
Evolution of Audit Fees - Perspective on Auditors' Risks

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Abstract

Audit fees are among the essential concerns of audit firms and regulators. The paper's objective is to analyze the evolution of audit fees collected by auditors. Based on the data included in the Audit Analytics database, a sample of 1927 distinct companies was selected. 24921 observations were reported, representing audit fees from 2009 to 2020. The research showed that the audit market was concentrated around Big4 auditors, whose number increased directly to the number of issued reports. Most of the audited companies were in the field of Finance, insurance, and real estate (28%) and in the field of Production (32%), the majority being headquartered in the United Kingdom and France. The evolution of audit fees fluctuated during the analyzed period, but the trend of the average fee was decreasing. The share of fees was 58.6% for performing audit missions and 40.4% for non-audit services. The evolution of the average fee was inversely proportional to the value of the declared income and assets and the audit fees collected by the auditors. Therefore, the level of fees should be correlated with the volume of auditors' activity, the industries' complexity and the financial performance of the companies.

Key Words: *audit fees; risks; assets; revenue; quality; transparency; Audit Analytics;*

JEL Classification: *M40, M41*

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Introduction

Audit fees are among the essential concerns of audit firms and regulators because lower audit fees can result in reduced audit effort, poor audit quality, and poor financial reporting.

An audit measurement indicator, quite controversial both nationally and internationally, is the fee charged by the auditor for the services provided. DeAngelo (1981) specified that the expected effects of the allocation of audit activity on audit quality are ambiguous. On the one hand, a allocation balanced of work should lead to greater auditors' independence so that each of them has a lower share of audit fees.

The declining trend in audit fees charged by auditors (*Audit Analytics*, 2022) can also lead to an increase in audit risks, as the level of fees is often associated with the audit process's credibility and transparency, which can have a lower confidence effect from financial reporting users.

The paper's objective is to analyze the evolution of the audit fees collected by the auditors of the companies, based on the current information in the *Audit Analytics* database in the period 2009-to 2020. The sample included several 1927 separate companies, for which were reported a total of 24921 observations, representing audit fees. The analysis contains the annual evolution of the number of the reports issued by auditors, the grouping of auditors by size, and the distribution of companies by industries and geographical location. Also, the evolution of audit fees was analyzed in the two categories, audit fees and non-audit fees. The evolution of the companies' revenues and assets was presented in order to correlate the size of the fees with the financial indicators.

The research provides an analysis of the available data on the reporting of audit fees charged by auditors for performing the audit engagement from a perspective focused on the need to declare and assess the risks arising from these fees and contributes to the development of existing literature on this topic.

The paper is structured as follows: a section summarizing the relevant literature on the importance of audit fees and their influence on audit risks and quality, followed by a second section describing the research methodology. The third section presents the study results, and the paper is completed with a section reserved for the conclusions, the limits of the study and the future directions of research.

1. Literature review

In the literature was find different indicators used to measure the audit quality, such as audit fees, auditor's rotation or the auditor's size.

Fees are essential in assessing the audit quality; in some cases, the existence of higher amounts may indicate more significant efforts to improve quality, or the opposite, when high audit fees indicate a reliance on specific clients.

Audit quality assessment is a complex process because there is no direct measurement of audit quality, so audit users must use a variety of indicators, such as audit fees, to assess audit quality and confidence in financial reporting (Diem, 2016).

The theory of audit effort shows that a high level of audit fees is given by the auditor's effort to improve the quality of services provided (Xiao et al., 2020). Also, the audit risk assessed by the auditors may lead to an increase in audit fees.

Crucean and Hațegan (2019) conducted a qualitative study on the factors that influence the quality of audit services. The results of the study showed that a quality audit is influenced by several factors, starting from the professional training of the auditor, his experience and skills, the allocation of tasks equitably for the entire audit team, the time spent on the audit engagement (audit hours), but also the audit fees charged.

Eshleman and Guo (2013) considered that high fees indicate that the auditor worked harder, but at the same time, we can consider it a signal of independence. The authors studied the two indicators empirically, obtaining a positive relationship between the level of fees and the effort made by the auditor to provide quality services.

Hackenbrack et al. (2014) suggested that negotiated audit fees contain essential information for investors. If disclosed immediately after signing the letter of commitment in the following year, the information asymmetry between managers and investors would be reduced.

Cahyani and Zulvia (2019) conducted an empirical research to analyze how much the ethics and audit fees influence the quality of audit services at a public accounting office in Padang, Indonesia. The research results revealed that the auditors' ethics and the establishment of audit fees have a significant influence on the audit quality.

Garcia et al. (2020) analyzed the relationship between corporate social responsibility (CSR) and audit quality, but also the impact on audit fees of US-listed companies from 2000 to 2016. The results revealed that a higher CSR score is associated with higher audit fees, and firms involved in specific CSR initiatives pay higher audit fees due to the increased complexity of the audit.

Miah et al. (2020) investigated the association between the effort to apply IFRS due to higher levels of material adjustments and audit fees for Australian companies. The authors also examined if these associations differ between familiar auditors in the company's industries and unfamiliar auditors, based on differences in account balances prepared following IFRS instead of standards previously used by the Australian Accounting Standards Board. (AASB). The authors consider that significant adjustments require higher audit efforts. Audit fees were higher when accounting standards were more significant and complex. In addition, the results showed that the positive association between the IFRS effort and the audit fees was more pronounced when auditors with experience audited the firms compared to auditors with no experience in the audited company's business.

Haak et al. (2018) specified that a more balanced allocation of audit work between team members in audit firms reduces audit quality and increases audit fees compared to an unbalanced level of work allocation.

Barua et al. (2019) considered that a decrease in audit fees in the last year of the auditor's term could affect the audit quality. In this regard, the authors conducted a case study in which they looked at whether the reduction of audit fees is associated with a low-quality audit. The main conclusion is that a lower fee at the beginning of the term does not affect the quality of the audit as much as the reduction of fees in the last audit year.

Griffin and Lont (2008) analyzed the relationship between audit fees and auditors' resignations and found that auditors receive higher fees at least one year before the auditor change. In the case

of resignations, higher fees suggest higher levels of risk or greater auditor liability.

Geiger and Blay (2012) examined the association between audit and non-audit fees, as well as the final decision of the auditor on the type of opinion that should issue to a client in financial difficulty. The authors found a negative relationship between uncertainty about going concern and auditors' fees. However, the authors said that the level of audit fees could affect the auditor's independence.

Krishnan and Zhang (2013) examined the relationship between reduced audit fees and banks' financial report quality. The results show that banks audited by Big4 auditors have seen rising revenues and reduced audit costs. Banks audited by non-Big4 auditors already benefit from a 25% discount over other banks audited by Big4.

Rusmin et al. (2014) investigated the effect of audit quality on revenue growth and cash flow surplus for listed companies in Indonesia, Malaysia and Singapore from 2005-to 2010. Statistical analyses indicate a negative relationship between audit quality and revenue growth or management and cash flow surplus.

Fan et al. (2015) examined how lawsuits against auditors affect audit fees and customer acceptance strategies of both audit firms responsible for failed audits and other audit firms. Non-litigation audit firms increase their audit fees following the filing of an audit failure lawsuit. Audit firms involved in litigation are less likely to have new commitments after the litigation has begun.

Bronson, Ghosh, and Hogan (2017) investigated if the higher audit fees required in the US are relevant to the auditor's audit effort. The authors concluded that foreign firms pay higher fees than domestic firms in the United States, and the audit effort is directly proportional to the fees charged.

Hay (2017) qualitatively researched the scientific articles published in 2006-2016 regarding the fees, their levels, and the dependence of auditors on these fees, but also the fees charged for non-audit services. Audit fees for new assignments are lower, and non-audit services affect the

auditor's independence. In contrast, non-audit services provided by an auditor are associated with a loss of independence and lower audit quality.

Otete (2018) studied the audit market on the stock exchanges of Tanzania, Kenya and Uganda, using as primary data the audit fees from 2013 to 2017. The results show that Big4 companies have positively influenced audit fees, and audit fees have risen at an annual growth rate of 8%. At the same time, non-Big4 companies remain marginalized and forced to reduce fees to maintain a few customers.

Chen and Hasan (2018) examined how auditors view their clients' corporate culture and their impact on audit fees. Companies with a high corporate culture pay lower audit fees. These companies focus on communication and produce high-quality information, which reduces auditors' risk.

Krishnan et al. (2019) investigated the relationship between reduced audit fees and audit quality. A positive link is identified between audit quality and significant client dependency. Ganesan et al. (2019) examined the influence of audit fees and non-audit fees on the quality of audits in the case of listed companies in Malaysia. Non-audit and audit fees influence the audit quality.

Qawqzeh et al. (2021) investigated the effect of audit fees as an indicator of the quality of audit and financial reporting on a sample of 180 companies listed on the Jordanian Stock Exchange from 2009 to 2017. Board of Directors, size, independence of board and remuneration administrators have a positive and significant effect on audit fees as an indicator of audit quality.

2. Research methodology

The research is represented by a qualitative analysis, a synthesis and a descriptive analysis of the data declared by the companies included in the sample. The data were collected from the *Audit Analytics* database on April 4, 2022, the selection criterion being the search by "Audit Fees" category from the database. Have been selected all auditor types from all countries for the period 2009-2020. The result was related 1927 companies, which reported a total of 24921 observations, representing audit fees.

The *Audit Analytics* database provides detailed information on the European audit market, contains public companies listed on European stock exchanges (EEA, UK and Switzerland) and includes information about auditors, audit rotation, audit fees, and KAMs disclosed by auditors in their audit reports.

The obtained data were grouped into five distinct categories. The first category is the distribution of the audit reports during the analysis period. The second category summarizes the data on the industries of the audited companies, followed by the third category, which includes data on the geographical distribution of companies and auditors. The last two categories group the value data regarding the evolution of audit fees and financial information of audited companies.

3. Results and discussions

3.1. Distribution of auditors' reports for the analyzed period

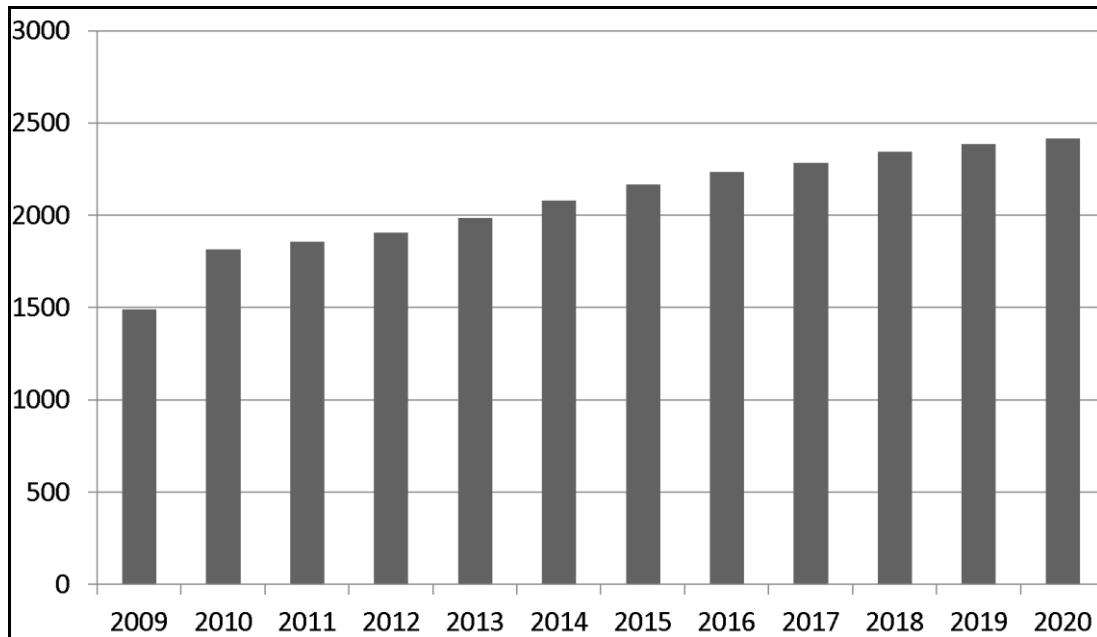
In order to represent the existing data in the *Audit Analytics* database, the reports for each year were selected for the period 2009-2020. The results are detailed in **Table no. 1**.

Year	Audit reports no.	Evolution of the audit report
2009	1487	1427
2010	1811	324
2011	1853	42
2012	1903	50
2013	1982	79
2014	2075	93
2015	2162	87
2016	2232	70
2017	2280	48
2018	2341	61
2019	2381	40
2020	2414	33
Total	24921	-

Source: Own projection, based on data analyzed

The database resulted that in the analyzed period, most of the auditors' reports were issued in 2020 (2414 reports). In the opposite part, we find the year 2009 with the fewest reports issued by the auditors (1487 reports).

Figure no. 1. Evolution of the number of auditors' reports



Source: Own projection, based on data analyzed

Figure no. 1 shows that auditors' number of audit reports had an upward trend throughout the analyzed period. The growth was relatively smooth, but there was a positive evolution of over 50% at the end of the period compared to the beginning.

Another followed indicator was the auditors' size who issued the reports, the auditors being classified into two categories known in the literature (Crucean & Hațegan, 2021): Big4 (PwC, EY, KPMG and Deloitte) and non-Big4 (auditors who are not part of the four audit firms mentioned in the first category). The results are shown in **Table no. 2**.

Table no. 2. Distribution of audit reports by auditor's size

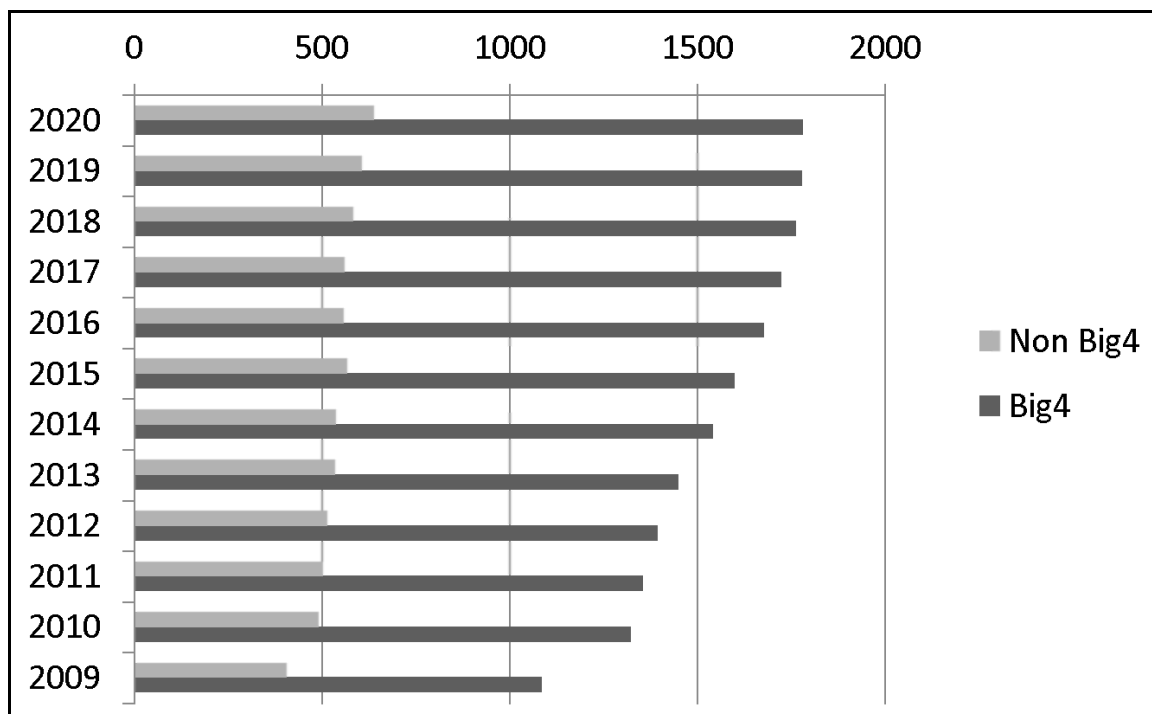
Year	Auditors	Big4 auditors	Big4 evolution	Non-Big4 auditors	Non-Big4 evolution
2009	1487	1084	1042	403	385
2010	1811	1321	237	490	87
2011	1853	1353	32	500	10
2012	1903	1392	39	511	11
2013	1982	1448	56	534	23
2014	2075	1540	92	535	1
2015	2162	1598	58	564	29
2016	2232	1675	77	557	-7
2017	2280	1721	46	559	2
2018	2341	1760	39	581	22
2019	2381	1777	17	604	23
2020	2414	1778	1	636	32
Total	24921	18447	-	6474	-

Source: Own projection, based on data analyzed

In the first year of the analysis, fewer reports were recorded in the database, but we find later an increasing evolution of the auditor's number, both within Big4 and non-Big4. Most auditors

were identified in 2020, and the fewest in 2009. The graphical representation of the auditor's size evolution in the two categories is presented in **Figure no. 2**.

Figure no. 2. Evolution of the number of auditors by size



Source: Own projection, based on data analyzed

The number of Big4 auditors increased directly to the number of audit reports issued, fluctuating between 2009 and 2020. The number of Big4 auditors increased, with lower fluctuations from one year to the next, but the evolution was positive.

An almost similar situation was found in the case of non-Big4 auditors; the number of auditors increased significantly in the second year of analysis, subsequently recording positive results in 2010-2015, a negative result of 7 non-Big4 auditors in 2016 (compared to the previous year). The evolution was again positive in the period 2017-2020, and the trend was completed with an increase in the auditor's number in 2020.

A similar result can be found in the study of the *Audit Analytics* specialists (2020), who showed that audit fees

are highly concentrated around the Big4 auditors; respectively, 94% of audit fees in the European Union are collected by Big4 auditors.

3.2. Industries

The industries were grouped according to the SIC code classification (*Standard Industrial Classification*). The SIC code is a uniform system of industrial classification intended to represent the primary industries or subclasses.

The structure of the sample by industries correlated with the number of audit reports issued is presented in **Table no. 3**.

Table no. 3. Industries

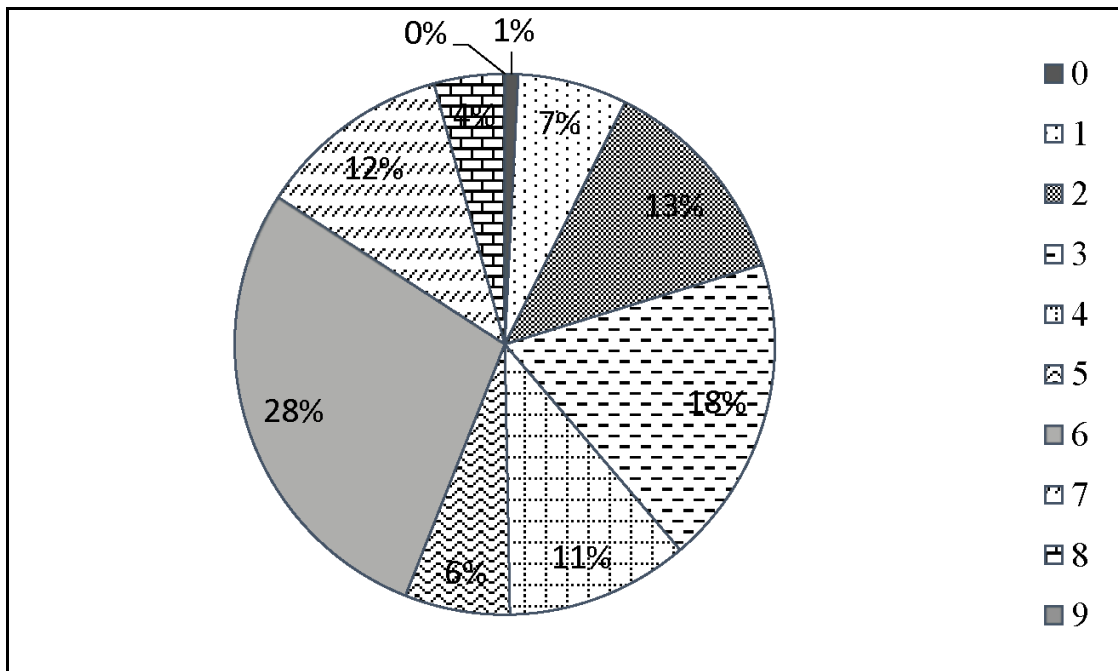
SIC code	Industry	Audit reports no.	SIC percentage
0	Agriculture, Forestry, Fishing	198	0.79
1	Mining, Construction	1635	6.56
2	Manufacturing - Groups 20-29	3207	12.87
3	Manufacturing - Groups 30-39	4619	18.53
4	Transportation, Communications, Electric, Gas, And Sanitary Services	2726	10.94
5	Wholesale Trade and Retail Trade	1570	6.30
6	Finance, Insurance, and Real Estate	7016	28.15
7	Services - Groups 70-79	2897	11.62
8	Services - Groups 80-89	1041	4.18
9	Public Administration	12	0.05
	Total	24921	100

Source: Own projection, based on data analyzed

During the analyzed period, most of the reports were issued by the auditors for companies in the field of Finance, insurance and real estate (28%), but also in the Production (32%). Also, the companies in Services industry had high percentages (transport, communications,

electricity, gas and sanitation services - 11%, and the other types of services - 16%). Wholesale and retail trade, mining, and construction accounted for over 6%, representing over 1000 audit reports. The graphical representation of the industries is presented in *Figure no. 3*.

Figure no. 3. Industries



Source: Own projection, based on data analyzed

The fewest reports were issued by the auditors for companies in Agriculture, Forestry and Fisheries, which accounted for less than 1% of the total audit reports issued.

1.3. Geographical distribution of the companies

Another significant indicator in the data analysis was the geographical distribution of the companies in the countries where they declared their headquarters, this being detailed in **Table no. 4.**

Table no. 4. Geographical distribution of the companies

No.	Country	Companies	Percentage
1	UK	6438	25.83
2	France	5888	23.63
3	Germany	1648	6.61
4	Spain	1390	5.58
5	Sweden	1182	4.74
6	Italy	921	3.70
7	Netherlands	734	2.95
8	Switzerland	724	2.91
9	Belgium	684	2.74
10	Austria	668	2.68
11	Poland	640	2.57
12	Denmark	354	1.42
13	Guernsey	351	1.41
14	Norway	335	1.34
15	Ireland	301	1.21
16	Finland	291	1.17
17	Luxembourg	279	1.12
18	Cyprus	262	1.05
19	Portugal	159	0.64
20	Jersey	154	0.62
21	Greece	146	0.59
22	Hungary	138	0.55
23	Bulgaria	115	0.46
24	Czech Republic	102	0.41
25	Slovenia	104	0.42
26	United States	96	0.39
27	Iceland	91	0.37
28	Romania	98	0.39
29	Bermuda	78	0.31
30	Croatia	70	0.28
31	Slovakia	59	0.24
32	South Africa	36	0.14
33	Lithuania	31	0.12
34	Morocco	32	0.13
35	Reunion	32	0.13
36	Estonia	29	0.12
37	Isle of Man	30	0.12
38	Japan	22	0.09
39	Israel	22	0.09
40	Mauritius	20	0.08

No.	Country	Companies	Percentage
41	Singapore	18	0.07
42	Cayman Islands	18	0.07
43	Russia	18	0.07
44	United Arab Emirates	14	0.06
45	Malta	12	0.05
46	Ukraine	12	0.05
47	Australia	12	0.05
48	Canada	12	0.05
49	Faroe Islands	12	0.05
50	Gibraltar	12	0.05
51	Hong Kong	10	0.04
52	Brazil	7	0.03
53	Latvia	7	0.03
54	China	3	0.01
	Total	24921	100

Source: Own projection, based on data analyzed

The analyzed companies had their registered offices in 54 countries in the selected sample. Table 4 shows the distribution by countries in descending order, according to the share of audited companies. In the case of 18 countries, the analyzed entities represent more than 1% of the total companies included in the sample. Most companies were based in the United Kingdom (26%), listed on the London Stock Exchange, and entities based in France (24%). On the next place, with a considerably lower percentage, are companies based in countries such as Germany (6.61%), Spain (5.58%) and Sweden (4.74%).

With a percentage of over 2% are the countries: Italy (3.70%), Netherlands (2.95%), Switzerland (2.91%), Belgium (2.74%), Austria (2.68%) and Poland (2.57%).

With a percentage of over 1% are the countries: Norway (1.34%), Ireland (1.21%), Finland (1.17%), Luxembourg (1.12%) and Cyprus (1.05%). All other countries scored below 1%.

3.4. Audit fees evolution

The evolution of total audit fees is presented in **Table no. 5**; the values are expressed in euros and calculated based on the average exchange rate from the previous year ended in the fiscal year of the declaration of fees.

The total fees declared by auditors consisted in two categories of fees, namely audit fees and non-audit fees. Audit fees are the fees charged for performing the audit engagement. Non-audit fees are fees for other insurance assignments, tax fees and other audit service fees.

Table no. 5. Total audit fees evolution (in million euros)

Year	Total audit fees	Evolution	Companies	Average audit fees
2009	68478	1112	1487	46.05
2010	69321	843	1811	38.27
2011	69654	332	1853	37.58
2012	70916	1262	1903	37.26
2013	69984	-932	1982	35.30
2014	70235	251	2075	33.84
2015	70168	-67	2162	32.46
2016	71180	1012	2232	31.89
2017	71704	523	2280	31.45
2018	71801	97	2341	30.67
2019	72029	228	2381	30.25
2020	71920	-109	2414	29.79
Total	847393	-	24921	34.01

Source: Own projection, based on data analyzed

The evolution of the total fees amounted to 847393 million euros, starting from a favorable evolution in 2009-2012, and followed a decrease of 932 million euros in 2013, which was subsequently remedied by an increase of 251 million euros in 2014. The year 2015 registered another

negative value, followed by a period of four years in which the evolution of total fees was positive. The last year of analysis saw another decline and a decrease in the total value of fees.

The structure of total fees is shown in **Table no. 6**.

Year	Audit fees	Non audit fees	Total audit fees
2009	58.38%	41.62%	100%
2010	58.48%	41.52%	100%
2011	58.52%	41.48%	100%
2012	58.62%	41.38%	100%
2013	58.57%	41.43%	100%
2014	58.55%	41.45%	100%
2015	58.53%	41.47%	100%
2016	58.65%	41.35%	100%
2017	58.66%	41.34%	100%
2018	58.70%	41.30%	100%
2019	58.76%	41.24%	100%
2020	58.71%	41.29%	100%
TOTAL	58.60%	41.40%	100%

Source: Own projection, based on data analyzed

The most significant share of the total audit fees was held by the fees charged for financial audit services (58.60%), followed by non-audit fees (41.40%).

For a detailed analysis of the evolution of audit fees in the analyzed period, the

situation in each fee category will be presented below.

The values obtained for the fees charged by the auditors only for the services required to perform the audit process are presented in **Table no. 7**.

Year	Audit fees	Evolution	Companies	Average audit related fees
2009	50484	692	1487	33.95
2010	51158	673	1811	28.24
2011	51427	269	1853	27.75
2012	52416	989	1903	27.54
2013	51701	-715	1982	26.08
2014	51870	169	2075	24.99
2015	51812	-57	2162	23.96
2016	52627	814	2232	23.57
2017	53020	393	2280	23.25
2018	53114	93	2341	22.68
2019	53316	201	2381	22.39
2020	53213	-102	2414	22.04
Total	626164	-	24921	25.13

Source: Own projection, based on data analyzed

During the analyzed period, the auditors declared 626164 million euros. There is a fluctuating evolution of the number of fees required to perform audits, which recorded three negative values in 2013, 2015 and 2020, even if the number of companies increase. The analysis shows a positive evolution of the annual amount in the other years. There is a continuous decrease in the average fee from

the beginning of the interval until it, the decrease being one third. Therefore, it can be stated that after the economic crisis of 2008-2010, auditors' fees decreased, a situation that continues from one year to the next.

The fee structure for non-audit services is presented in **Table no. 8.**

Year	Audit related fees	Tax fees	Other fees	Total non- audit fees
2009	6775	3164	8053	17993
2010	6900	3188	8074	18163
2011	6936	3199	8091	18226
2012	7113	3239	8147	18500
2013	6990	3218	8073	18282
2014	7023	3225	8116	18364
2015	7016	3224	8114	18355
2016	7132	3243	8178	18553
2017	7188	3246	8248	18683
2018	7194	3245	8246	18686
2019	7208	3248	8255	18713
2020	7201	3249	8254	18706
TOTAL	84676	38688	97849	221224

Source: Own projection, based on data analyzed

Table no. 8 shows that the highest share in non-audit fees was for fees for other services (44.2%), followed by fees for

other insurance missions (38.3%) and tax fees (17%).

The evolution of non-audit fees is presented in **Table no. 9.**

Year	Non audit fees	Evolution	Companies	Average non audit fees
2009	17993	420	1487	12.10
2010	18163	169	1811	10.02
2011	18226	63	1853	9.83
2012	18500	273	1903	9.72
2013	18282	-217	1982	9.22
2014	18364	82	2075	8.85
2015	18355	-9	2162	8.48
2016	18553	197	2232	8.31
2017	18683	130	2280	8.19
2018	18686	31	2341	7.98
2019	18713	26	2381	7.86
2020	18706	-6	2414	7.75
Total	221224	-	24921	8.88

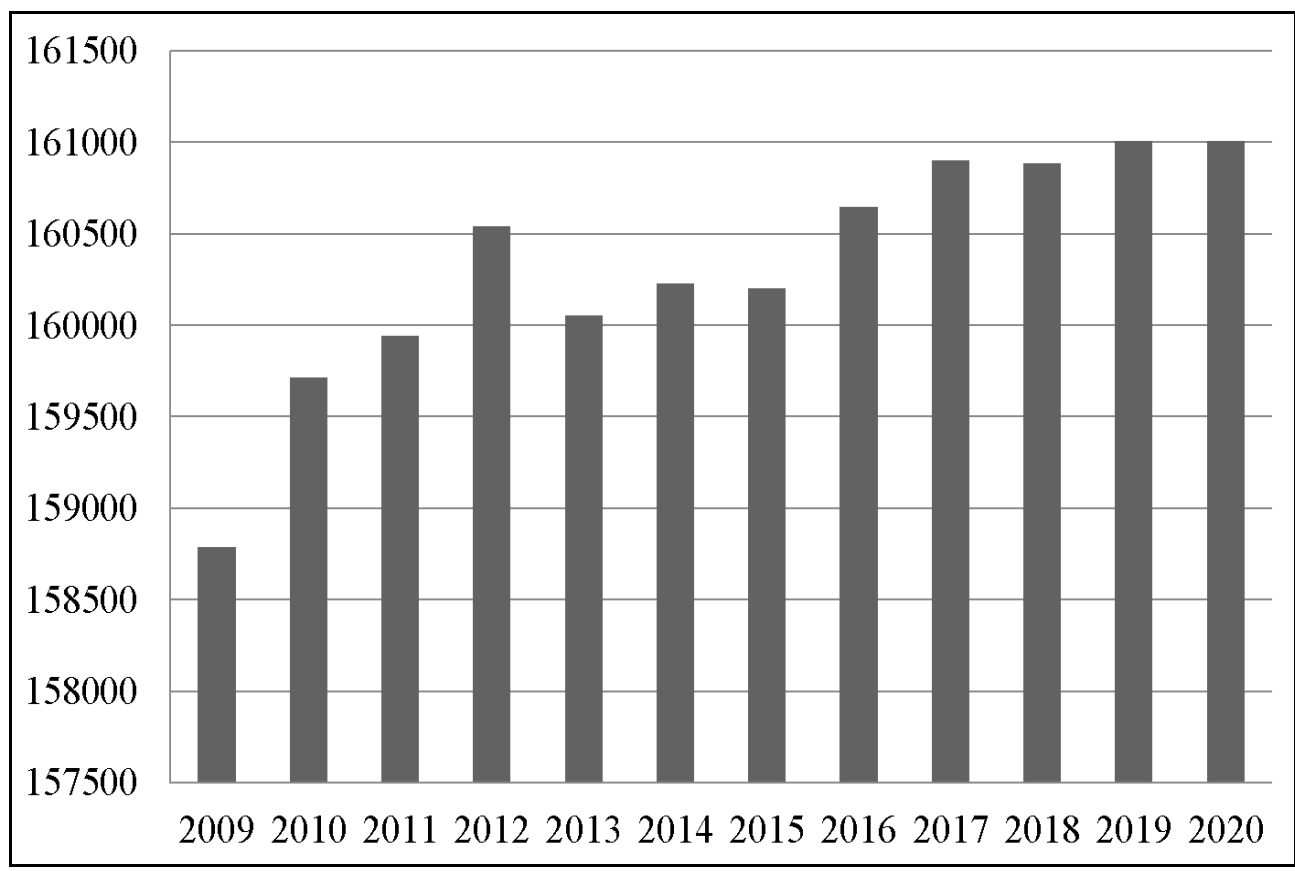
Source: Own projection, based on data analyzed

The auditors stated 221224 million euros for the non-audit services provided. The total amount of these fees increased in the first years of analysis, respectively, in the period 2009-2012 and 2016-2019. There were also three periods in which the total value of non-audit fees decreased (2013, 2015 and 2020), and at the end of the period, there was a decrease of 6 million euros.

3.5. Financial indicators

In order to analyze the financial situation of the companies, were taken into account the annual revenues and assets. Values are expressed in euro calculated based on the average exchange rate of the previous year ended in the fiscal year of the declaration of fees. The amounts of declared annual revenues and the number of companies that reported these amounts are shown in **Figure no. 4**. Companies that did not report revenue data were excluded from the sample.

Figure no. 4. Revenues evolution in million euros



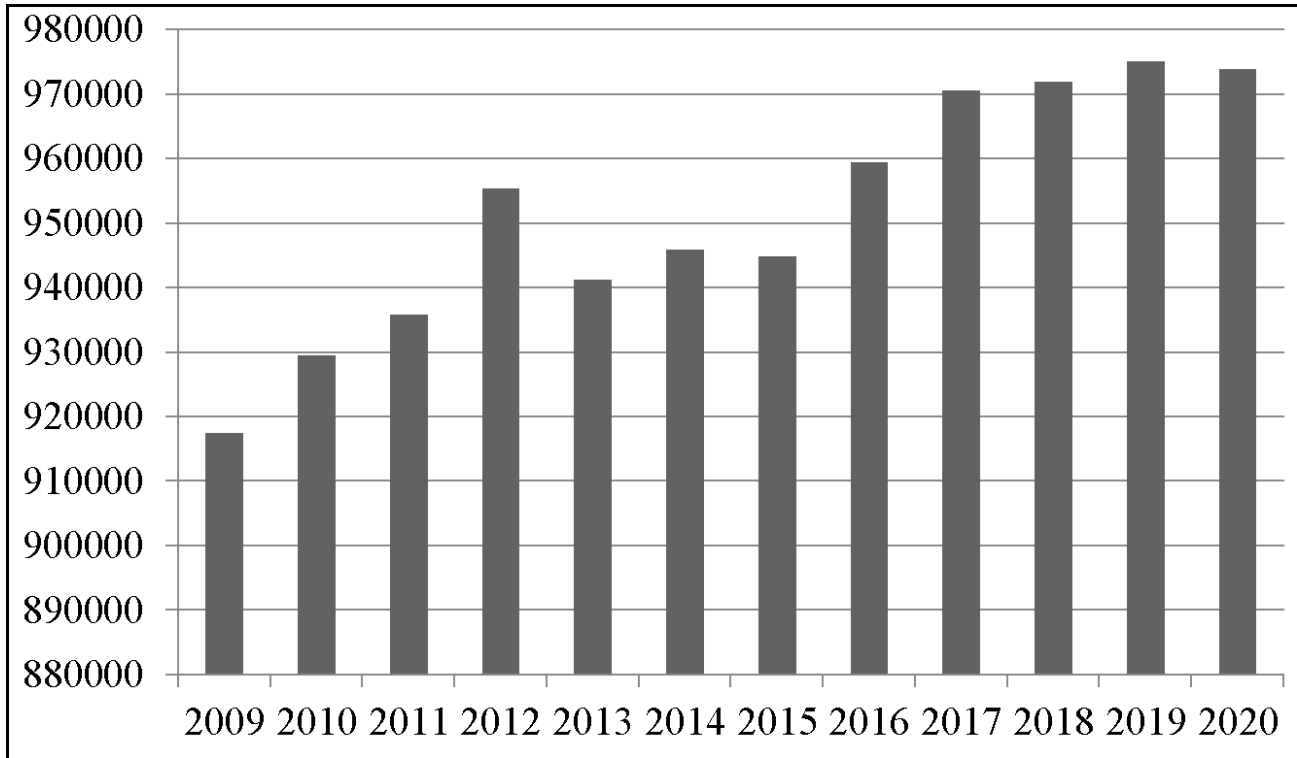
Source: Own projection, based on data analyzed

The analyzed companies declared total revenues that showed a favorable evolution in the first analysis period (2009-2012), in the period 2016-2017, and the last analysis year. The decreasing periods

were also registered in these years: 2013, 2015, 2018 and 2020.

The total assets held by the companies are detailed in **Figure no. 5**. Companies that did not report amounts were excluded from the sample.

Figure 5. Assets evolution in million euros



Source: Own projection, based on data analyzed

The total assets of the analyzed companies totaled 11419 million euros, primarily favorable developments, with only three exceptions to the decrease in the value of total assets in 2013, 2015 and 2020.

The results obtained of the companies in Europe do not confirm the study carried out by *Audit Analytics (2022)* which analyzed the evolution of the audit fees paid to auditors by companies listed on the market in the United States of America. Thus, there was a declining trend in audit fees and non-audit fees in 2020 and an upward trend until 2019. The decline was due to the global focus on restricting certain non-audit services to protect auditor independence. Also, another study by *Audit Analytics (2019)* showed that European companies pay considerably lower audit fees than American companies.

There was a general increase in total revenues and assets during the analyzed period, even if the evolution of audit fees was fluctuating. Is also a decrease in total fees due to the economic crisis and an increase after the crisis period, respectively; when companies reported increased

performance, the total value of audit fees increased. Based on this reasoning, we can conclude that the trend of audit fees was inversely proportional to total assets or revenues.

4. Conclusions

The paper presented the theoretical and practical aspects regarding the fees charged by auditors for the audit services and their evolution and perspective on auditors' risks.

Audit fees are currently a significant concern for audit firms and authority bodies. A lower amount of audit fees charged by auditors may indicate a lower audit effort, a poor audit quality, and a low financial reporting, and all of these issues can influence the investor decisions.

Audit fees are also an indicator of audit measurement because a balanced allocation of audit work can result in greater audit independence. Audit fees are also necessary in assessing the quality of the audit; in some cases, the

existence of higher amounts may indicate more significant efforts to improve quality, or the opposite, when high audit fees indicate a reliance on specific clients.

The analysis showed that the audit market was concentrated around Big4 auditors, whose number increased directly to the number of reports issued. Most of the audited companies were in Finance, insurance and real estate (28%), but also in Production (32%), most of which were based in the United Kingdom and France.

The evolution of audit fees fluctuated during the analyzed period. Out of the total audit fees, the fees charged for audit missions had a share of 58.6%, and those for non-audit services had a share of 40.4%. An inversely proportional evolution was found between the value of the

declared income and assets and the audit fees collected by the auditors.

The paper can be a bibliographic source for researchers in financial audit and for the representatives of audit firms to understand the need and importance of reporting audit fees.

Research limitations consisted in the fact that was used a single database. The data were collected manually from the information published by the companies, their trust degree being ensured by the reports declared by the financial auditors and by the management of the audited companies.

Future research directions can be translated into expanding the number of companies by using several data and developing a quantitative analysis based on an econometric model.

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