

## Research Centre, Faculty of Economics

is organizing a scientific - research seminar

on Thursday, 24<sup>th</sup> April 2014 at 12:00 pm

in the room **P-109** at the **Faculty of Economics Ljubljana**.

Presentation of an article:

### **“Determinants of Audit Fees in Slovenia”**

*author: Aleksander Igličar, M.Sc., Maja Zaman Groff Ph.D., Domen Trobec, Ph.D., Faculty of Economics, University of Ljubljana*

“An extensive body of research has been examining the determinants of audit fees over the past 35 years. Much research has followed the seminal work by Simunic (1980) who identified (a) size of the client, (b) complexity of the client and (c) risk of the client to be the main determinants of audit fees. Numerous researchers have upgraded his original work by identifying additional determinants of audit fees; in spite of some inconsistencies in the reported findings, there is a general consent among researchers that the determinants, affecting audit fees, are client-specific and auditor-specific. The aim of our study is to identify the characteristics of audit fees in Slovenia. As compared to the settings that have been thoroughly studied in the existing literature, Slovenia has a relatively short auditing tradition. Moreover, the developments in its audit market have led to comparatively low audit fees. Identifying the determinants of audit fees in such setting is important to understand. Higher complexities and risks should reflect in higher audit fees or else audit quality is at risk. In our research we studied audit fees of Slovenian companies from Manufacturing Industry (Industry C from Slovenian Standard Classification of Activities - SKD) in years from 2009 to 2012. We matched audit fees with income statement and balance sheet data, auditor-related data and additional information from annual reports to identify the determinants of audit fees in this period. To the best of our knowledge this is the first comprehensive research of Audit Fees in Slovenia. Our initial regression results show quite significant results which could be interesting to researchers, audit companies, their clients as well as policymakers.”

You can register for the free seminar by phone (01) 58-92-490, or via e-mail: [research.seminars@ef.uni-lj.si](mailto:research.seminars@ef.uni-lj.si) until Wednesday, 23.4.2014.

**Welcome!**