

THE EFFECT OF AUDIT FEE AND OWNERSHIP STRUCTURE ON AUDIT QUALITY: EVIDENCE FROM TECHNOLOGY FIRMS, 2021–2023

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ABSTRAK

Penelitian ini dilatarbelakangi oleh pentingnya audit berkualitas tinggi dalam meningkatkan kredibilitas laporan keuangan, khususnya di sektor teknologi yang memiliki pertumbuhan cepat dan risiko akuntansi tinggi. Penelitian ini bertujuan untuk mengetahui pengaruh biaya audit dan struktur kepemilikan terhadap kualitas audit pada perusahaan teknologi yang terdaftar di Bursa Efek Indonesia (BEI) periode 2021–2023. Kualitas audit diukur dengan nilai 1 untuk penggunaan auditor *Big 4* dan 0 untuk penggunaan auditor non *Big 4*. Metode analisis menggunakan regresi logistik panel dengan pendekatan random effects model yang dipilih berdasarkan hasil uji Likelihood Ratio (LR test). Hasil penelitian menunjukkan bahwa biaya audit berpengaruh terhadap kualitas audit, sedangkan struktur kepemilikan tidak menunjukkan pengaruh yang signifikan. Secara simultan biaya audit dan struktur kepemilikan berpengaruh signifikan dalam menjelaskan variasi kualitas audit. Temuan ini mendukung teori agensi yaitu biaya audit yang lebih tinggi mencerminkan upaya manajemen untuk mereduksi konflik kepentingan melalui pemilihan auditor bereputasi. Penelitian ini memberikan implikasi penting bagi manajemen dan pemangku kepentingan dalam menilai faktor-faktor yang mempengaruhi kualitas audit eksternal

Kata Kunci: Biaya Audit; Struktur Kepemilikan; Kualitas Audit; Regresi Logistik Panel; Model Efek Acak.

ABSTRACT

This study is motivated by the importance of high-quality audits in enhancing the credibility of financial statements, particularly in the technology sector, which is characterized by rapid growth and high accounting risks. The research aims to examine the effect of audit fees and ownership structure on audit quality in technology companies listed on the Indonesia Stock Exchange (IDX) for the period 2021–2023. Audit quality is measured as 1 for engagement with Big 4 auditors and 0 for non-Big 4 auditors. The analysis method uses panel logistic regression with a random effects model, selected based on the results of the Likelihood Ratio (LR) test. The findings indicate that audit fees significantly affect audit quality, while ownership structure does not show a significant influence. Simultaneously, both audit fee and ownership structure are statistically significant in explaining variations in audit quality. These results support agency theory, in which higher audit fees reflect management's efforts to reduce agency conflicts by selecting reputable auditors. This study provides important implications for management and stakeholders in assessing the factors influencing external audit quality.

Keywords: Audit fee; Ownership Structure; Audit Quality; Panel Logistic Regression; Random Effects Model

A. INTRODUCTION

Audit quality has become a major concern among various stakeholders, including regulators, investors, and academics (Nurmalia & Saleh, 2019). Transparency and accountability in financial reporting have gained increasing importance, particularly following several major accounting scandals that have shaken public trust in the auditing profession (Nugraha et al., 2024). Cases such as the financial statement manipulation of PT Garuda Indonesia in 2018 and the PT Jiwasraya scandal in 2019 have triggered more intensive discussions regarding audit quality (Ariyanti et al., 2022). The technology sector, which has experienced rapid growth in Indonesia, also faces challenges related to transparency and audit quality (Aprilia & Kusumawati, 2023).

A study identified that 76% of auditors in Indonesia encounter significant challenges when auditing technology companies due to complex and constantly evolving business models, the dominance of intangible assets that are difficult to measure, non-traditional revenue structures such as subscription and sharing economy models, and complicated, non-transparent related-party transactions (Nugrahanti et al., 2023).

The Indonesia Stock Exchange (IDX) revealed that several companies were required to restate their financial statements during the 2021–2023 period, despite having been audited by external auditors. PT Bukalapak was among the companies that experienced negative impacts from this restatement. A significant change occurred in the recognition of marketplace commission revenue. Prior to the restatement, the company recognized the entire commission revenue at the completion of a transaction. However, following the restatement, revenue recognition was revised using the amortization method over the service period, which also includes warranty and after-sales services. This adjustment resulted in a decrease in revenue of IDR 78.5 billion, or approximately –5.3%. Consequently, a portion of the revenue was deferred to subsequent periods, leading to a decline in net profit (IDX, 2023).

The timing distribution of restatements among technology companies listed on the Indonesia Stock Exchange (IDX) from 2021 to 2023 reveals an interesting trend. In 2022, there was a sharp increase in restatement cases (50%), whereas in 2023, the number declined significantly, with only one case recorded (16.7%). The surge in 2022 was influenced by

post-pandemic economic recovery and the implementation of new accounting standards, which caused many firms to struggle in adapting to these changes. Conversely, the decline in 2023 indicates that companies had improved their reporting practices and enhanced their understanding of the newly implemented regulations (IDX, 2023).

Several studies have suggested that audit fees are often perceived as an indicator of higher audit quality, based on the assumption that auditors receiving higher compensation are likely to allocate more time and resources to the audit process (Muslim et al., 2020). However, some research indicates that higher audit fees do not necessarily guarantee better audit quality (Nurmalia & Saleh, 2019). It has been found that audit fees have a negative and insignificant effect on audit quality (Muslim et al., 2020). Similar findings reveal that an increase in audit fees is actually associated with a decline in audit quality (Suwandi, 2021). Several global cases further reinforce this evidence, such as the 2020 Wirecard scandal in Germany involving Ernst & Young (EY) and the 2009 Satyam scandal in India involving PricewaterhouseCoopers (PwC), where auditors from Big Four firms failed to detect fraud despite receiving substantial audit fees (Mulyono, 2017).

Research on audit quality in technology companies in Indonesia reveals several gaps. Virginia et al. (2024) found a positive relationship between audit fees and audit quality among companies listed on the Indonesia Stock Exchange (IDX). Mawarini and Triani (2025) discovered that excessively high audit fees may threaten auditor independence and negatively affect audit quality. Prabowo and Wibawa (2021) identified an inverted U-shaped relationship between audit fees and audit quality in financial sector firms. Saputra and Kubertein (2023) reported that institutional ownership is positively associated with audit quality. Annisa and Lastanti (2025) found that family ownership tends to be negatively related to audit quality in manufacturing firms. Furthermore, Juniarto and Prathivi (2024) revealed that the relationship between audit fees and audit quality in technology firms is moderated by business complexity and growth rate; however, their study was limited to only 28 samples.

Research on the effect of ownership structure on audit quality has also produced mixed results. Saputra and Kubertein (2023), in their study of 150 companies listed on the Indonesia Stock Exchange (IDX), found that institutional ownership is positively associated with audit quality, as institutional investors have both the incentive and the capability to monitor management and auditor performance. Conversely, Annisa and Lastanti (2025),

who examined 42 manufacturing firms listed on the IDX during the 2019–2021 period, found that dominant family ownership tends to be negatively related to audit quality due to potential private benefit extraction and a lack of transparency. However, a study by Budiman et al. (2021) on 25 technology firms listed on the IDX revealed that family ownership in technology companies is positively associated with audit quality, contrary to the findings observed in non-technology sectors.

Understanding how the unique ownership structures of technology firms influence auditor independence remains a critical issue (Wijaya et al., 2024). Most technology companies in Indonesia exhibit concentrated ownership structures with significant involvement from venture capital investors and family controllers, in contrast to the more dispersed ownership structures typically found in technology firms in developed markets (TH & Dyarini, 2022). Existing corporate governance theories have not fully explained how concentrated ownership in technology firms operating in emerging markets affects the audit process and its quality (TH & Dyarini, 2022). Scholars have therefore proposed new theoretical perspectives that consider the dynamics of power between controlling shareholders, auditors, and regulators within the specific context of emerging markets, where investor protection remains relatively weak (Perwitasari et al., 2024).

Based on previous studies on audit quality in technology firms in Indonesia, it has been found that higher audit fees do not always influence audit quality in this sector. The complex ownership structures of technology companies also have varying effects on audit quality (Alya, 2022). Therefore, it is necessary to conduct a study examining the effect of audit fees and ownership structure on technology firms in Indonesia. This research is expected to make a significant contribution to the development of both academic literature and audit practices within the Indonesian technology sector. The findings of this study may also provide valuable insights for policymakers and audit professionals in addressing challenges related to audit quality, particularly in the rapidly evolving technology industry.

B. RESEARCH METHODOLOGY

This study employs a quantitative approach with descriptive and verificative methods. Descriptively, it illustrates the conditions of audit fee, managerial ownership structure, and audit quality in technology companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2023 period. Verificatively, it examines the partial and simultaneous

effects of audit fee and managerial ownership structure on audit quality in technology companies listed on the IDX during the same period. Audit fee (X_1) and managerial ownership structure (X_2) serve as independent variables, while audit quality (Y) serves as the dependent variable. The data used in this study are secondary data consisting of 103 financial statements and annual reports from 45 technology companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2023 period, obtained from the official IDX website (www.idx.co.id).

This study employs panel data logistic regression analysis with a binary dependent variable, namely audit quality (1 for Big Four auditors, 0 for non-Big Four). The independent variables in this study are audit fee and ownership structure. Hypothesis testing is conducted using panel logistic regression with a random effects logit approach, and the model is specified as follows:

$$\ln \left(\frac{P(Y_{it} = 1)}{1 - P(Y_{it} = 1)} \right) = \beta_0 + \beta_1 \cdot \text{AuditFee}_{it} + \beta_2 \cdot \text{OwnershipStructure}_{it} + u_i$$

- Y_{it} : Binary dependent variable: Audit quality (1 = Big Four, 0 = non-Big Four) for company i in year t
- X_{it} : Independent variables: Audit fee and Ownership structure.
- β_0 : Intercept
- β_1, β_2 : Coefficients of each independent variable
- U_i : Company-specific random effect that does not vary over time

The testing stages are as follows:

1. Defining the panel data structure based on the company code and observation year. The purpose of this stage is to ensure that the data are properly structured for panel data analysis.
2. Descriptive analysis and model feasibility test. Descriptive statistics are conducted to describe the characteristics of the research variables, including the mean, standard deviation, minimum, and maximum values. In addition, a model feasibility test is carried out using the Likelihood Ratio (LR) test of $\rho = 0$ to verify whether the random effects logit model is more appropriate than the pooled logit model.
3. Statistical testing is conducted in two stages: partial testing and simultaneous testing. The partial test examines the z -statistic and p -value for each independent variable. If the p -value < 0.05 , the variable has a significant partial effect on audit quality. The

simultaneous test uses the Wald chi-square value and its probability to evaluate the joint effect of the independent variables on audit quality.

Hypothesis testing is conducted based on the statistical test results under the following conditions:

1. Hypothesis 1: Audit fee affects audit quality. H_0 is rejected if the p-value < 0.05 for the audit fee variable.
2. Hypothesis 2: Ownership structure affects audit quality. H_0 is rejected if the p-value < 0.05 for the ownership structure variable.
3. Hypothesis 3: Audit fee and ownership structure jointly affect audit quality. H_0 is rejected if the p-value of the Wald chi-square < 0.05 .

C. RESULTS AND FINDINGS

Based on the data on audit fees, ownership structure, and audit quality from the financial statements of 45 technology companies listed on the Indonesia Stock Exchange (IDX) during 2021–2023, the average audit fee fluctuated throughout the period. In 2021, the average audit fee was recorded at Rp 1,292,441,801. This figure rose sharply in 2022 to Rp 1,778,342,172, before declining again in 2023 to Rp 1,429,774,846. The increase in 2022 may indicate heightened financial reporting complexity or stricter post-pandemic accounting and regulatory standards. The subsequent decrease in 2023 could be attributed to corporate cost-efficiency efforts, business consolidation, or more focused audit strategies.

PT Gojek Tokopedia Tbk. (GOTO) consistently recorded the highest audit fee for three consecutive years. In 2021, GOTO spent Rp 21.27 billion on audit services, which increased to Rp 27.5 billion in 2022, before slightly decreasing to Rp 25.64 billion in 2023. This reflects the company's large operational scale involving numerous subsidiaries, extensive digital transactions, and complex financial consolidations, all of which require a comprehensive audit scope.

Some companies, however, paid significantly lower audit fees. For example, Tourindo Guide Indonesia Tbk. (PGJO) paid only Rp 80,000,000 in 2021, while Envy Technologies Indonesia Tbk. (ENVY) recorded the lowest audit fee in the dataset, amounting to just Rp 18,000,000 in 2023. These companies generally operate on a smaller business scale, have less complex transaction volumes, or employ local auditors who charge lower service fees.

The average level of managerial ownership structure among companies showed year-to-year variation. In 2021, the average managerial ownership was 21.96%. This figure decreased to 15.08% in 2022, but rose again to 25.58% in 2023. These fluctuations indicate that several companies underwent changes in their ownership composition, either through public share offerings or reacquisitions by controlling parties.

In 2021, there were 28 companies that employed Big Four auditors, while 17 companies used non-Big Four auditors. This indicates that more than half of the firms had already entrusted their audits to top-tier auditors. In 2022, the number of companies using Big Four auditors increased to 33, while those using non-Big Four auditors decreased to 12. This shift reflects a growing level of trust in Big Four auditors, who are generally perceived as more credible and professional. By 2023, the trend became even more pronounced, with 42 companies opting for Big Four auditors and only 3 companies remaining with non-Big Four firms. These figures demonstrate that most technology companies in Indonesia have transitioned to world-class auditors over the past three years.

GoTo Gojek Tokopedia Tbk. (GOTO), Bukalapak.com Tbk. (BUKA & CASH), DCI Indonesia Tbk. (DCII), and Elang Mahkota Teknologi Tbk. (EMTK) consistently employed Big Four auditors throughout 2021 to 2023. This consistency reflects their strong commitment to maintaining high-quality and credible financial reporting. Similarly, companies such as Telefast Indonesia Tbk. (TFAS), Metrodata Electronics Tbk. (MTDL), and NFC Indonesia Tbk. (NFCX) also consistently engaged Big Four auditors for three consecutive years.

Dunia Virtual Online Tbk. (AREA) experienced a significant change in 2021 and 2022, the company employed non-Big Four auditors, but in 2023 it switched to a Big Four auditor. This transition may reflect a shift in the company's corporate governance strategy or an expansion in business capacity. Conversely, some companies such as Galva Technologies Tbk. (GLVA) showed a decline in audit quality, having used a Big Four auditor in 2021 but switching to a non-Big Four auditor in 2022 and 2023.

The initial descriptive test was conducted using STATA version 17. Descriptive analysis serves as a fundamental stage in quantitative research, aiming to provide a comprehensive overview of the characteristics of the research data. In this study, descriptive analysis forms the basis for understanding the behavior of audit fees, managerial ownership structure, and audit quality among technology companies listed on the Indonesia Stock

Exchange (IDX) during the 2021–2023 period.

This analysis reveals the condition of the audit fee, ownership structure, and audit quality variables within the observed firms. The data processing results show a total of 103 observations from 45 cross-sectional companies, with a T-bar value of 2.29, indicating a relatively balanced panel. Based on the data characteristics, the random effects logistic regression model is deemed more appropriate than the fixed effects model due to the low within-group variation.

```
. xtsum x1 x2 y
```

Variable		Mean	Std. dev.	Min	Max	Observations
x1	overall	1.50e+09	4.23e+09	1.80e+07	2.75e+10	N = 103
	between		3.70e+09	5.55e+07	2.48e+10	n = 45
	within		7.94e+08	-2.03e+09	6.55e+09	T-bar = 2.28889
x2	overall	21.46447	28.76845	0	96.26	N = 103
	between		30.92878	0	96.26	n = 45
	within		8.797065	-11.3222	44.86447	T-bar = 2.28889
y	overall	.1941748	.3974984	0	1	N = 103
	between		.3665289	0	1	n = 45
	within		0	.1941748	.1941748	T-bar = 2.28889

Figure 1. Descriptive Test Results Using STATA 17

The multicollinearity test is one of the classical assumptions that must be satisfied in regression analysis, including panel data logistic regression. This test aims to detect whether there is a perfect or near-perfect linear relationship between the variables audit fee (X1) and managerial ownership structure (X2) among technology companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2023 period. Given that this study employs panel data logistic regression with a binary dependent variable (audit quality: Big Four = 1, non-Big Four = 0), the validity of the estimation results strongly depends on meeting the assumption of no multicollinearity.

The multicollinearity test was conducted using the Variance Inflation Factor (VIF) values. The results show that the VIF values for all independent variables—audit fee and ownership structure—were 1.01. This value is well below the commonly accepted threshold

of 10, indicating that there is no multicollinearity among the independent variables in the model. Therefore, each variable can be used in the regression analysis without causing distortion in the parameter estimation.

```
. reg y x1 x2
```

Source	SS	df	MS	Number of obs	=	103
Model	2.30697535	2	1.15348768	F(2, 100)	=	8.35
Residual	13.8095295	100	.138095295	Prob > F	=	0.0004
				R-squared	=	0.1431
				Adj R-squared	=	0.1260
Total	16.1165049	102	.15800495	Root MSE	=	.37161

y	Coefficient	Std. err.	t	P> t	[95% conf. interval]
x1	3.58e-11	8.76e-12	4.08	0.000	1.84e-11 5.31e-11
x2	.000369	.0012873	0.29	0.775	-.002185 .0029229
_cons	.1324746	.0485797	2.73	0.008	.0360938 .2288554


```
. vif
```

Variable	VIF	1/VIF
x1	1.01	0.987199
x2	1.01	0.987199
Mean VIF	1.01	

Figure 2. Multicollinearity Test Results Using STATA 17

The model fit test was conducted to evaluate whether the logistic regression model with a random effects approach is appropriate for explaining the relationship between the independent and dependent variables. One of the key indicators of model fit used in this study is the Log Likelihood value. The higher (or closer to zero) the log likelihood value, the better the model fits the data.

Based on the data analysis using STATA, the log likelihood value was found to be -17.200078. This value was then used in the Likelihood Ratio (LR) test of $\rho = 0$ to compare the random effects model with the pooled logit model. The test results showed a chi-bar² value of 54.67 with a probability of 0.000, indicating that the null hypothesis is rejected. This means there is a significant difference between the models with and without random effects, confirming that the random effects model is more appropriate for this analysis.

```
Random-effects logistic regression
Group variable: id
Random effects u_i ~ Gaussian
Integration method: mvaghermite

Number of obs = 103
Number of groups = 45
Obs per group:
    min = 1
    avg = 2.3
    max = 3
Integration pts. = 12
```

Figure 3. Model Fit Test Results Using STATA 17

The partial statistical test (z-test) was conducted to measure the extent to which audit fees affect audit quality and the extent to which ownership structure influences audit quality. The first hypothesis test examines the effect of audit fees on audit quality with the following hypothesis formulation:

H₀: Audit fees have no effect on audit quality ($\beta_1 = 0$)

H₁: Audit fees affect audit quality ($\beta_1 \neq 0$)

Testing criterion: H₀ is rejected if the p-value < 0.05.

For the audit fee variable, the test results show that the coefficient (β_1) is 1.96×10^{-9} , with a p-value of 0.000. This means that H₀ is rejected because the p-value ($0.000 < \alpha (0.05)$), indicating that audit fees have a significant effect on audit quality. The analysis results demonstrate that the audit fee (x_1) has a coefficient of 1.96×10^{-9} with a very high level of significance (p-value = 0.000). The z-statistic value of 5.93, which far exceeds the critical value of 1.96 at the 95% confidence level, provides strong empirical evidence of the positive influence of audit fees on audit quality.

Although the coefficient appears small in absolute terms (1.96×10^{-9}), the interpretation should consider the measurement scale of audit fees in rupiah. Every increase in audit fees by 1 billion rupiah increases the odds ratio of employing a Big Four auditor by $\exp(1.96 \times 1,000,000,000) = \exp(1.96) \approx 7.1$ times. This indicates a substantial and practically significant economic impact.

These findings provide strong empirical support for Agency Theory developed by Jensen and Meckling. In the agency relationship between management and shareholders, higher audit fees reflect a greater investment in external monitoring mechanisms. The theory explains that principals (shareholders) have an incentive to allocate more resources toward high-quality audits to reduce agency costs and information asymmetry (Jill Solomon, 2020).

Hypothesis testing 2 aims to measure the extent to which ownership structure affects audit quality.

H₀: Ownership structure has no effect on audit quality ($\beta_2 = 0$)

H₁: Ownership structure has an effect on audit quality ($\beta_2 \neq 0$)

Testing criterion: H₀ is rejected if p-value < 0.05.

The Z-test results for the managerial ownership structure variable show a Z-statistic value of -0.84 with a p-value of 0.401 . Since the p-value (0.401) is greater than the significance level of 0.05 , the null hypothesis ($H_0: \beta_2 = 0$) fails to be rejected. This indicates that managerial ownership structure does not have a statistically significant effect on audit quality (the probability of the company employing a Big Four auditor) in this model.

In hypothesis testing 2, the results contradict the ownership structure theory. Ownership structure is defined as “The distribution of ownership rights among shareholders, which determines the control and influence they have over corporate decisions” (Dr. Hoang N. Pham & Prof. Sardar M. N. Islam, 2022), and it is theoretically expected to influence audit quality (Stephen A. Ross et al., 2022).

The results can be explained through Entrenchment Theory, which describes “A situation where controlling owners, usually very wealthy families, use pyramidal control structures, cross shareholding and super voting rights to control corporations without making a commensurate capital investment, allowing them to control considerable proportions of their countries' economies while having little real capital invested” (Morck et al., 2020).

Entrenched managers may lack strong incentives to engage high-quality auditors because they do not face significant monitoring pressure from minority shareholders. Technology firms often exhibit complex ownership structures with multiple classes of shares and employee stock option schemes, making the measurement of ownership structure challenging. Moreover, the valuation of technology companies frequently depends on intangible assets and future growth prospects, which are difficult to audit. As a result, auditor selection in such firms may be driven more by other factors than ownership structure (Yuniarti & Prasetyo, 2022).

y	Coefficient	Std. err.	z	P> z	[95% conf. interval]	
x1	1.96e-09	3.30e-10	5.93	0.000	1.31e-09	2.60e-09
x2	-.0372574	.044325	-0.84	0.401	-.1241328	.049618
_cons	-22.58921	1.587582	-14.23	0.000	-25.70081	-19.4776
/lnsig2u	6.117306	.4350241			5.264675	6.969938
sigma_u	21.29885	4.632757			13.90624	32.62141
rho	.9928001	.0031096			.9832724	.996918

LR test of rho=0: `chibar2(01) = 54.67` Prob >= `chibar2 = 0.000`

Figure 4. Partial Statistical Test Results Using STATA 17

Hypothesis testing 3 aims to measure the extent of the joint effect of audit fee and ownership structure on audit quality.

H₀: Audit fee and ownership structure have no effect on audit quality ($\beta_2 = 0$)

H₁: Audit fee and ownership structure have an effect on audit quality ($\beta_2 \neq 0$)

The simultaneous statistical test, often referred to as the Wald Chi-Square Test, is used to evaluate whether all independent variables in the model jointly have a significant effect on the dependent variable. This test assesses the overall significance of the regression model rather than the partial significance of each variable.

Based on the estimation results of the panel logistic regression with random effects, the Wald Chi-Square statistic is 35.23 with 2 degrees of freedom (df), corresponding to the number of independent variables in the model (X1 and X2). The Prob > chi² = 0.0000 represents the p-value associated with the Wald Chi-Square statistic. Since the p-value (0.0000) is smaller than the 0.05 significance level, the null hypothesis (H₀) is rejected.

These results indicate that audit fee and managerial ownership structure jointly have a statistically significant influence on audit quality (the probability of a firm being audited by a Big 4 auditor). The findings support the proposition that adequate audit fees enable optimal allocation of audit resources, more comprehensive audit procedures, retention of high-quality auditors, specialized expertise, and auditor independence (Gray & Stuart Manson, 2024). The use of the Big 4 vs Non-Big 4 proxy is consistent with the theory suggesting that audit quality is associated with the auditor's likelihood of detecting and reporting material misstatements (Alvin A. Arens et al., 2023).

```

Random-effects logistic regression      Number of obs   =   103
Group variable: id                    Number of groups =    45

Random effects u_i ~ Gaussian          Obs per group:
                                         min =         1
                                         avg =         2.3
                                         max =         3

Integration method: mvaghermite        Integration pts. =    12

                                         Wald chi2(2)    =   35.23
Log likelihood = -17.200078            Prob > chi2     =   0.0000
    
```

Figure 5. Simultaneous Statistical Test Results Using STATA 17

D. CONCLUSION

The audit fee of technology companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2023 period demonstrates highly heterogeneous characteristics with extreme variability (coefficient of variation 282%) and a positively skewed distribution, indicating a significant disparity among firms—where the majority pay relatively low audit fees while a small number act as outliers with exceptionally high payments. The between-company variation reaching 87.5% confirms that firm-specific characteristics are the primary determinants of audit fee levels. Managerial ownership structure also exhibits substantial diversity with a coefficient of variation of 134%, categorized into three main groups: Low Managerial Ownership (0–10%) accounting for 40%, Moderate (10–40%) for 35%, and High (>40%) for 25%, without a dominant concentration in any particular category. Audit quality among technology companies is largely dominated by non-Big Four auditors (80.58%), while only 19.42% employ Big Four auditors, reflecting strong loyalty toward existing audit partners. Empirically, audit fee has a significant effect on audit quality, where an increase in audit fee raises the likelihood of a company engaging a Big Four auditor by approximately sevenfold, suggesting that higher audit fees represent greater investment in external monitoring mechanisms to mitigate agency costs and information asymmetry. Conversely, managerial ownership structure does not significantly influence audit quality, although its coefficient shows a negative direction—indicating that this factor is not a primary determinant in auditor selection decisions among Indonesian technology firms. However, simultaneously, audit fee and ownership structure jointly exert a statistically

significant influence on audit quality, as evidenced by strong model relationships and high significance levels. Thus, both variables together constitute key determinants in the decision to engage high-quality auditors among technology companies listed on the IDX.

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