

**EFFECT OF CONCENTRATED OWNERSHIP ON AUDIT FEE
STICKINESS: THE MODERATING ROLE OF FINANCIAL
STATEMENT FRAUD**

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ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh kepemilikan terkonsentrasi terhadap audit fee stickiness dengan kecurangan laporan keuangan sebagai variabel moderasi. Penelitian menggunakan metode verifikasi dengan pendekatan kuantitatif. Data penelitian diperoleh melalui teknik purposive sampling berdasarkan kriteria yang telah ditetapkan sehingga diperoleh sampel sebanyak 50 perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia selama periode 2019–2023. Dengan masa pengamatan selama lima tahun, jumlah observasi yang digunakan dalam penelitian ini sebanyak 250 pengamatan. Pengujian hipotesis dilakukan menggunakan analisis regresi berganda dan Moderated Regression Analysis (MRA). Hasil penelitian menunjukkan bahwa kepemilikan terkonsentrasi berpengaruh positif dan signifikan terhadap audit fee stickiness. Selain itu, kecurangan laporan keuangan terbukti memoderasi pengaruh kepemilikan terkonsentrasi terhadap audit fee stickiness secara positif dan signifikan. Temuan ini mengindikasikan bahwa semakin tinggi tingkat kepemilikan terkonsentrasi, semakin tinggi kecenderungan terjadinya audit fee stickiness, dan pengaruh tersebut semakin kuat pada perusahaan yang terindikasi melakukan kecurangan laporan keuangan. Penelitian ini diharapkan dapat memberikan kontribusi bagi pengembangan literatur terkait audit fee stickiness serta menjadi referensi bagi penelitian selanjutnya. Penelitian mendatang disarankan untuk menggunakan alternatif pengukuran variabel serta menambahkan variabel lain yang berpotensi memengaruhi audit fee stickiness guna memperoleh hasil yang lebih komprehensif.

Kata Kunci: Kepemilikan Terkonsentrasi; *Audit Fee Stickiness*; Kecurangan Laporan Keuangan.

ABSTRACT

This study aims to examine the effect of concentrated ownership on audit fee stickiness with financial statement fraud as a moderating variable. The study employed a verification method with a quantitative approach. Data were collected using purposive sampling based on predetermined criteria, resulting in a sample of 50 manufacturing companies listed on the Indonesia Stock Exchange during the 2019–2023 period. With a five-year observation period, a total of 250 firm-year observations were obtained. Hypothesis testing was conducted

using multiple regression analysis and Moderated Regression Analysis (MRA). The results indicate that concentrated ownership has a positive and significant effect on audit fee stickiness. Furthermore, financial statement fraud significantly and positively moderates the relationship between concentrated ownership and audit fee stickiness. These findings suggest that a higher level of concentrated ownership increases the likelihood of audit fee stickiness, and this effect becomes stronger in companies that are indicated to engage in financial statement fraud. This study contributes to the development of literature on audit fee stickiness and provides insights for future research. Future studies are recommended to apply alternative measurements for the variables and incorporate additional factors that may influence audit fee stickiness in order to obtain more comprehensive results.

Keywords: Concentrated Ownership, Audit Fee Stickiness, Financial Statement Fraud.

A. INTRODUCTION

In the modern era, an increasing number of companies are experiencing rapid growth. Not only large corporations but also small businesses have the potential to develop and expand into major enterprises. A company's growth and performance can be reflected in its financial statements. Financial statements are used by companies to attract investors by providing information about their financial condition and operational performance. These reports are also beneficial to external stakeholders, such as investors and creditors, who rely on financial information when making economic decisions. The growing number of businesses has intensified competition within the business environment. One strategy adopted by companies to enhance their competitiveness is becoming a public company through an Initial Public Offering (IPO), which allows their financial statements to be accessed by the public. To increase the credibility of their financial reports, companies engage the services of public accountants to conduct independent audits. Audited financial statements provide assurance to investors because they contain the auditor's opinion regarding the fairness of the financial information presented and indicate whether the company is in a sound financial condition. The increasing number of publicly listed companies has consequently led to a growing demand for public accounting services, particularly in the field of external auditing.

Advancements in technology and the continuous improvement of human resources have significantly influenced the global economy. These changes also affect business entities, resulting in shifts from traditional organizational structures

to more complex and modern structures. Such structural changes create challenges for company management in controlling and supervising business operations. Therefore, effective internal controls and the presence of auditors are essential to support the sustainability and success of a company. Internal control plays a crucial role as it consists of procedures and systems designed to monitor and regulate organizational activities in order to achieve corporate objectives. Furthermore, internal control helps prevent undesirable events such as fraud and safeguards the company's assets. One of the most important aspects that must be monitored is the financial condition reflected in the company's financial statements. All companies listed on the Indonesia Stock Exchange (IDX) are required to publish financial statements that have been audited by an independent auditor to ensure the reliability and credibility of the financial information presented.

A company's financial statements serve as a comprehensive representation of its financial condition and performance over a specific period, providing valuable information for management and internal stakeholders in making informed decisions. In addition, external parties, such as investors, creditors, and other stakeholders, utilize financial statements to evaluate the company's performance and overall financial position. Therefore, the reliability and accuracy of financial statements are of critical importance. To ensure that financial statements present fair and credible information, it is essential to maintain high audit quality. Auditors are responsible for conducting audits in accordance with professional standards and ensuring that the audit process is performed with the highest level of quality. High-quality audits enhance the credibility of financial reporting and provide reasonable assurance that the financial statements are free from material misstatements, whether caused by error or fraud. Consequently, audit quality plays a crucial role in strengthening stakeholders' confidence in the integrity and transparency of a company's financial information.

Auditors are expected to perform financial statement audits with a high level of professionalism and due diligence. However, instances of fraud and audit failures have occasionally occurred, raising concerns about audit quality and auditor independence. One of the most notable financial reporting scandals was the collapse of Enron Corporation in 2001, which revealed extensive financial statement fraud

and significantly undermined public trust in corporate reporting and auditing practices. This case demonstrated that financial statement fraud can occur in any organization, including large and well-established corporations. As a result, auditing has become an increasingly important component of the modern economic environment. In Indonesia, pursuant to regulations issued by the Indonesia Stock Exchange (IDX), companies whose shares are publicly traded on the stock exchange are required to publish financial statements that have been audited by independent auditors. The audit process requires professional services provided by auditors, for which companies must pay compensation commonly referred to as audit fees.

Audit fee is the compensation received by an auditor for audit services provided in examining a client's financial statements (Agoes 2014). The amount of the audit fee may vary depending on several factors, including the level of audit risk, the duration of the engagement, and the expertise required to perform the audit services. Audit fees that are excessively low may create a self-interest threat, which could potentially impair auditor independence and lead to noncompliance with the Code of Ethics for Professional Accountants. Therefore, determining an appropriate audit fee is essential to maintaining audit quality, professional integrity, and compliance with ethical standards. (IAPI,2017).

One of the most widely discussed cases of financial statement fraud in Indonesia involved Garuda Indonesia. The controversy arose from the company's 2018 financial statements, which reported a net profit despite concerns regarding the recognition of revenue from a cooperation agreement with PT Mahata Aero Teknologi. The issue attracted significant public attention when two commissioners representing minority shareholders refused to sign the company's 2018 financial statements during the Annual General Meeting of Shareholders. They argued that the recognition of revenue was inconsistent with the applicable accounting standards and resulted in a misstatement of the company's financial performance. Following an investigation conducted by the Ministry of Finance and the Financial Services Authority (OJK), violations were found in the audit of.

Garuda Indonesia's 2018 financial statements. The Ministry of Finance concluded that the audit procedures performed by the auditor affected the

independent auditor's opinion and did not fully comply with applicable auditing standards. Consequently, the Ministry of Finance imposed sanctions on Public Accountant Kasner Sirumapea, including the suspension of his license for twelve months, while the Public Accounting Firm Tanubrata, Sutanto, Fahmi, Bambang & Rekan received administrative sanctions and was required to improve its quality control system. In addition, Garuda Indonesia was ordered to restate its 2018 financial statements and was subjected to administrative sanctions. This case highlights the importance of auditor independence, compliance with accounting and auditing standards, and the role of audit quality in maintaining the credibility of financial reporting. (Kementrian Keuangan republik Indonesia, 2019).

Based on the fraud case described above, it can be inferred that a Public Accounting Firm (PAF) and its client maintain a mutually dependent relationship. From a business perspective, a PAF relies on clients to sustain its operations, while clients require the services of a PAF to conduct independent audits of their financial statements. When the relationship between the auditor and the client becomes close and extends over a long period, clients may gain greater bargaining power in negotiating audit-related matters, including audit fees. Such conditions may influence the audit process and potentially threaten auditor independence due to psychological and economic pressures exerted by the client. Consequently, the auditor's objectivity may become increasingly vulnerable. A long-term relationship between auditors and clients may also affect negotiations regarding audit fees.

Prior studies suggest that Public Accounting Firms often offer lower audit fees during the initial years of an audit engagement to attract and retain clients. However, as the relationship between the auditor and the client develops over time, audit fees may gradually increase. When audit fees remain relatively stable and do not decrease proportionately despite reductions in audit effort or client demand, this condition is referred to as audit fee stickiness. Audit fee stickiness reflects the tendency of audit fees to adjust asymmetrically over time and may indicate the existence of long-term economic relationships between auditors and their clients.

A substantial increase in audit fees may reflect decisions made by auditors in response to specific engagement conditions. The interpretation of relatively high audit fees remains a subject of debate because higher audit costs may indicate

increased audit effort aimed at improving audit quality and enhancing the reliability of financial reporting. On the other hand, elevated audit fees may also represent a risk premium charged by auditors in response to higher client risk, which could be associated with lower-quality accounting information (Nugroho, 2011). Based on the case discussed above, it can be argued that economic ties between auditors and clients, whether consciously or unconsciously, may impair auditor independence. Reduced auditor independence can negatively affect audit quality and, ultimately, the quality of reported earnings. Such economic relationships may arise when management exerts influence over auditors through financial incentives or other forms of pressure intended to secure favorable audit outcomes. As a result, auditors may face conflicts of interest that compromise their objectivity and professional judgment. Furthermore, several factors have been identified as determinants of audit fees, one of which is concentrated ownership. Concentrated ownership refers to a situation in which a substantial proportion of a company's shares is controlled by a particular individual, family, or group of shareholders. According to Taman (2010), ownership concentration is among the key factors influencing the determination of audit fees because controlling shareholders possess significant power to influence corporate governance mechanisms, monitoring activities, and decisions related to the audit process.

Concentrated ownership refers to a condition in which a substantial proportion of a company's shares is held by a limited number of individuals or groups, enabling these shareholders to exercise significant control over corporate decisions. Ownership concentration reflects the distribution of control rights within a company and indicates the extent to which particular shareholders influence corporate activities and business operations (Nugroho, 2011). Concentrated ownership may affect audit fees because controlling shareholders often have a significant influence on corporate governance practices and the monitoring of management.

As the relationship between auditors and clients becomes closer, the impact of concentrated ownership on audit fees may become more pronounced. In such circumstances, audit fees may exhibit a tendency to remain relatively stable or increase consistently over time, a phenomenon commonly referred to as audit fee

stickiness (Sekar, 2010). Companies with concentrated ownership structures and long-term relationships with auditors may influence audit fee negotiations, leading to audit fees that adjust asymmetrically and remain relatively rigid over time. Furthermore, when shareholder ownership becomes more concentrated, controlling shareholders generally seek greater oversight and control over managerial actions. According to Yahyazadehfar, Shababi, and Hosseini (2015), weak support from dispersed shareholders may encourage investors to accumulate larger ownership stakes in order to strengthen their ability to monitor management and influence corporate decision-making. Consequently, ownership concentration plays an important role in shaping corporate governance mechanisms and may indirectly affect audit pricing decisions.

The existence of dominant ownership power and audit fee rigidity, commonly referred to as audit fee stickiness, may increase the likelihood of financial statement fraud within a company. Audit fee stickiness reflects a condition in which audit fees do not adjust proportionately to changes in audit effort or client characteristics, potentially creating economic dependencies between auditors and clients. Such dependencies may threaten auditor independence and, consequently, affect the quality of financial reporting.

Financial statement fraud can occur in both large and small companies and is generally defined as an intentional act by management involving material misstatements in financial statements that mislead stakeholders and result in economic losses (Rahman, 2019). Empirical evidence provided by Hoitash et al. (2007) suggests that when auditors negotiate audit fees with management, reciprocal compromises may arise, potentially reducing financial reporting quality. This finding indicates that audit fee arrangements may influence auditor behavior and the quality of financial statements. In situations where audit fees are influenced by economic pressures or long-term client relationships, the risk of compromised auditor independence may increase, thereby creating opportunities for financial statement fraud.

Therefore, establishing audit fees at an appropriate and transparent level is important for maintaining auditor objectivity, strengthening audit quality, and enhancing the reliability of financial reporting. Such practices can help auditors

perform their responsibilities independently without undue pressure from clients and contribute to more effective monitoring of financial statements.

B. LITERATURE REVIEW

1. Concentrated Ownership

Most companies in Indonesia exhibit a concentrated ownership structure. Ownership is considered concentrated when a substantial proportion of a company's shares is held by a small group of shareholders or a limited number of individuals, giving those shareholders relatively greater ownership stakes and voting power compared to other shareholders (Fauziah, 2021). Furthermore, ownership concentration reflects the distribution of control within a company by identifying who holds authority over all or a significant portion of the company's ownership and business activities (Taman & Nugroho, 2010). In other words, concentrated ownership indicates the extent to which controlling shareholders can influence corporate decisions, governance practices, and strategic policies. The formula used to measure concentrated ownership is as follows:

$$HHI_{it} = \frac{\sum_{j=1}^N \left(\frac{SH_j}{OWN} \right)^2 - \frac{1}{N}}{1 - \frac{1}{N}} \text{ for } N > 1$$

$$HHI_{it} = 1 \text{ for } N = 1$$

2. Audit Fee Stickiness

Audit fee stickiness occurs when proportional and expected changes in audit fees are not accompanied by corresponding changes in actual audit fees (Chang et al., 2019). The phenomenon of audit fee stickiness refers to the misalignment between expected adjustments in audit fees and the actual changes observed, particularly when there are significant changes in a company's operating conditions or audit environment. This concept illustrates that audit fees may not immediately adjust despite variations in factors that influence audit engagements, such as company size, business complexity, audit risk, or the scope of audit procedures. As a result, audit fees tend to exhibit asymmetric adjustment behavior, whereby increases and decreases in audit-related factors are not reflected proportionately in the fees charged by auditors. Therefore, audit fee stickiness reflects the rigidity of

audit pricing and the tendency of audit fees to remain relatively stable over time despite changes in the underlying determinants of audit effort. To identify the presence of audit fee stickiness, the first step is to estimate the expected audit fee in order to obtain the predicted value, which is referred to as the Natural Logarithm of Expected Audit Fees (LNEAF). The dependent variable, Natural Logarithm of Audit Fees (LNAF), represents the natural logarithm of the actual audit fees paid by the client. Drawing on prior studies conducted (Ghosh and Lustgarten, 2006), (Chen, Su, and Wu, 2007), (Ghosh and Pawlewicz, 2009), and (Asthana, Raman, and Xu, 2015), and (Chang et al., 2019) developed a model to estimate the determinants of audit fees and calculate expected audit fees. The model incorporates several client-specific and audit-related factors that are considered influential in determining audit pricing. The difference between actual audit fees and expected audit fees is subsequently used to examine the existence of audit fee stickiness. A significant deviation between expected and actual audit fees may indicate that audit fees do not adjust proportionately to changes in the underlying determinants of audit effort, thereby reflecting the presence of audit fee stickiness. The formula used to measure audit fee stickiness is as follows:

$$\text{LNAF}_{jt} = \beta_0 + \beta_1 \text{LNTA}_{jt} + \beta_2 \text{ACCR}_{jt} + \beta_3 \text{INV}_{jt} + \beta_4 \text{LEV}_{jt} + \beta_5 \text{CURRENT}_{jt} + \beta_6 \text{CATA}_{jt} + \beta_7 \text{ZSCORE}_{jt} + \beta_8 \text{LOSS}_{jt} + \beta_9 \text{ROA}_{jt} + \beta_{10} \text{MTB}_{jt} + \beta_{11} \text{EXTRA}_{jt} + \beta_{12} \text{LAG}_{jt} + \varepsilon_{jt}$$

3. Financial Statement Fraud

Financial statement fraud is the intentional misstatement or omission of material information in an organization's financial reports designed to deceive users of those reports. This type of fraud is typically committed by management and often involves overstating assets or revenues, understating liabilities or expenses, or manipulating disclosures to present a more favorable financial condition (ACFE, 2022). Financial statement fraud can be measured using the Fraud Score Model (F-Score), which was developed by Dechow et al. (1996) and further refined by Skousen and Wright (2009). The F-Score model is designed to identify the likelihood of fraudulent financial reporting by combining two main components: accrual quality and financial performance. Accrual quality is proxied by the RSST Accrual measure, while financial performance is represented by several indicators that capture changes in a company's operating and financial conditions. The F-Score

is calculated by summing the values of the accrual quality component and the financial performance component.

Based on the F-Score approach, a company is predicted to engage in financial statement fraud when its F-Score value exceeds 1. Conversely, a company with an F-Score value of less than 1 is considered less likely to engage in fraudulent financial reporting. Therefore, higher F-Score values indicate a greater risk of financial statement fraud, whereas lower values suggest a lower likelihood of fraudulent financial reporting. The formula for calculating the F-Score is as follows:

$$\text{F-Score} = \text{Accrual Quality} + \text{Financial Performance}$$

4. Concentrated Ownership Has a Significant Effect on Audit Fee Stickiness.

Previous studies have shown that audit fees paid to external auditors vary according to a client company's ownership structure (Mitra et al., 2007; Khan et al., 2011; Adelopo et al., 2012). These findings suggest that audit fee arrangements are influenced by the distribution of ownership and control within a company. As ownership concentration increases, controlling shareholders tend to possess greater influence over managerial decisions and corporate policies, including decisions related to the determination of audit fees. Furthermore, a high level of ownership concentration may reduce conflicts in decision-making processes by strengthening monitoring mechanisms and facilitating more effective control over management. Consequently, concentrated ownership may affect the negotiation and determination of audit fees, thereby influencing the persistence and adjustment of audit fees over time. Given the significant role of controlling shareholders in corporate governance and audit-related decisions, it can be argued that concentrated ownership has a positive effect on audit fee stickiness. Therefore, companies with higher levels of ownership concentration are more likely to experience audit fee stickiness, as controlling shareholders may influence audit fee policies and contribute to the stability of long-term auditor–client relationships.

5. Financial Statement Fraud Moderates the Relationship Between Concentrated Ownership and Audit Fee Stickiness.

Previous literature provides support for this argument. Agency Theory proposed by Michael C. Jensen and William H. Meckling (1976) suggests that concentrated ownership may create greater conflicts of interest between controlling shareholders and minority shareholders. Such conflicts can increase the likelihood of financial statement manipulation, thereby elevating audit risk and influencing audit pricing decisions. As audit risk increases, auditors are required to perform additional audit procedures to obtain sufficient and appropriate audit evidence, which may contribute to audit fee stickiness. Furthermore, financial statement fraud may alter the nature of the relationship between dominant shareholders and auditors.

In firms with concentrated ownership structures, auditors may face pressure to maintain long-term business relationships with clients despite the heightened risks associated with fraudulent financial reporting. However, such pressures are often balanced by auditors' incentives to protect their professional reputation and minimize litigation risk. Consequently, auditors tend to adopt a more conservative approach by increasing audit fees to compensate for the additional effort, resources, and risk involved in detecting and addressing potential fraud. As a result, financial statement fraud may strengthen the positive relationship between concentrated ownership and audit fee stickiness. Therefore, financial statement fraud is expected to serve as a moderating variable that reinforces the effect of concentrated ownership on audit fee stickiness.

C. RESEARCH METHODS

This study employs a quantitative approach, in which data are presented in the form of tables and figures, hypotheses are tested, and research variables are analyzed using statistical methods. The data used in this study are secondary data obtained from annual financial statements, which are accessible through the official website of the Indonesia Stock Exchange (IDX) and the respective companies' websites. The population of this study consists of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. The sampling technique used is purposive sampling, whereby samples are selected based on specific criteria relevant to the research objectives. The criteria

include: (1) manufacturing companies listed on the Indonesia Stock Exchange during the 2019–2023 period; (2) manufacturing companies that disclose ownership concentration with shareholdings exceeding 5 percent; and (3) manufacturing companies that consistently present their financial statements in Indonesian Rupiah throughout the observation period. Companies that meet all of these criteria are selected as the research sample.

D. RESULTS AND DISCUSSION

1. Descriptive Analysis

Tabel 1. Descriptive Statistics

Sample: 2019 2023			
	FESS	KEPT	KLK
Mean	0.027395	0.643877	0.519526
Median	0.011400	0.562400	0.340000
Maximum	0.487000	5.311111	3.530000
Minimum	-0.303400	0.264835	-0.940000
Std. Dev.	0.091963	0.442769	0.895888
Skewness	0.886962	7.946420	1.002353
Kurtosis	7.807547	77.99264	3.962201
Jarque-Bera	207.8862	46522.12	39.14538
Probability	0.000000	0.000000	0.000000
Sum	5.205100	122.3366	98.71000
Sum Sq. Dev.	1.598407	37.05244	151.6943
Observations	190	190	190

Sumber: Eviews 12

The descriptive statistics indicate that the mean value of audit fee stickiness is 0.027395, with a maximum value of 0.487000, a minimum value of -0.303400, and a standard deviation of 0.091963. The mean value is relatively closer to the maximum value than to the minimum value, suggesting that audit fees tend to exhibit sticky behavior. This indicates that audit fees may not adjust proportionately to changes in factors affecting audit engagements and tend to remain relatively stable despite fluctuations in audit-related conditions. For concentrated ownership, the mean value is 0.643877, with a minimum value of 0.264835 and a maximum value of 5.311111. The standard deviation is 0.919963. Since the mean value is relatively closer to the maximum value, the results indicate that the sample firms generally exhibit a relatively high level of ownership concentration. This finding suggests that controlling shareholders possess substantial influence over corporate decisions and governance mechanisms, which may subsequently affect audit-related decisions, including the determination of audit fees, consistent with the findings of Afdhalastin and Yuyetta (2021).

Regarding financial statement fraud, the mean value is 0.519526, with a minimum value of -0.940000 and a maximum value of 3.353000. The standard deviation is 0.895888.

The mean value is closer to the maximum value than to the minimum value, indicating that the likelihood of financial statement fraud varies across the sample firms. Although most companies are not predicted to engage in financial statement fraud, the results suggest that some firms may exhibit characteristics associated with a higher risk of fraudulent financial reporting. This condition may arise due to pressures exerted by controlling shareholders or management to achieve specific financial objectives, as suggested by Cassey (2010).

2. Panel Data Regression Model Selection

Tabel 2. Hasil Uji Chow

Redundant Fixed Effects Tests
 Equation: Untitled
 Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.270800	(37,151)	0.0000
Cross-section Chi-square	111.832925	37	0.0000

Sumber: Eviews 12

Based on the results of the Chow Test presented in Table 4.13, the probability value is 0.000. Since the probability value of 0.000 is less than the significance level of 0.05, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted. Therefore, the Fixed Effect Model (FEM) is considered the most appropriate model for estimating the panel data regression. Subsequently, panel data analysis is continued using the Hausman Test. According to Widarjono (2013, p. 364), the Hausman Test is employed to determine whether the Fixed Effect Model (FEM) or the Random Effect Model (REM) is more suitable for panel data analysis. The results of the Hausman Test are presented as follows:

Tabel 3. Uji Hausman

Correlated Random Effects - Hausman Test
 Equation: Untitled
 Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	9.253184	1	0.0261

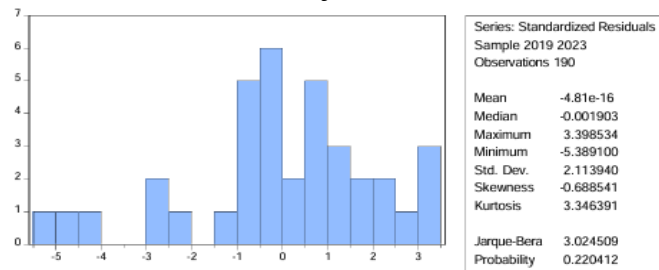
Sumber: Eviews 12

Based on the results of the Hausman Test, the probability value is 0.0261. Since the probability value is less than the significance level of 0.05

(0.0261 < 0.05), the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted. Therefore, the Fixed Effect Model (FEM) is selected as the most appropriate model for the panel data regression analysis.

3. Uji Normalitas

Tabel 4. Uji Normalitas



Sumber: Eviews 12

Based on the results of the normality test presented in Figure 4.6, the probability value of the Jarque-Bera (JB) statistic is 0.220412. A regression model is considered to be normally distributed when the probability value is greater than the significance level of 0.05. Since the obtained probability value of 0.220412 exceeds 0.05 ($0.220412 > 0.05$), the null hypothesis of normal distribution cannot be rejected. Therefore, it can be concluded that the data used in this study are normally distributed and satisfy the normality assumption.

4. Uji Multikolonieritas

Tabel Multikolingieritas

Variance Inflation Factors			
Date: 01/22/25 Time: 06:14			
Sample: 1 190			
Included observations: 190			
Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.000140	3.125897	NA
KEPT	0.000229	3.125897	1.000000

Sumber: Eviews 12

Based on the results presented in Table 4.15, the Variance Inflation Factor (VIF) value is 1.000000, which is below the threshold value of 10. Since the VIF value is less than 10, it can be concluded that there is no multicollinearity problem among the independent variables in the regression model. Therefore, the independent variables are not highly correlated with one another, indicating that

the model satisfies the multicollinearity assumption.

5. Uji Statistik F

Tabel 6. Uji Statistik F

Dependent Variable: FESS
 Method: Panel Least Squares
 Date: 01/22/25 Time: 06:13
 Sample: 2019 2023
 Periods included: 5
 Cross-sections included: 38
 Total panel (balanced) observations: 190

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.696765	0.053036	13.13752	0.0000
KEPT	0.379641	0.128886	2.945554	0.0106

Effects Specification

Cross-section fixed (dummy variables)			
R-squared	0.639715	Mean dependent var	7642378.
Adjusted R-squared	0.635696	S.D. dependent var	632659.7
S.E. of regression	160431.0	Akaike info criterion	26.91925
Sum squared resid	325.5445	Schwarz criterion	27.01727
Log likelihood	-226.8136	Hannan-Quinn criter.	26.92899
F-statistic	233.8190	Durbin-Watson stat	1.934845
Prob(F-statistic)	0.000000		

Sumber: Eviews 12

Based on the results presented in Table 4.20, the F-test indicates that the calculated F-statistic (233.8190) is greater than the critical F-value (0.1428). In addition, the probability value of the F-statistic is 0.0106, which is lower than the significance level of 0.05 ($0.0106 < 0.05$). Therefore, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted. These results indicate that the independent variable, Concentrated Ownership (X_1), has a statistically significant effect on the dependent variable, Audit Fee Stickiness (Y). Accordingly, the regression model is considered significant and suitable for explaining the relationship between the variables examined in this study.

6. Uji Statistik F Analisis Regresi pemoderasi

Tabel 7. Uji Statistik F Analisis Regresi Pemoderasi

Method: Panel Least Squares
 Date: 01/23/25 Time: 20:00
 Sample: 2019 2023
 Periods included: 5
 Cross-sections included: 38
 Total panel (balanced) observations: 190

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.717302	0.880400	4.22289	0.0000
KEPT	4.642096	1.680238	2.762761	0.0065
KEPTXKLK	0.979792	0.362303	2.704345	0.0096

Effects Specification

Cross-section fixed (dummy variables)			
R-squared	0.827044	Mean dependent var	0.129658
Adjusted R-squared	0.817953	S.D. dependent var	0.256144
S.E. of regression	0.226517	Akaike info criterion	0.064296
Sum squared resid	2.975980	Schwarz criterion	0.589593
Log likelihood	14.58892	Hannan-Quinn criter.	0.274041
F-statistic	2.288964	Durbin-Watson stat	1.962355
Prob(F-statistic)	0.011281		

Sumber: Eviews 12

Based on the results presented in the F-test, the calculated F-statistic (2.288964) is greater than the critical F-value (0.1428). Furthermore, the probability value of the F-statistic is 0.011281, which is lower than the significance level of 0.05 ($0.011281 < 0.05$). Therefore, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted. These findings indicate that the independent

variable, Concentrated Ownership, together with its interaction with Financial Statement Fraud as a moderating variable, has a statistically significant effect on the dependent variable, Audit Fee Stickiness. Accordingly, the proposed research model is considered statistically significant and can be used for further hypothesis testing and analysis.

7. Uji T

Tabel 8. Uji T

Dependent Variable: FESS Method: Panel Least Squares Date: 01/22/25 Time: 06:13 Sample: 2019 2023 Periods included: 5 Cross-sections included: 38 Total panel (balanced) observations: 190				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.696765	0.053036	13.13752	0.0000
KEPT	0.379641	0.128886	2.945554	0.0106
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.639715	Mean dependent var	7642378.	
Adjusted R-squared	0.635696	S.D. dependent var	632659.7	
S.E. of regression	160431.0	Akaike info criterion	26.91925	
Sum squared resid	325.5445	Schwarz criterion	27.01727	
Log likelihood	-226.8135	Hannan-Quinn criter.	26.92899	
F-statistic	233.8190	Durbin-Watson stat	1.934845	
Prob(F-statistic)	0.000000			

Sumber: Eviews 12

The t-statistic is used to examine the partial effect of the independent variable, Concentrated Ownership, on the dependent variable, Audit Fee Stickiness, in the panel data regression model. The regression results indicate that the coefficient of Concentrated Ownership is 0.379641, with a standard error of 0.053036. Furthermore, the calculated t-statistic is greater than the critical t-value ($2.945554 > 1.65300$), and the corresponding probability value is 0.0106, which is lower than the significance level of 0.05 ($0.0106 < 0.05$). These results indicate that Concentrated Ownership has a positive and statistically significant effect on Audit Fee Stickiness among manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. Therefore, Hypothesis 1 (H_1) is accepted.

8. Uji MRA

Tabel 9. Uji MRA

Method: Panel Least Squares				
Date: 01/23/25 Time: 20:00				
Sample: 2019 2023				
Periods included: 5				
Cross-sections included: 38				
Total panel (balanced) observations: 190				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.717302	0.880400	4.222289	0.0000
KEPT	4.642096	1.680238	2.762761	0.0065
KEPTXKLIK	0.979792	0.362303	2.704345	0.0096
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.827044	Mean dependent var	0.129658	
Adjusted R-squared	0.817953	S.D. dependent var	0.256144	
S.E. of regression	0.226517	Akaike info criterion	0.064286	
Sum squared resid	2.975980	Schwarz criterion	0.589593	
Log likelihood	14.58892	Hannan-Quinn criter.	0.274041	
F-statistic	2.288964	Durbin-Watson stat	1.962355	
Prob(F-statistic)	0.011281			

Sumber: Eviews 12

Based on the results of the second regression model incorporating the moderating variable (the interaction term between Concentrated Ownership and Financial Statement Fraud), the probability value of the interaction variable (X1Z) is 0.0096. Since this value is lower than the significance level of 0.05 ($0.0096 < 0.05$), the moderating effect is considered statistically significant.

The results indicate that Financial Statement Fraud interacts with the independent variable, Concentrated Ownership, and significantly influences the dependent variable, Audit Fee Stickiness. Furthermore, the findings suggest that Financial Statement Fraud functions as a quasi-moderating variable. This conclusion is based on the fact that both the direct effect and the interaction effect are statistically significant. In addition, the coefficient of determination (R^2) increases from 0.635956 (63.5956%) in the initial model to 0.817953 (81.7953%) in the moderated model. This substantial increase in explanatory power indicates that Financial Statement Fraud strengthens the relationship between Concentrated Ownership and Audit Fee Stickiness. Therefore, Hypothesis 2 (H_2), which proposes that Financial Statement Fraud positively moderates the effect of Concentrated Ownership on Audit Fee Stickiness, is supported and accepted.

9. The Effect of Concentrated Ownership on Audit Fee Stickiness

Based on the data analysis and hypothesis testing results, it is found that the probability value of Concentrated Ownership is 0.0106, which is lower than the significance level ($\alpha = 0.05$). In addition, the estimated regression coefficient is positive at 0.379641. These results indicate that the proposed hypothesis is accepted. Therefore, it can be concluded that Concentrated Ownership has a positive and

statistically significant effect on Audit Fee Stickiness among manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. This finding is consistent with the study conducted (Setiawan and Hadiwidjojo 2020), which found that concentrated ownership has a positive effect on audit fees among companies listed on the Indonesia Stock Exchange. The results suggest that majority shareholders tend to exert significant influence over decisions related to audit fee determination. As a consequence, companies with highly concentrated ownership structures may be more likely to maintain stable audit fee arrangements over time, which can contribute to the occurrence of audit fee stickiness.

10. The Moderating Effect of Financial Statement Fraud on the Relationship Between Concentrated Ownership and Audit Fee Stickiness

Based on the data analysis and hypothesis testing results, the probability value of the interaction between Concentrated Ownership and Financial Statement Fraud is 0.0002, which is lower than the significance level ($\alpha = 0.05$). In addition, the resulting coefficient is positive, with a value of 3.841487. These findings indicate that the proposed hypothesis is supported and accepted. Therefore, it can be concluded that Concentrated Ownership, when moderated by Financial Statement Fraud, has a positive and statistically significant effect on Audit Fee Stickiness among manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023.

E. CONCLUSION

Based on the results of the study, it can be concluded that Concentrated Ownership has a significant effect on Audit Fee Stickiness among manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. This finding indicates that companies with a more concentrated ownership structure tend to exhibit changes in the level of audit fee stickiness. The presence of dominant shareholders provides substantial influence over strategic corporate decisions, including those related to audit fee policies and auditor–client

relationships. Furthermore, Financial Statement Fraud significantly moderates the relationship between Concentrated Ownership and Audit Fee Stickiness among manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. This result suggests that financial statement fraud strengthens the effect of concentrated ownership on audit fee stickiness. The presence of financial statement fraud increases audit risk, requiring auditors to exercise greater professional skepticism and perform more extensive audit procedures to detect potential misstatements and fraudulent activities. Consequently, auditors may maintain more stable audit fee arrangements to compensate for the additional audit effort and risk, thereby increasing the likelihood of audit fee stickiness.

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