

# Who's Really in Charge? Audit Committee versus CFO Power and Audit Fees 🛒

Matthew J. Beck; Elaine G. Mauldin

+ Author & Article Information

*The Accounting Review* (2014) 89 (6): 2057-2085.

<https://doi.org/10.2308/accr-50834>

## Connected Content

A correction has been published: [Erratum](#)

Views ▾

Share ▾

Tools ▾

Cite ▾

## ABSTRACT

Although regulation makes audit committees responsible for determining and negotiating audit fees, researchers and practitioners express concerns that CFOs continue to control these negotiations. Thus, regulation may give investors a false sense of security regarding auditor independence. We utilize the recent financial crisis and economic recession as an exogenous shock that allows us to shed light on the relative influence of the audit committee and the CFO on fee negotiations. During the recession, we find larger fee reductions in the presence of more powerful CFOs, and smaller fee reductions in the presence of more powerful audit committees. We also find the CFO or the audit committee primarily influences fees when their counterpart is less powerful. Our findings suggest a more complex relationship between the CFO and the audit committee than current regulations recognize and cast doubt on the ability of regulation to force one structure on the negotiation process.

**Data Availability:** *Data are available from public sources identified in the text.*

**Keywords:** [audit fees](#), [audit committee](#), [CFO](#), [recession](#)

You do not currently have access to this content.

## Sign in

Don't already have an account? [Register](#)

# Member Login

Log in

Pay-Per-View Access  
\$25.00

**AAA Members: Please log in for free access to content. Note, Teaching Notes are a full member benefit and are not available to student members.**

 **Buy This Article**



[View Metrics](#)

## Citing Articles Via

Web Of Science (152)

Google Scholar

CrossRef (194)

## Email Alerts

Article Activity Alert

Publish Ahead of Print Alert

New Issue Alert

## Connected Content

Erratum

[Skip to Main Content](#)



**Print ISSN:** 0001-4826 **Online ISSN:** 1558-7967

[Information for Authors](#)

[Authorship Policy](#)

[Plagiarism Policy](#)

[Data Integrity Policy](#)

[Citing Corrected Articles Policy](#)

[Minimizing Overlapping Decision Rights Policy](#)

[Prior Publication Policy](#)

