



**FACTORS AFFECTING AUDIT FEES  
AMONG FINANCIAL INSTITUTIONS  
LISTED IN BURSA MALAYSIA**

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## TABLE OF CONTENTS

	<b>Page</b>
<b>TITLE OF PAGE</b>	<b>i</b>
<b>DECLARATION OF ORIGINAL WORK</b>	<b>ii</b>
<b>LETTER OF TRANSMITTAL</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT</b>	<b>iv</b>
<b>TABLE OF CONTENTS</b>	<b>v</b>
<b>LIST OF TABLES</b>	<b>viii</b>
<b>LIST OF FIGURES</b>	<b>ix</b>
<b>LIST OF ABBREVIATIONS</b>	<b>x</b>
<b>ABSTRACT</b>	<b>xi</b>
<b>CHAPTER ONE INTRODUCTION</b>	
1.1 Introduction	1
1.2 Background Of Study	1
1.3 Problem Statement	3
1.4 Research Objectives and Research Questions	3
1.5 Significant Of Study	4
1.5.1 Practical Contribution	4
1.5.2 Academic Perspective	5
1.6 Scope of the Study	5
1.7 Limitation of the Study	5
1.8 Definitions of terms	6
1.8.1 Audit fees	6
1.8.2 Audit Client's Size	6
1.8.3 Audit Client's Complexity	6
1.8.4 Audit Client's Profitability	6
1.8.5 Audit Client's Risk	6
1.8.6 Auditor Size (BIG4)	7
1.9 Organization of the Thesis	7
1.10 Chapter Summary	7

<b>CHAPTER TWO</b>	<b>LITERATURE REVIEW</b>	
2.1	Introduction	8
2.2	Underpinning Theories: Audit Fee Model	8
2.3	Empirical Research on Audit Fees	8
2.3.1	Audit Client's Size	9
2.3.2	Audit Client's Complexity	10
2.3.3	Audit Client's Profitability	11
2.3.4	Audit Client's Risk	12
2.3.5	Auditor Size (BIG4)	13
2.4	Conceptual Framework	14
2.5	Hypotheses	14
2.6	Chapter Summary	15
<b>CHAPTER THREE</b>	<b>METHODOLOGY</b>	
3.1	Introduction	17
3.2	Research Design	17
3.3	Sampling Design	17
3.4	Research Flow	18
3.5	Data Collection	19
3.6	Instruments / Modelling	20
3.6.1	Dependent variable	20
3.6.2	Independent variable	20
3.7	Data Analysis	21
3.7.1	Unit Root Test	21
3.7.2	Breusch-Pagan Lagrange Multiplier (BPLM) Test	22
3.7.3	Variance Inflation Factor (VIF) Test	22
3.8	Chapter Summary	22
<b>CHAPTER FOUR</b>	<b>RESULTS AND FINDINGS ANALYSIS</b>	
4.1	Introduction	23
4.2	Descriptive Statistics	23
4.3	Unit Root Test	25
4.4	Breusch and Pagan Langrangnian Multiplier (BPLM) Test.	25
4.5	Hausman Specification Test	26

## **ABSTRACT**

The purpose of this study is to examine the factors determinants of audit fees among listed financial companies in Malaysia. A theoretical framework was constructed to test the relationship between audit fee determinants and audit fees with the adoption of five independent variables which are audit client's size, audit client's complexity, audit client's profitability, audit client's risk and auditor BIG4 firm. The analysis was based on a sample of listed financial companies covering a time period of six years comprising of year 2011 to year 2016. Primary and secondary data collection method was employed in this study to obtain data from annual reports published by Bursa Malaysia and data stream respectively. The data collected were subsequently used to analyse the relationship between the five selected independent variables and audit fees by conducting multiple regression analysis. The results indicate that an audit fee was having a positive relationship by audit client's size, complexity, risk and big4 while had negative relationship towards profitability. In which audit client's size contribute the most significantly then other variables in audit fees. Altogether the results provide further evidence on audit fee determinants whilst adding initial insight into the area of audit fee determinants for financial institution.

### **Keywords**

Audit fees, audit clients size, complexity, profitability, risk, BIG4.