

**UNIVERSITI TEKNOLOGI MARA**

**DETERMINANTS OF AUDIT FEES:  
EVIDENCE FROM PUBLIC-LISTED  
COMPANIES IN MALAYSIA**

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Dissertation submitted in partial fulfilment  
of the requirement of the degree of  
**Master of Accountancy**

**Faculty of Accountancy**

**JULY 2018**

## **ABSTRACT**

Audit fees have been widely researched since past few decades and are still actively discussed until today. One of the areas still being researched on is the determinants of audit fees which emphasises on the factors that affect the decision of pricing of audit services. Prior studies have shown mixed results and findings on this issue. The objective of this paper is to investigate the determination of audit fees in the context of Malaysian public-listed companies. The determinants focused are profitability, audit client size, audit client complexity, audit client risks, and audit client fiscal year end. The secondary data have been obtained by gathering information from the audited annual reports of ten (10) industries by using proportionate stratified random sampling. The research has been based on 192 companies by using their audited annual reports for the year ended 2016. The analysis used to achieve the objectives of this study has been the multiple regression test. The average audit fee of the public-listed companies in Malaysia, based on this research, is RM439,490 in 2016. The findings have shown that from five (5) variables examined in this paper, only audit client size has a positive, significant relationship with audit fees. Meanwhile, the remaining four (4) variables, which are audit client profitability, audit client complexity, audit client risk, and fiscal year end, do not show any significant relationships with audit fees.

## ACKNOWLEDGEMENT

*Alhamdulillah*, in the name of ALLAH S.W.T., the Most Gracious and the Most Merciful, I wish to express my gratitude to ALLAH S.W.T. for His guidance, blessings, and lending me His knowledge upon the completion of this dissertation as part of the requirements to complete my Master of Accountancy. With His help, I was able to complete this research paper.

My sincerest appreciation goes to my supervisor, Dr. Wan Mohd Nazif bin Wan Mohd Nori, for his encouragement, guidance, and support from the beginning until the completion of this dissertation. I really thanked him for his ideas, suggestions, and knowledge throughout the completion of this dissertation. In the meantime, I would also like to thank Postgraduate Programme Coordinator Dr Zuriyati Ahmad, for her advice and guidance to encourage better writing for this dissertation.

My special acknowledgment also goes to my family, especially my beloved parents, Abdullah Zawawi bin Che Yaacob and Wan Kharzimi binti Wan Abd Manan, for their greatest love, contribution, understanding, and endless encouragement. Not forgotten my supportive siblings for always being understanding and giving me courage to put all the effort as great as I could.

My deepest gratitude also goes to my entire classmates, and all the lecturers of the Faculty of Accountancy of UiTM Cawangan Terengganu, and UiTM Shah Alam for their knowledge, ideas, and motivation. Furthermore, I would also like to acknowledge those who have been indirectly involved for their continuous support and contribution in completing this study.

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