, M. H., & Hakim, M. Z. (2021). Pengaruh Ukuran Perusahaan, Profitabilitas klien, dan Risiko Perusahaan, Terhadap Audit fee. *Prosiding SNAM PNJ*, *2*, 4444. https://doi.org/prosiding-old.pnj.ac.id

Fajarini, A. (2021). Pengaruh Struktur Kepemilikan Manajerial, Kompleksitas, Ukuran Perusahaan, Reputasi Auditor dan Risiko Perusahaan Terhadap Fee Audit Eksternal (Pada Perusahaan Manufaktur yang Terdaftar di BEI 2016-2020). *Business and Economics Conference in Utilization of Modern Technology*, 455–466.

Febrina, V., & Sri, D. (2022). Pengaruh Dewan Komisaris, Dewan Direksi, Komite Audit, Dan Kepemilikan Manajerial Terhadap Kinerja Keuangan. *Jurnal Informasi Akuntansi (JIA)*, *1*(1), 77–89. https://doi.org/10.32524.jia.v1i1.478

Ginting, E. G. B. (2023). Pengaruh Corporate Governance Terhadap Audit Fee Pada Perusahaan Yang Terdaftar Di Bursa Efek Indonesia Sektor Financial Periode 2019 – 2022. *Jurnal Bisnis Dan Manajemen*, *3*(5). https://ejournal.penerbitjurnal.com/index.php/business/article/view/391

Gymnastiar, M. A., & Nurbaiti, A. (2023). Pengaruh Kompleksitas Perusahaan, Leverage, & Kompensasi Terhadap Fee Audit Pada Perusahaan BUMN 2017-2021. *Owner*, *7*(4), 3144–3152. https://doi.org/10.33395/owner.v7i4.1757

Humaira, I., & Syofyan, E. (2020). Pengaruh Fungsi Audit Internal, Kompleksitas Perusahaan, Dan Risiko Perusahaan Terhadap Fee Audit. *JURNAL EKSPLORASI AKUNTANSI*, *2*(3), 3356–3371. https://doi.org/10.24036/jea.v2i3.288

Izzani, A. F., & Khafid, M. (2022). Pengaruh Dewan Komisaris, Ukuran Perusahaan, Profitabilitas Perusahaan, dan Risiko Perusahaan Terhadap Audit fee. *Business and Economic Analysis Journal*, *2*(1), 1–13. https://doi.org/10.15294/beaj.v2i1.35682

Januarti, I., & Wiryaningrum, M. S. (2018). The Effect of Size, Profitability, Risk, Complexity, and Independent Audit Committee on Audit Fee. *Jurnal Dinamika Akuntansi*, *10*(2), 136–145. http://dx.doi.org/10.15294/jda.v10i2.16613

Joshi, P. L., Deshmukh, A., & Azibi, J. (2021). The Effects of Internal Audit, Audit Committee and Firm Characteristics on Audit Fees in a Multi-Country and Industry Setting. *EMAJ: Emerging Markets Journal*, *11*(2), 25–35. https://doi.org/10.5195/emaj.2021.231

Nurwulansari, D. (2017). Pengaruh Fungsi Audit Internal, Kompleksitas Dan Ukuran Perusahaan Terhadap Fee Audit (Studi Empiris Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2013-2015). Universitas Muhammadiyah Yogyakarta. *Universitas Muhamadiyah Yogyakarta.* http://repository.umy.ac.id/handle/123456789/10432

Paramitha, M. D., & Setyadi, E. J. (2022). Pengaruh Dewan Komisaris, Komisaris Independen, Komite Audit, dan Kompleksitas Perusahaan Terhadap Fee Audit. *Ratio : Reviu Akuntansi Kontemporer Indonesia*, *3*(1), 13. https://doi.org/10.30595/ratio.v3i1.12840

Pardede, R. P., & Laksito, H. (2022). Pengaruh Risiko Likuiditas, Ukuran Dewan Komisaris, Dan Independensi Dewan Komisaris Terhadap Fee Audit Dan Pemilihan Auditor Independen Di Indonesia. *Diponegoro Journal Of Accounting*, *11*(03), 1–14.

Sa'diah, K., Mujiani, S., & Nasution, S. W. P. (2022). Analysis Of Client Complexity And Profitability On Audit Fee. *International Conference on Government Education Management and Tourism*, *1*(1), 1–9.

***Corresponding Author : Desrir Miftah**

https://conference.loupiasconference.org/index.php/icogemt2/article/view/306

Septyana, A., Mukti, A. H., & Sianipar, P. B. H. (2024). Pengaruh Profitabilitas, Risiko Perusahaan Dan Kompleksitas Audit Terhadap Audit Fee (Studi Empiris Perusahaan Sektor Financial Subsektor Bank Yang Terdaftar Di Bursa Efek Indoensia Tahun 2019-2022). *SENTRI: Jurnal Riset Ilmiah*, *3*(2), 866–884. https://doi.org/10.55681/sentri.v3i2.2333

Siregar, S. F., Girsang, R. D., & Anggeresia, W. (2020). Pengaruh Ukuran Perusahaan, Ukuran Kap, Kompleksitas Audit, Audit Delay, Dan Tipe Kepemilikan Terhadap Audit Fee. *JIMEA | Jurnal Ilmiah MEA (Manajemen, Ekonomi, dan Akuntansi)*, *4*(3), 406–423.

Sugiyono. (2018). *Metode Peneitian Kombinasi (Mixed Methods)*. Alfabeta.

Wahyuni, E., Abbas, D. S., Hamdani, & Basuki. (2022). Pengaruh Kompleksitas Perusahaan, Jenis Industri, Profitabilitas Klien, Ukuran Perusahaan Dan Resiko Perusahaan Terhadap Fee Audit. *OPTIMAL Jurnal Ekonomi dan Manajemen*, *2*(4), 121–145. https://doi.org/10.55606/optimal.v2i4.713

Yulianti, N., Agustin, H., & Taqwa, S. (2019). Pengaruh Ukuran Perusahaan, Kompleksitas Audit, Risiko Perusahaan, Dan Ukuran Kap Terhadap Fee Audit: *Jurnal Eksplorasi Akuntansi*, *1*(1), 217–255. https://doi.org/10.24036/jea.v1i1.72

Zielma, A., & Widyawati, D. (2019). Ukuran Perusahaan, Ukuran Kap, Kompleksitas Perusahaan Dan Audit Tenure Berpengaruh Terhadap Audit Fee. *Jurnal Ilmu Akuntansi*, *8*(10), 1–19. http://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/view/2658/2667

***Corresponding Author : Desrir Miftah**