A Meta-Analytic Study on Audit Fees and Audit Quality in Indonesia

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Abstract

Numerous studies on audit quality have been conducted, and one of the factors influencing audit quality is audit fees. This study employs a meta-analysis method with a correlation approach to examine the relationship between audit fees and audit quality. The author reviewed 100 journals relevant to the topic of audit fees and audit quality over the past five years, utilizing Publish or Perish. These journals were selected based on specific eligibility criteria and analyzed using JASP software. The results indicate a z-value of 8.029 and a p-value < 0.001, which is smaller than the 5% (0.05) significance level. This finding demonstrates a significant positive correlation between audit fees and audit quality, although the effect size is relatively low (rRE = 0.211). Therefore, while audit fees are positively and significantly associated with audit quality, the strength of the correlation remains low. Based on these findings, the researcher recommends that companies consider paying higher audit fees to enhance the quality of audits obtained.

1. Introduction

Auditing is a crucial aspect of the business and financial world, aiming to verify the accuracy and reliability of financial statements presented by companies. Financial audits play a vital role in creating value for organizations (Fossung & Verges, 2022; Khorshid et al., 2022; Kurznack et al., 2021). In addition to fulfilling legal obligations, audits also provide assurance to shareholders, investors, and other stakeholders regarding the transparency and integrity of financial reports. With the increasing demand for transparency and accountability, the role of auditing has become more significant in building investor confidence, maintaining market integrity, and ensuring compliance with applicable regulations (Peng & Chau, 2023; Mayangsari & Suwarno, 2023; Tewelde et al., 2023; Ximenes & Guntur, 2023; Hapsara & Suwarno, 2025).

As part of the oversight system, auditing not only ensures that financial statements are accurately prepared but also plays a role in maintaining public trust in companies. Audit quality is a key factor in determining the effectiveness of the audit process, as audits conducted in accordance with established standards are more likely to provide reliable information. High-quality audits can enhance stakeholder confidence, ensure compliance with standards, identify and mitigate risks, improve operational efficiency, and support better decision-making (Barth et al., 2023; Hameedi et al., 2021). Therefore, understanding the factors that influence audit quality is of paramount importance.

One such factor affecting audit quality is the audit fee, which is the amount paid by a company to an auditor for conducting the financial audit. Audit fees are influenced by several factors, including the level of audit risk, task complexity, and the type of services provided by the auditor. In many cases, higher audit fees may indicate that auditors are allocating more time and resources to perform a more thorough audit. However, it is crucial to ensure that audit fees do not compromise auditor independence, so that audit results remain objective.

From a regulatory perspective, the Minister of Finance Regulation (PMK) No. 186 of 2021 governs the use of public accounting services, including provisions on audit fees that must be aligned with the complexity, scope, and type of

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services provided. Furthermore, the Financial Services Authority (OJK), through Circular Letter No. 18/SEOJK.03/2023, emphasizes the importance of auditor independence and objectivity in determining audit fees. OJK encourages financial institutions not only to consider market rates or administrative costs when setting audit fees, but also to account for the quality and complexity of the audit services provided. Therefore, although higher audit fees do not always guarantee better audit quality, in certain conditions, they may reflect auditors' efforts to conduct more in-depth and comprehensive audits.

Understanding the relationship between audit fees and audit quality is important for various stakeholders, including companies, auditors, and regulators. Awareness of the factors influencing audit quality can help in formulating more effective audit policies, thereby ensuring more transparent and accurate financial reporting. As the demand for high-quality audits continues to grow, further investigation into the relationship between audit fees and audit quality is needed to provide deeper insights.

One method that can be used to explore this relationship is meta-analysis, a research approach that combines data from multiple previous studies to obtain more comprehensive conclusions. To date, there has been no meta-analytic research in Indonesia that specifically examines the relationship between audit fees and audit quality. Therefore, given the urgency and relevance of this topic, a meta-analytic study titled "A Meta-Analytic Study on Fee Audit and Audit Quality in Indonesia" is an important undertaking to enrich the literature and offer valuable insights to the business and financial sectors.

2. Literature Review

2.1. Agency Theory

Agency theory, developed by Jensen and Meckling (1976), explains the relationship between principals (owners) and agents (managers) within a company. In the context of auditing, agency theory plays a crucial role due to the potential conflict of interest between management acting as agents and shareholders as principals. This conflict may lead to information asymmetry and opportunistic behavior by management. Regarding audit fees and audit quality, agency theory assumes that shareholders are willing to bear higher audit fees to reduce the risk of financial misstatements caused by managerial opportunism. Higher audit fees are often associated with increased audit quality, as auditors are expected to perform more extensive and thorough procedures to mitigate audit risks and enhance the reliability of financial statements (DeAngelo, 1981; Hay et al., 2021).

2.2. Attribution Theory

Attribution theory, initially developed by Heider (1958) and later expanded by Weiner (1986), focuses on how individuals explain the causes of their own behavior and that of others. In the audit context, attribution theory is relevant because stakeholders (e.g., investors, creditors, and regulators) tend to associate audit quality with both external factors (such as audit fees, auditor reputation, and regulatory requirements) and internal factors (such as auditor independence and competence). Stakeholders often assume that higher audit fees reflect better audit quality, as auditors charging higher fees are perceived to have more resources to conduct a thorough audit and detect errors or fraud in financial statements (Francis, 2004; Knechel et al., 2020). Thus, attribution theory helps explain how external parties evaluate audit quality based on observable factors like audit fees.

2.3. The Relationship between Audit Fees and Audit Quality

Based on agency theory, higher audit fees can help reduce agency risk by ensuring that auditors perform more rigorous and in-depth procedures. Meanwhile, attribution theory suggests that stakeholders are likely to interpret audit fees as an indicator of audit quality. Several empirical studies have found a positive relationship between audit fees and audit quality; however, this relationship may be influenced by other factors, such as auditor independence and audit complexity (Simunic, 1980; Francis & Yu, 2009; Zaman et al., 2022).

2.4. Hypotheses

The hypotheses proposed in this correlation-based meta-analysis are as follows:

H_0 (Null Hypothesis): There is no significant positive effect of audit fees on audit quality.

H_1 (Alternative Hypothesis): There is a significant positive effect of audit fees on audit quality.

3. Research Method and Materials

This study employs a correlational meta-analysis method by reviewing several articles from national journals in Indonesia. The primary objective of this research is to statistically evaluate the findings of primary studies that examine the effect of audit fees on audit quality in Indonesia during the period from 2020 to 2024. Correlational meta-analysis refers to the process of combining two or more research findings related to audit fees and audit quality, which have been published in journal form, to be analyzed statistically.

Articles included in the initial search were reviewed and assessed for further meta-analytic processing. The following criteria were used to filter and select studies for inclusion:

a.   Published between 2020 and 2024.
b.   Conducted within the Indonesian context.
c.   Published in accredited journal sources.
d.   Accessible through Google Scholar.
e.   Report data on correlation coefficients (r), t-values, and sample size (n).
f.   Clearly identify audit fee as the independent variable and audit quality as the dependent variable.

Data were gathered from accredited online databases such as SINTA, Google Scholar, and others, with the assistance of the Publish or Perish software. The keywords used in the literature search were: "fee audit terhadap kualitas audit" (audit fee on audit quality). Based on the search results that met the above inclusion criteria, a total of 100 research studies were found to be suitable for meta-analysis. According to Hunter & Schmidt (2004), a meta-analysis that includes only 10 studies is considered small in scope. Therefore, the number of studies included in this research indicates a large-scale meta-analysis. The Figure 1 show the journal selection process conducted in this study.
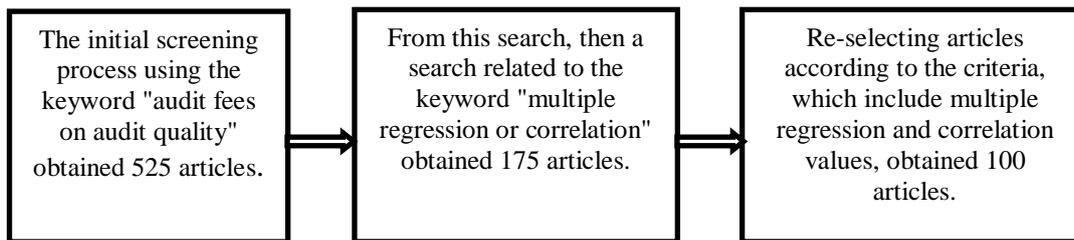
Figure 1. The journal selection process.

After collecting data from each study that met the criteria for meta-analysis, the data analysis process was conducted to draw more accurate conclusions using statistical procedures in a correlational meta-analysis. The steps of data analysis are as follows:

a.   Transformation of each r-value into effect size.
b.   Heterogeneity test.
c.   Summary effect.
d.   Publication bias evaluation.

The interpretation of effect sizes in this correlational study follows the scale recommended by Cohen (1988). According to the scale, the classification of sizes is as follows: effect size ≤ 0.10 (Small), effect size < 0.30 (Medium), effect size ≥ 0.50 (Large). The heterogeneity test in this study was conducted using the Q parameter approach. If the p-value < 0.05, the appropriate model for estimating the summary effect is the random effects model. If the p-value > 0.05, the model used for estimation is the fixed effects model (Juandi & Tamur, 2020). Studies that contain the necessary statistics for meta-analysis require a publication bias test (Juandi & Tamur, 2020). The publication bias test uses the File-Safe N (FSN) approach. If the File-Safe N value $> (5K+10)$, where K is the number of studies included in the meta-analysis, then the study is free from publication bias and can be scientifically justified (Mulen et al., 2001).

4. Results and Discussion

4.1. Effect Size

From the studies that met the established criteria, 100 studies published between 2020 and 2024 were identified as eligible for further analysis. The first step in the analysis was to calculate the effect size for each study by transforming the t/r values from each study.

Table 1. Effect size, varians effect size dan standard error

No	Author	Year	z	Vz	SEz
1	Khariyah	2020	0.127	0.026	0.160
2	Ahmat at al	2020	0.005	0.009	0.096
3	Andriani at al	2020	0.289	0.014	0.118
4	Armawan at al	2020	0.319	0.022	0.149
5	Ana at al	2020	0.237	0.012	0.109
6	Nurmalia at al	2020	0.275	0.016	0.125
7	Santoso at al	2020	0.939	0.013	0.112
8	Cahyani at al	2020	-0.389	0.016	0.126
9	Baharuddin at al	2020	0.282	0.027	0.164
10	Sari at al	2020	0.369	0.014	0.120
11	Rustan at al	2020	0.464	0.015	0.121
12	Ningsih at al	2020	0.358	0.010	0.102
13	Jannah	2020	0.761	0.031	0.177
14	Trisyanto	2020	0.357	0.017	0.129
15	Atantri	2020	0.406	0.021	0.144
16	Apriani at al	2021	-0.114	0.007	0.085
17	Ernawati at al	2021	0.093	0.023	0.152
18	Lestari at al	2021	-0.301	0.009	0.097
19	Fauziah at al	2021	0.020	0.012	0.111
20	Oktaviyani at al	2021	0.010	0.021	0.146
21	Jessica at al	2021	0.140	0.006	0.075
22	Kurniati at al	2021	0.177	0.010	0.102
23	Mestika at al	2021	0.077	0.016	0.127
24	Darmawan at al	2021	0.254	0.011	0.105
25	Waluyo at al	2021	0.230	0.006	0.075
26	Suun at al	2021	-0.058	0.032	0.180
27	Fauzan at al	2021	0.234	0.014	0.118
28	Mustaqmah at al	2021	0.261	0.016	0.127
29	Priana at al	2021	0.394	0.012	0.110
30	Kusumo at al	2021	0.402	0.031	0.177
31	Wibisono at al	2021	0.415	0.020	0.141
32	Simanullang at al	2021	0.151	0.009	0.096
33	Septayanti at al	2021	0.333	0.021	0.144
34	Dewi at al	2021	0.270	0.014	0.120
35	Ariyanto at al	2022	0.853	0.037	0.192
36	Rufaidah at al	2022	0.906	0.032	0.180
37	Nursihab at al	2022	0.228	0.009	0.092
38	Rinaldi at al	2022	-0.154	0.008	0.088
39	Raihanah et al	2022	0.634	0.024	0.154
40	Putriana at al	2022	0.107	0.016	0.126
41	Wiyono at al	2022	0.699	0.027	0.164
42	Shafira at al	2022	0.230	0.018	0.132
43	Aris at al	2022	0.665	0.032	0.180

No	Author	Year	z	Vz	SEz
44	Semarabawa at al	2022	0.993	0.016	0.126
45	budiari et al	2022	0.191	0.010	0.100
46	Falentina at al	2022	0.013	0.005	0.070
47	Rahadi at al	2022	-0.153	0.005	0.073
48	Soinia at al	2022	0.220	0.022	0.149
49	Ede at al	2022	0.422	0.013	0.115
50	Hatigoran at al	2022	0.268	0.008	0.088
51	Siregar at al	2022	0.271	0.026	0.160
52	Rahmadini at al	2022	-0.179	0.018	0.132
53	Fatah at al	2022	0.478	0.028	0.167
54	Herdiansyah at al	2022	0.645	0.006	0.076
55	Farid at al	2022	-0.020	0.013	0.113
56	Saadah at al	2022	0.394	0.016	0.125
57	Cahyani at al	2022	0.240	0.014	0.120
58	Wijaya at al	2022	-0.227	0.009	0.092
59	Muhidin at al	2023	0.039	0.024	0.156
60	Stanley at al	2023	-0.420	0.050	0.224
61	Salsabila at al	2023	-0.142	0.006	0.075
62	Elvania at al	2023	0.105	0.007	0.084
63	Shachariya	2023	-0.086	0.010	0.102
64	Istyowati at al	2023	0.009	0.003	0.057
65	Afda at al	2023	0.376	0.021	0.146
66	Sososutiksno at al	2023	0.094	0.006	0.077
67	Riswandi	2023	0.441	0.037	0.192
68	Oktarinaldi at al	2023	0.112	0.019	0.139
69	Wijaya at al	2023	0.011	0.008	0.087
70	Wedari at al	2023	0.224	0.011	0.105
71	Viarni at al	2023	0.087	0.012	0.111
72	Syamsuri at al	2023	0.432	0.009	0.097
73	Djamaa at al	2023	0.054	0.037	0.192
74	Hutajulu at al	2023	-0.028	0.014	0.118
75	Handayani	2023	0.164	0.015	0.122
76	Azisah at al	2023	0.401	0.025	0.158
77	Arif at al	2023	0.042	0.008	0.088
78	Sitepu at al	2023	0.545	0.014	0.120
79	Danny	2023	0.222	0.012	0.110
80	Ifanda	2024	-0.200	0.021	0.146
81	Fitriani at al	2024	-0.050	0.021	0.144
82	Prima at al	2024	0.256	0.010	0.102
83	Harneli at al	2024	-0.080	0.020	0.140
84	Widodo at al	2024	0.080	0.015	0.122
85	Kumalasari at al	2024	0.165	0.019	0.139
86	Wijaya at al	2024	0.263	0.004	0.065
87	Rohma at al	2024	-0.130	0.004	0.062
88	Marcelia at al	2024	0.238	0.006	0.080
89	Finnie at al	2024	0.508	0.009	0.092
90	Pertiwi at al	2024	0.797	0.022	0.149
91	Gunawan at al	2024	0.389	0.006	0.079
92	Risdiana at al	2024	0.213	0.011	0.106

No	Author	Year	z	Vz	SEz
93	Cahyono at al	2024	-0.035	0.004	0.066
94	Merani at al	2024	-0.167	0.012	0.111
95	Widhianingsih at al	2024	0.256	0.013	0.114
96	Ramadhan at al	2024	0.334	0.016	0.128
97	Halim	2024	0.082	0.005	0.072
98	Ayustina at al	2024	0.170	0.013	0.115
99	Saputra at al	2024	0.589	0.009	0.092
100	Iqbal at al	2024	0.063	0.037	0.192

In this study, JASP software will be used to obtain the summary effect value, results of the heterogeneity test, forest plot, and publication bias analysis. The data used as input in the JASP software are the effect size (z) and standard error of effect size (SEz), which were obtained through calculations using Microsoft Excel.

4.2. Heterogeneity Test

The next step is to test heterogeneity and select the appropriate estimation model. The heterogeneity test is performed using the Q parameter approach.

Table 2. Fixed effect and random effect

	Q	df	p
Omnibus test of Model Coefficients	64.468	1	< .001
Test of Residual Heterogeneity	569.722	99	< .001

Note. p -values are approximate.
Note. The model was estimated using DerSimonian-Laird method.

The results of the heterogeneity test show that the 100 effect sizes from the studies analyzed are heterogeneous, as indicated by the Q value (569.722) with a p-value of 0.001 < 0.05. Therefore, the analysis that will be used next is the random effects model to estimate the effect size from the 100 studies analyzed.

4.3. Summary Effect

Table 3. Summary effect/Mean Effect Size

Coefficients

	Estimate	Standard Error	z	p	95% Confidence Interval	
					Lower	Upper
intercept	0.211	0.026	8.029	< .001	0.160	0.263

Note. Wald test.

The analysis results using the Random Effects model show that the z value is 8.029, and the p-value is < 0.001, which is smaller than the significance level of 5% (0.05). This means that the null hypothesis (H0) is rejected. In other words, there is a significant positive correlation between audit fees and audit quality. The effect of audit fees on audit quality is categorized as low (rRE = 0.211). According to Cohen (1988), the classification is as follows: r = 0.1 (low), r = 0.3 (medium), r = 0.5 (high).

From the Forest Plot values on Figure 2, it can be observed that the effect sizes of the studies analyzed vary, ranging from -0.42 to 0.94. Additionally, the summary effect size obtained (0.21) falls within the interval of 0.16 – 0.26.

4.4. Publication Bias

4.4.1. Funnel Plot

The results of the Funnel plot (Figure 3) are difficult to conclude whether the funnel plot is symmetrical or not, so the next test conducted is the Fail Safe N.
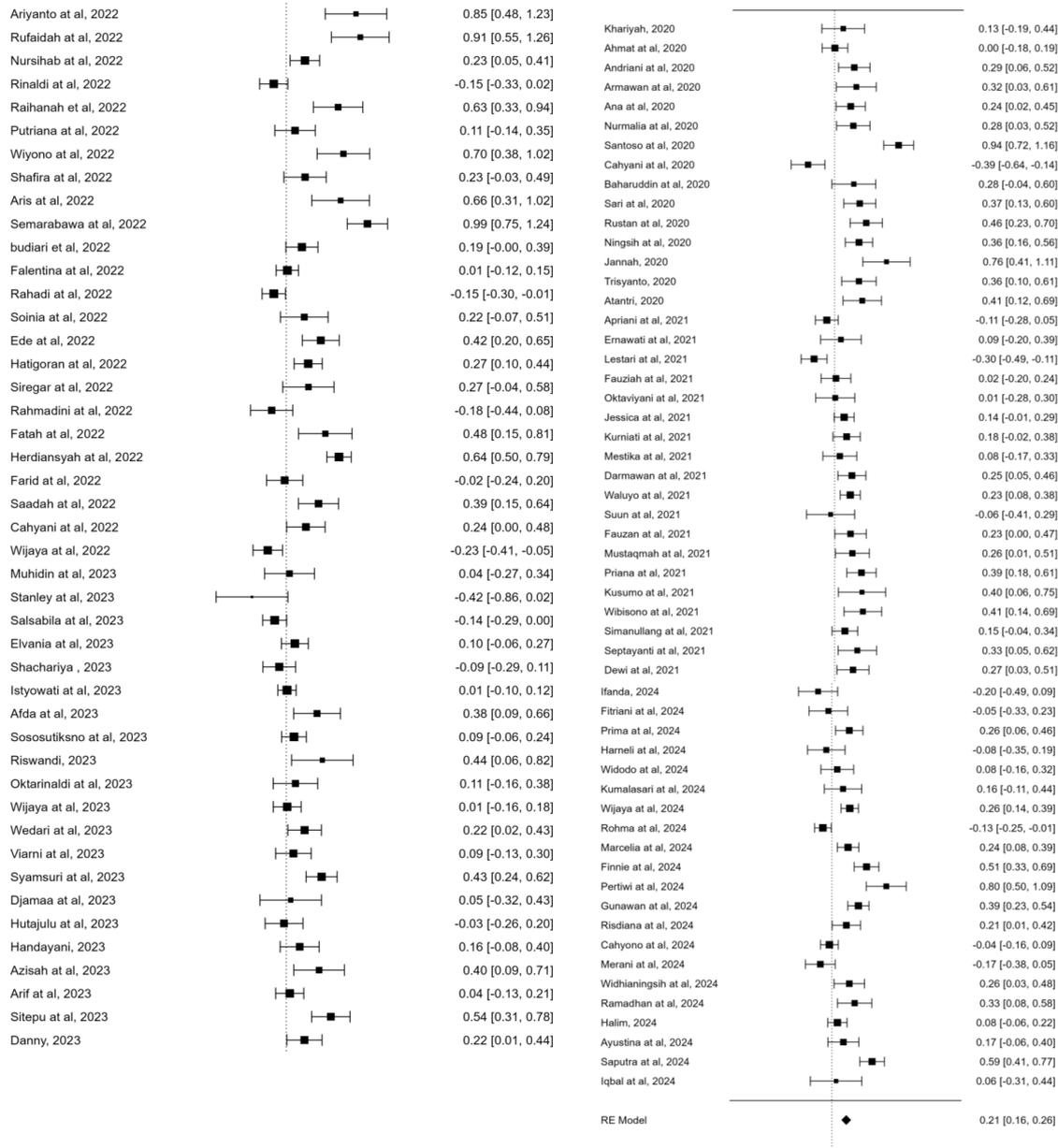
Ariyanto at al, 2022		0.85 [0.48, 1.23]
Rufaidah at al, 2022		0.91 [0.55, 1.26]
Nursihab at al, 2022		0.23 [0.05, 0.41]
Rinaldi at al, 2022		-0.15 [-0.33, 0.02]
Raihanah et al, 2022		0.63 [0.33, 0.94]
Putriana at al, 2022		0.11 [-0.14, 0.35]
Wiyono at al, 2022		0.70 [0.38, 1.02]
Shafira at al, 2022		0.23 [-0.03, 0.49]
Aris at al, 2022		0.66 [0.31, 1.02]
Semarabawa at al, 2022		0.99 [0.75, 1.24]
budiari et al, 2022		0.19 [-0.00, 0.39]
Falentina at al, 2022		0.01 [-0.12, 0.15]
Rahadi at al, 2022		-0.15 [-0.30, -0.01]
Soinia at al, 2022		0.22 [-0.07, 0.51]
Ede at al, 2022		0.42 [0.20, 0.65]
Hatigoran at al, 2022		0.27 [0.10, 0.44]
Siregar at al, 2022		0.27 [-0.04, 0.58]
Rahmadini at al, 2022		-0.18 [-0.44, 0.08]
Fatah at al, 2022		0.48 [0.15, 0.81]
Herdiansyah at al, 2022		0.64 [0.50, 0.79]
Farid at al, 2022		-0.02 [-0.24, 0.20]
Saadah at al, 2022		0.39 [0.15, 0.64]
Cahyani at al, 2022		0.24 [0.00, 0.48]
Wijaya at al, 2022		-0.23 [-0.41, -0.05]
Muhidin at al, 2023		0.04 [-0.27, 0.34]
Stanley at al, 2023		-0.42 [-0.86, 0.02]
Salsabila at al, 2023		-0.14 [-0.29, 0.00]
Elvania at al, 2023		0.10 [-0.06, 0.27]
Shachariya , 2023		-0.09 [-0.29, 0.11]
Istyowati at al, 2023		0.01 [-0.10, 0.12]
Afda at al, 2023		0.38 [0.09, 0.66]
Sososutiksno at al, 2023		0.09 [-0.06, 0.24]
Riswandi, 2023		0.44 [0.06, 0.82]
Oktarinaldi at al, 2023		0.11 [-0.16, 0.38]
Wijaya at al, 2023		0.01 [-0.16, 0.18]
Wedari at al, 2023		0.22 [0.02, 0.43]
Viarni at al, 2023		0.09 [-0.13, 0.30]
Syamsuri at al, 2023		0.43 [0.24, 0.62]
Djamaa at al, 2023		0.05 [-0.32, 0.43]
Hutajulu at al, 2023		-0.03 [-0.26, 0.20]
Handayani, 2023		0.16 [-0.08, 0.40]
Azisah at al, 2023		0.40 [0.09, 0.71]
Arif at al, 2023		0.04 [-0.13, 0.21]
Sitepu at al, 2023		0.54 [0.31, 0.78]
Danny, 2023		0.22 [0.01, 0.44]

Khariyah, 2020		0.13 [-0.19, 0.44]
Ahmat at al, 2020		0.00 [-0.18, 0.19]
Andriani at al, 2020		0.29 [0.06, 0.52]
Armawan at al, 2020		0.32 [0.03, 0.61]
Ana at al, 2020		0.24 [0.02, 0.45]
Nurmalia at al, 2020		0.28 [0.03, 0.52]
Santoso at al, 2020		0.94 [0.72, 1.16]
Cahyani at al, 2020		-0.39 [-0.64, -0.14]
Baharuddin at al, 2020		0.28 [-0.04, 0.60]
Sari at al, 2020		0.37 [0.13, 0.60]
Rustan at al, 2020		0.46 [0.23, 0.70]
Ningsih at al, 2020		0.36 [0.16, 0.56]
Jannah, 2020		0.76 [0.41, 1.11]
Trisyanto, 2020		0.36 [0.10, 0.61]
Atantri, 2020		0.41 [0.12, 0.69]
Apriani at al, 2021		-0.11 [-0.28, 0.05]
Ernawati at al, 2021		0.09 [-0.20, 0.39]
Lestari at al, 2021		-0.30 [-0.49, -0.11]
Fauziah at al, 2021		0.02 [-0.20, 0.24]
Oktaviyani at al, 2021		0.01 [-0.28, 0.30]
Jessica at al, 2021		0.14 [-0.01, 0.29]
Kurniati at al, 2021		0.18 [-0.02, 0.38]
Mestika at al, 2021		0.08 [-0.17, 0.33]
Darmawan at al, 2021		0.25 [0.05, 0.46]
Waluyo at al, 2021		0.23 [0.08, 0.38]
Suun at al, 2021		-0.06 [-0.41, 0.29]
Fauzan at al, 2021		0.23 [0.00, 0.47]
Mustaqmah at al, 2021		0.26 [0.01, 0.51]
Priana at al, 2021		0.39 [0.18, 0.61]
Kusumo at al, 2021		0.40 [0.06, 0.75]
Wibisono at al, 2021		0.41 [0.14, 0.69]
Simanullang at al, 2021		0.15 [-0.04, 0.34]
Septayanti at al, 2021		0.33 [0.05, 0.62]
Dewi at al, 2021		0.27 [0.03, 0.51]
Ifanda, 2024		-0.20 [-0.49, 0.09]
Fitriani at al, 2024		-0.05 [-0.33, 0.23]
Prima at al, 2024		0.26 [0.06, 0.46]
Harneli at al, 2024		-0.08 [-0.35, 0.19]
Widodo at al, 2024		0.08 [-0.16, 0.32]
Kumalasari at al, 2024		0.16 [-0.11, 0.44]
Wijaya at al, 2024		0.26 [0.14, 0.39]
Rohma at al, 2024		-0.13 [-0.25, -0.01]
Marcelia at al, 2024		0.24 [0.08, 0.39]
Finnie at al, 2024		0.51 [0.33, 0.69]
Pertiwi at al, 2024		0.80 [0.50, 1.09]
Gunawan at al, 2024		0.39 [0.23, 0.54]
Risdiana at al, 2024		0.21 [0.01, 0.42]
Cahyono at al, 2024		-0.04 [-0.16, 0.09]
Merani at al, 2024		-0.17 [-0.38, 0.05]
Widhianingsih at al, 2024		0.26 [0.03, 0.48]
Ramadhan at al, 2024		0.33 [0.08, 0.58]
Halim, 2024		0.08 [-0.06, 0.22]
Ayustina at al, 2024		0.17 [-0.06, 0.40]
Saputra at al, 2024		0.59 [0.41, 0.77]
Iqbal at al, 2024		0.06 [-0.31, 0.44]
RE Model		0.21 [0.16, 0.26]

Figure 2. Forest Plot

4.4.2. Fail Safe N

Based on Table 4, the criterion for the fail-safe N value is > 5K + 10 (where K is the number of studies). Since K = 100, then 5K + 10 = 5(100) + 10 = 510. From Table 4.4, the obtained fail-safe N value is 11,401, which is greater than 5K + 10 (510). With a significance target of 0.05 and $p < 0.001$, it can be concluded that there is no publication bias in the results of the meta-analysis study.

4.5. Discussions

Based on the data analysis, the z value of 8.029 and a p-value of < 0.001, which is smaller than the 5% significance level (0.05), indicate that there is a significant positive effect between audit fees and audit quality. The effect of audit fees on audit quality is categorized as low (rRE = 0.211), which shows that audit fees do not have a strong direct correlation with audit quality, as they have a small effect size. These low results may be due to other factors that have a larger influence and effect on audit quality, such as audit tenure, audit rotation, auditor reputation, and others. The findings of this study align with research conducted by Hidayati et al. (2024) and Tahun et al. (2024), which reveal

that audit fees significantly affect audit quality, but the correlation value is low. This suggests that there are other variables, besides audit fees, that have a greater impact on audit quality.
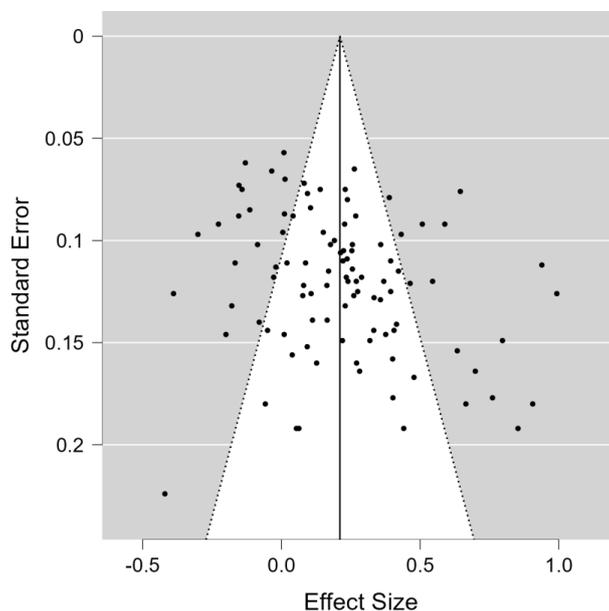

Figure 3. The Funnel Plot

Table 4. Fail Safe N

File Drawer Analysis

	Fail-safe N	Target Significance	Observed Significance
Rosenthal	11401.000	0.050	$< .001$

Audit quality has a significant impact on the audit fees incurred by the company. If financial audits are conducted thoroughly and professionally and are considered crucial for the company's continuity, the company is likely to allocate a larger budget for audit fees. High audit fees indicate that the company is giving serious attention to the quality of the audit conducted. A quality audit can ensure the accuracy of financial statements and improve the company's credibility in the eyes of stakeholders, such as investors, regulators, and others.

In the context of agency theory, audit quality can be influenced by the audit fees received by the auditor. Higher fees generally allow the auditor to carry out more comprehensive audit procedures. High audit fees often reflect the use of more resources by the auditor, including time, effort, and expertise required to conduct a meticulous audit. This enables the auditor to analyze company data and information in depth and provide an objective and reliable opinion, which ultimately enhances audit quality. Conversely, if audit fees are too low, auditors may be pressured to reduce the scope of the audit in order to cut costs, which could pose risks in overseeing the financial statements.

From an attribution theory perspective, the company's decision to allocate audit fees can be understood as an effort to avoid negative attribution from stakeholders. According to this theory, humans tend to seek causes behind an event or decision. If a company chooses a low-cost auditor and the quality of the audit is questionable, stakeholders may attribute this decision as an attempt by the company to cover up weaknesses in the financial statements or avoid stringent oversight. On the other hand, if a company allocates sufficient funds for a high-quality audit, this can be associated with transparency and the company's commitment to maintaining financial accountability. Therefore, attribution theory explains that a company's decision regarding audit fees not only affects the quality of the audit itself but also shapes external perceptions of the integrity and reliability of the company's financial statements.

Thus, companies that recognize the importance of audit quality not only consider the technical aspects of financial reporting but also the psychological and reputational impact that arises from stakeholders' attributions. By allocating adequate funds for a high-quality audit, companies can ensure that the audit is conducted according to the applicable professional standards and produce financial statements that are reliable and trusted by various parties.

5. Conclusion

Based on the results from the meta-analysis study involving 100 articles taken from journals, it shows that audit fees have a significant positive effect on audit quality. Hypothesis testing yielded a p-value < 0.05 with a 95% confidence interval. The meta-analysis results obtained a summary effect size of (0.21), which falls under the low category. Additionally, the summary effect size is within the interval of 0.16 – 0.26. These results are supported by the analysis of the trim-fill approach using the funnel plot and Fail Safe N random effects model, which indicates no publication bias. Based on the findings of this study, the researcher recommends that companies consider paying higher audit fees in order to achieve better audit quality. Furthermore, for future research, it is suggested to include or investigate other independent variables that can provide a deeper understanding of the factors influencing audit quality.

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