

CORE AND SUPPORTING DETERMINANTS OF AUDIT FEES: A SYSTEMATIC LITERATURE REVIEW

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ABSTRAK

This study aims to systematically review the empirical literature on the determinants of audit fees. The review was conducted using a Systematic Literature Review (SLR) approach by analyzing articles published between 2020 and 2026. A total of 33 pertinent scholarly articles were chosen following a comprehensive evaluation procedure guided by established inclusion and exclusion standards, encompassing relevance to audit fee drivers, publication excellence, research robustness, and full text accessibility. The findings reveal that audit fees are consistently influenced by several core determinants, namely firm size, organizational complexity, audit risk, and corporate governance. In contrast, other variables, such as profitability, political connections, and ownership structure, exhibit inconsistent results across studies. These findings suggest that audit fee determination is not solely dependent on internal firm characteristics but is also shaped by institutional contexts and the research approaches employed. This study enriches the literature by presenting a more systematic conceptual integration of audit fee determinants and delivering interpretations regarding discrepancies identified in earlier studies.

Kata kunci: *Audit Fee, Audit Pricing, Determinants of Audit Fee, Firm Size, Audit Risk.*

INTRODUCTION

Audit fees constitute an essential component of external auditing practices, as they represent the compensation paid to auditors for professional services rendered in providing assurance regarding the fairness of a company's financial statements. The magnitude of audit fees attracts considerable attention from various stakeholders because it not only reflects the cost of audit services but also indicates the complexity of audit engagements, the level of audit risk faced by auditors, and the quality of the audit performed. In an increasingly dynamic business environment, the demand for reliable and transparent financial reporting continues to grow, thereby reinforcing the importance of independent auditors as a monitoring mechanism capable of reducing information asymmetry between management and stakeholders.

Within the Indonesian regulatory framework, external auditing activities are regulated by Law Number 5 of 2011 concerning Public Accountants and Government Regulation Number 20 of 2015 concerning Public Accounting Practices, which underscore auditor objectivity, professional capability, and adherence to auditing standards. Furthermore, the Indonesian Institute of Certified Public Accountants (IAPI) emphasizes that audit fees should be established by taking into account assignment intricacy, audit exposure, auditor proficiency, and professional labor hours. Although these regulations are specific to Indonesia, they

reflect broader institutional arrangements commonly found across many jurisdictions, where audit pricing is influenced by professional standards, regulatory oversight, and governance requirements. Consequently, Indonesia serves as a relevant example of an institutional setting that contributes to the global understanding of audit fee determination.

The period between 2020 and 2026 represents a particularly important phase in the development of audit fee research. The COVID-19 pandemic fundamentally altered the business environment by increasing economic uncertainty, disrupting organizational operations, and forcing auditors to adopt remote auditing procedures. These unprecedented conditions increased audit risk and required auditors to implement additional procedures to obtain sufficient and appropriate audit evidence (Albitar et al., 2021). During this period, many organizations underwent significant modifications in internal control mechanisms, financial disclosure procedures, and risk governance practices, all of which directly influenced audit workload and audit pricing decisions.

Following the pandemic, organizations expedited digital transformation programs, including the implementation of cloud computing, artificial intelligence, big data analytics, and integrated enterprise systems. While these technologies improve operational efficiency, they simultaneously introduce new audit challenges related to cybersecurity risks, algorithmic decision-making, data governance, and information system reliability. Auditors are therefore required to expand their expertise beyond traditional financial auditing and assess increasingly sophisticated digital environments. Recent evidence suggests that digital transformation increases both audit complexity and auditor effort, which subsequently affects audit fees (Yin et al., 2025). Consequently, the transition from pandemic-induced uncertainty to a highly digitalized business environment has reshaped the determinants of audit pricing and created new dynamics within the audit market.

In addition to technological developments, recent studies indicate that changes in the audit environment have significantly influenced audit fee structures. Increasing regulatory oversight, growing demands for audit quality, heightened corporate governance expectations, and rising audit risk have required auditors to devote greater effort and resources to assurance activities, resulting in higher audit fees (Ananzeh, 2024; Xue & O'Sullivan, 2023). Furthermore, the expanding complexity of financial reporting, internal control systems, and stakeholder expectations has strengthened the relationship between audit effort, audit quality, and audit pricing (Li & Liu, 2024; Rizal & Urumsah, 2024). Consequently, audit fees increasingly reflect not only client-specific characteristics but also broader institutional, governance, and regulatory pressures. These developments make the 2020–2026 period particularly relevant for examining contemporary audit fee determinants through a systematic literature review approach.

Beyond technological and institutional factors, numerous studies have identified firm characteristics as key determinants of audit fees. Wahyuni et al. (2024) found that firm characteristics, market dynamics, and industry regulations play significant roles in explaining variations in audit fees across companies. Similarly, Kristiana & Carolina, (2025) provided evidence that firm size, corporate risk, and auditor status significantly influence audit fees. These findings suggest

that larger firms and firms exposed to higher levels of risk generally require more extensive audit procedures, resulting in higher audit costs.

Despite the growing body of research on audit fee determinants, the existing literature continues to exhibit inconsistent findings. While numerous studies identify firm size as the most dominant factor explaining variations in audit fees, other studies emphasize the importance of variables such as profitability, ownership structure, political connections, and corporate governance. Septiana & Santioso (2023) reported that profitability and ownership structure, in particular, produce inconsistent results across empirical studies. In some cases, these variables significantly affect audit fees, whereas in others, they exhibit no meaningful influence. Such inconsistencies suggest that audit fee determinants are shaped not only by internal firm characteristics but also by institutional environments, regulatory settings, and methodological approaches employed by researchers.

The audit fee literature has also experienced a shift toward more complex and contemporary research themes. A bibliometric study conducted by Yaacob et al. (2026) revealed that recent audit fee research increasingly focuses on topics such as audit risk, corporate governance, digital transformation, sustainability, and other institutional factors. While this evolution enriches the audit fee literature, it simultaneously contributes to knowledge fragmentation due to the growing number of variables examined and the diversity of empirical findings reported across studies.

From a theoretical perspective, audit fee determination can be explained through several prominent frameworks. Agency Theory suggests that conflicts of interest between management and shareholders create a demand for external auditing as a monitoring mechanism, thereby generating audit-related costs (Jensen & Meckling, 1976). Signaling Theory posits that firms with favorable characteristics, such as larger size or stronger corporate governance practices, may be willing to pay higher audit fees to signal credibility and quality to investors and the market (Spence, 1973). Meanwhile, Institutional Theory provides a useful lens for understanding how regulatory pressures and industry norms influence audit fee practices across different jurisdictions. Previous studies indicate that audit risk, audit quality, and ownership structure are closely associated with these theoretical perspectives in explaining variations in audit fees (Wahyuningtiyas & Muid, 2024). Furthermore, Hartaty & Dianawati (2024), through a *meta analysis* approach, identified a positive association between audit fees and audit quality, indicating that audit fees may also function as a measure of the quality of audit services delivered.

Although research on audit fees has developed substantially, most prior studies have focused on examining individual relationships between specific variables and audit fees. To date, limited attention has been given to systematically identifying the determinants that consistently exert the strongest influence on audit fees while distinguishing them from factors that play a more supplementary role. Consequently, a comprehensive literature synthesis is needed to map the development of audit fee research and identify the most relevant determinants based on accumulated empirical evidence.

Based on this context, the present study seeks to identify and categorize

audit fee determinants into two principal groups, namely core determinants and supporting determinants, employing a Systematic Literature Review (SLR) approach. Specifically, this study aims to answer two research questions: (1) What are the primary factors that consistently influence audit fees in the academic literature?; and (2) What supporting factors contribute to audit fee determination but demonstrate lower levels of consistency and influence?. The findings are expected to provide a more structured mapping of previously examined variables and clarify the hierarchical importance of audit fee determinants within the scholarly literature.

The primary contribution of this study lies in its integrative effort to classify audit fee determinants based on their significance and frequency of occurrence within the literature, thereby offering a more comprehensive understanding than individual empirical studies. Unlike previous studies that predominantly focus on testing specific variable relationships, this review provides a conceptual synthesis highlighting the role of core determinants, including firm size, complexity, audit risk, and corporate governance, as well as supporting determinants such as gender diversity and political connections within a structured analytical framework. Accordingly, the findings are anticipated to support the development of audit literature while providing practical insights for auditors, regulators, and other stakeholders pursuing a more comprehensive understanding of audit fee determination.

METHODOLOGY

This study utilizes a *Systematic Literature Review* (SLR) approach as the main method for identifying, assessing, and integrating empirical evidence related to the determinants of audit fees. The SLR method was selected because it enables researchers to conduct a comprehensive, transparent, and replicable review by integrating evidence from previous studies (Snyder, 2019).

The data utilized in this study comprise secondary data in the form of scholarly articles obtained from reputable databases *ScienceDirect* and *Google Scholar*. The examined literature concentrates on studies investigating audit fees published in peer reviewed academic journals between 2020 and 2026 and accessible in full text format. This period was selected to capture developments in audit fee research during the post-pandemic environment and the rapid expansion of digital transformation, both of which have significantly influenced audit risk, audit effort, and audit pricing practices.

The literature search process was conducted using several keywords, including “*audit fee*”, “*audit pricing*”, “*determinants of audit fee*”, “*firm size*” and “*audit risk*” combined with Boolean operators to ensure a systematic and comprehensive search strategy. The article identification procedure adhered to the Preferred Reporting Items for Systematic Reviews and Meta Analyses (PRISMA 2020) framework (Page et al., 2021) . Articles were included if they specifically examined audit fee determinants, were published in peer-reviewed journals, and were available in full-text format. Studies that were not directly related to the research topic, duplicate publications, non-peer-reviewed documents, and articles without accessible full texts were excluded.

The identification stage initially generated 326 articles from the selected databases. Subsequent to eliminating redundant records and performing title and abstract evaluation, the retained studies underwent a complete eligibility assessment. After this stringent filtering procedure, 33 studies satisfied every inclusion requirement and were included in the ultimate analysis. An overview of the literature identification procedure is displayed in Table 1.

Table 1. Literature Search and Screening Process

PRISMA Stage	Process Description	Number of Articles
Identification	Records identified from database searching	326
	Duplicate records removed	41
Screening	Records screened (title and abstract review)	285
	Records excluded during screening	212
Eligibility	Full-text articles assessed for eligibility	73
	Full-text articles excluded	40
Included	Studies included in the final review	33

Source: Processed Data, 2026.

The selected articles served as the unit of analysis and were examined using thematic analysis and content analysis techniques (Braun & Clarke, 2021). These methods were employed to identify recurring patterns, classify determinants of audit fees, and synthesize findings across studies. The determinants were subsequently grouped into two categories, namely core determinants and supporting determinants, based on the frequency of occurrence and consistency of empirical findings reported in the literature.

In addition, the selected articles were mapped according to their year of publication to examine publication trends and the evolution of audit fee research during the observation period. The distribution of articles by publication year is presented in Table 2.

Table 2. Distribution of Articles by Publication Year

Publication Year	Articles
2026	2
2025	2
2024	2
2023	7
2022	5
2021	9
2020	6
Total	33

Source: Processed Data, 2026.

RESULTS

General Description of the Systematic Literature Review Findings

Based on the systematic literature review of 33 relevant scholarly articles, the findings indicate that research on audit fee determinants has experienced substantial growth in both volume and the complexity of variables examined. Most studies employed a quantitative approach using regression-based methods to investigate the causal relationships between various firm characteristics and audit fees. The research samples were predominantly drawn from both financial and non-financial companies, with several studies specifically focusing on state-owned enterprises (SOEs) and publicly listed firms in emerging economies. Moreover, other methods, including bibliometric analysis, were found in previous studies, offering an extensive depiction of publication patterns, thematic configurations, and scholarly linkages in the field of audit fee research.

From the perspective of research variables, the literature demonstrates considerable diversity, encompassing financial, operational, governance-related, and external organizational factors. Despite this diversity, several variables consistently appeared across studies and produced relatively uniform empirical findings. This pattern suggests the existence of a natural distinction within the literature between dominant determinants and complementary determinants of audit fees.

Accordingly, the findings of this systematic literature review provide a strong basis for classifying audit fee determinants into two primary categories: core determinants and supporting determinants. This classification is established based on the frequency with which variables appear in the literature and the consistency of their reported effects across empirical studies. The identification of these categories contributes to a more structured understanding of the factors that influence audit fee determination and helps explain variations in findings reported in previous research.

Publication Trends of Audit Fee Research (2020-2026)

Table 2 presents the distribution of articles included in this review according to publication year. The results indicate that audit fee research remained relatively active throughout the observation period, although the volume of publications fluctuated across years.

The fluctuation in publication volume can be explained by several developments within the auditing environment. During the early post-pandemic period (2020–2022), researchers focused extensively on audit risk, financial uncertainty, and corporate governance issues resulting from economic disruptions caused by COVID-19. The pandemic significantly altered audit procedures and increased concerns regarding business continuity, financial reporting quality, and auditor judgment. Consequently, audit fee research during this period was largely directed toward understanding how risk-related factors affected audit pricing.

In subsequent years (2023–2026), the increasing adoption of digital technologies and the acceleration of digital transformation initiatives generated new streams of research. Scholars began investigating the implications of technological innovation, cybersecurity risks, artificial intelligence, and digital governance for auditing practices and audit fee determination. Furthermore,

growing regulatory attention to sustainability reporting, corporate transparency, and governance quality contributed to the emergence of new research themes. Therefore, fluctuations in publication volume should not be interpreted as declining academic interest but rather as a reflection of changing research priorities and the evolving complexity of the audit environment.

The observed trend also indicates that audit fee research has expanded beyond traditional determinants such as firm size and audit risk toward broader institutional and technological factors. This development emphasizes the growing complexity of audit fee assessment and reinforces the necessity of an organized integration of available findings.

Core Determinants of Audit Fees

The synthesis of 33 reviewed articles reveals four variables that consistently emerge as the primary determinants of audit fees, namely firm size, organizational complexity, audit risk, and corporate governance. These variables not only exhibit a high frequency of occurrence across the literature but also demonstrate relatively consistent empirical findings regarding their influence on audit fees. Their recurring appearance and the robustness of supporting evidence indicate that they play a fundamental role in explaining variations in audit fees across different institutional, industrial, and geographical contexts. Therefore, these variables can be classified as core determinants of audit fees, as they represent the most influential factors underlying audit pricing decisions in the existing body of research.

Table 3. Core Determinants of Audit Fee

Determinant	Frequency	Percentage (%)	Consistency	Classification
Corporate Governance	8	24.2	High	Core Determinant
Audit Risk	6	18.2	High	Core Determinant
Organizational Complexity	5	15.2	High	Core Determinant
Firm Size	4	12.1	High	Core Determinant

Source: Author's compilation based on 33 reviewed articles (2020-2026).

As presented in Table 3, corporate governance emerges as the most frequently identified determinant of audit fees in the reviewed literature, followed by audit risk, organizational complexity, and firm size. This finding suggests that recent audit fee research increasingly emphasizes the role of governance mechanisms in shaping audit pricing. Nevertheless, all four determinants consistently demonstrate significant explanatory power in understanding audit fee variations across different research settings.

Corporate governance represents the most prominent determinant identified in the literature. Governance mechanisms such as audit committees, boards of directors, and internal monitoring systems have been shown to significantly influence audit pricing. Studies conducted by Santika et al. (2024), Ghofananda & Mita (2023), and Rosdiyati et al. (2021) indicate that firms possessing more robust governance frameworks generally incur higher audit fees because they require superior and autonomous audit services. Additionally,

efficient audit committees and more frequent committee meetings strengthen supervisory activities and elevate auditor effort, thereby leading to increased audit fees.

Audit risk constitutes another important core determinant that demonstrates strong consistency across the reviewed studies. Audit risk encompasses business risk, financial risk, and litigation risk, all of which increase the likelihood of material misstatements in financial statements. Studies by Vinidita and Ghozali (2021) and Azizah et al. (2023) reveal that firms exposed to higher levels of risk generally incur higher audit fees because auditors are required to apply greater professional skepticism and perform more extensive audit testing. Similarly, Yin et al. (2025) found that the influence of audit risk on audit fees operates through auditor effort, suggesting that elevated risk exposure raises auditors' responsibilities and subsequently audit expenditures.

Organizational complexity also emerges as a key determinant of audit fees. Complexity may arise from various sources, including the number of subsidiaries, diversification of business segments, and international operations. Research conducted by Ariyanto & Idawati (2023), Wahyuni et al. (2024), and Yusica & Sulistyowati (2020) demonstrates that more complex organizational structures increase audit difficulty and require additional audit procedures. Consequently, auditors allocate more time and resources to audit engagements, leading to higher audit fees. Moreover, organizational complexity often interacts with audit risk and governance mechanisms, further strengthening its influence on audit pricing.

Although firm size appears less frequently than the other core determinants, it remains one of the most established and consistently significant predictors of audit fees in the literature. Empirical evidence provided by Tampubolon et al. (2026), Rifaldi et al. (2024), and Septiana & Santioso (2023) consistently shows that larger firms tend to incur higher audit fees because they possess greater transaction volumes, broader operational activities, and more extensive reporting requirements. Larger firms generally require wider audit coverage and more comprehensive testing procedures, resulting in greater audit effort and higher audit costs. In addition, firm size is frequently used as a proxy for organizational complexity and business risk, further reinforcing its importance in explaining audit fee variations.

Overall, the findings indicate that corporate governance, audit risk, organizational complexity, and firm size constitute the most robust determinants of audit fees. These variables not only appear most frequently in the literature but also demonstrate the highest level of consistency in explaining audit fee variations across different institutional environments and research contexts. Accordingly, they may be categorized as the primary factors shaping audit fees and function as the main influences on audit pricing in modern auditing studies.

Supporting Determinants of Audit Fees

In addition to the core determinants, the literature review identifies several variables that can be categorized as supporting determinants of audit fees. These variables appear less frequently in the literature and often exhibit mixed or inconsistent findings across studies. Even so, they enhance comprehension of audit fee formation by offering supplementary interpretations of audit pricing

differences among diverse institutional and organizational contexts. Drawing from the examined literature, the key supporting factors comprise ownership structure, political connections, profitability, auditor status, auditor effort, internal audit, gender diversity, board busyness, and related party transactions.

Table 4. Supporting Determinants of Audit Fees

Determinant	Frequency	Percentage (%)	Consistency	Classification
Ownership Structure	5	15.2	Moderate	Supporting Determinant
Political Connections	3	9.1	Moderate	Supporting Determinant
Profitability	2	6.1	Low	Supporting Determinant
Auditor Status	2	6.1	Moderate	Supporting Determinant
Auditor Effort	2	6.1	Moderate	Supporting Determinant
Internal Audit	2	6.1	Moderate	Supporting Determinant
Gender Diversity	1	3.0	Low	Supporting Determinant
Board Busyness	1	3.0	Low	Supporting Determinant
Related Party Transactions	1	3.0	Low	Supporting Determinant

Source: Author's compilation based on 33 reviewed articles (2020-2026).

As presented in Table 4, supporting determinants generally demonstrate lower frequencies of occurrence and weaker consistency compared to the core determinants. Nevertheless, these variables provide complementary explanations for audit fee variations and help capture the complexity of audit pricing across different organizational and institutional contexts.

Among the supporting determinants, ownership structure appears as the most frequently discussed variable in the reviewed literature. Various ownership structures, including institutional ownership, managerial ownership, foreign ownership, and ownership concentration, can affect audit fees by shaping supervisory efficiency and agency disputes. Studies conducted by Yoma & Kusmawati (2022) and Anindita & Rohman (2021) suggest that ownership structure affects audit fees by shaping the level of control and oversight within an organization. However, empirical findings remain mixed, indicating that the relationship is highly dependent on institutional settings and governance environments. Consequently, ownership structure is classified as a supporting rather than a core determinant.

Another supporting determinant that has received increasing attention is political connections. Politically connected firms may face greater reputational, regulatory, and monitoring risks, leading auditors to perform additional procedures and charge higher audit fees. Empirical evidence provided by Martinus and Kurniawati (2023), Agun et al. (2021), and Simanjuntak & Prabowo (2021) indicates that political connections tend to increase audit fees because auditors perceive higher levels of engagement risk.

Nevertheless, cross study evaluation of the examined literature indicates that the effect of political connections largely depends on institutional settings and the standard of regulation. In jurisdictions characterized by strong legal enforcement, effective investor protection, and transparent governance systems, political connections may not significantly increase audit risk because regulatory

oversight limits the potential advantages associated with political influence. Conversely, in emerging economies and countries with relatively weaker institutional frameworks, politically connected firms are often perceived as carrying higher reputational and regulatory risks, thereby encouraging auditors to charge higher audit fees. This institutional variation provides a plausible explanation for the inconsistent findings reported across studies and demonstrates that political connections operate as a context-dependent determinant rather than a universally dominant factor.

Profitability is another variable frequently examined in the literature. Theoretically, more profitable firms may demand higher-quality audit services to enhance the credibility of their financial statements and maintain investor confidence. However, empirical evidence remains inconclusive. Agustina et al. (2023) reported mixed findings, suggesting that profitability does not consistently serve as a primary determinant of audit fees.

The inconsistency of profitability findings may also be attributed to differences in institutional and market conditions. In developed capital markets, highly profitable firms often face greater scrutiny from investors and regulators, creating incentives to purchase premium audit services and accept higher audit fees. In contrast, within less mature markets, auditors may place greater emphasis on business risk, governance quality, and operational complexity than on profitability itself. Consequently, profitability does not always translate into increased audit effort or audit pricing. These findings suggest that profitability influences audit fees indirectly through institutional expectations regarding financial reporting credibility and investor protection.

The literature further emphasizes auditor standing, especially the difference between Big Four and non Big Four audit firms. Firms examined by bigger and highly regarded audit providers frequently face higher audit fees due to the added value attached to audit quality, professional competence, and credibility. Similarly, auditor effort has been identified as a determinant of audit fees, as engagements requiring more audit hours and extensive testing procedures generally involve higher costs. In particular, Yin et al. (2025) demonstrated that auditor effort serves as an intermediary in the association between audit risk and audit fees, demonstrating that higher risk exposure eventually results in increased audit costs due to heavier audit assignments.

Another variable identified in the literature is internal audit effectiveness. Strong internal audit functions may influence audit fees by affecting the extent to which external auditors can rely on internal controls and internal audit work. However, empirical findings remain inconsistent, as some studies suggest that effective internal audits reduce audit effort, while others indicate that they increase the scope of assurance activities and audit engagement requirements.

Recent studies have also examined governance variables such as gender diversity and board busyness. According to Kramadibrata et al. (2021), gender diversity within boards may improve monitoring quality and strengthen corporate governance practices, thereby increasing demand for higher-quality audit services. Likewise, board busyness may affect monitoring effectiveness and auditor risk assessments. Nevertheless, because these variables have been examined in only a

limited number of studies, the available evidence remains insufficient to classify them as core determinants.

Finally, related party transactions (RPTs) have been recognized as a potential determinant of audit fees. Firms engaging in substantial related party transactions may present higher audit complexity and greater risks associated with transparency and conflicts of interest. Senato Erasandi (2020) found that related party transactions increase audit complexity and require additional audit procedures, resulting in higher audit fees. However, the limited number of studies investigating this relationship prevents RPTs from being classified as a core determinant.

Overall, the findings indicate that supporting determinants play a complementary role in explaining audit fee variations. Although these variables provide valuable insights into specific organizational and institutional conditions, their lower frequency of occurrence and weaker consistency distinguish them from the core determinants. More importantly, the comparative analysis demonstrates that many supporting determinants operate through institutional mechanisms, suggesting that future audit fee research should pay greater attention to the moderating role of regulatory quality, legal enforcement, and governance systems in shaping audit pricing outcomes.

Analysis of Variable Consistency and Dominance

The analysis of the 33 reviewed studies indicates that audit fee determinants can be distinguished based on two dimensions: frequency of occurrence and consistency of findings. Variables that appear frequently and consistently demonstrate significant effects are classified as core determinants, whereas variables with lower frequencies and mixed findings are classified as supporting determinants.

The findings reveal that corporate governance, audit risk, organizational complexity, and firm size are the most dominant determinants of audit fees. These variables consistently show positive relationships with audit fees across different studies and contexts. Their dominance suggests that audit fee determination is primarily driven by factors that directly affect audit effort, audit complexity, and monitoring requirements.

In contrast, variables such as ownership structure, political connections, profitability, auditor status, internal audit effectiveness, gender diversity, and related party transactions exhibit lower levels of consistency. Although these factors influence audit fees in certain circumstances, their effects tend to vary across industries, institutional settings, and research methodologies. Therefore, they are categorized as supporting determinants.

Overall, the findings suggest that audit fee determination is shaped by both dominant and contextual factors. While the core determinants provide the strongest explanation for variations in audit fees, supporting determinants offer additional insights that complement the understanding of audit pricing in different organizational and institutional environments.

Implications and Synthesis of Findings

The findings of this systematic literature review provide a more structured understanding of audit fee determinants by classifying them into core determinants and supporting determinants. The review demonstrates that firm size, organizational complexity, audit risk, and corporate governance consistently emerge as the primary drivers of audit fees across different studies and institutional contexts. These variables directly influence audit effort, audit scope, and the level of assurance required, making them fundamental factors in audit pricing decisions.

In contrast, supporting determinants such as ownership structure, political connections, profitability, internal audit effectiveness, gender diversity, and related party transactions exhibit more context-dependent effects. Although these variables contribute to explaining audit fee variations, their influence is less consistent and often depends on specific organizational, regulatory, and institutional conditions.

From a theoretical perspective, the findings reinforce the relevance of Agency Theory, Signaling Theory, and Institutional Theory in explaining audit fee determination. Firm size, complexity, and audit risk reflect agency-related monitoring needs, while corporate governance and other governance-related variables support signaling mechanisms and institutional pressures that influence audit demand. From a practical perspective, the findings suggest that auditors and companies should consider not only financial and operational characteristics but also governance and contextual factors when assessing audit pricing.

In general, this review enriches the audit literature through an extensive integration of prior studies and presents a conceptual model that differentiates primary and complementary determinants of audit fees. This classification may serve as a foundation for future research and help researchers identify variables that warrant further investigation in different institutional settings.

CONCLUSION

This study systematically reviewed the empirical literature on audit fee determinants published between 2020 and 2026. Drawing upon the examination of 33 selected articles, the results show that audit fee determination is affected by numerous factors that may be classified into two categories: core determinants and supporting determinants.

The review identifies firm size, organizational complexity, audit risk, and corporate governance as the core determinants of audit fees because these variables appear most frequently and consistently demonstrate significant effects across studies. In contrast, ownership structure, political connections, profitability, auditor status, internal audit effectiveness, gender diversity, board busyness, and related party transactions are classified as supporting determinants due to their lower frequency and less consistent empirical findings.

Overall, the findings suggest that audit fees are influenced not only by firm-specific characteristics but also by broader governance and institutional factors. This study enriches the audit literature by presenting a systematic categorization of audit fee determinants and delivering a more explicit understanding of the comparative significance of factors affecting audit pricing.

RECOMMENDATIONS

The results of this study offer practical benefits for auditors, companies, and regulators. Regulators such as OJK and IAPI may use the classification of core and supporting determinants as a reference for evaluating and refining audit fee guidelines to enhance transparency, consistency, and fairness in audit pricing practices.

For future research, greater attention should be given to emerging issues such as digital transformation, artificial intelligence, cybersecurity risks, and sustainability reporting, which remain relatively underexplored in the audit fee literature. In addition, comparative studies across different countries and institutional settings are recommended to better understand how regulatory environments influence the relationship between supporting determinants and audit fees.

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