

THE PRICING OF AUDIT SERVICES: EVIDENCE FROM ROMANIA

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ABSTRACT: The main objective of this study is to investigate factors influencing the amount of external audit fees in Romania. Of particular interest is the examination of the potential effect of the client size, client complexity, and the size of the audit firm on external audit fees. An audit fee model is used to examine the effect of audit client size, client complexity, and the size of the audit firm on the amount of audit fees for a sample of audit engagements performed in the tow of Romanian major counties. The study's results indicate that the amount of external audit fees is significantly influenced by the audit client size, by the amount of turnover, by the number of employees. This study is original since it is the first to empirically investigate factors influencing the pricing of audit services in on Romanian audit fee market.

Keywords: Romania, Auditor's fees, External auditing, Auditors, Modelling

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