

In the article [External Factors and the Pricing of Audit Services: A Systematic Review of the Archival Literature Using a PESTLE Analysis](#), discusses the impact of the price in the audits and its determinants, which it has been showing a great growth in recent years; therefore, the traditional framework used to classify audit fee investigation is expanded, adding a novel structure called PESTLE.

Initially discusses about the attributes related to the client and the auditor, which they allow to develop an audit. Those determinants include client size, profitability, auditor size and several characteristics of audit partners, as a result, these determinants must be well documented for audit cost, although the effect of external factors on audit cost may differ depending on the empirical design applied and the environment, which it is beyond the control of a company that has a potentially significant impact on its decisions, operations, and success, such as a pandemic or recession.

Therefore, external factors are fundamental elements in the strategic decision-making of the company and therefore the PEST analysis is considered, (Political, Economic, Social and Technological) also it uses the PESTEL or PESTLE variants, including the Legal and Ecological aspects. The PESTLE analysis identifies general environment factors that affect companies; in fact, it is shown in the article that the general framework for audit pricing needs to be extended with this new dimension (external factors) to understand the impacts of the audit at national and regional levels.

We realize that clients and auditors are part of a larger ecosystem that are affected by a variety of external factors, demonstrating how political and legal interventions change audits differently around the world that have been affecting audit fees; therefore, adequate planning is required (ISA 315).

The review shows that most of these studies focus on the legal environment; however, social factors and several other elements of the PESTLE framework have recently received greater attention, while technological and environmental factors, despite their importance in public discourse, remain unstudied.

I conclude that PESTEL analysis is a very effective technique to apply which provides a very valuable information for any company. Also, it allows to understand the main elements of the external environment that organizations get involved. These elements can be considered threats that suppose a risk to the business, or opportunities that must take full advantage of available benefits.

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