" EFFECT OF ITS SIZE, COMPLEXITY COMPANY, AND PROFITABILITY THE COMPANY OF AUDIT FEE IN SERVICE COMPANY LISTED IN BEI YEAR 2015- 2018 "

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Abstract - *This research aims to test whether the influence of Company Size, Company Complexity, and Company Profitability on Audit Fees for service companies listed on the Indonesian Stock Exchange (IDX). This study uses a descriptive quantitative approach, which is measured using a method based on multiple linear regression with EVIEWS 10. The population of this study were service companies listed on the Indonesia Stock Exchange (IDX) from 2015 to 2018. The sample was determined based on purposive sampling, with a sample size of 19 service companies so that the total observations in this study were 76 observations. The data used in this study are secondary data. The data collection technique uses the documentation observation method through the official IDX website: www.idx.co.id and the official website of each company. Hypothesis testing using R2, and T test.*

Keywords: *Company Size, Company Complexity, Company Profitability, Audit Fees*

Abstrak *–Penelitian ini bertujuan untuk menguji apakah pengaruh Ukuran Perusahaan, Kompleksitas Perusahaan, dan Profitabilitas Perusahaan terhadap Fee Audit pada perusahaan jasa yang terdaftar diBursa Efek Indonesia (BEI). Penelitian ini menggunakan jenis penelitian deskriptif pendekatan kuantitatif, yang diukur dengan menggunakan metoda berbasis regresi linier berganda dengan EVIEWS 10. Populasi dari penelitian ini adalah perusahaan jasa yang terdaftar di Bursa Efek Indonesia (BEI) tahun 2015 sampai dengan tahun 2018. Sampel ditentukan berdasarkan purposive sampling, dengan jumlah sampel sebanyak 19 perusahaan jasa sehingga total observasi dalam penelitian ini sebanyak 76 observasi. Data yang digunakan dalam* *penelitian ini berupa data sekunder. Teknik pengumpulan data menggunakan metoda observasi dokumentasi melalui situs resmi IDX: www.idx.co.id dan situs resmi pada masing masing perusahaan. Pengujian hipotesis dengan menggunakan R2, dan uji T.*

Kata Kunci: *Ukuran Perusahaan, Kompleksitas Perusahaan, Profitabilitas Perusahaan, Fee Audit.*

I. INTRODUCTION

Today, the development of companies go public and non-go public in Indonesia can be said to be progressing quite rapidly. Each company uses its financial statements to communicate financial information to parties outside the corporation. The company's financial statements are an important source of information for stakeholders in making decisions. Therefore, every company is obliged to audit its company's financial statements.

Disclosing financial reports to the public is an imperative for companies that have gone public to convince stakeholders to invest or provide loans. As regulated by BAPEPAM-LK through regulation number Kep 36 / Kep / PM / 2003, the financial statements confirm that financial reports must be audited before being submitted to the public. Therefore, the need for public accounting services is increasing, especially for improving financial reports.

The increasing need for public accounting services is based on agency problems. Agency problems can occur because of the asymmetric information between the principal and agent. Asymmetric information occurs when one party has information that is not owned by the other party. Therefore, it is necessary for the auditor to become an independent party in order to carry out the process of monitoring and supervision of activities carried out by the agent, so that in the future no party will be harmed.

Public accountants have an important role to play in increasing the transparency of the quality of information in the financial sector. In addition, public accountants also carry the trust public to provide opinions on the company's financial statements. in conducting an audit, it takes a long time. An audit of financial statements consists of several stages which take varying amounts of time depending on conditions that occur in the field. For the audit services that have been submitted, the auditor is entitled to receive or audit fees.

Audit Audit fees or fees are fees received by the auditor from his client entity in connection with the provision of audit services. According to Agoes (2018) in his book entitled Auditing states that audit fees are the amount of member fees that can vary depending on, among others: the risk of the assignment, the complexity of the services provided, the level of expertise required to carry out these services, the cost structure of the KAP concerns and considerations professional other. .

Asknown, the Management of theInstitute of previouslyIndonesianCertified Public Accountants (IAPI) has issued the IAPI Chairperson's Decree Number: KEP.024 / IAPI / VII / 2008 concerning the Policy for Determining the Audit Fee (SK Fee Audit 2008) and is still in effect until now as a reference. in determining the amount of the audit fee. (www.iapi.or.id) TheDecree Audit Fee 2008is actually quite adequate as a reference in determining audit fees.

However, the realization on the ground is not simple: the cost of the inspection will be obtained from bargaining conducted between the client and the public accounting firm. The bargaining process explains that there is a difference in the amount of *audit fees* in each company being audited and between public accounting firms, so that it will affect the determination of *audit fees* that are too high or too low. *Audit fees* that are too low will make it possible to implement substandard procedures, so it is feared that it will affect the quality of audit services and ultimately damage the image of the public accountant profession itself.

The amount of *audit fees* that must be paid by the company is still a long discussion, considering that there are many factors that affect the *audit fee* . The problem of the difference in interests between the agent and the principal becomes a trigger for conflict which is commonly called the agency problem. This conflict is caused by the information asymmetry between the agent and the principal which causes them to hold more information than the principal. So That the feared is an agent will *create moral hazard*. To control and observe management decisions, shareholders tend to pay supervisory fees to ensure that the information presented can describe the actual conditions and can control behavior *moral hazard* carried out by managers. Where the fee is the *audit fee*.

IAPI has issued a letter regarding the policy *audit fee* which is a guideline for IAPI members in determining *audit fees*. However, the facts in the field that occur are still tariff wars between public accountants in an effort to get clients that cause views negative from the public. This is triggered because the amount of the *audit fee is* still very dependent on the bargaining power of the two parties. Fees that are too low or lower than those charged by public accountants will raise doubts about the ability and competence of members in setting applicable technical and standards professional , which may threaten the implementation of an adequate audit. So that the amount of *audit fee is* certainly an interesting ojek to pay attention to, the increasing number of parties who come into direct contact with public accountants and auditing, so the factors that affect the amount of *audit fees are* also increasingly interesting to pay attention to.

One of these factors is company size. company size is a scale where the size of a company can be classified as indicated by total assets. High total assets make the audit process more complicated so that the higher the *audit fee* that must be paid.

Firm complexity is a further factor. The complexity of the company is related to the number of subsidiaries. This encourages auditors to be more careful so that the time needed is longer, causing *audit fees* higher. The company's profitability is also a factor in determining the amount of *audit fees*. Profitability is a reflection of a company's ability to generate profits effectively and efficiently. Companies with high returns will need accurate testing to identify scale and load. The test takes longer. (Hafiza, 2017) An

auditor is a mediator who audits financial statements, entitled to receive fees or *audit fees*. An auditor will be motivated to carry out an audit with an *audit fee*, so that the resulting audit will be of high quality. The higher the level of audit complexity by the auditor, the higher the *audit fee* that the auditor will receive.

The results of research conducted by Rukmana *et al* (2017) show that company size affects *audit fees*, while complexity has no effect on *audit fees*. Further research conducted by Chandra (2015) stated that complexity company and company size have an effect on *audit fee*. Research conducted by Yulio (2016) supports Chandra's (2015) statement that company complexity affects *audit fees*.

Research conducted by Kikhia (2015) found that company profitability affects the amount of audit costs. Companies that have high profits will present more information for auditors to re-examine. Meanwhile, the results of research conducted by Hasibuan *et al* (2015) prove that the profitability variable has no effect on *audit fees*.

By knowing what are the factors that affect the amount of the *audit fee,* it will be easier for public accountants and companies that use public accounting services in auditing to determine the amount of *audit fees*. Such as company size, company complexity, and company profitability.

Based on these factors, the researcher will examine more deeply to determine their effect in detail on the *fee* audit because these factors have different effects on different conditions. In this study the researcher will try to conduct further research with the title: "**THE INFLUENCE OF**

COMPANY SIZE, COMPANY COMPLEXITY, AND PROFITABILITY TOWARDS *AUDIT FEE* IN SERVICE COMPANIES REGISTERED ON IDX 2015-2018"

II. THEORY FOUNDATION AND HYPOTHESIS DEVELOPMENT

Fee Audit

According to Agoes (2013: 46) defines *audit fee* as the amount of fee that depends on the risk of the assignment, the complexity of the services provided, the level of expertise required to carry out auditing, the structure of the relevant KAP and considerations of professional others.

Aulia (2018) explains that if a public accountant audits the company's financial statements, the company must pay a fee called an *audit fee*. Aulia (2018) also explained that at this time there are still many companies that do not include *fee-audit* in the financial statements due to data on *fee audit* in Indonesia is still a *voluntary disclosure* so that the data in the annual report*(annual report*) *regarding fee audit* represented by account *professional fee*.

The problem of *fees* is a dilemma problem where on the one hand the auditors must be independent in giving their opinion, but on the other hand the auditors must also get compensation from the client for the services they perform. In this case, the independence of public accountants includes 2 aspects, namely:

1. Mental attitude independence (*in facts*), which is honesty in the accountant in considering facts and the existence of impartial, objective considerations within the accountant to express his opinion.
2. Independence of appearance (*in appearance*), is the impression of the public that public accountants act independently so that public accountants must avoid factors that may cause people to doubt their freedom. The independence of appearance is related to the perception of the independence of public accountants (Kompasiana.com).

The Indonesian Institute of Public Accountants (IAPI) has issued Decree No. KEP.024 / IAPI / VII / 2018 on 2 July 2008 concerning Policy for Determining *Audit Fees*. Annex 1 explained that the guide is issued as guidance to all Members of the Institute of Indonesian Accountants who run practice public accounting to determine the amount of equitable remuneration onservices professional that it provides. This decree also sets out several considerations in terms of determining fees, namely: 1. Client needs; 2. Duties and responsibilities according to law .; 3. Independence; 4. The level of expertise and responsibilities attached to the job, which was done, as well as the level of complexity of job .; 5. The amount of time required for the public accountant and his staff to use effectively to complete work; 6. The Determining basis for fee agreed. Cristansy (2018) reveals that the amount of audit fees given by companies is sometimes still based on bargaining between companies and KAP. Management regulation No. 2 of 2016 (IAPI, 2016) explains that the service fees that are too low or significantly lower than those imposed by auditors or other accountants, will raise doubts about the ability and competence of members in applying applicable technical standards and standards professional.

Company Size

According to Riyanto (2001: 313) in Monica (2016), company size is the size of a company which can be seen from the amount of equity value, total sales value or total asset value. The larger the size of the company, the more investors tend to pay attention to the company, thereby increasing the company's value in the eyes of investors. This is because large companies tend to have more stable conditions.

Firm size has a direct effect on the work of auditors and the time required in the audit process. The larger the size of the company, the more audit services it takes than smaller companies, and the time it takes is more (Hasan, 2017).

Much judgment is put into determining the audit fee. One of the considerations is by looking at the size of the client company (client size). Client size is an important variable in determining audit fees in previous studies. Auditors who perform audits in companies large will spend more time and resources reviewing the operations of the company being audited. because for auditors, usually large companies that are involved in a number larger transactions will take quite a long time to be checked and larger company sizes will require agency cost a large(Hasan, 2017).

Based on Law Number 9 of 1995 concerning Small Business, there are 2 types of companies, including: 1. Medium or large companies, namely companies that have economic activities with net income or annual sales results of the business. Such as state-owned companies, private-owned companies, and foreign companies that carry out economic activities in Indonesia. ; 2. Small companies, namely legal entities established in Indonesia with total assets of not more than Rp. 20 M, is not an affiliate and is regulated by a company that is not a small or medium-sized company, nor is it a mutual fund.

Company Complexity The

complexity of the company is related to the complexity of the transactions that take place within the company. These complications usually occur due to transactions using foreign currencies, the number of subsidiaries, and the occurrence of business operations abroad (Rukmana et al, 2017).

A subsidiary or what is also called a subsidiary is a company that is controlled by a higher company (Ananda et al, 2019). Rukmana et al(2017) also explained that the complexity of the company is also part of the auditor's consideration before carrying out the examination. The complexity of the company's operations can affect the amount of audit costs, because auditing to be carried out by auditors will be more numerous and more complicated so that it takes a long time. Therefore the costs that will be charged to clients will be higher, (Hafiza, 2017)

Large or multinational companies with more detailed reports will increase the complexity and performance of audits for examining greater needs for governance companies, business practices, and differences in accounting standards (Huri et al, 2019). Therefore, this study uses a subsidiary as an indicator of the complexity of the company, given the complexity of the audit services provided is a complicated measure whether or not the transactions of the company to be known diaudit.Anak company through financial statements, more precisely in the Notes to the Financial Statements. (Cristansy, 2018)

Companies that have subsidiaries will present consolidated financial statements, which means that the company will carry out more complicated and complex transactions. As a result, auditors will need a longer time in the audit process so that the amount of audit fees will increase (Huri et al, 2019).

Profitability

Profitability is the ability of a company in relation to sales, total assets, and own capital (Sartono, 2010: 122). For the company the most important final goal is to get the maximum profit or profit as well as other things. By obtaining targeted profits, companies can do many things for the welfare of owners, employees, and improve product quality and make new investments (Kasmir, 2013: 196).

To maintain the survival of a company, the company must be in a favorable condition. Without any profit the company will find it difficult to attract outside capitol.very increasing profits aware of well Creditors, company owners and especially company management are for the company's future. (Muhammadiyah, 2017)

Basically companies with high profit rates tend to pay higher audit fees, because companies with high profit levels require validity tests, revenue recognition, and fees, so the time needed to carry out audits will be longer (Hasan. , 2017).

The purpose of profitability for companies and for outsiders according to Kasmir (2015: 187) is to calculate or measure the profit that the receives company in a certain period, to assess the profit position of the company in the previous year and the current year, to calculate the development of profit over time, and to measure productivity. of all the company capital that has been used.

HYPOTHESIS DEVELOPMENT

The Influence of Company Size on Audit Fees Company

size is one of the factors that influence *audit fees*. Company size is a scale that can classify the size of a company. The size of the company is a reflection of the size of the company which can show how much information is contained in the company, as well as a description from the management regarding the importance of information, both for parties external and internal of the company (Hasan, 2017). Hasan's research (2017) states that company size has an effect on *audit fees*, while according to Sanusi (2017) company size has no effect on *audit fees*.

H_1: Company size affects the *audit fee*.

The Effect of Company Complexity on Audit Fees

Hasan (2017) Complexity is another important variable in determining *audit fees*. The complexity of company operations can affect the amount of *audit fees* because the audit work to be carried out by auditors will be more and more complicated so that it will take longer and will eventually lead to clients charged a higher fee per hour. So that in this study states the variable of complexity has companyan effect on audit fees.

It is inversely proportional to Cristansy's (2018) statement which states that company complexity has no effect on audit fees because there is a possibility that the subsidiary uses different auditors to audit the company. So that it does not affect the audit fees paid by the parent company. The results showed that the variable of company complexity had no effect on its size audit fee.

H_2: Company complexity affects the audit fee.

Effect of Profitability on Audit Fees

High profitability values reflect good management performance because it affects the management's reporting of performance quickly or slowly (Hasan, 2017). Research conducted by Hasan (2017) states that profitability affects *audit fees*.

Basically, companies that have a high profit rate will usually pay an audit *fee higher*, because companies with high profit levels require validity testing, revenue and cost recognition, so they take longer to do auditing (Hasan, 2017). This statement supports the results of research conducted by Hafiz (2017) which states that client profitability affects *audit fees* whereas it is inversely proportional to research conducted by Sinaga (2017) which states that profitability does not affect *audit fees audit fees*

H_3: Profitability affects *audit fee*.

III. RESEARCH METHODS

Population and Population Sample

Population

according to Cooper (2003) in Sugiyono's book (2018: 136) which states that population is all elements that will be used as a generalization area. The population in this study used service companies listed on the IDX for the period 2015-2018.

Sample

Samples are part of the number and characteristics of the population (Sugiyono, 2018: 137). The sampling technique used in this study was *purposive sampling method*. The *purposive method sampling sampling* is a technique with certain considerations (Sugiyono 2018: 144).

The criteria for determining the sample in this study are service companies listed on the IDX in 2015-2018, companies that are delisted and do not publish complete annual reports, companies that do not present financial reports in rupiah, and companies that do not present *audit fees* in financial statements. So that the number of samples in this study were 19 with the number of observation data as many as 387 companies.

Table 1: Number of Research Samples

No	Criteria	Total
1	Service companies listed on the IDX	387
2	Companies that are *delisted* and do not publish annual reports in full	(220)
3	Companies that do not present financial statements in rupiah	(95)
4	Companies that do not present *audit fees* in their financial statements sahaan yang tidak menyajikan *fee audit* dalam laporan keuangannya	(53)
Number of samples		19
Research period (Years)		4
Total samples during the study period		76

Source processed, 2020

Operational Definition of Variables and Measurement of

Variables used in this study are two, namely the dependent variable (Y) and the independent variable (X).

Dependent

Variable The dependent variable used in this study is the fee audit. Fee audit or audit fee is the fee received by the public accountant of the entity client in connection with the provision of audit services. Data regarding fees is audit taken from all service companies listed on the IDX in 2015-2018 which reveal the amount of fees audit. Information about fees audit can be found in the company's annual report in the Capital Market Supporting Institutions or Professionals section or in the corporate governance section. The Fee audit will then be measured using the natural logarithm of the fee audit. In this study, the audit fee will be denoted by AUFEE.

IndependentThe independent

variables variables used in this study are company size, company complexity, and company profitability.

a. Company size Company

size describes the size of the operating scale of a company (Rukmana et al, 2017). Companies that have large total assets show positive cash flow, besides that it reflects that the company is more stable and is more able to generate profits than small companies. Company size in this study is measured by calculating the natural logarithm of the company's total assets. in order to equalize the current size of the regression. In this study the company size is symbolized by SIZE

b. CompanyThe
complexity complexity of the company is related to the complexity of the transactions that occur in the company. In this study, the complexity of the company is indicated by the number of subsidiaries owned by client companies (Rukmana et al, 2017). According to Beams in Fiscal et al (The variable of company complexity will be measured using a dummy variable. Companies that have a subsidiary will be given a value of 1, while companies that do not have a subsidiary will be given a value of 0. The number of subsidiaries can be found through the consolidated financial statements contained in it. at the top of the financial statements. the complexity of the company would be symbolized by SUBSDR.

c. profitability company
profitability ratio is a ratio that aims to determine the extent to which the company's ability to gain or profit in a particular period and describe the level of management effectiveness in carrying out its operational activities. Variabel dan Pengukuran

Variabel yang digunakan dalam penelitian ini ada dua, yaitu variabel dependen (Y) dan variabel independen (X). In this study the profitability ratio is proxied by using Return on Asset (ROA). ROA is calculated by comparing net income to total assets. The profitability of the company will be symbolized by ROA.

Data Analysis Techniques

. This research uses a program computer *Eviews 10*. This study uses multiple regression analysis hypothesis testing, on the grounds that the independent variable studied is more than one variable (Ghozali, 2011: 192). The use of this analysis aims to determine the relationship between *audit fees* and the independent variables. The regression equation is:

$$\textbf{LnAUFEE} = \alpha_0 + \beta 1\ \textbf{(LnASET)} + \beta 2\ \textbf{(SUBSDR)} + \beta 3\ \textbf{(ROA)} + \textbf{e} \quad (1)$$

Description:

LnAUFEE = *Fee Audit*
α_0 = Constant
β1 – β4 = Regression Coefficient
LnASET = Company Size
SUBSDR = Company complexity
ROA = Company profitability
e = *Error*

III. RESULTS

Descriptive Statistics

Statistics Quantitative descriptive statistical analysis was used to provide a description of the research variables, namely company size, company complexity and company profitability. The values seen from the descriptive statistics are the maximum value value , minimum, median, mean, and standard deviation. Descriptive descriptions of all research variables can be seen in the following table.

Table 2: Descriptive Statistics

	AUFEE	SIZE	SUBSDR	ROA
Mean	22.12496	28.59139	0.947368	0.108511
Median	22.41482	28.68481	1.000000	0.055123
Maximum	25.42654	32.45446	1.000000	0.919164
Minimum	18.42068	24.56831	0.000000	0.000179
Std. Dev.	2.122504	2.024143	0.224781	0.156751
Skewness	-0.144781	-0.232811	-4.006938	3.029720

Kurtosis	1.874430	2.441199	17.05556	13.06108

Source: Output *Eviews 10*, 2020

Based on the results of descriptive statistical testing with *Eviews 10* in table 2, it can be seen that:

1. The Variable is the audit *fee* measured using Ln. So this variable has the highest value of 25.42654, and the lowest value of 18.42068. While the mean value in this variable is 22.12496 and the median value for this variable is 22.41482. With a standard deviation of 2.122504
2. The variable company size is measured using Ln. So this variable has the highest value 32.45446 and the lowest value 24.56831. While the mean value is 28.59139 with a median value of 28.68481 and a standard deviation of 2.024143.
3. The variable of complexity is company measured by a dummy variable, that is, the value of 1 is given to companies that have subsidiaries and those with a value of 0 are given to companies that have subsidiaries. It has the highest value of 1 and the lowest value of 0. While the mean value is 0.947368 with a median value of 1 and a standard deviation of 0.224781
4. The variable company profitability is measured by ROA, namely by dividing net income by total assets. So the highest value is 0.919164 and the lowest value is 0.000179. While the mean value is 0.108511 with a median value of 0.055123 and a standard deviation of 0.156751.

Analysis ofModel Estimation Approach

Test Chow

The Test is used to select the right model between CEM and FEM to determine the panel data model used. This can be seen by looking at the probability value Chi-Square:

Tabel 3: Test *Chow*

Effects Test	Statistic	d.f.	Prob.
Cross-section F	24.162719	(18,54)	0.0000
Cross-section Chi-square	167.445717	18	0.0000

Source: Output *Eviews 10*, 2020

Dari From table 3 it can be seen that the probability value in *chi-square* is 0.0000, so the value is <α = 0.05. Then the appropriate model is FEM.

Test *Hausman*

The test *Hausman* is used for the selection of appropriate models between REM with FEM for knowing panel data models. This can be seen by looking at the probability value:

Tabel 4: Uji *Hausman*

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	5.626949	3	0.0000

Source: Output *Eviews 10*, 2020

From table 4 it can be seen that the probability value is 0.0000, so the value is <α = 0.05. then the correct model is FEM.

Lagrange Multiplier

The Test *lagrange multiplier is* used to select the right model between REM and CEM to determine which model to use. This can be seen by looking at the value of the *Breusch-Pagan cross section*:

Tabel 5: Test *Lagrange Multiplier*

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	66.04908	1.955337	68.00442

	(0.0000)	(0.1620)	(0.0000)

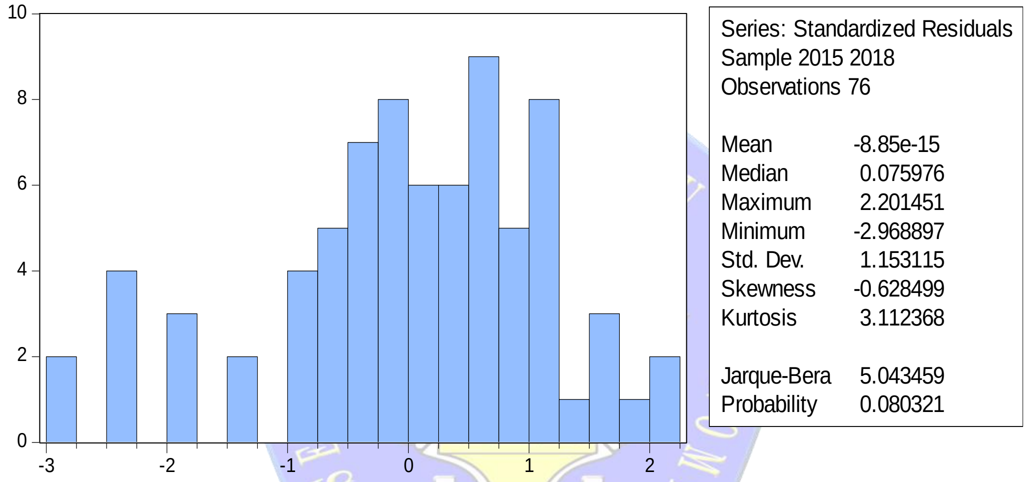
Source: Output *Eviews 10*, 2020

In table 4.11 it can be seen that the probability value *Breusch-Pagan* is 0.0000, so the value is <α = 0.05. then the appropriate model is REM. Based on the results of panel data selection analysis 0.0000 chow test, then the value is <α = 0.05, then the chosen one is FEM, then in the hausman test 0.0000, then the value is <α = 0.05, then the chosen one is FEM, and in the lagrange multiplier test 0.0000 , then the value is <α = 0.05, then the chosen one is REM. So in this study the model chosen to be used as panel data is the Fixed Effect Model (FEM)

Classical Assumption

Test NormalityNormality

Testtest is conducted to determine whether dependent and independent variables distributed normally. If Data the instrument research is normally distributed, it fulfills a good regression model. To test the normality of the data in this study, namely by performing a statistical test (*KS*), it can be said that all data are normally distributed if the sig / prob value is> 0.05.



Source: Output *Eviews 10*, 2020

Figure 1: Normality Test *One Sample Kolmogorov-Smirnov*

Based on table 4.3 it can be seen that the significant value is 0.080321. Because the significant value of 0.080321 is greater than the significance /level probability of 0.05. This means that the assumption of normality is fulfilled.

Multicollinearity Test

A good regression model in addition to normally distributed data, the data must also not experience multicollinearity.test is Multicollinearity used to test whether the regression model between the independent variables has a significant relationship. To detect the presence or absence of multicollinearity in the regression, it can be seen from the correlation coefficient between variables <0.80. Then the data can be said to not experience multicollinearity.

Table 6: Multicollinearity Test

	SIZE	SUBSDR	ROA
SIZE	1.000000	0.062646	-0.052918
SUBSDR	0.062646	1.000000	-0.008890
ROA	-0.052918	-0.008890	1.000000

Source: Output *Eviews 10*, 2020

Based on table 4.5 it can be seen that the value of the correlation coefficient between variables <0.80 So it can be said that the data in this study has no relationship or correlation between one independent variable and other independent variables. Then the data from the table above can be stated as data that does not experience multicollinearity so that the existing regression model is suitable for estimating.

Heteroscedasticity

Test Test heteroscedasticity This Is conducted to test whether in the regression model there are inequalities *variance* from observation residuals to other observations, by looking at the significance probability value above 0.05,

Table 7: Test Glesjer

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.744815	1.878194	0.928985	0.3560
SIZE	-0.031773	0.065972	-0.481608	0.6315
SUBSDR	0.027684	0.273975	0.101046	0.9198
ROA	0.238956	0.301815	0.791729	0.4311

Source: Output *Eviews 10*, 2020

In Figure 4.2 it can be seen that the significance probability value above in the variables SIZE, SUBSDR, and ROA> 0.05, it can be said that the data in this study did not occur heteroscedasticity.

Multiple Linear Regression Analysis

This study analyzed using multiple linear regression models to see how much influence company size, company complexity, and company profitability on *audit fees* with the basic model:

$$\textbf{Ln AUFEE} = \alpha_0 + \beta 1\,(\textbf{LnAset}) + \beta 2\,(\textbf{SUBSDR}) + \beta 3\,(\textbf{ROA}) + \textbf{e} \quad (1)$$

Description:

LnAUFEE = *Fee Audit*
α_0 = Constant
β1 – β4 = Regression Coefficient
LnASET = Company Size
SUBSDR = Company complexity
ROA = Company profitability
e = *Error*

Table 8: Multiple Linear Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.384772	1.856116	-2.362337	0.0209
SIZE	0.865795	0.062928	13.75858	0.0000
SUBSDR	1.868957	0.565890	3.302684	0.0015
ROA	-0.139562	0.811026	-0.172080	0.8639

Source: Output *Eviews 10*, 2020

Based on table 4.6, the multiple linear regression equation is obtained as follows:

Ln AUFEE = -4,384772 + 0,865795 (SIZE) + 1,868957 (SUBSDR) – 0,139562 (ROA) + e

Description:

1. A constant of -4.384772 means that the variables SIZE, SUBSDR and ROA are considered constant in direction negative
2. SIZE is the size of the company which has a regression coefficient value of 0.865795 so that it can be stated that if one unit of company size audit fee increases, thewill increase by 0.865795, assuming other variables are constant
3. SUBSDRESS is a company complexity that has a regression coefficient value of 1.868957. So it can be stated that if the increase in one unit of the company's complexity variable, the audit fee will increase by 1.868957 assuming the other variables are constant.
4. ROA is the profitability of the company which has a regression coefficient value of -0.139562. So it can be stated that if one unit increases in the company's profitability variable, thewill audit fee decreases by -0.139562, assuming other variables are constant. Konstanta sebesar -4,384772 dapat diartikan bahwa variabel SIZE, SUBSDR dan ROA dianggap konstan dengan arah negative

Hypothesis Test of the
Coefficient of Determination (R2)

The coefficient of determination (R2) is used to measure how much influence the proportion value measuring the independent variable has in using the regression equation to explain the variation of the dependent variableTable

Tabel 9: Coefficient of determination (R2)

R-squared	0.742430	Mean dependent var	22.12496
Adjusted R-squared	0.731697	S.D. dependent var	2.122504

Source: Output *Eviews 10*, 2020

Based on table 4.7 the value of the coefficient of determination is located in the column *Adjusted R-Square*. It is known that the coefficient of determination is 0.731697. It can be interpreted that this value is all independent variables, namely company size, company complexity, and company profitability affecting the variable *audit fee* and the remaining 26.83% is influenced by other factors.

T Test

T test is used to determine the partial effect of the independent variable on the dependent variable. With the provision that the sig value is less than the 0.05 probability, it can be said that the hypothesis is accepted so that the independent variable has a partial effect on the dependent variable.

Table 10: T Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.384772	1.856116	-2.362337	0.0209
SIZE	0.865795	0.062928	13.75858	0.0000
SUBSDR	1.868957	0.565890	3.302684	0.0015
ROA	-0.139562	0.811026	-0.172080	0.8639

Source: Output *Eviews 10*, 2020

Based on table 4.9 the results of the T test can be concluded as follows:

1. The variable company size has a sig value of 0.0000, which means less than 0.05, so it can be stated that company size has an effect partially on the *audit fee*.
2. The variable of company complexity has a sig value of 0.0015, which means less than 0.05, so it can be stated that company complexity has a partial effect on *audit fees*.
3. The company profitability variable has a sig value of 0.8639, which means more than 0.05, so it can be stated that company profitability does not have a partial effect on *audit fees.*

IV. CONCLUSIONS, IMPLICATIONS, and LIMITATIONS

CONCLUSION

Researchers conducted research on the influence of company size, company complexity, and company profitability on *audit fees*. The variable used in this study is the dependent variable, namely *audit fees*, while the variables independent are company size, company complexity, and company profitability. This study uses multiple linear regression analysis with the program *Eviews* 10. This study observes 76 financial reports on 19 service companies listed on the IDX from 2015 to 2018. Based on the results that have been examined in this study, conclusions can be drawn:

1. Based on the results The tests carried out in this study partially show that company size affects the *audit fees* because the larger the size company , the more time it takes to carry out the audit process. Because it requires a longer time, it affects the high *audit fees* paid.
2. Based on the results of tests conducted in this study partially show that the complexity of the company affects the *audit fee* because even though the company only has one subsidiary, it will add to the complexity of the audit process because it takes longer to carry out the audit process. This of course causes the company to be charged an audit *fee* a higher.
3. Based on the results of tests carried out in this study partially shows that the company's profitability does not affect the *audit fee* because the high level of company profitability reflects the performance and effectiveness of management in bearing and has the ability to handle risks that may occur from various situations. So that the audit process carried out also does not affect the *audit fee* that will be issued.

IMPLICATIONS

Based on the results of the analysis, conclusions and limitations made in this study, so that the suggestions in the research that will be examined further are: 1. For academics to be investigated regarding research which has subject

1. the same matter and research this can be used as learning material and knowledge in terms of auditing, especially regarding *audit fees*
2. For companies it becomes a consideration in determining *audit fees* to public accountants or external auditors can be rational, so that the public accounting firm or the external auditor feels he is not disadvantaged in carrying out his duties. And also independent in providing audit opinions
3. For further researchers it is suggested that they be able to use research objects in other sectors listed on the IDX, so that they can describe in general terms with existing theories
4. Further researchers can develop research by adding other research variables such as the size of KAP , the independence of the board of commissioners and so on and get valid results.

LIMITATIONS

The limitations faced in this study are:

1. This study had difficulty finding books with the latest publication due to the PSBB due to Covid-19
2. Due to limitations regarding *audit fees*, this study uses data *professional fees* contained in company financial statements to provide value to the variable *audit fee*
3. This research only tests company size, company complexity, and company profitability alone, while for some other variables did not test in this study.
4. This study only selects data on companies sector service listed on the IDX so that it cannot describe in general all company sectors in Indonesia.

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