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WORKING PAPER

Audit fee determinants in the hospital sector

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Abstract

Although the number of non-profit audit fee studies recently has risen, evidence in the hospital sector is rather scarce. Apart from NHS studies, hospitals are a fairly new topic and several specific fee determinants are yet to be tested. For instance, hospitals can have a private or a public status and they have a distinct number of clinical services. These and other dependent variables known from earlier research are added to a fee model and investigated. As hypothesized the hospital status does affect the fee as well as the auditor's experience. Public status positively influences the fee. Considering the auditor's experience, higher skill levels appear to have a negative impact on the fee. More experience cannot be converted into cash.

Keywords: Audit fee, health care, pricing model