shown in Table 3, the regression coefficient of the IA variable is statistically significant (p-value < .057), and has the expected negative sign. This result provides support to the research hypothesis that IA contribution in the external audit work would be associated with a reduction in the amount of external audit fees.

As for the other independent variables, except for the SIZE variable, the coefficients of the control variables included in the research model are statistically insignificant. In particular, the regression results show that the coefficient of the SIZE variable is statistically significant ((p-value < .006) and has the predicted positive

Table 3. Regression Results

FEE = b0 + b1 IA + b2 SIZE + b3 LOCAT + b4 QUICK + b5 LEVER + b6 ROA + b7 NAS
        + b8 BIG4 + b9 TENURE

Variable	Predicted Sign	Estimated Coefficient	t-statistic	p-value	VIF
Intercept		4.001	3.252	0.003	
IA	-	-0.007	-1.997	0.057*	1.383
SIZE	+	0.22	2.985	0.006***	1.878
LOCAT	+	0.408	0.865	0.396	1.184
QUICK	-	0.037	0.728	0.473	1.188
LEVER	+	0.376	0.685	0.499	1.83
ROA	-	-0.028	-1.009	0.323	1.382
NAS	?	0.507	1.473	0.153	1.118
BIG4	+	-0.135	-0.402	0.691	2.543
TENURE	-	0.156	0.863	0.396	2.123

Regression summary statistics:
n = 35
R-square = .539
F-statistics =3.244

***, **, * p-value of statistical significance at the 0.01, 0.05, and 0.10 levels, respectively.
Note:
FEE   : the natural log of total audit fees;
IA   : External auditor's assessment of the percentage of external audit work
              performed by the audit client's internal audit staff.
SIZE   : the natural log of the audit client's total assets;
LOCAT   : the natural log of the number of audit locations visited by the audit team;
QUICK   : the audit client's current assets minus inventories to current liabilities;
LEVER   : ratio of client's total long-term debt to the total Assets.
ROA   : ratio of the audit client's net income to total assets.
NAS   : a dummy variable, taking the value of one if the audit firm provides non-audit
              services to the audit client, and zero otherwise.
BIG4   : a dummy variable taking the value of one if the audit firm is EY, PWC, KPMG,
or Deloitte.
TENURE   : the number of years the audit client is continuously auditing the audit client.