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The Effect of Company Complexity and Audit Firm Size on Audit Fees: A Study on The Financial Sector of the Indonesian Listed Companies

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ABSTRACT

The aim of this research is to investigate the impact of company complexity and audit firm size on audit fees. In this research, company complexity and auditor size act as independent variables, while audit fees represent the dependent variable. The study focuses on the financial sector of the Indonesian listed companies during the 2021–2023 period. The secondary data derived from the annual reports of financial sector companies. The approach used in this study is both descriptive and confirmatory. The total population is 105 firms, and a purposive sampling technique was employed to select the sample, leading to 61 companies over a three-year period and resulting in 183 observations. The data were analyzed using panel data regression and hypothesis testing methods. The findings of this study reveal that company complexity does not affect audit fees, whereas auditor size has a positive influence on audit fees. The adjusted R-squared value of 0.296993 indicates that 29.7% of the variation in audit fees is explained by the independent variables, while the remaining 70.3% is attributed to other factors not included in this study. The findings imply that audit firm size plays a more decisive role than company complexity in determining audit fees, so that companies can focus more on auditor selection strategies and efficient audit budget management.

Keywords: Company Complexity; Auditor Size; Audit Fee

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INTRODUCTION

Audit fees are a relatively complex issue as they are closely linked to the auditor's independence in performing professional duties. In Indonesia, audit fee disclosure is still voluntary, meaning that not all companies report the actual amount of audit fees in their financial statements. While auditors are expected to provide objective opinions on financial statements, they also receive compensation from clients for the audit services rendered. This situation may create potential conflicts of interest, making audit fees a sensitive subject (Naibaho et al., 2021).

According to Immanuel and Yuyetta (2014), audit fees are determined through a negotiation or bargaining process between companies and public accounting firms, taking into account various factors that affect them. From the auditor's perspective, the income received from the company for the services they have provided is called service rewards. This aligns with the Management Regulation set by the Indonesian Institute of Public Accountants (IAPI) Number 2 of 2016 regarding the Determination of Remuneration for Financial Statement Audit Services, which explains that remuneration is compensation received by public accountants from their clients as a result of the provision of audit services carried out.

Until now, transparency regarding audit fees is still a challenge, especially in Indonesia. Prawira et al. (2017) discovered that just a few firms listed on the Indonesian listed companies reveal the total of audit fees in their annual statements. In contrast to foreign companies that openly disclose the audit fees paid to public accounting firms in their annual reports, the lack of such disclosure in many Indonesian companies raises questions about transparency, as the issue of audit fee reporting continues to be debated.

The absence of regulations governing the standard for determining audit fees causes the rate of audit services to be highly dependent on the arrangement made between the auditor and the client. This situation may lead to unfair price competition among public accounting firms and could jeopardize the independence and quality of audits. (Prawira et al., 2017).

According to IAPI Regulation No. 2. as of 2016, audit fees set too low may raise concerns about the auditor’s competence and heighten the risk of ethical breaches. As a result, it is essential for involved parties to be aware of the elements that influence audit costs. One of the key factors is the complexity of audits. According to Januarti and Wiryaningrum (2018) as well as Humaira and Syofyan (2020), companies with complex organizational structures, such as those owning subsidiaries, tend to require longer and more intricate audit processes, which in turn lead to higher audit fees.

In addition to audit fees, two important factors that significantly influence fee determination are company complexity and auditor size. Company complexity refers to the structural and operational intricacy of a firm, commonly measured through the number of subsidiaries, diversity of business segments, and the breadth of operational activities. Firms with multiple subsidiaries or extensive business operations require auditors to conduct more comprehensive and detailed audit procedures on consolidated financial statements. This is consistent with Humaira and Syofyan (2020), who stated that a greater number of organizational components increases the audit effort needed, thereby contributing to higher audit fees.

Furthermore, auditor size also plays a crucial role in determining audit fees. Large audit firms, particularly the Big Four, generally maintain stronger reputations, higher audit standards, and greater professional resources than non-Big Four firms. As noted by Immanuel and Yuyetta (2014), larger auditors tend to deliver higher-quality audit services, leading companies to pay premium fees for the credibility and assurance associated with reputable audit firms. Thus, both company complexity and auditor size are essential variables in understanding audit fee determination, as they reflect the scope of audit work, the associated risks, and the quality of assurance provided by auditors.

LITERATURE RESEARCH

Agency Theory

Agency Theory, as discussed in accounting literature, outlines the connection between the principal (owner of capital) and the agent (management), which exists because of the division between ownership and control within a company. When the contract between the two parties is incomplete and the information is not fully symmetrical, a potential conflict of interest can occur. The principal entrusts the assets to the agent, who is responsible for managing the assets optimally. In this context, the oversight role is crucial to guarantee that the representative behaves in alignment with the desires of the principal (Messier et al., 2014).

To reduce the risk of a conflict of interest, principals often utilize the services of independent auditors as a neutral third party. The auditor's role is to examine whether the financial statements prepared by management align with the agreed contractual terms and to provide an opinion regarding the fairness of those statements. Additionally, the existence of auditors can also reduce agency costs arising from potential opportunistic management behaviour. In this study, agency theory became the basis for the hypothesis, assuming that factors such as the complexity of entities and.the scale of a public accounting firm influence the level of audit fees charged (Messier et al., 2014). Agency theory also suggests that greater company complexity increases information asymmetry, which strengthens the monitoring role of auditors. This is why both company complexity and auditor size are expected to influence the audit effort required and consequently affect audit fees.

The Effect of Company Complexity on Audit Fees

Audit complexity is measured by the number of subsidiaries an entity owns, whether located domestically or internationally. Complexity relates to the level of difficulty faced, which can be affected by the high volume of transactions within the company and reflects an increase in the company's productivity. Complexity is one of the important factors that must be considered by public accountants in determining the amount of remuneration for their services (Humaira & Syofyan, 2020). Naser and Hassan (2016) explains that external auditors require more time, audit effort, and higher expertise to audit complex companies. As a result, this intricacy has an impact on the total audit fees that the company needs to cover.

This study applies complexity measurement as done by Humaira and Syofyan (2020) and Naser and Hassan (2016), namely by using the number of subsidiaries as the main indicator. Companies that have subsidiaries are required to prepare consolidated financial statements, which adds to the difficulty of the audit process. This has an impact on increasing the workload of auditors and has the potential to increase the audit fees that must be paid by companies to public accounting firms. Given this, company complexity is theoretically expected to have a significant effect on audit fees because additional subsidiaries and operational components increase audit procedures and audit risks.

Organizational complexity pertains to the intricate nature of transactions that emerge from different business variations, and in this research, it is evaluated by the total count of subsidiaries. Referring to PSAK No. 15, a subsidiary is an entity controlled by the holding company through shareholding. Companies with subsidiaries are required to prepare consolidated financial statements, which reflect a higher level of complexity. The more subsidiaries, the greater the resources and time required by external auditors, which has the potential to increase the audit fees paid.by the company. Research conducted by Sulaiman et

al. (2020), Indriasih et al. (2023), and Fattah and Nurbaiti (2023) concluded that the complexity of companies affects audit fees.

H_1: Company complexity has a significant effect on audit fee

The Effect of Public Accountant Firm Size on Audit Fees

According to Immanuel and Yuyetta (2014), a public accounting firm is considered large if it is affiliated with the Big Four, has a branch network, serves clients from large companies, and employs more than 25 professionals. On the other hand, a public accounting firm is categorized as small if it is unaffiliated with the Big.Four, does not have branch offices, mainly handles clients from smaller companies, and has fewer than 25 professional staff members.

The big four public accountant firms generally have a global operational scale, with branches in different countries, thousands of professional auditors, and high international revenues. Excellence in resources and reputation makes the Big Four considered able to provide more quality and reliable audit services than non-big four public accounting firms. In Indonesia, public accountant firm that is included in the big four category are Purwanto, Suherman & Surja (Ernst & Young), Osman Bing Satrio (Deloitte), Siddharta & Widjaja (KPMG), and Tanudiredja, Wibisana & Rekan (PwC) (Immanuel & Yuyetta, 2014).

According to Alifian et al. (2023), the size aspect of a public accounting firm serves as a metric for assessing the firm's scale. The classification of a public accounting firm as large is determined by its connection to one of the Big Four, having multiple offices, catering to major businesses, and employing over 25 staff members. On the other hand, a public accounting firm is deemed small if it is not linked to the Big Four, lacks branches, works with clients from small businesses, and has less than 25 professionals. Research conducted by Cristansy and Ardiati (2018) and Ginting et al. (2022) revealed that the scale of public accountant firms has an effect on audit fees.

H_2: Public accountant firm size has a significant effect on audit fees

METHODOLOGY

This study uses descriptive and verifiable methods. According to (Sugiyono, 2020:35), the descriptive research method aims to identify the existence of independent or independent variables, either in only one or more variables, without comparing or determining how the variables relate to other variables to be studied to produce conclusions. Research with verifiable methods, according to (Sugiyono, 2020:11) aims to test theories and produce conclusions about the status of hypotheses, which indicate whether the hypothesis is accepted or not. This research employs a verifiable method to examine whether the independent variables, consisting of company complexity and public accountant firm size, have an impact on the dependent variable, which is audit fees.

Table 1
Operational Variables

Variables	Indicators	Scales
Audit Fee	Audit Fee = Ln (audit fee)	Ratio
Company Complexity	Company Complexity = Number of Subsidiaries	Ratio
Public Accountant Firm Size	PUBLIC ACCOUNTANT FIRM big four = 1, PUBLIC ACCOUNTANT FIRM non big four = 0	Nominal (dummy)

Population and Research Sample

The population for this study. includes financial sector companies that were listed on the Indonesia Stock Exchange. from 2021-2023. The total population of financial sector companies is 105 companies. However, not all elements in this population will be the subject of research, so sampling that meets the criteria that has been set to identify relevant components is required, and sampling is carried out. This study uses a non-probability sampling method, specifically purposive sampling.

Table 2
Sample Selection Criteria

Criterion	Sum
Financial.sector companies that were listed on the Indonesian.Listed Companies during the 2021–2023 period	105
Financial sector. companies that have not reported the amount of audit fees in their annual reports	(38)
Total number of companies sampled	61
Research Year	3
Total sample during the research year	183

Data Collection Techniques

Data can be obtained from two main sources in the process of collecting data, namely primary and secondary sources. The difference lies in the method of data collection, the primary source is obtained directly from the respondent, while the secondary source is obtained from other parties and is not directly given to the researcher. This study utilizes secondary data obtained from the annual financial statements of financial sector companies for 2021–2023, which are accessible on the companies' official websites and the Indonesian Listed Companies.

The financial sector was chosen because it is highly regulated and has more complex structures that require greater audit effort, making it suitable for examining audit fee determinants. The 2021-2023 period was selected because complete and consistent audit fee disclosures were available during these years, allowing for reliable analysis.

FINDINGS AND DISCUSSIONS

Research Results

This study employs a quantitative method, with independent variables including the complexity of the company, the size of the public accountant firm, and the independent variable is audit fees. The population for this study comprises all financial sector companies listed on the Indonesia Stock Exchange during the 2021–2023 period. The financial sector was chosen as the subject of the study because of the gap phenomenon that is in accordance with this study. As a link to the needs of the community, financial sector companies must be consistent and transparent. Therefore, the role of external auditors is very important for this company. The secondary data used in this study consists of annual reports and audited financial statements obtained from the Indonesian. Stock Exchange and the official. website of the sampled companies.

Table 3
Results of Descriptive Statistical Analysis of Sample Company Data

	X1	X2	Y
Mean	1.644809	0.502732	20.82268
Median	0.000000	1.000000	20.77000
Maximum	17.00000	1.000000	23.96000
Minimum	0.000000	0.000000	18.42000
Std. Dev.	2.996255	0.501364	1.249882
Skewness	2.187170	-0.010929	0.270906
Kurtosis	7.640101	1.000119	2.398749
Jarque-Bera	310.0736	30.50000	4.994850
Probability	0.000000	0.000000	0.082297
Sum	301.0000	92.00000	3810.550
Sum Sq. Dev.	1633.913	45.74863	284.3212
Observations	183	183	183

Table 3 above presents descriptive statistics, where the observation column indicates the. total valid data used in this study, comprising 183 data samples from the variables under observation, namely:

1. Variable Dependent (Audit Fee)
   The descriptive statistics in Table 3 indicate that the audit fee variable has a minimum value of 18.42 and a maximum.value of 23.96. The average value of the audit fee was 20.82268 with a standard deviation of 1.249882. Based on these results, the mean audit fee exceeds the standard deviation. This suggests that the data points are not very spread out and there is only a small variation in the data distribution.
2. Variable Independent 1 (Company Complexity)
   To measure the complexity variable of a company, the minimum value is 0 (zero). Throughout the observation year, some of the sample companies did not have subsidiaries. Meanwhile, the maximum.value of the company's complexity variable is 17. With an average value of 1.644809 and a standard deviation of 2.996255, the company complexity variable shows a heterogeneous distribution of data from financial sector companies listed on the Indonesia Stock Exchange.
3. Variable Independent 2 (Public Accountant Firm Size)
   For the company complexity variable, the minimum value is 0, while the public accountant firm size variable has a maximum.value of 1, with a mean of 0.502732 and a standard deviation of 0.501364. This suggests that financial. sector companies listed on the Indonesian listed company from 2021 to 2023 show a balanced tendency in choosing between Big-Four and non-Big.Four public accountant firms to conduct their audits.

Panel Data Regression Analysis

Table 4
Chow Test Results

Redundant Fixed Effect Tests Equation: Untitled Test cross-section fixed effects			
Effects Test	Statistics	df.	Prob.
Cross-section F	23.478820	(60,120)	0.0000
Cross-section Chi-square	465.680158	60	0.0000

If the cross-section F probability is greater than 0.05, the Common Effect Model (CEM) is applied, otherwise, if the probability is lower, the Fixed Effect Model (FEM) is used. As shown in Table 4, the cross-section F probability is 0.0000, indicating that the FEM is the appropriate model.

Table 5
Hausman Test Results

Correlated Random Effects – Hausman Test Equation: Untitled Test cross-section random effects			
Test Summary	Chi-Sq. Statistics	Chi-Sq. df.	Prob.
Cross-section random	5.424155	2	0.0664

If, the. probability of the random cross-section is less than 0.05, the Fixed Effect Model (FEM) is applied, if it is greater, the Random Effect Model (REM) is chosen. According to Table 5, the Hausman test results show a random. cross-section probability of 0.0664, which is above 0.05, indicating that the REM is the appropriate model.

Table 6
Lagrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No Effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypotheses		
	Cross-section	Time	Both
Breusch-Pagan	139.2353 (0.0000)	1.093922 (0.2745)	140.4292 (0.0000)
Honda	11.79980 (0.0000)	-1.092667 (0.8627)	7.571087 (0.0000)
King-Wu	11.79980 (0.0000)	-1.092667 (0.8627)	1.044408 (0.1481)
Standardized Honda	12.09542 (0.0000)	-0.839159 (0.7993)	2.669098 (0.0038)
Standardized King-Wu	12.09542 (0.0000)	-0.839159 (0.7993)	-1.163480 (0.8777)
Gourieroux, et al.	-	-	139.2353 (0.0000)

If the cross-section value from the Breusch-Pagan test is greater than 0.05, the Common Effect Model (CEM) is used, if it is smaller, the Random Effect Model (REM) is applied. As shown in Table 6, the Lagrange Multiplier test results indicate a Breusch-Pagan cross-section value of 0.0000, meaning that the REM is the appropriate model.

Based on the regression results, it shows that the model used is a Random Effect Model (REM), so there is no need to perform a classical assumption test. In the study (Kosmaryati dkk., 2019)

stated that the random effect model panel data estimation method is a model that uses the Generalized Least Square (GLS) method, while the common effect model and fixed effect model data estimation method are models that use the Ordinary Least Square (OLS) method. One of the advantages of the GLS method is that there is no need for classical assumption calculations.

Table 7
Output Random Effect Model (REM)

Redundant Fixed Effect Tests Equation: Untitled Test cross-section fixed effects				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	20.06345	0.140877	142.4185	0.0000
X1	0.052553	0.028406	1.850085	0.0659
X2	1.338269	0.156439	8.554578	0.0000

Table 7 above shows that the value of the constant coefficient is 20.06345, the coefficient of complexity of the company is 0.052553, the public accountant firm size coefficient is 1.338269, resulting in the following regression equation:

$$Y = 20.06345 + 0.052553\ (X1) + 1.338269\ (X2)$$

The outcomes of the analysis derived from the regression equation above are as follows:

1. The constant value of 20.06345 indicates that when the independent variables (company complexity, and public accountant firm size) have a value of zero, then the audit fee value is 20.06345 or the result is 516,946,528 (in rupiah).
2. The company's complexity coefficient of 0.052553 shows that the higher the company's complexity, the higher the audit fee paid. Therefore, if the company complexity increases by 1, the audit fee is projected to rise by 0.052553, equivalent to 5.25%, assuming that other independent variables are held constant.
3. The public accountant firm size coefficient of 1.338269 indicates that a larger public accountant firm size leads to higher audit fees. This regression coefficient implies that an increase of 1 unit in public accountant firm size will raise the audit fee by 1.338269 units, or 133.8%, assuming all other independent variables remain constant.

Hypothesis Test

Table 8
Model F Compatibility Test Results

Weighted Statistics			
R-squared	0.304719	Mean dependent var	4.241133
Adjusted R-Squared	0.296993	S.D. dependent var	0.366171
S.E. of regression	0.307018	Sum squared resid	16.96680
F-statistic	39.44399	Durbin-Waston stat	1.504009
Prob (F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.483772	Mean dependent var	20.82268
Sum squared resid	146.7744	Durbin-Watson stat	0.173860

Based on table 8 and calculations F_{table} with an α of 5% significance level, it can be formulated that, F_{table} 3,05 < F_{count} 39,44399 with a value of sig. 0,00 < 0,05. This indicates that the model is suitable for analyzing the relationship. between. the independent variables (company complexity and public accountant firm size) and the dependent variable (audit fees).

Table 9
Coefficient of Determination Test Results

Weighted Statistics			
R-squared	0.304719	Mean dependent var	4.241133
Adjusted R-Squared	0.296993	S.D. dependent var	0.366171
S.E. of regression	0.307018	Sum squared resid	16.96680
F-statistic	39.44399	Durbin-Waston stat	1.504009
Prob (F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.483772	Mean dependent var	20.82268
Sum squared resid	146.7744	Durbin-Watson stat	0.173860

Based. on Table.9, the R-squared value obtained is 0.304719. However, since multiple independent variables are included in this study, the adjusted R-squared value of 0.296993 is applied. This indicates that 29.7% of the variation in audit fees can be explained by the independent variables, namely company complexity and public accountant firm size, while the remaining 70.3% is affected by other factors not considered in this study.

Table 10
Partial Test Results

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 07/08/24 Time: 14:35
Sample: 2021-2023
Periods included: 3
Cross-sections included: 61
Total panel (balanced) observations: 183
Swamyand Arora estim ator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	20.06345	0.140877	142.4185	0.0000
X1	0.052553	0.028406	1.850085	0.0659
X2	1.338269	0.156439	8.554578	0.0000

As shown in Table 10, it can be observed that:

1. The complexity of the company (X1) has a value of sig. 0,0659 > 0,05 and t_{count} (X1) 1,850085 < t_{table} is 1,9732, the results indicate that company complexity (X1) individually does.not have a significant effect on the audit fee.
2. The public accountant firm size (X2) has a value of sig. 0,0000 < 0,05 and t_{count} (X1) 8,554578 > t is 1.9732, the findings also reveal that public accountant firm size has a positive influence on audit fees.

Analysis and Discussion Results

Complexity of Companies in The Financial Sector Companies Listed on The Stock Exchange

During the period 2021–2023, the company complexity of the financial sector firms of the Indonesian listed companies has a minimum value of 0 (zero). Throughout the observation year, some of the sample companies did not have subsidiaries. Meanwhile, the maximum value of the company complexity variable is 17, which is recorded for MNC Tbk. (BCAP) in 2023. Having an average value of 1.644809 and a standard deviation of 2.996255, the company complexity variable reflects a heterogeneous data distribution among financial sector companies listed on the Indonesian listed companies.

According to the frequency distribution analysis, financial sector companies listed on the Indonesia Stock Exchange generally demonstrated a low level of complexity throughout the study period. This is indicated by the highest frequency of the complexity variable of companies that are in the low category, which reached 89,6% of the 164 units analyzed, which indicates the tendency of financial sector companies to have few subsidiaries.

Size of Public Accountant Firm in the Financial Sector of the Indonesian Listed Companies

Based on the 183 analysis units used in the study, there were 92 analysis units or 50.3% of companies using public accountant firm.affiliated with the Big Four public accountant firm, while the other 91 analysis units or 49.7% used public accountant firm that was not affiliated with the Big Four.public accountant firm (non-big four public accountant firm). This indicates that financial sector companies on the Indonesian listed companies in 2021-2023 tend to be equally inclined to use the Big Four and non-Big Four public accountant firm to audit their financial statements.

Audit Fee in the Financial Sector on Indonesian Listed Companies

The audit fee variable has the lowest value of 18.42 or IDR 100,000,000 owned by PT Asuransi Jiwa, Syariah Jasa Mitra Abadi Tbk (JMAS) in 2022. Meanwhile, the highest value of the audit fee variable shows the figure of 23.96 or IDR 25,550,000,000 owned by Bank Negara Indonesia (Persero) (BBNI) in 2022. The average value of audit fees was 20.82268 or IDR 1,103,772,837 with a standard deviation of 1.249882. From these results, it can be observed that the mean value of audit fees exceeds the standard deviation, indicating that the data distribution shows only minor variations.

Based on the logarithm of natural audit fees in the year of the research which is divided into three categories. It shows that 99 analysis units out of 183 total analysis units or 54.1% have low audit fees. Companies that issue audit fees in a medium level are 43 units of analysis or 23.5%. Meanwhile, the company's audit fee category was high at 41 analysis units or 22.4%.

During the study period, the financial sector of the Indonesian listed companies mostly paid audit fees in the low category, as shown by the frequency distribution analysis in Table 4. The low audit fee category had the highest frequency, with 99 companies or 54.1%, indicating that these companies generally tended to set audit fees at lower levels.

The Effect of Company Complexity on Audit Fees

In this study, the company complexity variable did not show a partial influence on audit fees, this was based on testing the t-test hypothesis where the complexity of the company with a sig value. 0,0659 > 0,05 and t_{count} (X1) 1,850085 < t_{table} is 1,9732. Therefore, it can be concluded that company complexity does not have a significant partial influence on audit fees.

Audit complexity is evaluated by considering the total number of subsidiaries an entity owns, both within the country and internationally. A subsidiary refers to a company that is wholly or substantially owned and controlled by the parent company. Nonetheless, the parent and subsidiary are not always involved in similar businesses or operate in the same location, as they are separate entities. This study's finding that company complexity does not affect audit fees is consistent with previous research by. (Rukmana et al., 2017 , and Kanakriyah, R. ,2020) which also concluded that complexity has no impact on audit costs. According to (Rukmana et al., 2017), it is possible that the subsidiary uses different auditors, so the work of the auditor of the parent company is not affected by complexity.

The Effect of public accountant firm Size on Audit Fees

In this study, it is known that the public accountant firm size variable has a partial influence on audit fees, this conclusion is based on testing the t-test hypothesis where the public accountant firm size (X2) has a sig value. 0000 < 0,05 and t_{count} (X1) 8,554578 > t_{table} is 1,9732, then the results show that the size of the public accountant firm has a positive effect on the audit fee. These findings suggest that companies tend to pay higher audit fees when they are audited by larger public accounting firms. Companies in the financial sector listed on the Indonesian listed companies during 2021–2023 show a balanced tendency in choosing between Big Four and non-Big Four public accounting firms to audit their financial statements.

Consistent with agency theory, each party in an agency relationship tends to act on personal interests and avoid risk. Therefore, a quality audit is necessary to give the principal confidence in the agent's performance. The Big Four public accountant firm is seen as able to produce reliable and high-quality financial reports (Immanuel & Yuyetta, 2014). Large audit firms such as the big four provide higher quality and reliable reports to their customers (Kanakriyah, R. , 2020) compared to small audit firms.

The findings of this study align with those of (Immanuel & Yuyetta, 2014), who found that public accountant firm size has a positive and significant impact on audit fees. Similarly, (Musah, 2017), using a dummy variable to represent public accountant firm size, also demonstrated that larger public accountant firms positively and significantly influence audit fees.

CONCLUSION

From the data analysis.and discussion in the previous chapter, the following conclusions can be made:

1. The company complexity variable ranges from a minimum of 0 to a maximum of 17, recorded for MNC Tbk. (BCAP) in 2023. Throughout the study period, the complexity level of financial sector companies was statistically low.
2. Financial sector companies listed on the Indonesia Listed Companies in 2021-2023 tend to be equally in using the Big Four.and non-Big Four public accountant firms to audit their financial statements.
3. During the research period, the financial sector of the Indonesian listed companies statistically most companies issued audit fees in the low category.
4. The complexity of the company does not affect the audit fees of the financial sector on the Indonesian Listed Companies in 2021-2023.
5. The results indicate that public accountant firm size has a positive and significant impact on the audit fees of the financial sector on the Indonesian listed companies from 2021 to 2023. Companies that use larger public accountant firms (affiliated with the Big Four) tend to incur higher audit fees.

The insignificant result for company complexity suggests that the number of subsidiaries does not fully represent the audit workload in financial companies. This indicates that internal company factors are not the primary determinant of audit fees in the financial sector. This leads to the conclusion that audit fees are more influenced by external factors, particularly the size of the accounting firm, rather than the diversity of the company's operations. The relatively balanced use of Big Four and non-Big Four accounting firms suggests that auditor selection is driven not only by reputation but also by cost-efficiency considerations. The dominance of low-fee audit fees suggests that companies are tending to minimize compliance costs, requiring accounting firms to maintain a balance between price and service quality.

Based on these results, future studies are encouraged to consider additional indicators of complexity to obtain a more comprehensive understanding of audit fee determinants.

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