

# AUDIT FEES: A LITERATURE SYNTHESIS

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## Abstract

*Researchers have long been interested in understanding how audit fees is determined. Some researchers were interested in evaluating the effect of changes in the regulatory environment surrounding auditing profession on audit fees. Others were interested in evaluating the effect of different determinants of audit fees related to client and auditor attributes.*

*The purpose of this paper is to synthesis the large body of audit fee literature in the last 15 years when massive financial fraud was uncovered and some regulations were issued. The paper also aims to develop research questions about some audit fees determinants for future audit research to consider. Consistent with the literature, we organize the synthesis to reflect (a) the effect of changes in regulations on audit fees (b) the major determinants of audit fees related to client and auditor attributes. After summarizing and analyzing literature results, we found that some determinants still have contradiction in prior literature results concerning the relationship of audit fees with some client attributes (such as: corporate governance and form of ownership), and also with some auditor attributes (such as: auditor tenure and office size). Also, very rare research was found concerning relationship between audit fees and audit partner specialization and gender. No research was found examined the audit fees relation with audit partner experience and qualification. Also most of the studies were concerned with the determinants of audit fees in developed countries with a limited number of studies that were undertaken in developing countries.*

Keywords: Audit fees, Audit pricing, Audit synthesis, Auditor tenure, Auditor specialization, Corporate Governance