

---

# Audit Quality and Audit Market at European Level

---

Andreea Georgiana PASCARU, Ph. D. Student,  
West University of Timișoara, Romania,  
e-mail: andreea.pascaru96@yahoo.com

Univ Prof. Camelia-Daniela HATEGAN, Ph. D.,  
West University of Timișoara, Romania,  
e-mail: camelia.hategan@e-uvt.ro

## Abstract

*Because the quality of the audit cannot be directly determined, over time, researchers have tried to analyze this subject indirectly through various indicators, such as the quality of financial reporting and audit fees. The financial audit is a subsystem of financial reporting and the main quality of the auditor is its independence from the audited company. The objective of the paper is to analyze the audit market at European level. The analysed sample includes 1080 listed companies in Europe during 2016-2022. The dominant industry in Europe is production, with production companies accounting for 50% of the sample. The auditor's independence measured by audit fees does not appear to be threatened, with a proportion of industry audit fees in the average of total company assets below 0.2% in all industries. The audit services market is highly concentrated, with 98% of all audit fees collected by the four largest audit and advisory service providers. The quality of audit services is important for financial markets because it answers to the question „how trust can one have in the credibility of the reported accounting information?”.*

**Key words:** audit quality; audit market; audit fee; results management;

**JEL Classification:** M42

### To cite this article:

Pascaru, A. G., Hațegan, C.-D. (2024), Audit Quality and Audit Market at European Level, *Audit Financiar*, vol. XXII, no. 4(176)/2024, pp. 758-768, DOI: 10.20869/AUDITF/2024/176/026

### To link this article:

<http://dx.doi.org/10.20869/AUDITF/2024/176/026>  
Received: 2.07.2024  
Revised: 15.07.2024  
Accepted: 16.08.2024

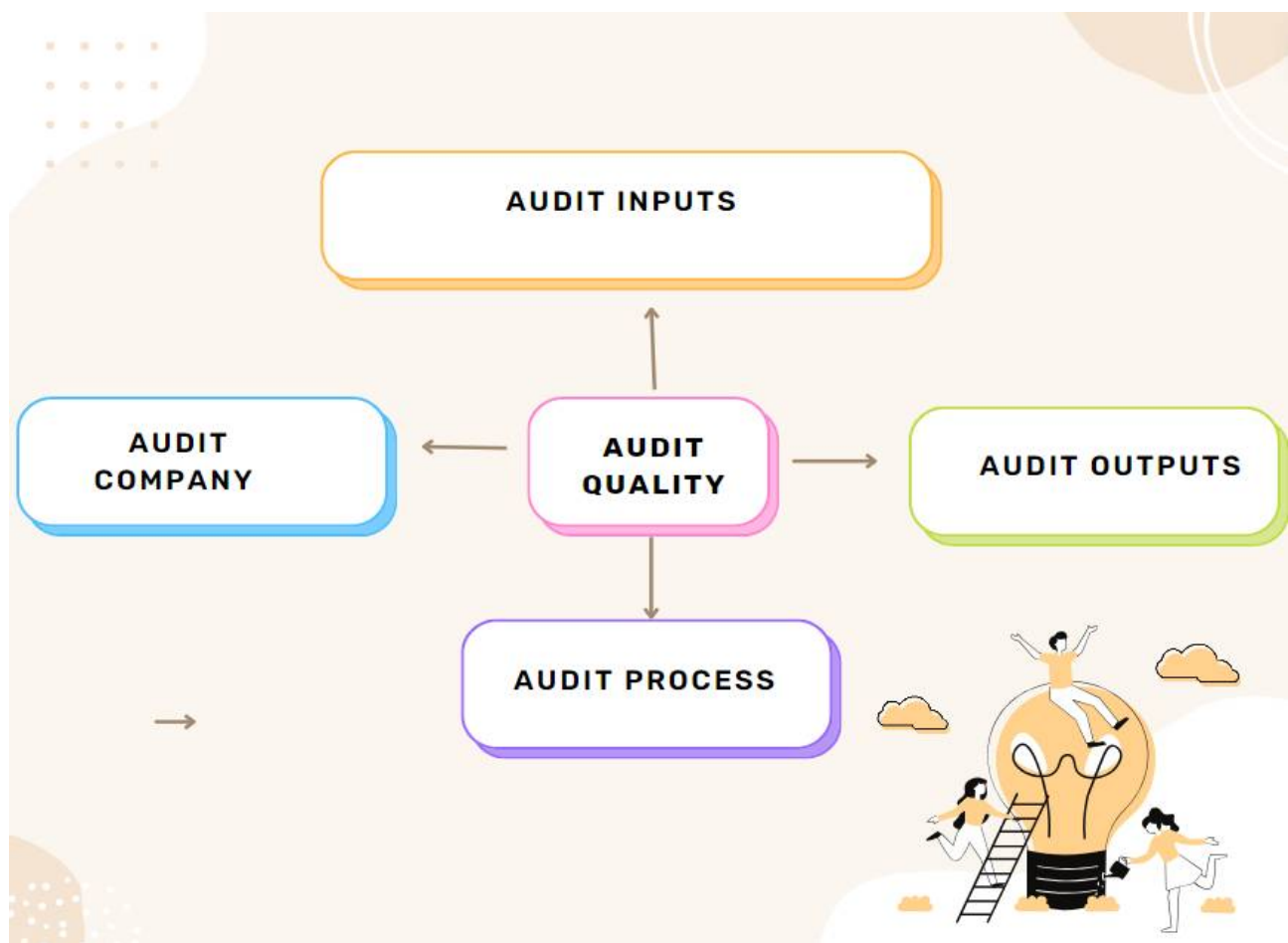
## Introduction

Audit quality research has evolved from asking simple questions about the quality of the audit as a whole, to asking detailed questions about quality differences in various audit firms, including, audit offices or even audit partners (Molciuc et al., 2022; Pascaru & Hategan, 2024). According to Francis (2023), the quality of the audit is a complex process in which several factors interact (*Figure no. 1*): the inputs of the audit process (test processes, technologies used and people working in the audit), the audit process (the collection and interpretation of audit

evidence by the audit partner, deficiencies identified in the inspections carried out by bodies such as PCAOB, FRC or AFM), audit firms (through the internal quality control system), and audit outputs (audit report and audited financial statements).

A significant number of proxies are used in the literature to measure the quality of the audit, without consensus on the best indicators of audit quality. The quality of the audit depends on the existing intentions and skills in both client companies and audit service providers (DeFond & Zhang, 2014).

**Figure no. 1. The elements of the audit process**



Source: own projection after Francis (2023)

The most visible outputs of the audit process are the audit report and the audited financial statements. Since for large

entities the presentation of factual data in cash flows is not sufficient, reporting is done on the basis of accrual

accounting, which contains, in addition to factual data complex forecasts and estimates (Francis, 2023). Dechow & Schrand (2010) mentions that the reported profit is a function of the financial performance of the company in a certain period.

Following the analysis of the literature, it can be said that although the quality of the audit is a complex subject that cannot be measured directly, it can be determined indirectly by various indicators, including the earnings management (quality of financial reporting, audit being a subsystem of financial reporting) and the level of audit fees (as an indicator of the independence of the financial auditor).

Of the multitude of indicators that contribute to the indirect measurement of audit quality, this paper will analyze the audit fee and total accruals. Accounting accruals are part of the outputs of the audit process, being a measure of the quality of financial reporting. They do not directly reflect the quality of the audit, but it is considered that auditors will control aggressive trends of managers to use accounting policies to manipulate results, and, so that accounting commitments are sustainable from one period to the next.

Starting from the premise that audit fees and earnings management greatly influence the quality of the audit, the goal is to observe the visibility of the indicators mentioned by the surface study of the audit market. In this respect, it was analyzed how audit fees and earnings management are presented in the literature and in the overall image of the audit market in Europe, studied by extracting the data of European listed companies in the period 2016-2022, using Audit Analytics database. Subsequently, financial information was taken from Orbis database. The final sample used included 1080 companies, and 7560 observations.

To analyse the auditor's independence, the percentage of audit fees in a company's total assets was calculated. The structure of the audit market has been analysed by industry and by auditor size.

This paper consists of two parts: literature and, results. In the literature it was followed how the quality of financial reporting can be determined using the models of earnings management and how audit fees can assess the auditor's independence. In the case study, the audit services market was observed, taking into account the structure on industries, the focus and competitiveness of the audit market, as well as the level of existing audit fees.

## 1. Literature review

The information obtained on the basis of the accrual accounting is more relevant in short term, as it analyzes the profits made on the basis of the principle of business continuity, not only on the basis of cash outflows and inflows (Dechow, 1994). The nature of accrual accounting makes it susceptible to error or even intentional manipulation of earnings. Since the last century, there have been concerns about the possibility of manipulating company results through accrual accounting, which is why researchers have developed models to identify the likelihood of manipulation.

If the results obtained by a company fall below the critical value considered acceptable, in order not to exceed a psychological threshold, managers could use discretionary accounting to return the amounts to psychological value (Lebert et al., 2021). The use of such an approach could be beneficial if cosmetizations are minor, preventing a situation in which decisions would be distorted due to the psychological threshold (Bizer & Schindler, 2005; Lebert et al., 2021).

McNichols & Wilson (1988) drew attention to expected accounts receivables as they represent management expectations on future cash inflows. Their model was based on the non-recovery provision of accounts receivables. They tried to demonstrate how this provision was reported in the absence of manipulation. They used the term discretionary accruals for the difference between the reported accrual and the calculated one, in accordance with the reporting framework, using a model to develop a proxy for discretionary provisions/accruals. The results obtained by them reveal that the discretionary component of the provision for unearned claims would have a negative effect on the profit reported by companies.

According to DeFond & Zhang, (2014), introducing a unit of measurement for the quality of financial reporting is a good way to get information about the quality of the audit, because audit is a subsystem of financial reporting. External audit is a good mechanism to monitor how the interests of shareholders and managers interact, but for this mechanism to work in optimal parameters, the services of external auditors must be of high quality (Idris et al., 2018). The 1995 models for detecting discretionary accruals differ in complexity, using either total accruals or separating discretionary accruals from the rest of the accruals. The Jones model defines the engagement part of accounting by increasing sales and fixed assets.

Dechow et al. (2010) states that the Jones model is susceptible to both Type I and Type II errors, and the modified model (which subtracts the accounts receivables from revenues), although it tries to reduce Type II errors, it has a higher degree of Type I errors.

The model developed by Kothari et al. (2005), also used in further studies (Idris et al., 2018) added the proportion of net profit in total assets (ROA) in the model, but, according to Dechow et al. (2010), this model would greatly decrease the strength of the statistical test, which is why it would only be recommended if the correlation with financial performance is important.

Cohen & Zarowin (2010) analyzed how the results of existing companies on the stock exchange are manipulated during periods of issuance of new shares in the capital markets. The authors use the Jones and Roychowdhury models in their analysis. They noted a decrease in the financial performance following the issue, which is determined by the reversal of accounting accruals, but also by the operational consequences of manipulating the results of the period of equity issuances on the capital market.

According to Simunic (1980), the audit process is a subsystem of the financial reporting system of the audited company, being an economic good, from which the audit client has certain benefits. There is no consensus on the benefits obtained by audit clients, but DeAngelo (1981) cited auditor independence as the main benefit, considered even more important than the auditor's technical knowledge. So, although the client is the one who contracts and pays the audit services, there is an expectation that the auditors will be independent (Hay et al, 2006).

By independence, the audit opinion has value on the capital market because the auditor has the interest to tell the truth even when this truth means bad news from the client's point of view. The auditor may thus discover errors or breaches in the client's accounting system and put pressure on it in order to remedy or report these inconsistencies in the reporting system. DeFond & Zhang, (2014) claim that seeing the audit from the perspective outlined above is wrong. The audit is not limited to identifying or not identifying errors in the client's reporting system. It may have the role of confirming that the presentation of accounting information reflects the economic reality of the client. Thus, the concept of audit quality extends to the quality of financial statements.

If the audit service is provided by an auditor with expertise in the industry in which the client operates, it is likely that the auditor will decrease the management of the results. Clients of auditors who are not specialized in the customer industry report an increase of 1.2% percentage of discretionary accruals in total assets compared to clients of industry-specialized auditors, according to Krishnan (2003). Industry expertise is calculated by dividing the market share of an auditor by the total fees earned in a given industry (only the six largest were considered in that study audit service providers) to the total audit fees obtained in that industry.

Dou et al. (2024) studied whether the perception of bad luck in the Chinese zodiac affects the quality of the audit, and the results indicate that the effects are more obvious in older partners, being more evident in large audit firms facing higher reputational risk. The model includes as dependent variables the discretionary accruals according to Kothari et al (2005) model and the likelihood of financial restatements (dichotomic variable that can take the value of 0 if there were no restatements and 1 if there were restatements in the financial statements). More than 30 control variables have been used, including: auditor size, audit fees, and, the number of days between the date of the audit report and the closing date of the financial statements of the company, defining elements of the company (size, ROA, loss, number of segments, number of segments, increase of operational profits, etc.) and characteristic elements of auditors (specialist in the field, prestige of the university, sex, education, experience, etc.). This study was conducted on companies in China and focused on how the work of Chinese auditors is influenced by their personal beliefs.

Following a questionnaire applied to non-professional auditors and investors, it emerged that the most important perceived determinants of audit quality are the characteristics of auditors, and financial restatements which may signal a questionable quality of audit (Christensen et al, 2016).

Hasan et al. (2020) used result management as a proxy for financial reporting. They consider that the role of the audit committee is to moderate the management of the result through the quality of the audit. The study was conducted on Malaysian companies in the reference period 2013-2018. Audited company size and financial leverage are used as control variables.

Hay et al. (2006) argues that audit fees assess competitiveness in the audit market characterised by a



relatively small number of international actors. These may affect the quality and independence of the auditor (Crucean, & Hategan, 2022).

According to Simunic (1980), the audit fee can be determined by two main factors: quantity and unit price. The amount in the context of audit services is the number of hours worked allocated to each client by the members of the audit team. The price shall include the cost of the resources used by the auditor in the audit process and a profit margin. As the audit is an economic good, the amount of audit services required by a client will be determined by the benefits and costs that the audit entails.

Financial leverage and any losses incurred by audited customers have consistent effects on audit fees while internal audit, and, the type of audit opinion (although it was a significant variable before 1990), the auditor's specialization and corporate governance indicate mixed results in the literature (Hay et al., 2006),

Human capital working in audited companies may lead to decreased audit fees as they contribute to lower audit risks. This also applies to regular employees, not just those in the C-suite category. A strong organizational culture strengthens the negative correlation between the quality of employees in audited companies and the audit fee, according to a study conducted on companies in China (Li, X. et al., 2020). The study investigates the correlation between the quality of employees in the audited companies and the audit fee. The independent and dependent variables used in the study are: audit fee (dependent variable), average employee education and higher education (the main independent variables in the form of dichotomic values), the audit effort measured in the difference in days between the end of the financial year and the date of the audit report, significant deficiencies in internal control (dichotomic value), financial restatements, financial restatements, discretionary commitments based on the 1995 Dechow model. Among the control variables we mention: company size measured by the logarithm value of total assets, leverage, logarithm value of sales, ROA, number of business segments, etc. The results of the study indicate a decrease of 11.7 percent in audit fees in case of an increase by a percentage of the number of employees with higher education.

Kacer M. et al. (2018), although not focused on audit quality, provides important information about audit fees. The study, conducted on companies audited by Big Four companies in the UK, showed that the main determinant

of audit fees is the size of the audited company. The size of the audited company was represented by logarithmated values of total assets and sales. The complexity of the company was measured by the proportions of claims and foreign transactions in the total assets, the number of subsidiaries, obtaining a qualified opinion. For audit risk, the proportion of total debt in total assets, the proportion of pre-tax net profit in total sales, and whether the company was at a loss were used. Other variables used were: end of financial year, audit company market share, industry, year, delayed publication of audit reports. As a way of estimating, the authors use fixed-effect panels and the method of the smallest squares.

Many authors consider the level of audit fees to be a component of audit quality (Ganesan et al., 2019). As the quality of the audit cannot be directly measured, various indicators are used including the level of audit fees. High fees may indicate both a greater audit effort for complex entities (Bronson et al., 2017), but in some cases it can be a warning signal on the auditor's independence (Eshleman and Guo, 2013).

### 3. Methodology

To capture the overview of the audit services market, the information available in the period 2016-2022 for listed companies in Europe was downloaded from the Audit Analytics database. Out of a total of 44,460 comments, companies that: are part of the financial sector, do not have complete data throughout the period, have been eliminated, there are not listed on the stock exchange and duplicate opinions (the case of French companies), obtaining a total of 23,282 observations. For the collection of financial information, the Orbis database was used. When the information from the two databases was combined, after the companies with missing information were eliminated, a final number of 7,560 observations was obtained for 1,080 companies. The sample was structured on fifteen industries, according to the first digit of the NACIS code, keeping in sample only industries in which there are more than 10 companies.

### 4. Results

Most of the companies in the sample (50%) are production companies. As can be seen from **Table no. 1**, at a general level it can be said that audit fees do not exceed 0.2% of the total assets of audited companies in any industry.

Individually, 708 audit fees observed exceed 1% of total assets, of which in 19

cases (for 5 companies), the audit fee was higher than 10%.

**Table no. 1. Audit fee distributed by industry**

Industry	No. of entities	Average audit fees per industry (Eur)	Average total assets per industry (Eur)	Proportion of audit fees in average of total assets
Production	505	873 974	1 533 319 995	0.06%
Trade	146	5 231 008	3 155 769 988	0.17%
Professional, scientific and technical services	80	633 290	1 906 544 345	0.03%
Information technologies	72	931 328	614 947 330	0.15%
Constructions	69	3 995 307	3 769 968 687	0.11%
Utilities	45	724 054	1 401 190 824	0.05%
Mining and extraction activities	34	9 555 385	9 642 473 966	0.10%
Accommodation and dining services	23	3 448 664	3 604 635 973	0.10%
Administrative, support and waste management services	23	4 284 116	7 055 611 152	0.06%
Management	22	25 515 978	15 307 402 947	0.17%
Agriculture, fish farming, hunting and forestry	19	1 144 587	858 947 294	0.13%
Other services	17	1 348 576	1 817 091 356	0.07%
Art, entertainment and recreation	14	6 197 998	19 376 596 639	0.03%
Health and social assistance	11	1 923 491	2 649 897 692	0.07%
<b>Total</b>	<b>1080</b>	<b>4 565 824</b>	<b>6 207 518 876</b>	<b>0.07%</b>

Source: Own processing using Audit Analytics, 2024

The international audit market is quite concentrated if it is calculated strictly from the point of view of the audit fee. 98% of the total audit fees were collected by one of the 4 major audit firms, while only 2% of the total audit fees were collected by other firms. As can be seen in

**Table no. 2.** Big Four companies have higher audit fees than other companies, because although the market share of Non-Big Four companies in the total audit fees is only 2%, if we use in the calculation the number of firms instead of the audit fee, the proportion increases to 25%.

**Table no. 2. Audit market structure**

Auditor type	Entities	Percent	Audit fees (Eur)	Percent
Non-Big Four	1922	25%	695 910 545	2%
Big Four	5638	75%	33 821 721 622	98%
<b>Total</b>	<b>7560</b>	<b>100%</b>	<b>34 517 632 167</b>	<b>100%</b>

Source: Own processing using Audit Analytics, 2024

According to the results presented in **Table no. 3**, the sample is very heterogeneous. The median is 13 times lower than the average, and the standard deviation is 4 times higher than the average. The

number of companies that are in the upper half of the median is 3.21 times higher than the number of companies that have a total of assets higher than the sample average. Since only publicly listed

companies were included in the study sample, for which there was as complete financial information as possible, including published audit fees, the existence of extreme points is considered normal. The companies in the sample should be highly performing companies, which is why the existing

extreme points pull the average of the total assets upwards. The same applies to total commitments, calculated by decreasing the cash flow from operational activities from the net profit of the company (calculated according to the Jones model).

**Table no. 3. Sample heterogeneity**

Total companies	Total assets (Eur)	No. companies above average/ median of total assets	Total audit engagement (Eur)	No. companies above average/ median of total assets
Average of total assets	458 351 000	3 780	19 958 000	3780
Median of total assets	6 207 518 876	1 174	312 025 528	1065
Standard deviation	25 502 722 298	Does not apply	1 387 082 130	Does not apply

Source: Own processing using Audit Analytics, 2024

The percentage of economic entities audited by Big Four or Non-Big Four that have total assets above average is shown in **Table no. 4**. The percentage for audit fees charged by Big Four and Non-Big Four in the total fees charged remains unchanged, but the percentage of

companies audited by Non-Big Four companies drops significantly in the case of audit clients who have total assets above the calculated sample average (from 25% to 4%), and 16% of all observations (1,174 out of 7,560) account for 25% of all audit fees.

**Table no. 4. Audit fee by auditor type**

Auditor type	Entities	Percent	Audit fee (Eur)	Percent
<b>Total entities with total assets above average</b>				
Non-Big Four	42	4%	151 789 243	2%
Big Four	1132	96%	8 525 012 523	98%
<b>Total</b>	<b>1174</b>	<b>100%</b>	<b>8 676 801 766</b>	<b>100%</b>
<b>Total entities</b>				
Big Four	1922	25%	695 910 545	2%
Non-Big Four	5638	75%	33 821 721 622	98%
<b>Total</b>	<b>7560</b>	<b>100%</b>	<b>34 517 632 167</b>	<b>100%</b>

Source: Own processing using Audit Analytics, 2024

**Table no. 5** shows the audit service provider that has the highest market share (after total audit fees) in each industry, based on the analysed sample. The most obvious dominance can be seen in the mining and extraction industry (90%, Ernst & Young), followed by information technologies

(73%, PricewaterhouseCoopers). PwC and EY are the companies that in 2022 had the highest revenues worldwide from the audit activity, and our results do not contradict this fact (Statista, 2023). It is noted that no industry is dominated by audit fees by suppliers other than Big Four.

**Table no. 5. Audit market by market share**

Industry	The auditor with the highest market share	
Accommodation and dining services	EY	34%
Administrative, support and waste management services	PWC	64%
Agriculture, fish farming, hunting and forestry	PWC	44%
Art, entertainment and recreation	PWC	49%
Constructions	EY	56%
Health and social assistance	Deloitte	32%
Information technologies	PWC	73%
Management	EY	39%
Production	PWC	39%

Source: Own processing using Audit Analytics, 2024

In terms of type of opinion (modified/unmodified), the number of modified opinions is 0.79% (60 out of 7560). Because the unmodified opinion means that the audit client prepared his financial statements in accordance with the reporting framework and without insignificant errors, it can be concluded that those sampled audit clients prepared their financial statements correctly. The number of modified opinions did not increase in the period 2019-2021, period financially influenced by the COVID-19

pandemic. No conclusion can be drawn on the influence of the COVID-19 pandemic strictly from these data, because companies not included in the Audit Analytics database have been removed from the sample during all years of the reference period. If following the pandemic certain companies were delisted from the stock exchange, or if they went bankrupt, ending the activity, these companies will not be included in the sample. The information is visible in **Table no. 6.**

**Table no. 6. Structure by opinion type**

Year	2016	2017	2018	2019	2020	2021	2022	Total
Unmodified opinion	1071	1073	1069	1074	1070	1071	1072	7500
Modified opinion	9	7	11	6	10	9	8	60
<b>Total</b>	<b>1080</b>	<b>1080</b>	<b>1080</b>	<b>1080</b>	<b>1080</b>	<b>1080</b>	<b>1080</b>	<b>7560</b>

Source: Own processing after Audit Analytics, 2024

Similar research on the audit market was conducted by Bulucea et al. (2022); Crucean & Hategan (2022). The results obtained confirm the high concentration of the audit market and the supremacy of Big Four companies. The industry structure obtained from this study is different from the studies mentioned because of the sample sizes and the fact that in this study the financial sector was removed from the analysis. Since we stopped to analyze the total accounting commitments, due to the heterogeneity of the sample, we conclude that their effect on the financial statements must be treated in a more complex analysis. Grosu et al. (2023) analysed the quality of the audit in improving financial transparency, taking into account the level of discretionary commitments as an influence factor of the audit opinion, demonstrating a significant effect.

## Conclusions

The access to information about companies is less restricting than ever, opening new horizons for researchers. The questions that are asked in the recently published literature are much more punctual than before, the general themes originally studied becoming the control variables of contemporary studies. The number of independent variables has increased in recent years. The quality of the audit has been studied from several points of view. The audit committee, the degree of availability of resources in audit companies, the auditor's experience and expertise in the field are only a few indicators through which the inputs of the audit process have been analyzed. The audit process was analyzed from the point of view of the inspections carried out by various professional bodies



on audit companies. Because all audit work takes place through audit companies that develop testing methodologies and organizational culture, the, researchers in the field have tried to identify quality differences by comparing audit companies (Big Four, Non-Big Four) or audit offices (referring to the expertise of audit offices in the geographic area of the audit clients' headquarters).

The quality of the audit cannot be determined directly, which is why over time, the researchers looked at this subject indirectly through various indicators such as the quality of financial reporting and audit fees.

Financial audit is a subsystem of financial reporting, which is why the quality of financial statements can determine the quality of the audit. Audit fees have been used to understand the auditor's independence.

In order to obtain an overview of the audit services market, the sample used in this study is 1080 listed companies in Europe in the period 2016-2022. The dominant industry in Europe is production, with production companies accounting for 50% of our sample. The auditor's independence measured by audit fees does not appear threatened, with the proportion of audit fee averages in the average of total company assets below 0.2% in all industries. The audit services market is highly concentrated, with 98% of all audit fees collected by the four largest audit and advisory service providers.

It was analyzed how the two mentioned indicators (audit fees and results management) are visible through the overall analysis of the audit market. According to the results obtained, it can be said that we can make a general picture of the auditor's independence through the analysis of the audit market, but the management of the results involves detailed and in-depth analysis. Due to an extremely large dispersion within the sample (probably in the case of population the size of the dispersion is similar) in terms of total assets and total accounting commitments no conclusions can be summarised objectives on the management of the results from the analysis of the audit market in general.

As limits of the study, in order to identify the relevant indicators of audit quality, in the analysis of the specialized literature were chosen mainly articles published in recognized journals in the field of accounting (Hay et al., 2006). Publishers may prefer studies where there are significant effects (because they would be more interesting) to publication, to the detriment of methodologically correct studies, but they have insignificant results. The sample used also includes companies listed on the European stock exchanges, which have published audit fees and financial information as complete as possible. Extrapolation of results to non-listed companies, small companies and non-European companies is not recommended.

## REFERENCES

1. Bizer, G. Y., & Schindler, R. M. (2005). Direct evidence of ending-digit drop-off in price information processing. *Psychology & Marketing*, 22(10), 771-783.
2. Bronson, S., Ghosh, A., Hogan, C., (2017), Audit Fee Differential, Audit Effort, and Litigation Risk: An Examination of ADR Firms, *Contemporary Accounting Research*, vol. 34, no. 1, pp. 83-117.
3. Bulucea, M., Bunget, O. C., Dumitrescu, A. C., Burcă, V., Bogdan, O., (2022), Implicații ale rotației auditorilor asupra raportării în auditul financiar. *Audit Financiar*. XX, 3(167), 361-376
4. Christensen, B. E., Glover, S. M., Omer, T. C., & Shelley, M. K. (2016). Understanding audit quality: Insights from audit professionals and investors. *Contemporary Accounting Research*, 33(4), 1648-1684.
5. Cohen, D. A., & Zarowin, P. (2010). Accrual-based and real earnings management activities around seasoned equity offerings. *Journal of accounting and Economics*, 50(1), 2-19.
6. Crucean, A. C., & Hațegan, C. D. (2022). Evoluția onorariilor de audit-perspectivă asupra riscurilor auditorilor. *Audit Financiar*, 20(3), 391-498.
7. DeAngelo, L. E. (1981), „Auditor independence, 'low balling', and disclosure regulation”, *Journal of accounting and Economics*, 3(2), 113-127.
8. Dechow, P. (1994). „Accounting earnings and cash flows as measures of firm performance: The role of

- accounting accruals". *Journal of Accounting and Economics*, 18(1), 3–42.
9. Dechow, P. M., Sloan, R. G., & Sweeney, A. P. (1995). Detecting earnings management. *Accounting review*, 193-225.
  10. Dechow, P., Ge, W., & Schrand, C. (2010). Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of accounting and economics*, 50(2-3), 344-401.
  11. Dechow, P., Ge, W., & Schrand, C. (2010). Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of accounting and economics*, 50(2-3), 344-401.
  12. DeFond, M., & Zhang, J. (2014). A review of archival auditing research. *Journal of accounting and economics*, 58(2-3), 275-326.
  13. Dou, H., Khoo, E. S., Tan, W., & Zhang, J. J. (2024). Superstition, Risk Aversion, and Audit Quality: Evidence from China. *AUDITING: A Journal of Practice & Theory*, 1-35.
  14. Eshleman, J. D., & Guo, P. (2014). Abnormal audit fees and audit quality: The importance of considering managerial incentives in tests of earnings management. *Auditing: a journal of practice & theory*, 33(1), 117-138.
  15. Francis, J. R. (2023). „Going big, going small: A perspective on strategies for researching audit quality”. *The British Accounting Review*, 55(2), 101167.
  16. Ganesan, Y., Narayanan, R., Haron, H., Pitchay, A., (2019), Does Audit Fees and Non-Audit Fees Matters in Audit Quality?, *FGIC 2nd Conference on Governance and Integrity 2019, KnE Social Sciences*, pp. 1074–1083.
  17. Grosu, M., Istrate, C., & Robu, I. B. (2023). Empirical Study on the Analysis of the Financial Auditor's Concern in Ensuring the Transparency and Sustainable Performance of BSE Listed Companies. *Audit Financiar*, 21(172).
  18. Hasan, S., Kassim, A. A. M., & Hamid, M. A. A. (2020). The impact of audit quality, audit committee and financial reporting quality: evidence from Malaysia. *International Journal of Economics and Financial Issues*, 10(5), 272.
  19. Hay, D. C., Knechel, W. R., & Wong, N. (2006). Audit fees: A meta-analysis of the effect of supply and demand attributes. *Contemporary accounting research*, 23(1), 141-191.
  20. Idris, M. I., Siam, Y. I. A., & Ahmad, A. L. (2018). The impact of external auditor size on the relationship between audit committee effectiveness and earnings management. *Investment Management and Financial Innovations*, (15, Iss. 3), 122-130.
  21. Jones, J. J. (1991). Earnings management during import relief investigations. *Journal of accounting research*, 29(2), 193-228.
  22. Kacer, M., Peel, D. A., Peel, M. J., & Wilson, N. (2018). On the persistence and dynamics of Big 4 real audit fees: Evidence from the UK. *Journal of Business Finance & Accounting*, 45(5-6), 714-727.
  23. Kothari, S. P., Leone, A. J., & Wasley, C. E. (2005). Performance matched discretionary accrual measures. *Journal of accounting and economics*, 39(1), 163-197.
  24. Krishnan, G., 2003. Does Big 6 auditor industry expertise constrain earnings management?. *Accounting Horizons* 17, 1-16.
  25. Lebert, S., Mohrmann, U., & Stefani, U. (2021). Rounding up performance measures in German firms: Earnings cosmetics or earnings management on a larger scale?. *Journal of Business Finance & Accounting*, 48(3-4), 564-586.
  26. Li, X., Chen, X., Qi, B., & Tian, G. (2020). Employee quality and audit fee: evidence from China. *Accounting & Finance*, 60(5), 4533-4566.
  27. McNichols, M., & Wilson, G. P. (1988). Evidence of earnings management from the provision for bad debts. *Journal of accounting research*, 1-31.
  28. Molociniuc, M., Melega, A., Grosu, M., Tulvinschi, M., & Macovei, A. G. (2022). “Evolution of scientific research on audit quality reporting in the global economic context”. *Entrepreneurship and Sustainability Issues*, 10(2), 333.
  29. Pascaru, A. G., & Hațegan, C. D. (2024) Financial reporting and audit quality – A bibliometric analysis, *Revista de Studii Financiare*, 16, 205-217.
  30. Simunic, D. A. (1980). The pricing of audit services: Theory and evidence. *Journal of accounting research*, 161-190.

31. Song, B., Chung, H., Kim, B. J., & Sonu, C. H. (2023). Do business trainings for audit committees matter in organizations? Focusing on earnings management. *Finance Research Letters*, 51, 103423.
32. Statista (2023), "Big Four" accounting/audit firms, available online at: <https://0610zmjug-yhttps-www-statista-com.z.e-nformation.ro/study/12885/accounting-big-four-statista-dossier/>, accessed on: 20.06.2024