

THE EFFECT OF AUDIT DELAY, FIRM RISK, PROFITABILITY, AND FIRM COMPLEXITY ON AUDIT FEES

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Article History

Received: 12 July 2026

Accepted: 12 April 2026

Published: 26 April 2026

Abstract

This study aims to examine the effects of Audit Delay, Corporate Risk, Profitability, and Company Complexity on Audit Fees among manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. The study employs a quantitative research approach using a purposive sampling technique, resulting in a sample of 48 companies. Secondary data were obtained from the companies' annual financial statements. The hypotheses were tested using multiple linear regression analysis. The results indicate that Audit Delay has a positive and significant effect on Audit Fees. Corporate Risk has a negative and significant effect on Audit Fees. Profitability has a positive and significant effect on Audit Fees, while Company Complexity also has a positive and significant effect on Audit Fees. Simultaneously, all four independent variables significantly influence Audit Fees. The findings are expected to provide valuable insights for corporate management, auditors, and investors in determining and evaluating appropriate audit fees.

Keywords: Audit Delay, Corporate Risk, Profitability, Company Complexity, Audit Fee.

A. INTRODUCTION

Financial statements are one of the most important sources of information for both internal and external stakeholders in making economic decisions. According to Mentari Putri (2019), to ensure that financial statements are reliable and credible, companies require the services of independent auditors to examine the fairness of the financial statements. In return for these audit services, companies pay audit fees to the independent auditors.

Audit fees are influenced by several factors, including audit delay, corporate risk, profitability, and company complexity. A longer audit delay indicates that the audit process requires more time to complete, which may result in higher audit fees. Corporate risk is also an important consideration in determining the level of audit effort, as higher-risk companies require auditors to exercise greater professional skepticism and perform more extensive audit procedures. In addition, companies with higher profitability and greater operational complexity generally require broader audit procedures, leading to higher audit fees.

The novelty of this study lies in its examination of not only commonly investigated determinants, such as profitability and company complexity, but also the simultaneous inclusion of audit delay and corporate risk within a single research model. By integrating both internal and external company factors, this study is expected to provide a more

comprehensive understanding of the determinants of audit fees and to serve as a valuable reference for future research.

Previous studies on audit fees have reported inconsistent findings regarding the effects of these determinants. Therefore, this study aims to examine the effects of audit delay, corporate risk, profitability, and company complexity on audit fees among manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period.

B. LITERATURE REVIEW

Agency Theory

Agency Theory explains the relationship between the owners of a company (principals) and its management (agents). According to Jensen and Meckling (1976), an agency relationship arises when the owners delegate decision-making authority to management to operate the company on their behalf. In practice, this relationship may create agency conflicts because managers typically possess more information about the company's operations than the owners, resulting in information asymmetry.

To reduce information asymmetry, companies engage independent auditors to examine the fairness of their financial statements. Independent auditors are expected to provide assurance to external stakeholders that the financial statements have been prepared fairly and in accordance with applicable accounting standards. In return for these audit services, companies pay an audit fee to the independent auditors.

Signaling Theory

Signaling Theory suggests that companies convey signals or information about their financial condition and performance to external stakeholders through publicly disclosed financial statements. Investors and other stakeholders rely on this information to assess a company's performance, financial health, and future prospects.

Companies with strong financial performance generally seek to send positive signals to investors by presenting financial statements that have been audited by independent auditors. Therefore, audit quality plays a crucial role in enhancing the credibility of financial reporting and increasing stakeholders' confidence. In this context, the audit fee represents the cost incurred by a company to obtain high-quality audit services.

Audit

According to Mulyadi (2016), an audit is a systematic process of obtaining and objectively evaluating evidence regarding economic activities and events to determine the degree of correspondence between the information presented and established criteria. Similarly, Sukrisno Agoes (2012) defines an audit as a critical and systematic examination conducted by an independent auditor of financial statements and their supporting evidence for the purpose of expressing an opinion on the fairness of the financial statements. Therefore, the primary objective of an audit is to enhance the reliability and credibility of financial statements for their users.

According to Sukrisno Agoes (2012), audits can be classified according to their objectives into several categories, including financial statement audits, compliance audits, operational audits, management audits, human resource audits, information systems audits, and special-purpose audits. Each type of audit serves a distinct purpose depending on the

organizational objectives and the specific information being evaluated.

Financial Statement Audit: An audit conducted to assess whether a company's financial statements are fairly presented in accordance with the applicable accounting standards.

- **Compliance Audit:** An audit performed to determine whether a company has complied with applicable laws, regulations, policies, and internal procedures.
- **Operational Audit:** An audit conducted to evaluate the effectiveness and efficiency of a company's operational activities and business processes.
- **Management Audit:** An audit aimed at evaluating the performance and effectiveness of management in carrying out the organization's objectives and responsibilities.
- **Information Systems Audit:** An audit performed to assess the security, reliability, and effectiveness of a company's information systems and related controls.

According to Sukrisno Agoes (2012), the primary objective of an audit is to assist management by providing analysis, evaluation, and recommendations regarding the activities being examined, while ensuring that the financial statements are fairly presented in accordance with applicable accounting standards. An audit also aims to enhance the reliability of financial information so that it can serve as a sound basis for decision-making by both internal and external stakeholders. Furthermore, audits help ensure compliance with applicable laws and regulations, detect and prevent fraud, and evaluate the effectiveness of a company's internal control system.

Audits provide numerous benefits for both companies and external stakeholders. According to Agoes (2012), auditing enhances the credibility of financial statements, making them more reliable for investors, creditors, and other users of financial information. Audits also assist companies in improving their internal control systems, increasing operational efficiency and effectiveness, and supporting the implementation of good corporate governance. By reducing the risk of material misstatements and irregularities, audits contribute to better organizational performance and more effective business operations.

Auditor

According to Sukrisno Agoes (2012), an auditor is an independent professional who possesses the competence and expertise to examine a company's financial statements and express an opinion on whether those statements are fairly presented.

Auditors play a crucial role in enhancing the reliability and credibility of financial information for both internal and external users. In performing their duties, auditors are required to maintain objectivity, independence, and professionalism to ensure that the audit results are reliable and defensible.

The role of an auditor extends beyond examining financial statements. According to Sukrisno Agoes (2012), auditors also evaluate the effectiveness of a company's internal control system. They serve as independent parties who express an opinion on the fairness of financial statements, help detect errors and fraud, and promote good corporate governance by improving transparency and accountability. In addition, auditors provide recommendations to management for improving operational efficiency and effectiveness.

During the audit process, auditors have a professional responsibility to ensure that the financial statements have been prepared in accordance with applicable accounting standards and are free from material misstatement. Auditors must also maintain their independence and objectivity throughout the engagement. According to Sukrisno Agoes (2012), auditors are responsible for obtaining sufficient and appropriate audit evidence as the basis for expressing an audit opinion and communicating their findings and recommendations to relevant

stakeholders.

Audit Fee

According to Agoes (2012), an audit fee is the remuneration or compensation paid by a company to an independent auditor for auditing its financial statements. The amount of the audit fee is determined by several factors, including the complexity of the audit, the level of audit risk, the time required to complete the engagement, and the complexity of the company's operations. The determination of audit fees is also influenced by the scope of audit procedures performed by the auditor. Companies with higher levels of risk and operational complexity generally require more extensive audit procedures and longer audit completion times, resulting in higher audit fees. Audit fees are commonly reported under the professional fees account in a company's annual report.

Audit Delay

According to Arianti (2022), audit delay refers to the period required to complete the audit process, measured from the company's fiscal year-end to the issuance date of the independent auditor's report. Audit delay reflects the amount of time auditors need to finalize their examination of a company's financial statements.

Excessive audit delay may postpone the release of financial information to investors and other users of financial statements. In addition, a longer audit process requires greater auditor effort, time, and resources, which tends to increase audit fees. Under OJK Regulation No. 29/POJK.04/2016, listed companies were required to submit audited annual reports within four months (120 days) after the fiscal year-end. Companies exceeding this deadline were considered to have experienced audit delay. Subsequently, OJK Regulation No. 14/POJK.04/2022 revised this requirement by mandating that audited annual financial statements be submitted no later than the end of the third month (90 days) after the fiscal year-end. This regulation aims to preserve the timeliness and relevance of financial information for investors and other stakeholders. According to Himawan et al. (2023), audit delay has a positive effect on audit fees because longer audit engagements increase auditors' workload and the resources required to complete the audit.

Corporate Risk

According to Fisabilillah et al. (2020), corporate risk refers to the possibility of events that may affect a company's financial stability and its ability to continue operating as a going concern. In this study, corporate risk is proxied by the Debt-to-Asset Ratio (DAR), which measures the proportion of a company's assets financed through debt. Companies with higher levels of risk generally require greater auditor attention because they are more likely to experience financial problems or material misstatements. As a result, auditors tend to perform more extensive audit procedures and testing to ensure the fairness of the financial statements. Rahman et al. (2024) argue that the higher the level of corporate risk, the greater the audit risk perceived by auditors, which influences the determination of the audit fee charged to the company.

Profitability

According to Kasmir (2019), profitability is a financial ratio used to assess a company's ability to generate profits over a given period. Profitability serves as an important indicator of how effectively a company utilizes its assets and manages its operations to produce earnings. In this study, profitability is measured using Return on Assets (ROA). According to Hutabarat (2023, p. 27), ROA indicates a company's ability to generate profits from its total assets. A higher ROA reflects greater efficiency in utilizing company assets to generate earnings. Companies with higher profitability generally have broader operational activities and more complex business transactions, requiring more detailed audit procedures. Consequently, higher profitability may lead to higher audit fees.

Company Complexity

According to Yusica and Sulistyowati (2020), company complexity refers to the degree of complexity in a company's operations, which can be reflected in the number of subsidiaries, branch offices, and the diversity of its business activities. As company complexity increases, auditors are required to perform broader audit procedures because they must examine a larger volume of transactions and financial statements from multiple business units. Consequently, the audit process becomes more challenging and time-consuming. According to Septyana, Mukti, and Sianipar (2024), company complexity has a significant influence on audit fees, as more complex companies generally require more extensive audit work, resulting in higher fees paid to independent auditors.

C. RESEARCH METHODOLOGY

This study employs a quantitative research method with a descriptive approach. According to Ghazali (2016), quantitative research utilizes numerical data and statistical analysis to test predetermined hypotheses. Descriptive analysis is used to describe the characteristics of the research data based on actual conditions without making generalizations. The purpose of this study is to examine the effects of audit delay, corporate risk, profitability, and company complexity on audit fees among manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period, both partially and simultaneously.

The population of this study consists of all manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2023. The research sample was selected using the purposive sampling method, in which companies were chosen based on specific criteria relevant to the research objectives. The sampling criteria include: (1) manufacturing companies listed on the IDX during 2019–2023; (2) companies continuously listed throughout the observation period; (3) companies that published annual financial statements for 2019–2023; (4) companies with institutional ownership data available throughout the study period; and (5) companies with complete data for all variables examined in this research.

This study uses secondary data in the form of annual reports and financial statements of manufacturing companies listed on the Indonesia Stock Exchange for the 2019–2023 period. The data are documentary in nature and were obtained indirectly from publicly available corporate reports. Information on audit delay, corporate risk, profitability, company complexity, and audit fees was collected from these published reports to support the empirical analysis.

Data were obtained from several reliable sources, including the official website of the Indonesia Stock Exchange (www.idx.co.id), IDN Financials (www.idnfinancials.com), and the official websites of the respective companies. In addition, relevant books, scholarly articles, and academic journals were used to support the theoretical framework of the study. Data collection was conducted through library research and documentation methods. Library research involved reviewing relevant literature related to audit fees, audit delay, corporate risk, profitability, and company complexity, while the documentation method involved collecting and compiling annual financial reports of manufacturing companies for the 2019–2023 observation period.

Research Framework

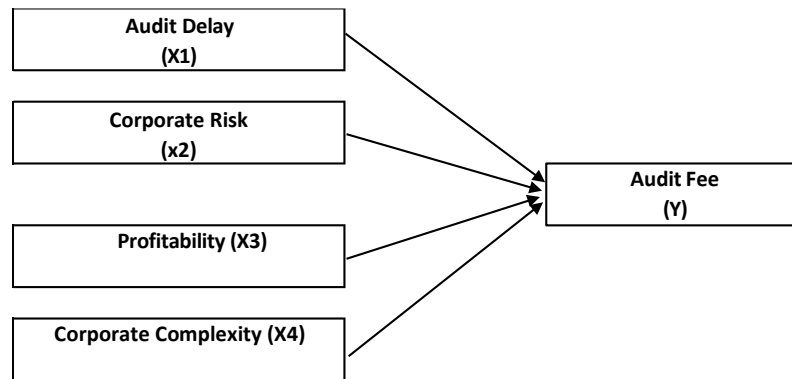


Figure 1. Research Framework

Source: Processed by the researcher, 2026

Dependent Variable

The dependent variable is the variable influenced by the independent variable (Ghozali, 2016). The dependent variable in this study is the audit fee. Audit fees represent the cost or remuneration paid by a company to an external auditor for annual financial statement audit services. The audit fee is measured using the natural logarithm (Ln) of the total audit cost stated in the company's annual report.

$$\text{LnAFE} = \text{Logaritma Natural Audit Fee}$$

Independent Variable

• Audit Delay

Audit delay refers to the time interval representing the duration of the financial statement audit process, calculated from the company's fiscal year-end date to the date the independent auditor's report is issued. The longer the audit delay, the greater the likelihood that the auditor is encountering obstacles in the audit process, thereby necessitating additional procedures and a longer examination period. In this study, audit delay is measured by the number of days between the fiscal year-end date and the date of the independent auditor's report.

$$\text{Audit Delay} = \text{Auditor's Report Date} - \text{Financial Year-End Date}$$

• Corporate Risk

Corporate risk reflects the level of uncertainty regarding a company's financial condition that could increase the likelihood of material misstatements in the financial statements. In this study, corporate risk is proxied by the Debt-to-Asset Ratio (DAR). This ratio indicates the extent to which a company's total assets are financed by liabilities. A higher DAR value indicates higher corporate risk.

$$\text{Debt to asse rasio} = \frac{\text{Total liability}}{\text{Total aset}}$$

• Profitability

<http://jurnaldialektika.com/>

Publisher: Perkumpulan Ilmuwan Administrasi Negara Indonesia

P-ISSN: 1412 -9736

E-ISSN: 2828-545X

Profitability reflects a company's ability to generate profit from its resources over a specific period. In this study, profitability is measured using Return on Assets (ROA), a ratio indicating the company's ability to generate net profit through the utilization of total assets.

$$\text{Returns on Assets} = \frac{\text{Net profit}}{\text{Total Assets}}$$

- **Corporate Complexity**

Corporate complexity reflects the level of intricacy in a company's operational activities and organizational structure. Such complexity can arise from business diversification, the expansion of operational territories, and the number of subsidiaries. In this study, corporate complexity is measured by the number of subsidiaries owned by the company.

$$\text{Company complexity} = \text{Number of subsidiaries}$$

The data analysis in this study was conducted through several statistical procedures, including descriptive statistics, panel data analysis, classical assumption tests, multiple regression analysis, and hypothesis testing. These analytical techniques were employed to examine the effects of audit delay, corporate risk, profitability, and company complexity on audit fees. All statistical analyses were performed using appropriate software to ensure the reliability and validity of the research findings.

The analysis began with descriptive statistics, which were used to provide an overview of the characteristics of the research variables. According to Ghazali (2016), descriptive statistics summarize the data by presenting measures such as the minimum value, maximum value, mean, and standard deviation. This preliminary analysis enables researchers to understand the distribution and general characteristics of the variables before conducting inferential statistical analyses.

Prior to estimating the regression model, classical assumption tests were performed to ensure that the regression model satisfied the assumptions required for reliable estimation. The first test was the normality test, which was conducted to determine whether the residuals of the regression model were normally distributed. According to Ghazali (2016), a good regression model is characterized by residuals that are normally or approximately normally distributed.

The second classical assumption test was the multicollinearity test, which was used to examine whether strong correlations existed among the independent variables. According to Ghazali (2016), a regression model should be free from multicollinearity. This assumption was evaluated using the Tolerance and Variance Inflation Factor (VIF) values. A model is considered free from multicollinearity when the Tolerance value exceeds 0.10 and the VIF value is less than 10.

The third assumption tested was heteroscedasticity, which aims to determine whether the variance of the residuals remains constant across observations. According to Ghazali (2016), a good regression model should not exhibit heteroscedasticity. This assumption can be assessed using the Glejser test or by examining the scatterplot of standardized

residuals. If no specific pattern is observed in the scatterplot and the significance value exceeds 0.05, the regression model is considered free from heteroscedasticity.

Finally, the autocorrelation test was conducted to determine whether the residuals from one observation were correlated with those from previous observations. According to Ghazali (2016), autocorrelation is commonly examined using the Durbin–Watson (DW) test. A regression model is considered appropriate when it does not exhibit autocorrelation, indicating that the residuals are independent across observations and that the regression estimates are unbiased and efficient.

Table 1. Decision Making

Null Hypothesis	Decision	If
No positive autocorrelation	Reject	$0 < d < dl$
No positive autocorrelation	No Decision	$dl \leq d \leq du$
No negative correlation	Reject	$4 - dl < d < 4$
No negative correlation	No Decision	$4 - du \leq d \leq 4 - dl$
No autocorrelation, positive	Not rejected	$du < d < 4 - du$

Source: Imam Ghazali, p. 99

According to Ghazali (2016), panel data analysis is a method that combines cross-sectional and time-series data into a single research model. Panel data is used to determine the influence of independent variables on a dependent variable over several observation periods. In this study, panel data analysis is employed to examine the impact of audit delay, corporate risk, profitability, and corporate complexity on audit fees for manufacturing companies listed on the Indonesia Stock Exchange during the 2019–2023 period. Data processing was conducted using the E-Views 12 application.

- **Common Effect Model (CEM)**

The Common Effect Model (CEM) is a panel data regression model that pools all data without distinguishing between company characteristics or time periods. This model assumes that all companies exhibit the same behavior, thereby utilizing a single, shared intercept.

- **Fixed Effect Model (FEM)**

The Fixed Effect Model (FEM) is a panel data regression model used when there are differences in characteristics among companies. This model accommodates such differences by assigning distinct intercept values to each company.

- **Random Effect Model (REM)**

The Random Effect Model (REM) is a panel data regression model that treats differences between companies as random. This model is used when inter-company variation cannot be explained by fixed effects, as is the case with the Fixed Effect Model.

Multiple Linear Regression Analysis

According to Ghazali (2016), multiple linear regression analysis is used to determine the relationship between one dependent variable and two or more independent variables. This

analysis aims to assess the direction and magnitude of the influence exerted by independent variables on the dependent variable. In this study, multiple linear regression analysis is used to examine the impact of audit delay, corporate risk, profitability, and corporate complexity on audit fees.

$$Y = \alpha + \beta_1 AD + \beta_2 DER + \beta_3 ROA + \beta_4 KOMPLEX + e$$

Hypothesis testing in this study was conducted using multiple linear regression analysis to examine the effects of the independent variables on the dependent variable. The analysis includes the F-test, t-test, and coefficient of determination (Adjusted R²) to evaluate both the overall regression model and the individual contribution of each independent variable. These statistical tests were performed to determine whether audit delay, corporate risk, profitability, and company complexity significantly influence audit fees.

The F-test was used to determine whether all independent variables simultaneously have a significant effect on the dependent variable and to assess the overall fitness of the regression model. According to Ghozali (2016), the regression model is considered statistically significant if the significance value is less than 0.05. In addition, the t-test was conducted to examine the partial effect of each independent variable on audit fees. An independent variable is considered to have a significant effect on the dependent variable when its significance value is less than 0.05.

The coefficient of determination (R²) was employed to measure the extent to which the independent variables explain the variation in the dependent variable. According to Ghozali (2016), an R² value closer to 1 indicates that the independent variables provide greater explanatory power for the dependent variable. Because this study employs multiple regression analysis with several independent variables, Adjusted R² was used as the primary measure of model fit, as it adjusts for the number of predictors included in the regression model and provides a more accurate estimate of the model's explanatory capability.

D. RESULT AND DISCUSSION

Research Sample

The sample used in this study consists of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. To determine the sample size, the researcher employed the purposive sampling method—selecting the sample based on specific criteria relevant to the research objectives. Accordingly, the criteria for selecting the companies to be included in this study's sample are as follows:

Table 2. Sample Selection Criteria

Information	Amount
Population: Manufacturing companies listed on the IDX	220
Sampling based on criteria (purposive sampling):	
1. Companies not listed on the IDX continuously from 2019 to 2023	-39

2. Companies that did not report financial statements for the 2019–2023 period	-36
3. Companies using foreign currency	-25
4. Companies lacking data on audit fees	-72
Research Sample	48
Total Sample ($n \times$ research period) (48×5 years)	240

Source: Processed by the researcher, 2026

Based on the sample selection criteria presented in Table 4.1, the researcher utilized data from 48 manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. Consequently, the total sample size amounts to 240 observations, given the five-year study period. This sample will be used to examine the influence of the independent variables on the dependent variable.

Descriptive Statistics

Descriptive statistics provide an overview or description of data based on the mean, standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness (distribution asymmetry) (Imam Ghazali, p. 19) [27]. Figure 4.1 presents the descriptive statistics derived from the 172 financial report data points observed for manufacturing companies listed on the IDX during the 2019–2023 period.

Table 3. Descriptive Statistics

	Y	X1	X2	X3	X4
Mean	20.51642	64.21250	0.198483	0.055277	2.375000
Median	20.31500	66.00000	0.208500	0.042900	3.000000
Maximum	24.30000	88.00000	0.292800	0.095100	6.000000
Minimum	18.13000	52.00000	0.113600	0.010200	0.000000
Std. Dev.	1.298542	4.736647	0.028024	0.021150	1.500697
Skewness	0.582700	0.652273	-0.770741	0.114502	-0.037450
Kurtosis	2.885433	5.957026	3.948119	1.854071	1.771452
Jarque-Bera	13.71283	104.4584	32.75096	13.65597	15.14940
Probability	0.001053	0.000000	0.000000	0.001083	0.000513
Sum	4923.940	15411.00	47.63580	13.26650	570.0000
Sum Sq. Dev.	403.0045	5362.163	0.187701	0.106909	538.2500
Observations	240	240	240	240	240

Source: Processed by the researcher, 2026

Secondary data were processed using EViews 12.

Based on the descriptive statistics presented in Table 4.7, the minimum, maximum, mean, and standard deviation values for each research variable provide an overview of the characteristics and distribution of the data during the observation period. These descriptive measures help explain the general condition and variability of the variables before further inferential analysis is conducted.

The audit fee (Y) variable has a mean value of 20.52, with a minimum value of 18.13 and a maximum value of 24.30. The standard deviation of 1.30 indicates that the data are relatively homogeneous, suggesting that the variation in audit fees among the sampled companies is relatively low.

The audit delay (X_1) variable has a mean value of 64.21 days, with a minimum value

of 52 days and a maximum value of 88 days. The standard deviation of 4.74 indicates a relatively high level of variation in the time required to complete the audit process among the companies included in the study. Meanwhile, the corporate risk (X_2) variable has a mean value of 0.20, ranging from 0.11 to 0.29. Its relatively small standard deviation suggests that the distribution of corporate risk values is fairly consistent across the sample.

The profitability (X_3) variable records a mean value of 0.06, with values ranging from 0.01 to 0.10. The standard deviation of 0.02 indicates that profitability is relatively stable among the sampled companies, with only minor deviations from the average value throughout the observation period.

The company complexity (X_4) variable has a mean value of 2.38, with a minimum value of 0 and a maximum value of 6. The standard deviation of 1.51 indicates considerable variation in the level of organizational complexity among the companies during the study period, reflecting differences in operational structure and business diversification across the sample

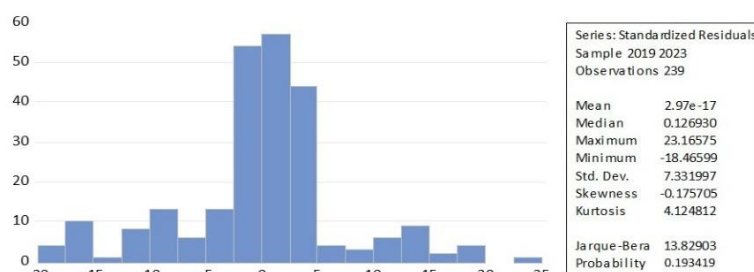
Classical Assumption Tests

Classical assumption tests are conducted to ensure that the regression model meets fundamental assumptions, thereby rendering the estimation results valid and unbiased. These tests include checks for normality, multicollinearity, heteroscedasticity, and autocorrelation.

Normality Test

The normality test is performed to determine whether the data in the regression model are normally distributed. The test utilizes the Jarque-Bera method, where data are considered normally distributed if the probability value exceeds 0.05.

Table 4. Normality Test Results



Source: Processed by the researcher, 2026

Secondary data were processed using E-Views 12.

Based on the normality test results, the Jarque-Bera probability value was 0.193419, which is greater than 0.05. This indicates that the residual data are normally distributed; thus, the normality assumption for the regression model has been met.

Heteroskedasticity Test

The heteroskedasticity test was conducted to determine whether unequal residual variances exist within the regression model. A valid regression model is one that does not exhibit heteroskedasticity. This study employed the Glejser test to detect the presence of heteroskedasticity.

Table 5. Heteroskedasticity Test Results

F-statistic	13.16872	Prob. F(4,42)	0.1574
Obs*R-squared	26.14969	Prob. Chi-Square(4)	0.1558
Scaled explained SS	47.19092	Prob. Chi-Square(4)	0.2054

Source: Processed by the researcher, 2026

Secondary data were processed using EViews 12.

Based on the results of the Breusch–Pagan–Godfrey heteroskedasticity test, the probability value obtained was greater than 0.05. This indicates that the regression model does not exhibit heteroskedasticity; therefore, the model is suitable for further analysis.

Autocorrelation Test

Table 6. Autocorrelation Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	20.03124	0.251255	79.72469	0.0000
X1	0.000881	0.002241	0.393288	0.0548
X2	-0.365778	0.291040	-1.256797	0.0021
X3	2.083902	0.629842	3.308608	0.0011
X4	0.064906	0.007267	8.931647	0.0000
Effects Specification				
			S.D.	Rho
Cross-section random			0.769390	0.5143
Idiosyncratic random			0.747646	0.4857
Weighted Statistics				
R-squared	0.731382	Mean dependent var		8.203040
Adjusted R-squared	0.658512	S.D. dependent var		0.891050
S.E. of regression	0.757175	Sum squared resid		134.1555
F-statistic	3.305126	Durbin-Watson stat		1.792454
Prob(F-statistic)	0.000000			

Source: Processed by the researcher, 2026

Secondary data were processed using EViews 12.

Based on the autocorrelation test results, a Durbin–Watson value of 1.792454 was obtained, with a dU value of 1.7502 and a 4 – dU value of 2.2498. Since $1.7502 < 1.792454 < 2.2498$, it can be concluded that the regression model does not exhibit autocorrelation.

Multicollinearity Test

The multicollinearity test is used to determine the presence of correlation among independent variables in the regression model. Testing was conducted using the Variance Inflation Factor (VIF) method.

Table 7. Multicollinearity Results

Variable	Coefficient	Variancentered VIF	Iterated VIF
C	1.469590	46.78939	NA
X1	5.11E-05	10.60834	1.123172
X2	2.910928	20.05376	1.550762
X3	30.17085	3.130294	1.490640
X4	0.000177	2.200268	1.079030

Source: Processed by the researcher, 2026

Secondary data were processed using E-Views 12.

Based on the multicollinearity test results, all variables exhibited VIF values of less than 10. This indicates that the regression model does not suffer from multicollinearity issues.

Multiple Linear Analysis

This model analyzes the effects of audit delay, corporate risk, profitability, and corporate complexity on audit fees, with the latter proxied by the natural logarithm of professional fees. The use of this model is based on the prior selection of a panel data regression model, which indicated that the Random Effect Model was the most appropriate for this study.

Table 8. Summary of Random Effect Model Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	20.03124	0.251255	79.72469	0.0000
X1	0.000881	0.002241	0.393288	0.0548
X2	-0.365778	0.291040	-1.256797	0.0021
X3	2.083902	0.629842	3.308608	0.0011
X4	0.064906	0.007267	8.931647	0.0000
Effects Specification				
			S.D.	Rho
Cross-section random			0.769390	0.5143
Idiosyncratic random			0.747646	0.4857
Weighted Statistics				
R-squared	0.731382	Mean dependent var	8.203040	
Adjusted R-squared	0.658512	S.D. dependent var	0.891050	
S.E. of regression	0.757175	Sum squared resid	134.1555	
F-statistic	3.305126	Durbin-Watson stat	1.792454	
Prob(F-statistic)	0.000000			

Source: Processed by the researcher, 2026

Based on the panel data regression results using the Random Effect Model (REM) for the 2019–2023 period, variable X1 did not have a significant effect on audit fees, whereas X2 had a significant negative effect. Meanwhile, variables X3 and X4 had a significant positive effect on audit fees. The R-squared value of 73.14% indicates that the independent variables explain 73.14% of the variation in audit fees, and the F-test result (with a probability of 0.0000) indicates that the Random Effect Model (REM) is suitable for use. FEE = 20.03124, AD = 0.000881, DAR = -0.365778, ROA = 2.083902, KP = 0.064906

Coefficient of Determination Test

The coefficient of determination (R^2) is used to assess the ability of independent variables to explain the dependent variable. The test was conducted using Adjusted R-Squared; a higher R^2 value indicates a stronger relationship between the independent variables and the dependent variable.

Table 9. Coefficient of Determination Test Results

Cross-section fixed (dummy variables)			
R-squared	0.731382	Mean dependent var	20.51642
Adjusted R-squared	0.658512	S.D. dependent var	1.298542
S.E. of regression	0.758829	Akaike info criterion	2.475055
Sum squared resid	108.2543	Schwarz criterion	3.229193
Log likelihood	-245.0066	Hannan-Quinn criter.	2.778918
F-statistic	10.03683	Durbin-Watson stat	1.631794
Prob(F-statistic)	0.000000		

Source: Processed by the researcher, 2026

Secondary data were processed using E-Views 12.

Based on the coefficient of determination test results in the Weighted Statistics table, an R-squared value of 0.731382 was obtained; this indicates that 73.14% of the variation in the dependent variable is explained by all the independent variables included in the model, while the remaining 26.86% is influenced by factors outside the research model. Meanwhile, the Adjusted R-squared value of 0.658512 indicates that, after adjusting for the number of

independent variables and the sample size, the model's ability to explain the variation in the dependent variable remains strong and robust, deeming the regression model suitable for further analysis.

F-test

The F-test statistic essentially indicates whether the independent variables included in the model exert a collective or simultaneous influence on the dependent variable (Imam Ghazali, p. 56).

Tables 10. F-Test Results

R-squared	0.749678	Mean dependent var	65.40717
Adjusted R-squared	0.681772	S.D. dependent var	5.221009
S.E. of regression	2.945260	Akaike info criterion	5.187408
Sum squared resid	1630.817	Schwarz criterion	5.941546
Log likelihood	-570.4889	Hannan-Quinn criter.	5.491270
F-statistic	11.03988	Durbin-Watson stat	1.946868
Prob(F-statistic)	0.000000		

Source: Processed by the researcher, 2026

The secondary data in this study were processed using the E-Views 12 application. Based on the F-test results in Table 4.10, an F-statistic value of 3.305126 was obtained, with a Prob(F-statistic) of 0.000000 (< 0.05). This indicates that all independent variables simultaneously exert a significant influence on the dependent variable; thus, the regression model is deemed suitable for use in this study.

T-test

The t-test essentially indicates the extent to which an individual independent variable influences the variation of the dependent variable (Imam Ghazali, p. 98). The t-test is used to examine the partial effect of each independent variable namely Audit Delay, Corporate Risk, Profitability, and Corporate Complexity on the dependent variable, Audit Fee. The t-test results are presented as follows:

Table 11. T-test Results

Table 4.8			
Model Regression Results			
The Effect of Audit Delay, Corporate Risk, Profitability, and Corporate Complexity on Audit Fees			
$AF = \alpha + \beta AD + \beta Dar + \beta ROA + \beta Kompleks$			
Variable	Prediction	Dependent variable	
		Coifficient	Significamt
Konstanta		20.03124	0.0000
AD	+	0.000881	0.0548*
DAR	+	-0.365778	0.0021***
ROA	+	2.083902	0.0011***
KOMPLEKS	+	0.064906	0.0000***

R Squared		0.731382	
Adjusted R Squared		0.658512	
F-Statistic		3.305126	
Sig (F-Statistic)		0.000000	
DW		1.792454	
***Sig pada $\alpha = 1\%$, **Sig pada $\alpha = 5\%$, *Sig pada $\alpha = 10\%$			
AF is the dependent variable of Audit Fee from the calculation of total audit costs / logarithm of total costs, AD is the independent variable of audit delay generated by the author calculating audit delay as the difference in days between the company's fiscal year-end date (December 31) and the date of the auditor's report listed in the financial statements., DAR is the independent variable of company risk generated by showing the percentage of company assets financed by liabilities, ROA is the independent variable that measures the company's ability to generate net income from all owned assets. The complex that is			

Source: Processed by the researcher, 2026

The Effect of Audit Delay on Audit Fees

The research results indicate that audit delay has a positive effect on audit fees, with a significance value of 0.0548. This suggests that the longer the audit process takes, the more likely audit fees are to increase. Audit delay reflects the time required for the auditor to complete the examination of a company's financial statements. A prolonged audit process necessitates additional time, effort, and audit procedures, thereby increasing audit costs. However, the impact of audit delay in this study is not substantial, as audit fees are typically agreed upon at the inception of the audit engagement between the auditor and the company. These findings align with the research of Imawan et al. (2023) and Mentari Putri Pertiwi (2019), which state that audit delay has a positive effect on audit fees.

The Effect of Corporate Risk on Audit Fees

The research results indicate that corporate risk has a negative and significant effect on audit fees, with a significance value of 0.0021. This suggests that as corporate risk increases, audit fees tend to decrease. This situation may arise because auditors consider the company's ability to pay audit fees, particularly for companies facing high levels of risk and financial pressure. Although, theoretically, high corporate risk might increase the auditor's workload, in practice, auditors also take into account long-term client relationships and the company's financial condition. These findings align with studies by Suryanto et al. (2018) and Yulianti et al. (2019), which state that corporate risk has a negative impact on audit fees.

The Effect of Profitability on Audit Fees

Profitability has a positive and significant effect on audit fees, with a significance value of 0.0011. This indicates that companies with high profitability levels tend to pay higher audit fees. Highly profitable companies typically engage in extensive operational activities and high transaction volumes, and possess complex financial conditions, thereby requiring auditors to employ more comprehensive and in-depth audit procedures. Furthermore, profitable companies tend to place greater emphasis on financial statement quality and their reputation among investors and creditors, necessitating higher audit quality. These findings are consistent with research by Anggie Septyana et al. (2024) and Fisabilillah, Fahria, and Praptiningsih (2020), which state that profitability has a positive effect on audit fees.

The Effect of Corporate Complexity on Audit Fees

Corporate complexity has a positive and significant effect on audit fees, with a significance value of 0.0000. This indicates that the greater the complexity of the company, the higher the audit fees paid. Corporate complexity is reflected in the number of subsidiaries, branches, and business units, as well as the diversity of the company's operational activities. Increased complexity requires auditors to implement more detailed audit procedures and dedicate more time to the examination to ensure the fairness of the company's financial statements. Additionally, corporate complexity elevates audit risk, necessitating a more in-depth examination by the auditor. The results of this study are consistent with the research of Sanisah and Efrizal (2019) as well as Nasution, Nizarudin, and Vehtasvili (2024), which state that corporate complexity has a positive effect on audit fees.

E. CONCLUSION

Based on the findings of this study, audit delay, profitability, and company complexity have a positive effect on audit fees, while corporate risk has a negative effect on audit fees. Specifically, a longer audit delay tends to increase audit fees because auditors require more time and audit procedures to complete the engagement. Companies with higher profitability generally incur higher audit fees due to the greater demand for high-quality audit services, whereas more complex companies pay higher audit fees because of the increased audit scope and workload. In contrast, corporate risk is found to have a significant negative relationship with audit fees, indicating that companies with higher risk tend to incur relatively lower audit fees.

Based on these findings, companies are encouraged to strengthen their internal control systems to improve the efficiency and effectiveness of the audit process, ensure the timely preparation of financial statements, manage corporate risks appropriately, and enhance profitability to support audit quality and corporate credibility. For future research, it is recommended to include additional determinants of audit fees, such as company size, audit firm reputation, audit quality, and corporate governance, as well as to extend the observation period and examine firms from different industry sectors to improve the generalizability and robustness of the findings.

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