

## **FURTHER EVIDENCE ON THE DETERMINANTS OF AUDIT FEES IN UK UNIVERSITIES**

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### **ABSTRACT**

This study investigates the determinants of audit fees for UK universities, involving an analysis of 333 university-year observations over the period 2007-2009. The study contributes to the fledgling strand of academic research examining audit pricing in the public and non-profit sectors. Our findings show that audit fees in UK universities are positively influenced by size, a range of complexity measures, the value of non-audit services provided by the auditor, age of the institution, whether the university is based in England and whether the auditor is located in London. We also find that universities with greater operating surpluses pay lower fees. By segregating our sample of universities along a number of parameters we obtain richer insights into the determinants of audit fees in the university sector. Specifically, we find that the impact of some of the key determinants of audit fees depends on whether the university is "old" or "new" and whether it is located in England or elsewhere in the UK. In summary, our empirical model is better at explaining audit pricing in older and English-based universities than in new universities and those located in other regions of the UK.

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