

V. CONCLUSION AND IMPLICATIONS

A. Conclusion

The aims of the study are to test and analyze the effect of the board of commissioner effectiveness, audit committee effectiveness, managerial ownership, foreign ownership, and government ownership on audit fees of banking companies listed and non-listed in the Indonesia Stock Exchange 2017-2020 period using 128 samples. Based on the description of the results in the previous chapter it can be concluded that board of commissioner effectiveness, audit committee effectiveness, and managerial ownership has no significant effect on audit fees. Meanwhile, foreign ownership and government ownership indicates positive and significant effect on audit fees.

B. Implications

The implication of this study covers two aspects such as theoretical and practical. Theoretically, this study supports that foreign ownership and government ownership positively affect audit fees. Meanwhile, in practice, heightened agency problems caused by ownership structures like foreign ownership and government ownership would result in higher audit fees paid to external auditors, which management and auditors should consider while working on future projects.

C. Limitations

This study has several limitations such as:

- a. This study is limited by banking companies listed and non-listed areas.

- b. Lack of banking companies who disclose their audit fees. Therefore, there are still many companies undisclosed their audit fee in the annual report. Some of them also write their fees as professional fees which include other fees such as legal fees, audit fees, custodian fees, etc.
- c. Some of the companies also did not have clear organization and ownership structures. For example, companies that are representative of foreign banking companies in Indonesia did not have a clear composition of the organization and ownership structures like local banking companies. Therefore, tracing and retrieval of data become difficult.

D. Suggestions

Based on the limitations and results of this study, the researcher provided several suggestions, namely:

- a. Further research can conduct analysis on the whole financial companies such as insurance, financing companies, etc, and also add a longer research period.
- b. Further research can add other variables and measurements in the ownership structures such as family ownership, and block ownership that is still largely unexplored in the literature.
- c. Further research can add other audit fees measurement such as non-audit services fees in order to explore the research literature in auditing.