

Identification and Explanation of the Dimensions and Components of Abnormal Audit Fees: Developing a Conceptual Model Using the Meta-Synthesis Method

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Abstract: This study aimed to identify and explain the dimensions and components of abnormal audit fees and to develop an integrated conceptual model of their antecedents, relational mechanisms, contextual conditions, manifestations, and consequences using the meta-synthesis method. This qualitative study employed a meta-synthesis design. The study population consisted of scholarly publications addressing abnormal audit fees, unexpected audit fees, audit-fee deviations, audit pricing, and related determinants and consequences. Following systematic identification, screening, eligibility assessment, and methodological quality appraisal, 42 studies were included in the final synthesis. Data were collected through a structured document-review protocol and a researcher-developed extraction form. The extracted findings were analyzed through open coding, constant comparison, conceptual abstraction, categorization, and higher-order synthesis. In total, 1,126 relevant textual units were extracted and progressively transformed into initial codes, non-duplicative concepts, subcomponents, main components, and overarching dimensions. The meta-synthesis generated 684 initial codes, 176 non-duplicative concepts, 61 subcomponents, 28 main components, and seven overarching dimensions. The dimensions included client economic and organizational characteristics, audit engagement and risk characteristics, auditor characteristics, corporate governance and financial reporting, auditor–client economic relationships, audit-market and institutional environment, and consequences and interpretive outcomes. Client economic and organizational characteristics and audit engagement and risk characteristics had the highest evidentiary prevalence. The findings further demonstrated that abnormal audit fees emerge through the interaction of production-related, relational, governance, and institutional mechanisms. Positive abnormal fees may reflect additional audit effort, expertise, complexity, or risk compensation, whereas they may also indicate economic dependence or relational rents. Negative abnormal fees may similarly arise from efficiency and competitive pricing or from lowballing and inadequate resource allocation. Abnormal audit fees should be interpreted as a multidimensional and mechanism-dependent phenomenon rather than solely according to the direction of fee deviation; their implications for auditor independence, audit quality, financial reporting quality, and stakeholder confidence depend primarily on the causal mechanisms generating the abnormal remuneration.

Keywords: Abnormal audit fees; Audit fees; Audit quality; Auditor independence; Auditor–client relationship; Audit pricing; Meta-synthesis; Conceptual model.

1. Introduction

Audit fees constitute one of the most visible economic outcomes of the relationship between an audit firm and its client, yet their interpretation extends well beyond the direct price paid for professional assurance services. In conventional audit-pricing models, the audit fee is generally understood as compensation for the expected amount of audit effort, engagement complexity, client risk, auditor expertise, litigation exposure, and other observable characteristics of the audit assignment. Nevertheless, the actual fee paid by a client may deviate materially from the amount predicted by these normal determinants. This residual or unexplained portion of audit remuneration is commonly conceptualized as the abnormal audit fee. Abnormal audit fees have attracted increasing scholarly attention because they may reflect either legitimate economic adjustments to engagement conditions or less observable relational mechanisms such as bargaining power, economic dependence, strategic pricing, auditor–client bonding, and opportunistic incentives. Consequently, the concept occupies an important position at the intersection of audit economics, audit quality, auditor independence, corporate governance, and financial reporting quality [1-4].

From an economic perspective, audit fees are ordinarily expected to increase when the auditor must devote additional resources to the engagement or assume a higher level of professional and litigation risk. Client size, financial complexity, financial distress, strategic uncertainty, industry characteristics, ownership structures, and reporting opacity can all increase the resources required to obtain sufficient appropriate audit evidence. Recent studies have continued to demonstrate that audit pricing is sensitive to a broad set of client-specific conditions. For example, financial risk measures and the financial position of firms have been associated with audit-fee variation, indicating that auditors incorporate the probability of financial difficulty and reporting risk into their pricing decisions [5, 6]. Similarly, financial distress and firm size remain important factors in the broader auditor–client relationship and may also contribute to auditor-switching decisions, suggesting that audit remuneration cannot be separated from the economic condition and continuity risk of the client [7, 8]. These findings reinforce the argument that at least part of an abnormal fee may arise because conventional pricing models fail to capture all dimensions of engagement risk and resource consumption.

A further complication is that the economic environment of the client may change rapidly, producing audit demands that are not readily incorporated into standard fee models. Strategic change, managerial decisions, commodity-price uncertainty, and other forms of environmental volatility can alter the scope and risk profile of an engagement. Evidence shows that major strategic changes by clients affect auditor behavior, including audit adjustments and pricing, because such changes create additional uncertainty regarding business processes, controls, estimates, and future cash flows [9]. In the energy industry, for instance, oil-price uncertainty has been shown to influence audit fees because external economic volatility affects operational uncertainty and increases the difficulty of assessing financial statement estimates and going-concern conditions [10]. Likewise, managerial myopia may affect audit pricing by shaping investment decisions, reporting incentives, and the auditor's assessment of long-term business risk [11]. Therefore, abnormal fees may partly represent compensation for economic and strategic uncertainty that is difficult to observe directly but materially affects audit planning and execution.

The informational environment of the client is another major source of abnormal audit-fee variation. Auditors must respond not only to the complexity of underlying transactions but also to the transparency, completeness, and credibility of information made available to external users. Redacted or restricted disclosure can increase

information asymmetry and create additional uncertainty for the auditor, thereby influencing audit pricing [12]. Likewise, disclosure of key audit matters may interact with client risk in determining audit fees because the reporting of significant audit issues often reflects areas requiring substantial professional judgment, extensive procedures, or heightened engagement attention [13]. The auditor's reaction to positive client news also illustrates the complexity of audit pricing: favorable information does not necessarily eliminate underlying engagement risks, and auditors may remain cautious when evaluating going-concern conditions or other uncertainties despite apparently positive signals [14]. These studies collectively suggest that abnormal fees may embody the auditor's assessment of information asymmetry and unobservable reporting risk in addition to conventional measures of audit complexity.

Financial reporting quality is particularly important because abnormal audit fees are frequently examined as both a consequence and a potential determinant of reporting outcomes. When managers have stronger incentives to manipulate accounting numbers, conceal poor performance, or exercise aggressive discretion, auditors may increase effort and demand additional compensation. CEO dominance, for example, has been linked with discretionary accruals and audit fees, indicating that concentrated managerial power may increase both reporting risk and the intensity of external monitoring required from auditors [15]. Managerial characteristics may also shape financial reporting quality and the level of audit remuneration. Evidence concerning female managers suggests that managerial attributes can influence reporting quality and thereby affect audit fees through changes in perceived financial reporting risk [16]. At the same time, financial statement restatements provide an observable manifestation of reporting failure and have been linked to audit-fee structures, while the strength of audit quality may moderate this relationship [17]. Earlier evidence connecting abnormal audit fees with restatements similarly demonstrates that fee deviations can contain information about the underlying quality of the audit and the financial statements being examined [2].

Yet the relationship between abnormal audit fees and audit quality is far from unidirectional. A positive abnormal fee may indicate that the auditor has devoted additional effort, involved more experienced personnel, performed more extensive procedures, or charged an appropriate risk premium. Under such circumstances, an unusually high fee may coexist with improved audit quality. Conversely, an abnormal fee premium may also arise because the auditor is economically dependent on an important client and becomes less willing to challenge management. Empirical evidence from Australia confirms that abnormal audit fees are meaningfully associated with audit quality, but their interpretation depends on the circumstances under which the fees arise [3]. Similarly, research on abnormal audit fees and audit-market concentration suggests that the quality implications of fee deviations are conditioned by the structure of the audit market and by the economic environment in which auditors compete [4]. These findings indicate that the sign of an abnormal fee, by itself, is insufficient to determine whether the fee deviation is beneficial or detrimental.

Auditor resource availability provides an important explanation for this ambiguity. The capacity of an audit office to allocate personnel, expertise, partner attention, and time to an engagement may determine whether additional fees actually translate into higher audit quality. Krishnan and Tanyi showed that the informativeness of abnormal audit fees for audit quality is moderated by office resource availability, implying that a fee premium does not automatically guarantee a corresponding increase in audit effort or quality when audit-office resources are constrained [18]. This resource-based perspective is especially important because audit firms operate under capacity limitations, seasonal workloads, and competing demands across clients. Therefore, similar abnormal fees may have different meanings depending on whether the auditor possesses sufficient resources to convert additional

remuneration into substantive audit work. Such findings strengthen the need to conceptualize abnormal audit fees as a multidimensional phenomenon rather than as a simple residual measure.

Auditor characteristics also influence the economic meaning of audit fees. Audit partners differ in experience, reputation, industry expertise, tenure, workload, and professional incentives, and these characteristics can affect both audit quality and the price of audit services. Research on audit partner characteristics has shown that partner-specific attributes are related to audit fees and audit quality, illustrating that pricing decisions are partly shaped at the individual auditor level rather than only at the audit-firm level [19]. Audit partner tenure and non-audit fees are also relevant to the broader question of audit quality because extended relationships may generate client-specific knowledge and efficiency while simultaneously raising concerns about excessive familiarity or economic bonding [20]. At the engagement level, audit tenure has likewise been shown to influence the relationship among audit quality, firm value, and audit fees, highlighting the importance of accumulated auditor knowledge and relationship duration in interpreting audit remuneration [21].

Auditor reputation and expertise can also generate legitimate fee premiums. High-quality or specialist auditors may charge more because they provide differentiated assurance, possess superior industry knowledge, or incur higher costs in protecting their reputational capital. The economic effect of expertise is particularly visible in complex corporate transactions. Evidence concerning common auditors in mergers and acquisitions indicates that auditor relationships and accumulated knowledge can affect both post-acquisition financial reporting quality and audit fees, demonstrating how information advantages may change the economics of the engagement [22]. Such findings suggest that an abnormal fee premium may sometimes represent the value of specialized knowledge, coordination efficiencies, or superior assurance rather than a threat to auditor independence. Accordingly, the conceptualization of abnormal fees must distinguish quality-related premiums from dependence-related premiums.

Corporate governance mechanisms provide another important layer of explanation. Boards of directors and audit committees monitor financial reporting, oversee the audit process, and influence negotiations with the external auditor. Strong governance may reduce control risk and managerial opportunism, but it may also demand more rigorous audits and therefore increase audit effort. Evidence concerning board characteristics and abnormal audit fees indicates that governance structures are directly associated with deviations from expected audit remuneration and that audit quality may modify this relationship [23]. In addition, the reputational incentives of lead independent directors have been associated with audit fees, suggesting that directors who face stronger reputational concerns may demand higher levels of external assurance and accept greater audit expenditure to protect the credibility of financial reporting [24]. These findings demonstrate that governance mechanisms may influence abnormal fees through both risk-reduction and monitoring-demand channels.

The personal and relational characteristics of corporate leaders may similarly affect audit pricing. CEO locality, for example, has been associated with audit fees, indicating that local social ties, information channels, familiarity, and governance conditions may influence how auditors assess engagement risk and informational uncertainty [25]. More broadly, managerial power and strategic orientation may change both the underlying level of reporting risk and the auditor's bargaining position. When management dominates internal governance structures, auditors may face greater challenges in resisting aggressive reporting choices, which can increase audit effort or create greater economic tension in the auditor–client relationship [15]. When managerial decision making is excessively short-term oriented, auditors may also perceive higher risk regarding long-term investment decisions and financial

reporting incentives [11]. These mechanisms illustrate how abnormal audit fees may arise from behavioral and governance characteristics that are not fully captured in conventional audit-pricing specifications.

The bargaining relationship between auditors and clients constitutes one of the most critical theoretical foundations of abnormal audit fees. Audit fees are negotiated rather than mechanically determined, and actual pricing can reflect differences in bargaining power, switching costs, client importance, competition among audit firms, expected future revenues, and relationship-specific quasi-rents. An auditor may accept an unusually low initial fee to obtain a strategically valuable client, expecting to recover the discount through future engagements. Conversely, an auditor may charge an unusually high fee when the client faces high switching costs, requires specialized expertise, or generates elevated risk. These pricing mechanisms become especially important when auditor switching is considered, because changes in the auditor–client relationship may be affected by audit fees, firm size, financial distress, audit committee characteristics, and audit quality [7, 8]. Thus, abnormal fees should be interpreted as the product of both audit-production economics and the strategic negotiation process between auditor and client.

Audit-market structure further shapes this negotiation process. In highly concentrated audit markets, the availability of alternative providers may be limited, potentially increasing the bargaining power of major audit firms. On the other hand, concentrated markets may also strengthen reputational incentives and support investments in audit quality. The association between abnormal audit fees, audit-market concentration, and audit quality therefore demonstrates that market structure can alter both the magnitude and implications of abnormal remuneration [4]. The institutional setting is equally important because regulation, enforcement, litigation exposure, investor protection, and professional standards influence the costs and incentives facing audit firms. Cross-country or market-specific evidence concerning determinants of external audit fees confirms that the institutional and competitive features of an audit market must be considered when explaining fee variation [6]. Consequently, an abnormal fee observed in one institutional setting cannot necessarily be interpreted in the same manner in another.

The consequences of abnormal audit fees also extend beyond the immediate auditor–client relationship. Zhao found a relationship between abnormal audit fees and stock-price crash risk, indicating that abnormal remuneration may contain information relevant to capital-market participants and may be associated with underlying information opacity or managerial concealment [26]. This capital-market perspective is particularly significant because external auditing is intended to increase confidence in financial reporting and reduce information asymmetry between management and investors. If abnormal fees signal compromised independence, aggressive reporting, or unresolved audit risk, they may have implications for market confidence and valuation. Conversely, if they reflect higher-quality assurance and greater auditor effort, they may represent a rational response to risk rather than a governance failure. Thus, the capital-market implications of abnormal fees depend fundamentally on the mechanism generating the deviation.

The literature also suggests that abnormal audit fees should not be viewed independently of auditor opinions and reporting judgments. Earlier evidence from China's capital market showed that abnormal audit fees were associated with audit opinions, emphasizing that unusual remuneration may be connected to the auditor's reporting behavior [1]. This association is theoretically important because auditor independence is ultimately reflected not only in the amount of work performed but also in the willingness to issue appropriate opinions and resist management pressure. Similarly, the auditor's response to going-concern uncertainty may remain conservative even when clients receive favorable information, indicating that audit pricing and reporting

judgments are jointly shaped by professional risk assessment [14]. These findings emphasize that abnormal fees must be situated within the broader system of auditor judgment, professional skepticism, and reporting outcomes.

Taken together, the accumulated evidence reveals a fragmented but highly interconnected body of knowledge. Some studies emphasize client risk and audit effort, others focus on managerial characteristics or corporate governance, while still others examine auditor specialization, tenure, market concentration, financial reporting quality, switching behavior, or the consequences of abnormal fees for audit quality and capital markets [9, 12, 24, 25]. Research also differs in whether abnormal fees are interpreted predominantly as risk compensation, quality premiums, strategic discounts, economic rents, or indicators of auditor dependence [3, 18]. This fragmentation limits the ability of researchers and practitioners to identify a unified conceptual structure explaining why abnormal audit fees arise, which components constitute the phenomenon, and how their consequences should be interpreted.

This problem is particularly important because the empirical measure of abnormal audit fees is often statistically straightforward, whereas its theoretical meaning is not. A positive residual merely indicates that actual fees exceed those predicted by a pricing model, and a negative residual indicates the opposite; neither direction independently identifies the causal mechanism. Variation may originate from unobserved complexity, heightened audit effort, auditor expertise, resource scarcity, governance demand, managerial opportunism, bargaining power, client importance, or institutional conditions. The relationship between audit fees and restatements [17], reporting quality and managerial characteristics [16], key audit matters and firm risk [13], strategic changes and auditor behavior [9], and merger-related auditor knowledge [22] illustrates the breadth of mechanisms that can underlie the same observable pricing outcome. Without integrating these findings into a coherent framework, empirical results concerning abnormal fees may remain difficult to compare and may even appear contradictory.

Accordingly, a systematic conceptual synthesis is required to move the literature from isolated determinants toward an integrated understanding of abnormal audit remuneration. Meta-synthesis is particularly suitable for this purpose because it enables the researcher to identify recurring concepts across heterogeneous studies, compare theoretically similar findings expressed through different terminology, classify them into higher-order components, and clarify relationships among antecedents, contextual conditions, mechanisms, manifestations, and consequences. Such an approach can also reconcile apparently inconsistent evidence by distinguishing between economically justified abnormal fees and abnormal fees arising from potentially problematic relational dependence. This integrative perspective is consistent with the increasing diversity of contemporary audit-fee research, which now encompasses market uncertainty, strategic change, managerial behavior, governance incentives, audit quality, reporting credibility, and auditor resource constraints [10, 19-21]. It also provides a conceptual basis for understanding why the same fee deviation may have different implications across clients, audit firms, institutional environments, and engagement conditions.

Therefore, the aim of this study was to identify and explain the dimensions and components of abnormal audit fees and to develop an integrated conceptual model of their antecedents, relational mechanisms, contextual conditions, manifestations, and consequences using the meta-synthesis method.

2. Methodology

This study employed a qualitative research design based on the meta-synthesis method to identify, integrate, and explain the dimensions and components of abnormal audit fees and to develop a comprehensive conceptual model of the phenomenon. Meta-synthesis was considered appropriate because the literature on abnormal audit

fees encompasses diverse theoretical perspectives and empirical findings concerning auditor characteristics, client-specific conditions, audit risk, corporate governance, financial reporting quality, market competition, and institutional factors. Rather than merely summarizing the results of previous studies, the meta-synthesis approach enabled the systematic interpretation, comparison, and integration of findings across studies and facilitated the extraction of higher-order concepts and relationships relevant to abnormal audit fees. The study population consisted of scholarly publications addressing abnormal audit fees, audit fee deviations, unexpected audit fees, determinants of audit pricing beyond normal fee structures, and the organizational and institutional consequences associated with unusually high or low audit remuneration. Following a systematic identification, screening, eligibility assessment, and quality-appraisal process, 42 studies were included in the final meta-synthesis sample. These studies constituted the unit of analysis and were selected because they directly addressed the antecedents, dimensions, indicators, mechanisms, or consequences of abnormal audit fees and provided sufficiently detailed findings for qualitative conceptual extraction. Studies were excluded when they dealt only with general audit pricing without distinguishing normal from abnormal audit fees, focused exclusively on non-audit service fees, lacked adequate methodological transparency, were duplicates, or did not provide findings relevant to conceptualization of the phenomenon. No restrictions were imposed on geographical setting because the objective was to develop an integrative conceptual framework capable of representing abnormal audit fees across different audit markets and institutional environments. The final sample therefore incorporated evidence from studies conducted within different legal systems, corporate governance arrangements, capital-market structures, and audit regulatory environments, allowing both recurrent and context-dependent dimensions of abnormal audit fees to be identified.

Data were collected through a systematic document-review protocol specifically developed for the meta-synthesis process. Relevant scholarly studies were identified through structured searches of major academic databases, including Web of Science, Scopus, ScienceDirect, Emerald, SpringerLink, Wiley Online Library, Google Scholar, and other relevant databases containing accounting and auditing research. Search terms were developed around the central concept of the study and included combinations of expressions such as “abnormal audit fees,” “unexpected audit fees,” “abnormally high audit fees,” “abnormally low audit fees,” “audit fee premium,” “audit pricing,” “audit fee determinants,” “audit risk and audit fees,” “audit quality and abnormal fees,” and “discretionary audit fees.” Boolean operators were used to combine the search terms and increase the comprehensiveness and precision of the retrieval process. Titles and abstracts were first screened for relevance, after which potentially eligible studies were examined in full text. A researcher-developed extraction form was used to record bibliographic information, research context, theoretical orientation, methodological characteristics, explanatory variables, identified antecedents, mediating or moderating conditions, consequences, key findings, and the concepts explicitly or implicitly associated with abnormal audit fees. Particular attention was given to passages explaining why audit remuneration deviated from its expected level, the organizational or market conditions associated with such deviations, and the implications of abnormal fees for auditor independence, audit effort, audit quality, financial reporting, and auditor–client economic bonding. To increase the methodological rigor of the review, the quality of the candidate studies was assessed according to criteria such as clarity of research objectives, appropriateness of research design, adequacy of sampling and measurement procedures, transparency of analytical methods, consistency between evidence and conclusions, and relevance of the findings to the purpose of the present study. Only studies meeting the predetermined methodological and substantive criteria were retained. During data extraction, the original terminology used in each study was preserved at the initial stage to minimize premature

interpretation; subsequently, conceptually similar expressions were standardized and organized into analytically comparable units. The resulting textual database provided the empirical foundation for identifying first-order concepts, grouping them into higher-level components, and ultimately constructing the conceptual model of abnormal audit fees.

The collected data were analyzed through a systematic process of qualitative coding, constant comparison, conceptual abstraction, and synthesis. Initially, all findings, interpretations, and explanatory statements relevant to abnormal audit fees were extracted from the 42 selected studies and subjected to open coding. In this stage, meaningful units of text were identified and assigned descriptive codes representing specific factors, conditions, mechanisms, or outcomes associated with abnormal audit fees. Examples of the types of concepts considered during coding included audit complexity, client financial risk, earnings management incentives, auditor specialization, auditor reputation, audit effort, bargaining power, auditor–client economic dependence, corporate governance effectiveness, ownership structure, internal control quality, litigation risk, regulatory pressure, market concentration, auditor tenure, and managerial incentives. The coding process remained inductive so that the conceptual structure of the model emerged from the accumulated evidence rather than being imposed in advance. In the second stage, conceptually similar or overlapping initial codes were compared, merged, differentiated, and organized into second-order components. Through repeated comparison across the selected studies, relationships among the components were examined and broader conceptual dimensions were developed. Particular attention was paid to distinguishing factors that represented normal compensatory responses to audit complexity and risk from those suggesting economic dependence, opportunistic contracting, bargaining imbalance, or strategic auditor–client relationships, because this distinction is central to understanding the meaning of abnormal audit fees. In the third stage, the identified components were synthesized into higher-order dimensions that represented the principal domains of the proposed conceptual model. The analysis also considered whether particular concepts functioned as antecedent conditions, contextual factors, mechanisms, manifestations, or consequences of abnormal audit fees, thereby enabling the final model to move beyond a simple list of determinants and represent the structural relationships among the extracted constructs. To enhance analytical credibility, coding decisions were repeatedly reviewed against the original studies, and concepts with insufficient evidentiary support or excessive conceptual overlap were revised or eliminated. Theoretical saturation was considered to have been reached when continued examination of the included studies no longer generated substantively new dimensions or components. Finally, the synthesized dimensions and components were organized into an integrated conceptual framework explaining abnormal audit fees as a multidimensional phenomenon arising from the interaction of client characteristics, auditor attributes, audit engagement conditions, governance mechanisms, auditor–client economic relations, and the broader institutional and audit-market environment.

3. Findings and Results

The final corpus of the meta-synthesis consisted of 42 studies that met all inclusion, methodological-quality, and conceptual-relevance criteria. Examination of the descriptive characteristics of the selected studies showed that the literature on abnormal audit fees had expanded substantially during the more recent periods. Of the 42 studies, 4 studies (9.52%) were published between 2000 and 2009, 9 studies (21.43%) between 2010 and 2015, 13 studies (30.95%) between 2016 and 2020, and 16 studies (38.10%) between 2021 and 2026. In terms of geographical setting, 13 studies (30.95%) were conducted in the United States or Canada, 11 studies (26.19%) in East and Southeast Asian countries, 8 studies (19.05%) in European countries, 6 studies (14.29%) in Middle Eastern countries, and 4 studies

(9.52%) in Australia, New Zealand, or other settings. Regarding methodological characteristics, archival quantitative designs constituted the dominant research approach. Twenty-nine studies (69.05%) used longitudinal or panel archival data, 6 studies (14.29%) employed cross-sectional archival designs, 3 studies (7.14%) used survey-based quantitative methods, 2 studies (4.76%) adopted qualitative or mixed-method approaches, and 2 studies (4.76%) were integrative or systematic conceptual studies that contained sufficiently explicit analytical findings to be included in the synthesis. Most quantitative studies estimated abnormal audit fees as the residual component of an audit-fee expectation model in which normal audit fees were predicted by client size, organizational complexity, financial risk, audit characteristics, and auditor-related variables. Positive residuals were generally interpreted as abnormally high audit fees, whereas negative residuals represented abnormally low audit fees. Despite differences in operationalization, sample composition, institutional context, and estimation technique, a substantial degree of conceptual convergence was observed across studies concerning the factors responsible for deviations from normal audit pricing.

Table 1. Process of Concept Extraction and Development of the Meta-Synthesis Framework

Analytical Stage	Number Extracted	Description of Analytical Operation	Result of the Stage
Relevant textual units	1,126	Extraction of statements, findings, interpretations, propositions, and empirically supported relationships directly associated with abnormal audit fees	Creation of the primary qualitative evidence database
Initial open codes	684	Assignment of descriptive codes to meaningful units concerning determinants, mechanisms, conditions, and consequences of abnormal audit fees	Identification of the broad conceptual domain of abnormal audit pricing
Non-duplicative concepts	176	Comparison, merging, refinement, and elimination of semantically duplicated or highly overlapping initial codes	Consolidation of conceptually distinct explanatory concepts
Subcomponents	61	Grouping related concepts according to substantive similarity and common theoretical meaning	Formation of intermediate conceptual categories
Main components	28	Integration of related subcomponents into more abstract explanatory constructs	Identification of the principal components of abnormal audit fees
Main dimensions	7	Higher-order synthesis of related components into comprehensive conceptual domains	Development of the final multidimensional structure
Conceptual model	1 integrated model	Organization of dimensions according to antecedents, mechanisms, contextual conditions, manifestations, and consequences	Final explanatory model of abnormal audit fees

As shown in Table 1, the meta-synthesis generated a substantial volume of initial qualitative evidence that was progressively reduced and conceptually organized through several analytical stages. The analysis began with 1,126 relevant textual units extracted from the 42 selected studies. These textual units included direct empirical findings, explanations offered by the original researchers, interpretations of abnormal fee residuals, descriptions of audit-pricing behavior, and propositions concerning the consequences of unusually high or low audit remuneration. Open coding of these textual units generated 684 initial codes. Continuous comparison revealed considerable terminological overlap because similar phenomena had been described using different expressions across the literature. For example, auditor dependence, economic bonding, fee dependence, financial reliance on a client, and client importance frequently referred to closely related underlying mechanisms. Similarly, financial distress, going-concern risk, bankruptcy likelihood, and deteriorating financial condition represented interconnected manifestations of client risk. After eliminating duplication and combining conceptually equivalent codes, 176 distinct concepts remained. These were subsequently organized into 61 subcomponents and then synthesized into 28 main components. At the highest level of abstraction, the 28 components clustered into seven overarching

dimensions. The coding reduction therefore did not merely compress the evidence numerically; rather, each stage increased the theoretical abstraction of the analysis and clarified the relationships between previously fragmented findings. The resulting seven-dimensional framework demonstrated that abnormal audit fees cannot be adequately explained by a single factor such as audit risk, auditor effort, or economic dependence. Instead, abnormal fees emerge from the simultaneous influence of client characteristics, engagement-level conditions, auditor attributes, governance and financial-reporting structures, auditor–client economic relationships, audit-market and institutional conditions, and the consequences and interpretive implications of fee deviations.

Table 2. Dimensions, Components, and Conceptual Indicators of Abnormal Audit Fees

Main Dimension	Main Component	Principal Concepts and Indicators Extracted from the Studies
Client Economic and Organizational Characteristics	Client size and organizational scale	Total assets, sales volume, market capitalization, number of subsidiaries, geographical dispersion, organizational breadth
Client Economic and Organizational Characteristics	Business complexity	Diversified operations, foreign activities, multiple business segments, complex transactions, consolidated entities, complicated ownership structures
Client Economic and Organizational Characteristics	Financial condition and distress	Financial leverage, operating losses, liquidity problems, bankruptcy risk, going-concern uncertainty, declining profitability
Client Economic and Organizational Characteristics	Strategic and operational risk	Volatile operations, rapid growth, acquisitions, restructuring, industry instability, unusual business models
Audit Engagement and Risk Characteristics	Audit effort	Auditor hours, staffing intensity, senior personnel involvement, additional procedures, expanded substantive testing
Audit Engagement and Risk Characteristics	Engagement complexity	Complex accounting estimates, fair-value measurements, multinational auditing, subsidiaries, specialized transactions
Audit Engagement and Risk Characteristics	Litigation and engagement risk	Probability of litigation, reputational exposure, regulatory investigation, client failure risk, auditor liability
Audit Engagement and Risk Characteristics	Time pressure and engagement conditions	Busy-season audits, reporting deadlines, accelerated filing, first-year engagements, unexpected audit problems
Auditor Characteristics	Auditor size and reputation	Big Four status, international network membership, brand reputation, perceived audit quality
Auditor Characteristics	Industry specialization	Auditor industry expertise, market-share specialization, specialist audit teams, accumulated sector knowledge
Auditor Characteristics	Auditor tenure and knowledge	Length of auditor–client relationship, accumulated client-specific knowledge, learning effects, familiarity
Auditor Characteristics	Auditor capacity and resource constraints	Office workload, partner workload, staff availability, audit-office size, capacity pressure
Corporate Governance and Financial Reporting	Board and audit committee effectiveness	Board independence, audit committee expertise, meeting frequency, oversight quality, governance effectiveness
Corporate Governance and Financial Reporting	Internal control quality	Internal control weaknesses, material weaknesses, control effectiveness, remediation activities
Corporate Governance and Financial Reporting	Financial reporting quality	Earnings quality, discretionary accruals, restatements, accounting conservatism, reporting transparency
Corporate Governance and Financial Reporting	Managerial incentives and opportunism	Earnings management incentives, executive compensation, financing incentives, concealment incentives, managerial pressure
Auditor–Client Economic Relationship	Client importance and fee dependence	Client contribution to office revenue, auditor dependence, relative client size, concentration of fees
Auditor–Client Economic Relationship	Bargaining power	Client negotiating strength, auditor negotiating strength, switching costs, tendering pressure, fee negotiation
Auditor–Client Economic Relationship	Economic bonding	Quasi-rents, relationship-specific benefits, expected future revenues, dependence arising from continuing engagements
Auditor–Client Economic Relationship	Pricing strategy and fee concessions	Initial engagement discounts, lowballing, fee premiums, strategic discounts, recovery of prior concessions
Audit Market and Institutional Environment	Audit-market competition	Auditor concentration, local competition, number of available audit firms, competitive pricing pressure

Audit Market and Institutional Environment	Regulatory environment	Audit regulation, inspection intensity, mandatory requirements, enforcement strength, legal liability regime
Audit Market and Institutional Environment	Industry and market conditions	Industry regulation, economic uncertainty, market downturns, sector-specific risk, capital-market development
Audit Market and Institutional Environment	Institutional and ownership structures	Investor protection, ownership concentration, state ownership, family ownership, institutional investors
Consequences and Interpretive Outcomes	Auditor independence	Independence in fact and appearance, financial dependence, willingness to challenge management, objectivity
Consequences and Interpretive Outcomes	Audit quality	Detection effort, reporting quality, professional skepticism, audit failures, quality-enhancing or quality-reducing effects
Consequences and Interpretive Outcomes	Financial reporting outcomes	Earnings management, discretionary accruals, restatements, misstatements, reporting credibility
Consequences and Interpretive Outcomes	Stakeholder and market implications	Investor perceptions, cost of capital, market confidence, regulatory concern, credibility of audited information

Table 2 presents the central result of the meta-synthesis: the identification of seven main dimensions and 28 main components constituting the conceptual domain of abnormal audit fees. The first dimension, client economic and organizational characteristics, indicates that deviations from expected audit fees are partly rooted in the fundamental characteristics of the audit client. Large, geographically dispersed, highly diversified, financially distressed, rapidly growing, or operationally complex clients impose audit demands that may not be fully captured by conventional audit-fee models. Consequently, part of the observed abnormal fee may represent compensation for client-specific characteristics that remain unobserved or imperfectly measured. The second dimension, audit engagement and risk characteristics, reflects the immediate demands of the audit assignment. Greater audit effort, complex accounting issues, litigation exposure, tight reporting deadlines, and unexpected engagement difficulties may produce positive abnormal fees when auditors require additional remuneration for incremental work or risk. The third dimension concerns auditor characteristics. Auditor reputation, specialization, tenure, and resource capacity influence both the cost and the perceived value of audit services, thereby affecting the premium or discount that may remain after normal determinants of audit fees have been controlled. The fourth dimension demonstrates the central role of corporate governance and financial reporting. Weak internal controls, aggressive reporting behavior, ineffective monitoring, and managerial opportunism can increase both the amount of audit effort required and the auditor's exposure to risk. Conversely, strong governance and high-quality internal controls can constrain managerial opportunism and reduce uncertainty surrounding the engagement. The fifth dimension, auditor–client economic relationship, emerged as one of the most theoretically important domains because abnormal fees may reflect not only production costs but also the distribution of bargaining power and economic rents between the auditor and client. Client importance, economic bonding, lowballing, fee concessions, and strategic premiums can therefore generate abnormal fees even when observable audit workload remains unchanged. The sixth dimension locates the audit engagement within its broader market and institutional environment. Competitive intensity, regulatory oversight, investor protection, ownership structures, legal liability, and industry-specific conditions alter the incentives available to auditors and clients and influence their ability to negotiate unusual fees. Finally, the seventh dimension captures the consequences and interpretation of abnormal audit fees. The synthesis demonstrated that abnormal fees are not intrinsically synonymous with either poor or superior audit quality. Their implications depend on the mechanism producing them. A positive abnormal fee arising from additional effort or elevated risk can be compatible with higher audit quality, whereas a fee premium arising from economic dependence may threaten independence. Similarly, a negative abnormal fee may represent

efficient pricing or competitive discounting, but persistent or excessive underpricing can generate resource constraints that ultimately undermine audit quality.

Table 3. Prevalence and Evidentiary Strength of the Main Dimensions Across the 42 Included Studies

Main Dimension	Studies Supporting the Dimension (n)	Percentage of Included Studies	Relative Evidentiary Strength	Predominant Relationship with Abnormal Audit Fees
Client economic and organizational characteristics	36	85.71%	Very high	Greater size, complexity, distress, and operational uncertainty generally associated with higher fee deviations
Audit engagement and risk characteristics	35	83.33%	Very high	Greater effort, risk, litigation exposure, and engagement difficulty predominantly associated with positive abnormal fees
Auditor characteristics	30	71.43%	High	Reputation and specialization generally associated with fee premiums; capacity pressures produced conditional effects
Corporate governance and financial reporting	29	69.05%	High	Weak controls and aggressive reporting generally increased abnormal fees; effective governance moderated these relationships
Auditor–client economic relationship	28	66.67%	High	Economic dependence, bargaining power, lowballing, and rent-sharing associated with both positive and negative abnormal fees
Audit market and institutional environment	24	57.14%	Moderate to high	Competition generally constrained premiums, whereas stronger regulation and litigation exposure could increase risk-related fees
Consequences and interpretive outcomes	31	73.81%	High	Effects on independence, audit quality, and reporting quality depended on the underlying origin and direction of abnormal fees

The frequency analysis presented in Table 3 demonstrates that the dimensions identified through qualitative synthesis were not derived from isolated findings but were repeatedly supported across the included literature. Client economic and organizational characteristics had the widest evidentiary coverage and appeared in 36 of the 42 studies (85.71%), followed closely by audit engagement and risk characteristics, which were supported by 35 studies (83.33%). This finding indicates that abnormal audit fees remain strongly rooted in the economic logic of audit production: when the client is more complex, risky, distressed, or difficult to audit, the probability that actual remuneration deviates upward from its predicted normal level increases. However, the comparatively high prevalence of the other dimensions shows that abnormal audit fees cannot be reduced to unobserved audit effort alone. Auditor characteristics were identified in 30 studies (71.43%), while corporate governance and financial reporting characteristics appeared in 29 studies (69.05%). These findings suggest that the auditor's market position and expertise, together with the client's monitoring and reporting environment, substantially influence abnormal pricing. The auditor–client economic relationship was supported by 28 studies (66.67%), providing strong evidence for the view that abnormal fees can incorporate relational rents, dependency effects, bargaining outcomes, and strategic pricing behaviors. Audit-market and institutional factors appeared less frequently than engagement-specific determinants but were nevertheless identified in 24 studies (57.14%), demonstrating that regulatory enforcement, competition, ownership structures, and legal institutions constitute meaningful contextual conditions. Importantly, 31 studies (73.81%) explicitly examined or discussed the consequences of abnormal fees for auditor

independence, audit quality, financial reporting, or market perceptions. The pattern of evidence revealed an important asymmetry: the direction of the fee deviation alone was insufficient to determine whether an abnormal fee represented a desirable or undesirable condition. Positive abnormal fees were frequently associated with additional audit effort, higher engagement risk, or specialized expertise, but in other contexts they reflected economic bonding or managerial influence. Negative abnormal fees likewise included both economically rational competitive discounts and potentially problematic underpricing. Accordingly, the conceptual meaning of abnormal audit fees must be inferred jointly from the direction, persistence, magnitude, and underlying mechanism of the fee deviation.

Table 4. Structural Position of the Extracted Dimensions in the Proposed Conceptual Model

Structural Role in the Model	Dimensions/Components Included	Mechanism of Influence	Expected Effect on Abnormal Audit Fees	Principal Interpretive Implication
Primary client-level antecedents	Client size, complexity, financial distress, operational risk	Alter expected audit workload, uncertainty, information-processing requirements, and exposure to client failure	Primarily positive when demands exceed normal model expectations	Abnormal fee may represent additional compensation for unobserved client complexity or risk
Engagement-level antecedents	Audit effort, engagement complexity, litigation risk, time pressure	Increase required procedures, staffing intensity, partner involvement, and risk premium	Predominantly positive	Positive abnormal fee can reflect legitimate effort- or risk-based remuneration
Auditor-level antecedents	Auditor reputation, specialization, tenure, capacity constraints	Affect service differentiation, expertise premium, efficiency, resource availability, and pricing discretion	Positive, negative, or nonlinear depending on context	Fee deviation may reflect either quality differentiation or resource constraints
Governance and reporting antecedents	Internal controls, governance effectiveness, earnings quality, managerial incentives	Influence assessed control risk, substantive procedures, management credibility, and probability of misstatement	Weak governance generally positive; strong governance may reduce abnormal premiums	Governance quality determines whether abnormal fees arise from additional verification requirements
Relational mechanisms	Client importance, bargaining power, economic bonding, strategic pricing	Determine allocation of economic rents and negotiation outcomes between auditor and client	Can generate positive or negative abnormal fees	Most relevant mechanism for interpreting independence concerns
Contextual moderators	Competition, regulation, litigation environment, ownership and institutional structures	Strengthen or weaken the effect of client-, auditor-, and relationship-level factors	Conditional	Identical engagement characteristics may produce different fee deviations across institutional environments
Fee manifestation	Abnormally high audit fees	Actual audit fee exceeds model-predicted normal fee	Positive abnormal residual	May indicate additional effort/risk premium or excessive economic bonding
Fee manifestation	Abnormally low audit fees	Actual audit fee falls below model-predicted normal fee	Negative abnormal residual	May indicate efficiency/competition or lowballing and insufficient audit resources
Immediate consequences	Auditor independence and professional skepticism	Alters economic incentives and auditor willingness to oppose management	Direction depends on underlying mechanism	Dependence-driven premiums may impair independence; effort-driven premiums need not do so
Audit consequences	Audit quality	Influences audit effort, detection probability, staffing, judgment, and reporting decisions	Positive or negative	The same fee direction can correspond to different audit-quality outcomes

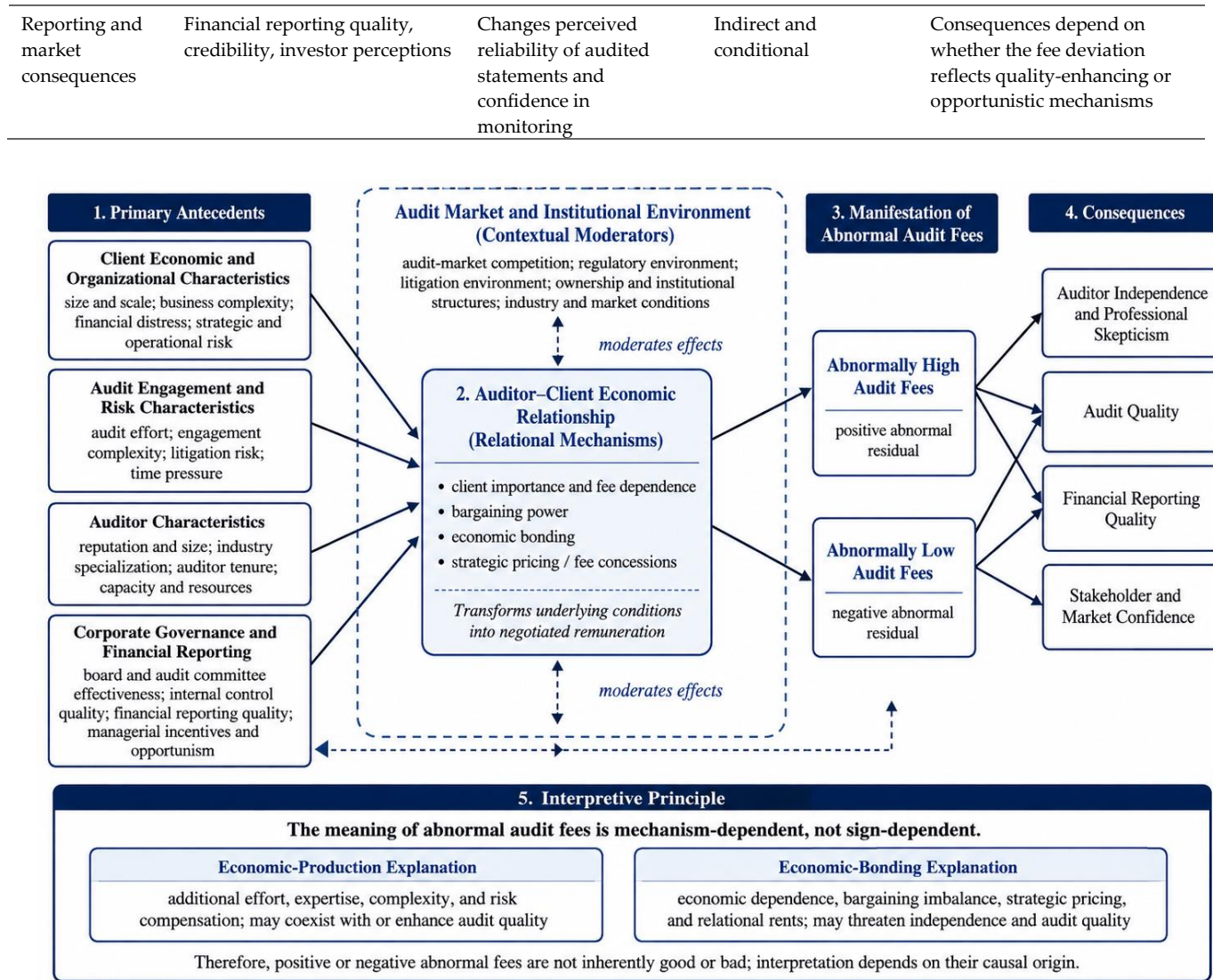


Figure 1. Conceptual Model of the Antecedents, Mechanisms, Contextual Conditions, Manifestations, and Consequences of Abnormal Audit Fees

Table 4 explains the structural relationships among the dimensions and shows how the extracted components were integrated into the final conceptual model. The synthesis indicated that abnormal audit fees should be understood as the observable result of a multilevel process rather than as an isolated financial variable. At the first level, client-specific characteristics create the basic economic and risk profile of the engagement. Organizational size, complexity, financial distress, and operational uncertainty affect the volume of audit evidence required and the likelihood that the auditor will encounter difficult or risky issues. At the second level, engagement-specific factors translate these conditions into actual audit-resource requirements through additional audit hours, specialized procedures, senior staff involvement, and risk premiums. Auditor characteristics then influence the manner in which those requirements are priced. A highly reputable or specialized auditor may command a premium because of differentiated expertise, whereas a resource-constrained auditor may either increase prices to ration limited capacity or accept lower fees under competitive pressure. Governance and reporting characteristics simultaneously affect the reliability of the client's information environment and the auditor's assessment of control and misstatement risk. These antecedent conditions are subsequently filtered through the auditor–client economic

relationship. This relational layer is particularly important because it determines whether an economically justifiable fee is transformed into an abnormal premium, a negotiated discount, a lowballing arrangement, or an economic rent. The broader institutional and market environment operates primarily as a contextual moderator. For instance, intense audit-market competition may limit the auditor's ability to charge risk premiums, whereas a strong litigation environment may increase the compensation demanded for accepting high-risk clients. The interaction of these forces ultimately produces either a positive or negative abnormal fee residual. The consequences of this residual then depend on its causal origin. An abnormally high fee generated by additional procedures, specialized expertise, or legitimate litigation risk may enhance audit quality through greater resource allocation. By contrast, an abnormal premium generated by client importance or economic dependence may create incentives to accommodate management and weaken independence. Similarly, an abnormally low fee produced by auditor efficiency need not be detrimental, whereas sustained lowballing that constrains audit resources can threaten audit quality. Thus, causal mechanism, rather than the mere numerical sign of the abnormal fee, emerged as the central interpretive principle of the proposed model.

The conceptual model represented in Figure 1 integrates the findings of the meta-synthesis into a sequential and multilevel explanatory framework. At the beginning of the model are four groups of primary antecedents: client economic and organizational characteristics, audit engagement and risk characteristics, auditor characteristics, and corporate governance and financial reporting characteristics. These dimensions determine the underlying economic cost, perceived risk, information asymmetry, and required intensity of the audit. Their effects, however, do not translate mechanically into audit fees. Instead, they pass through a relational mechanism composed of client importance, bargaining power, economic bonding, and strategic pricing behavior. The auditor–client relationship therefore acts as the principal mechanism through which underlying audit conditions are converted into negotiated remuneration. Surrounding this process is the audit-market and institutional environment, which functions as a contextual layer that can strengthen, weaken, or redirect the effect of the antecedents and relational mechanisms. Competitive audit markets can place downward pressure on fees, while stringent regulation, inspection risk, investor protection, and litigation exposure can strengthen the auditor's incentive to demand additional compensation. The interaction of these factors generates the observable manifestation of abnormal audit pricing in the form of either abnormally high or abnormally low fees relative to the estimated normal level. The final part of the model concerns consequences, including auditor independence, professional skepticism, audit quality, financial reporting quality, and stakeholder confidence. A central finding of the synthesis is that the relationship between abnormal fees and these consequences is mechanism-dependent rather than inherently linear. In other words, an abnormally high audit fee should not automatically be treated as evidence of impaired independence, and an abnormally low fee should not automatically be interpreted as poor audit quality. The meaning of each fee deviation depends on whether it originates primarily from additional audit effort and risk compensation, differentiated auditor expertise, bargaining outcomes, competitive pressure, strategic discounting, or economic dependence. Accordingly, the proposed conceptual model distinguishes the *economic-production explanation* of abnormal fees from the *economic-bonding explanation*. Under the first explanation, abnormal fees compensate the auditor for additional effort, expertise, uncertainty, or litigation exposure and may therefore coexist with or contribute to higher audit quality. Under the second explanation, abnormal fees arise from relationship-specific economic incentives, bargaining imbalance, or dependence on client-generated revenues and can undermine auditor objectivity and independence. This distinction provides the integrative theoretical core of the findings and

explains why previous empirical studies have sometimes reported inconsistent relationships between abnormal audit fees, audit quality, and financial reporting outcomes.

4. Discussion and Conclusion

The present study sought to identify and explain the dimensions and components of abnormal audit fees and to integrate the fragmented findings of previous research into a comprehensive conceptual model. The meta-synthesis of 42 eligible studies resulted in the extraction of 1,126 relevant textual units, 684 initial codes, 176 non-duplicative concepts, 61 subcomponents, 28 main components, and seven overarching dimensions. These dimensions included client economic and organizational characteristics, audit engagement and risk characteristics, auditor characteristics, corporate governance and financial reporting, auditor–client economic relationships, audit-market and institutional environment, and consequences and interpretive outcomes. The findings further indicated that abnormal audit fees should not be interpreted merely as unusually high or low monetary amounts. Rather, they represent the observable outcome of a multilevel process in which client conditions, engagement-specific demands, auditor attributes, governance structures, relational incentives, and institutional pressures jointly influence the negotiated price of audit services. The results also showed that the meaning of an abnormal fee is mechanism-dependent rather than sign-dependent. In other words, positive abnormal fees may originate from legitimate additional effort, expertise, complexity, or risk compensation, but they may also reflect economic bonding or excessive client dependence; similarly, negative abnormal fees may arise from efficiency and competition or from lowballing and inadequate audit-resource allocation.

The first and most frequently supported dimension was client economic and organizational characteristics. This dimension encompassed client size and scale, organizational and transaction complexity, financial condition and distress, and strategic or operational risk. The predominance of this dimension suggests that abnormal audit fees are partly rooted in the economic fundamentals of the audited entity. Larger and more complex firms tend to require greater audit coverage, more extensive substantive procedures, coordination across subsidiaries, assessment of complex accounting estimates, and increased involvement of senior audit personnel. When these characteristics are not fully captured by conventional audit-pricing models, part of their effect may appear in the abnormal component of audit fees. This interpretation is consistent with evidence showing that firm size and financial distress are central determinants of audit pricing and the broader auditor–client relationship [6-8]. Likewise, the association between risk measures and audit fees among listed companies supports the proposition that auditors incorporate a risk premium when clients display greater financial instability or exposure to adverse outcomes [5]. Thus, abnormal fees cannot be treated exclusively as evidence of opportunistic behavior, because at least some positive deviations may represent compensation for unobserved or imperfectly measured client complexity and risk.

The findings also highlighted the importance of strategic and environmental uncertainty as part of client-related abnormal fee determinants. The conceptual model showed that changes in business strategy, operational conditions, and external uncertainty may create audit demands that differ from those predicted by standard fee models. This result is supported by evidence that strategic changes undertaken by clients affect auditor behavior, audit adjustments, and audit fees, presumably because such changes alter business processes, internal controls, risk assessment, and the reliability of prior audit knowledge [9]. Similarly, uncertainty in oil prices has been associated with higher audit fees in the energy sector, indicating that macroeconomic and industry-specific volatility increases the difficulty of evaluating future cash flows, asset values, and going-concern assumptions [10]. Managerial myopia

also appears relevant because short-term managerial orientations may increase uncertainty surrounding investment decisions and reporting incentives, thereby changing the auditor's risk assessment and pricing behavior [11]. These studies support the present finding that client-level abnormal fees are influenced not only by static characteristics such as size or leverage but also by dynamic strategic and environmental conditions.

The second dimension, audit engagement and risk characteristics, emerged as another highly prevalent domain and included audit effort, engagement complexity, litigation and engagement risk, and time pressure. This finding reinforces the economic-production explanation of audit fees. Under this perspective, auditors charge higher-than-expected fees when the engagement requires additional hours, specialized procedures, more extensive testing, greater partner involvement, or compensation for heightened litigation exposure. This interpretation aligns with research showing that auditors adjust pricing in response to information opacity, difficult reporting issues, and changes in risk. For example, redacted disclosures have been associated with audit fees because reduced transparency can increase uncertainty and the auditor's information-processing burden [12]. Similarly, disclosure of key audit matters may increase audit costs when important matters require substantial judgment and additional work, particularly in high-risk firms [13]. Evidence that auditors remain cautious even in the presence of positive client news further suggests that fee decisions reflect underlying professional risk assessments rather than merely favorable or unfavorable surface-level information [14]. Therefore, the abnormal fee component may often represent the pricing of difficult-to-observe engagement demands.

A particularly important result of the study concerns auditor characteristics. Reputation, industry specialization, tenure, and resource capacity were identified as major components affecting abnormal audit fees. This finding indicates that the same client and engagement characteristics may be priced differently depending on the auditor providing the service. A highly reputable or specialized audit firm may command a fee premium because of superior expertise, stronger brand value, greater expected audit quality, or higher reputational costs associated with failure. The evidence concerning common auditors in mergers and acquisitions supports this interpretation, as accumulated client knowledge and coordination advantages can influence both post-acquisition financial reporting quality and audit fees [22]. Likewise, audit partner characteristics have been associated with both audit fees and audit quality, suggesting that engagement pricing is partly shaped by the experience, competence, and incentives of individual audit partners [19]. Audit tenure is also relevant because longer relationships may generate learning efficiencies and better client-specific knowledge while simultaneously creating concerns about familiarity and economic bonding [20, 21]. These findings support the inclusion of auditor-specific attributes as a distinct dimension rather than treating audit firms as homogeneous service providers.

The role of auditor resource availability provides an especially important explanation for the inconsistent relationship between abnormal fees and audit quality. The present study found that abnormal fees cannot be interpreted without considering whether auditors have sufficient human and organizational resources to translate additional remuneration into actual audit effort. Krishnan and Tanyi showed that the informativeness of abnormal audit fees for audit quality depends on office resource availability [18]. When audit offices have sufficient staff, expertise, and capacity, a positive abnormal fee may support more extensive audit work and higher quality. In contrast, when resources are constrained, higher remuneration may not result in additional procedures or stronger audit outcomes. This finding helps explain why prior studies have reported divergent associations between abnormal audit fees and audit quality and supports the present model's emphasis on contextual interpretation rather than a simple positive-versus-negative classification.

The fourth dimension involved corporate governance and financial reporting characteristics. The synthesis showed that board effectiveness, audit committee characteristics, internal control quality, financial reporting quality, and managerial incentives are closely connected with abnormal audit pricing. This result is theoretically plausible because governance mechanisms affect both the risk of material misstatement and the demand for high-quality assurance. Weak governance and internal controls may increase audit effort because auditors cannot rely extensively on internal monitoring systems, whereas stronger governance may either reduce audit risk or increase the demand for rigorous auditing. The relationship between board characteristics and abnormal audit fees identified in prior research supports this dual role, particularly when audit quality acts as a moderating factor [23]. The reputational incentives of lead independent directors have also been associated with audit fees, suggesting that boards concerned about external credibility may demand greater audit effort and be willing to pay more for assurance [24]. These findings reinforce the interpretation that governance-related abnormal fees may represent either risk compensation or governance-driven demand for higher assurance.

The financial reporting component of this dimension is equally important. The present findings showed that aggressive reporting, restatements, internal control weaknesses, and managerial opportunism may increase abnormal audit fees by raising both audit effort and litigation exposure. Prior evidence linking abnormal audit fees with financial statement restatements supports the argument that abnormal pricing can contain information about underlying reporting quality [2]. More recent evidence further suggests that audit quality moderates the relationship between audit fees and restatements, indicating that the significance of fee levels depends on the quality of the assurance process itself [17]. CEO domination has also been associated with discretionary accruals and audit fees, demonstrating that managerial power can affect both financial reporting behavior and the auditor's pricing response [15]. Similarly, managerial characteristics, including the presence of female managers, have been linked to financial reporting quality and audit fees [16]. Collectively, these studies support the present conclusion that abnormal fees partly reflect the interaction between managerial reporting incentives and the auditor's response to perceived misstatement risk.

The auditor–client economic relationship was identified as one of the central mechanisms of the proposed model. Its components included client importance, fee dependence, bargaining power, economic bonding, and strategic pricing or fee concessions. This dimension distinguishes the present conceptualization from models that interpret abnormal fees purely through production costs. Audit fees are negotiated prices, and negotiation outcomes are affected by the relative economic power of the auditor and client. A strategically important client may be able to negotiate fee concessions, while an auditor with specialized expertise may demand a premium. Lowballing may occur when auditors intentionally accept below-normal fees to obtain new clients, expecting to recover the discount in future periods. Conversely, unusually high fees may reflect relationship-specific rents or dependence on client-generated revenues. The relevance of audit fees to auditor switching decisions supports this relational interpretation, because clients' decisions to retain or replace auditors are influenced by fee levels, financial distress, firm size, audit committee characteristics, and audit quality [7, 8]. Thus, the relational mechanism explains why the same level of audit risk can produce different fee outcomes across different auditor–client relationships.

The findings further showed that audit-market and institutional conditions moderate the effects of other dimensions. Competition, regulation, litigation exposure, ownership structures, and market development can either strengthen or weaken the relationship between engagement characteristics and abnormal audit fees. The association between abnormal audit fees, audit-market concentration, and audit quality demonstrates that market structure significantly conditions the interpretation of fee deviations [4]. In concentrated markets, audit firms may

have greater pricing power, but they may also possess greater expertise and reputational capital. In competitive markets, pricing pressure may reduce premiums and increase the likelihood of discounting. Evidence from Kosovo likewise indicates that the determinants of external audit fees are shaped by market-specific conditions and institutional structures [6]. The inclusion of institutional factors therefore improves the explanatory scope of the model by recognizing that abnormal audit fees are embedded in regulatory and market environments rather than being determined solely within the bilateral auditor–client relationship.

Perhaps the most important interpretive finding is that abnormal audit fees are mechanism-dependent rather than sign-dependent. Positive abnormal fees cannot automatically be interpreted as evidence of impaired independence, just as negative abnormal fees cannot automatically be treated as indicators of poor audit quality. Australian evidence demonstrates that abnormal audit fees are related to audit quality, but the direction and meaning of this relationship vary according to engagement and institutional circumstances [3]. Likewise, the relationship between abnormal audit fees and audit quality is conditioned by audit-market concentration [4] and by office resource availability [18]. This finding provides a conceptual explanation for apparently contradictory empirical results. Under the economic-production explanation, a positive abnormal fee may result from higher audit effort, specialized expertise, elevated litigation risk, or complex engagement conditions and therefore may be associated with higher audit quality. Under the economic-bonding explanation, the same positive deviation may reflect dependence on an economically important client and may reduce the auditor's willingness to challenge management. Similarly, a negative abnormal fee may reflect efficient service delivery or competitive pricing, but it may also represent lowballing and insufficient resources devoted to the audit.

The consequences identified in the meta-synthesis also extend beyond audit quality to auditor independence, financial reporting outcomes, and stakeholder confidence. Prior evidence showing an association between abnormal audit fees and audit opinions suggests that unusual remuneration can influence, or at least coexist with, important auditor reporting judgments [1]. The relationship between abnormal audit fees and stock-price crash risk further demonstrates that abnormal remuneration may contain information relevant to investors and capital markets, particularly when fee deviations are associated with information opacity or managerial concealment [26]. These findings support the inclusion of market-level consequences in the conceptual model. If abnormal fees arise from quality-enhancing effort, they may strengthen reporting credibility; if they arise from economic dependence or opportunistic pricing, they may undermine confidence in auditor independence and the reliability of audited information.

Overall, the present findings integrate previously fragmented evidence into a coherent explanatory framework. The results show that abnormal audit fees arise from the interaction of client characteristics, engagement risks, auditor attributes, governance and reporting conditions, relational economic mechanisms, and institutional environments. This multidimensional structure helps reconcile different strands of the literature. Studies emphasizing financial distress, firm size, and risk are captured within client and engagement dimensions [5, 7]. Research on strategic change, market uncertainty, and disclosure is represented through operational risk and information-environment mechanisms [9, 10, 12]. Studies focusing on auditor expertise, tenure, and resources are incorporated within auditor characteristics [18, 21, 22], while governance and managerial behavior are represented through the governance and financial reporting dimension [15, 16, 24]. The resulting model therefore provides a broader theoretical basis for future research by shifting attention from whether abnormal fees are merely “high” or “low” toward the more analytically useful question of why they are abnormal and through which mechanisms they affect audit and reporting outcomes.

This study has several limitations that should be considered when interpreting its findings. First, the meta-synthesis depended on the scope, methodological quality, conceptual clarity, and reporting completeness of the studies included in the final sample; consequently, dimensions that have received limited attention in the existing literature may be underrepresented in the proposed model. Second, substantial heterogeneity existed across studies in terms of institutional setting, sample characteristics, operational definitions, audit-fee models, measures of audit quality, and methods used to estimate abnormal fees. Although this diversity strengthened the conceptual breadth of the synthesis, it also limited the possibility of treating all extracted relationships as directly comparable. Third, the categorization of qualitative concepts into subcomponents, components, and dimensions necessarily involved researcher interpretation, and despite systematic coding and repeated comparison, some conceptual overlap between categories may remain. Fourth, the proposed framework is conceptual and integrative rather than causal in the strict empirical sense; therefore, the directional relationships shown in the model should be regarded as theoretically derived propositions that require subsequent quantitative testing. Finally, the literature on abnormal audit fees continues to develop rapidly, and emerging issues related to digital auditing, artificial intelligence, sustainability assurance, cybersecurity risk, and new regulatory regimes may introduce additional dimensions that were not sufficiently represented in the current evidence base.

Future studies should empirically test the proposed conceptual model using large, longitudinal, and multi-country datasets in order to determine the relative explanatory power of the seven dimensions and the causal pathways connecting them. Researchers should distinguish more explicitly between positive and negative abnormal audit fees and, more importantly, between their underlying mechanisms, such as risk compensation, expertise premiums, economic bonding, lowballing, and bargaining outcomes. Structural equation modeling, multilevel modeling, panel-data techniques, and configurational approaches could be used to examine how client, auditor, governance, relational, and institutional factors interact rather than assessing them independently. Future research should also develop measurement instruments capable of capturing the relational and behavioral components of abnormal audit pricing that cannot be adequately observed through archival data alone. Comparative studies across regulatory environments and audit-market structures would be particularly valuable for testing the contextual moderation proposed in the model. In addition, future studies could examine whether the effects of abnormal audit fees differ according to audit-firm size, industry specialization, client life-cycle stage, ownership structure, or periods of economic crisis. Emerging technologies also warrant attention, especially whether advanced analytics, artificial intelligence, continuous auditing, and automated risk assessment alter the relationship between audit effort and abnormal fees. Finally, longitudinal research should examine whether persistent abnormal fees have different consequences from temporary deviations and whether repeated abnormal pricing predicts subsequent auditor switching, restatements, enforcement actions, or changes in audit quality.

The findings have practical implications for audit firms, corporate boards, audit committees, regulators, and investors. Audit firms should document the economic justification for material deviations from expected audit fees and distinguish clearly between premiums arising from additional effort or specialized expertise and fees generated by strategic or relational considerations. Engagement acceptance and continuance procedures should incorporate explicit assessments of client importance, fee dependence, bargaining pressure, and resource capacity to reduce the risk that abnormal pricing compromises auditor independence or audit quality. Audit committees should avoid evaluating audit fees solely on the basis of whether they appear high or low and should instead assess the underlying reasons for fee deviations, including changes in risk, complexity, staffing requirements, and competitive conditions. Regulators and professional bodies could strengthen monitoring systems by identifying persistent or

extreme abnormal fees as potential risk indicators requiring further scrutiny rather than treating them automatically as evidence of misconduct. Investors and other users of financial statements should likewise interpret abnormal audit fees together with indicators of audit quality, governance effectiveness, financial reporting risk, auditor tenure, and market conditions. More broadly, transparent disclosure of significant changes in audit remuneration and their underlying causes could improve accountability, facilitate more informed evaluation of auditor independence, and enhance confidence in the external audit process.

Authors' Contributions

Authors equally contributed to this article.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

The authors report no conflict of interest.

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