

## **Survey result of audit fee and service usage of audit firms by Thai listed companies in 2020**

The Thai Institute of Directors Association has conducted a survey on audit fee and service usage of audit firms by Thai listed companies in 2020 from additional data compilation under the Corporate Governance Report of Thai Listed Companies 2020 (CGR 2020). This survey is meant to provide relevant information for audit committee to use in considering appropriate audit fee and propose to shareholders for subsequent approval.

The total 692 listed companies participated in the survey consist of

- 534 SET-listed companies, accounting for 77% of the total.
- 158 MAI-listed companies, accounting for 23% of the total.

Two main findings can be summarized as follow:

### **1. Audit fee of Thai listed companies in 2020**

#### **1.1 Overview of audit fee**

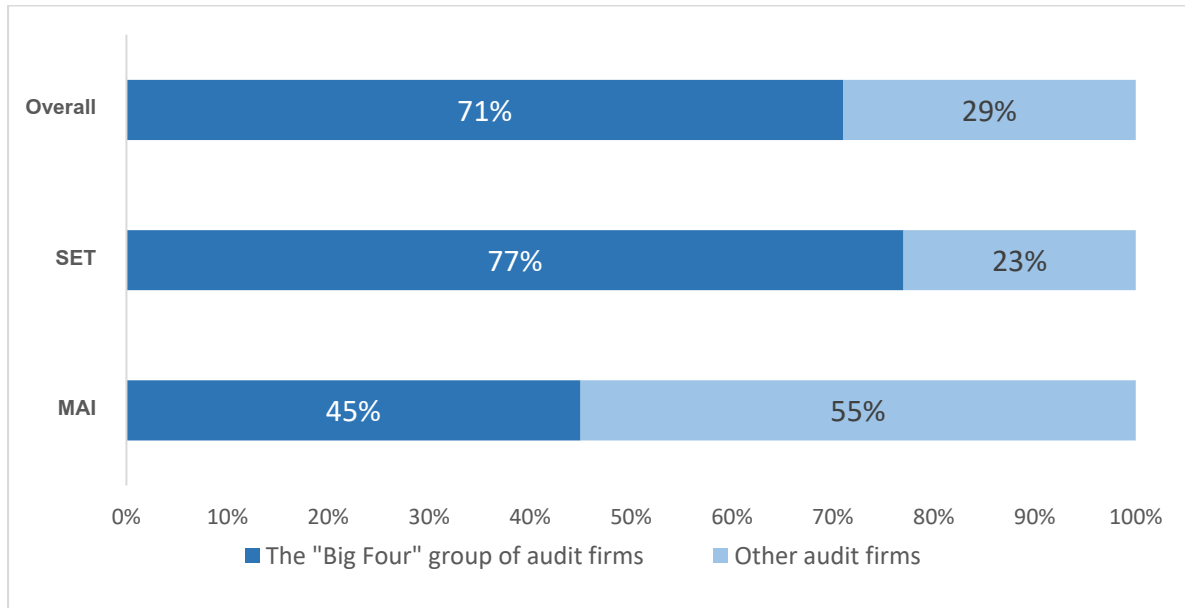
In 2020, audit fee paid by all Thai listed companies, both on SET and MAI, amounted to 1,749,494,516 Baht.

- Big four audit firms accounted for 71% or 1,247,295,191 Baht.
- Other audit firms accounted for 29% or 502,199,325 Baht.

Considering the listing type, we found that

1. SET-listed companies paid a combine of 1,450,928,016 Baht audit fee.
  - Big four audit firms accounted for 77% or 1,111,693,191 Baht.
  - Other audit firms accounted for 23% or 339,234,825 Baht.
2. MAI-listed companies paid a combine of 298,566,500 Baht audit fee.
  - Big four audit firms accounted for 45% or 135,602,000 Baht.
  - Other audit firms accounted for 55% or 162,964,500 Baht.

**Figure 1 Audit fee revenues of Big Four and other audit firms from Thai listed companies**



### 1.2 Audit fee by industry

According to audit fee survey of Thai listed firms in all industries shown in table 1,

- Median was at 1,900,000 Baht.
- Average was at 2,528,171 Baht.
- Listed company that paid the smallest amount of audit fee was in the services industry (tourism & leisure sector – golf course) at 450,000 Baht. It should be noted that only 8% of Thai listed companies approved audit fee at up to 1,000,000 Baht.
- Listed company that paid the largest amount of audit fee was in the financials industry (banking sector) at 27,000,000 Baht.

**Table 1 Audit fee of Thai listed companies by industry**

Industry	No. of Companies	Total	Average	Median	Minimum	Maximum
<b>Agro &amp; Food Industry</b>	<b>53</b>	130,966,359	2,471,063	2,000,000	900,000	11,354,000
Big Four Audit Firms	43	110,267,359	2,564,357	2,000,000	1,030,000	11,354,000
Other Audit Firms	10	20,699,000	2,069,900	1,955,000	900,000	3,630,000
<b>Resources</b>	<b>49</b>	125,107,561	2,553,216	1,990,000	800,000	8,900,000
Big Four Audit Firms	39	97,962,561	2,511,861	1,990,000	800,000	8,900,000
Other Audit Firms	10	27,145,000	2,714,500	1,965,000	1,180,000	8,000,000
<b>Technology</b>	<b>35</b>	94,975,000	2,713,571	2,040,000	590,000	8,830,000
Big Four Audit Firms	30	83,146,000	2,771,533	2,157,500	590,000	8,830,000
Other Audit Firms	5	11,829,000	2,365,800	1,634,000	1,020,000	6,100,000
<b>Financials</b>	<b>59</b>	278,766,506	4,724,856	2,600,000	800,000	27,000,000
Big Four Audit Firms	50	261,945,506	5,238,910	2,700,000	800,000	27,000,000
Other Audit Firms	9	16,821,000	1,869,000	1,600,000	830,000	3,340,000
<b>Services</b>	<b>115</b>	311,387,525	2,707,718	2,000,000	450,000	12,200,000
Big Four Audit Firms	73	234,238,200	3,208,742	2,600,000	830,000	12,200,000
Other Audit Firms	42	77,149,325	1,836,889	1,440,000	450,000	7,425,000
<b>Industrials</b>	<b>90</b>	179,459,915	1,993,999	1,670,000	700,000	8,800,000
Big Four Audit Firms	51	116,936,415	2,292,871	1,900,000	1,050,000	8,800,000
Other Audit Firms	39	62,523,500	1,603,167	1,290,000	700,000	4,310,000
<b>Consumer Products</b>	<b>39</b>	67,710,000	1,736,154	1,500,000	750,000	4,500,000
Big Four Audit Firms	18	40,339,000	2,241,056	2,198,000	1,110,000	4,500,000
Other Audit Firms	21	27,371,000	1,303,381	1,160,000	750,000	2,843,000
<b>Property &amp; Construction</b>	<b>94</b>	262,555,150	2,793,140	2,230,000	655,000	9,882,500
Big Four Audit Firms	55	166,858,150	3,033,785	2,425,000	780,000	9,000,000
Other Audit Firms	39	95,697,000	2,453,769	1,870,000	655,000	9,882,500
<b>MAI</b>	<b>158</b>	298,566,500	1,889,661	1,685,000	570,000	7,000,000
Big Four Audit Firms	63	135,602,000	2,152,413	1,953,000	570,000	7,000,000
Other Audit Firms	95	162,964,500	1,715,416	1,549,000	610,000	4,390,000
<b>Total</b>	<b>692</b>	1,749,494,516	2,528,171	1,900,000	450,000	27,000,000
Big Four Audit Firms	422	1,247,295,191	2,955,676	2,250,000	570,000	27,000,000
Other Audit Firms	270	502,199,325	1,859,998	1,513,000	450,000	9,882,500

*Remark: Audit fees specified in the table above reflected only those of the listed companies while audit fees of their affiliates were excluded.*

### 1.3 Audit fee by revenues and industry

Considering audit fee of Thai listed companies by revenues and industry, we found that:

- Sophisticated industries and those with large volume of business transactions such as financials registered relatively higher audit fee on average than other industries.
- Industrials, Consumer products, and MAI-listed companies registered less than 2,000,000 Baht audit fee on average.
- It should be noted that audit fee of most Thai listed companies normally rises along with their top line revenues.

**Table 2 Audit fee of Thai listed companies by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	91	1,765,777	1,585,000	450,000	7,250,000
501-1,000 Million Baht	95	1,716,117	1,460,000	570,000	7,000,000
1,001-5,000 Million Baht	278	2,131,253	1,795,000	590,000	10,250,000
5,001-10,000 Million Baht	82	2,510,528	2,153,000	800,000	8,830,000
10,001-50,000 Million Baht	107	3,253,830	2,780,000	800,000	12,039,000
More than 50,000 Million Baht	39	7,160,672	4,600,000	800,000	27,000,000
<b>Total</b>	<b>692</b>	<b>2,528,171</b>	<b>1,900,000</b>	<b>450,000</b>	<b>27,000,000</b>

**Table 3 Audit fee of Thai listed companies in Agro & Food industry by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	1	1,235,000	1,235,000	1,235,000	1,235,000
501-1,000 Million Baht	4	1,300,000	1,335,000	1,030,000	1,500,000
1,001-5,000 Million Baht	26	1,948,263	1,745,000	610,000	4,500,000
5,001-10,000 Million Baht	15	2,506,800	2,000,000	1,140,000	4,880,000
10,001-50,000 Million Baht	12	2,431,833	2,255,000	1,165,000	5,500,000
More than 50,000 Million Baht	4	5,155,630	3,444,260	2,380,000	11,354,000
<b>Total</b>	<b>62</b>	<b>2,330,586</b>	<b>1,872,570</b>	<b>610,000</b>	<b>11,354,000</b>

**Table 4 Audit fee of Thai listed companies in Resources industry by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	5	2,129,800	1,880,000	1,700,000	2,700,000
501-1,000 Million Baht	4	1,363,750	1,345,000	1,180,000	1,585,000
1,001-5,000 Million Baht	22	2,141,245	1,860,700	825,000	5,900,000
5,001-10,000 Million Baht	10	1,932,400	1,535,000	800,000	4,809,000
10,001-50,000 Million Baht	9	2,805,996	2,477,600	1,500,000	4,850,000
More than 50,000 Million Baht	11	4,061,927	2,955,000	944,500	8,900,000
<b>Total</b>	<b>61</b>	<b>2,499,517</b>	<b>1,880,000</b>	<b>800,000</b>	<b>8,900,000</b>

**Table 5 Audit fee of Thai listed companies in Technology industry by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	4	1,653,750	1,427,500	1,250,000	2,510,000
501-1,000 Million Baht	8	2,103,125	1,597,500	980,000	6,100,000
1,001-5,000 Million Baht	15	2,083,600	1,650,000	590,000	4,830,000
5,001-10,000 Million Baht	7	2,933,571	1,860,000	1,590,000	8,830,000
10,001-50,000 Million Baht	10	2,572,000	2,475,000	1,780,000	4,340,000
More than 50,000 Million Baht	5	4,207,200	4,200,000	2,426,000	5,500,000
<b>Total</b>	<b>49</b>	<b>2,489,490</b>	<b>1,975,000</b>	<b>590,000</b>	<b>8,830,000</b>

**Table 6 Audit fee of Thai listed companies in Financials industry by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	15	2,144,067	2,000,000	850,000	3,800,000
501-1,000 Million Baht	6	1,286,833	1,170,000	570,000	2,400,000
1,001-5,000 Million Baht	24	2,554,708	2,200,000	1,000,000	10,250,000
5,001-10,000 Million Baht	4	3,772,875	3,459,000	1,500,000	6,673,500
10,001-50,000 Million Baht	12	5,100,917	3,760,000	920,000	12,039,000
More than 50,000 Million Baht	7	16,886,287	15,532,000	800,000	27,000,000
<b>Total</b>	<b>68</b>	<b>4,348,552</b>	<b>2,445,000</b>	<b>570,000</b>	<b>27,000,000</b>

**Table 7 Audit fee of Thai listed companies in Services industry by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	27	1,565,970	1,280,000	450,000	3,480,000
501-1,000 Million Baht	21	1,616,625	1,500,000	1,000,000	2,743,125
1,001-5,000 Million Baht	66	2,339,926	1,840,300	645,000	7,924,000
5,001-10,000 Million Baht	15	2,838,507	2,800,000	900,000	6,710,000
10,001-50,000 Million Baht	18	3,566,083	4,060,000	1,000,000	5,977,500
More than 50,000 Million Baht	8	6,057,500	6,235,000	2,450,000	12,200,000
<b>Total</b>	<b>155</b>	<b>2,489,629</b>	<b>1,950,000</b>	<b>450,000</b>	<b>12,200,000</b>

**Table 8 Audit fee of Thai listed companies in Industrials industry by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	11	1,390,636	1,292,000	770,000	2,100,000
501-1,000 Million Baht	23	1,365,826	1,300,000	700,000	2,320,000
1,001-5,000 Million Baht	59	1,779,898	1,490,000	757,000	4,500,000
5,001-10,000 Million Baht	17	2,140,746	2,095,000	1,190,000	3,750,000
10,001-50,000 Million Baht	13	2,906,480	3,400,000	1,560,000	4,310,000
More than 50,000 Million Baht	2	5,900,000	5,900,000	3,000,000	8,800,000
<b>Total</b>	<b>125</b>	<b>1,901,615</b>	<b>1,600,000</b>	<b>700,000</b>	<b>8,800,000</b>

**Table 9 Audit fee of Thai listed companies in Consumer Products industry by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	10	1,384,050	1,195,000	930,000	2,000,000
501-1,000 Million Baht	16	1,785,500	1,260,000	750,000	7,000,000
1,001-5,000 Million Baht	18	1,989,333	1,980,000	800,000	3,400,000
5,001-10,000 Million Baht	3	1,928,000	2,146,000	1,338,000	2,300,000
10,001-50,000 Million Baht	3	2,445,000	2,695,000	1,750,000	2,890,000
More than 50,000 Million Baht	0	-	-	-	-
<b>Total</b>	<b>50</b>	<b>1,826,710</b>	<b>1,515,000</b>	<b>750,000</b>	<b>7,000,000</b>

**Table 10 Audit fee of Thai listed companies in Property & Construction industry by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	18	2,144,833	1,935,000	655,000	7,250,000
501-1,000 Million Baht	13	2,607,615	2,400,000	634,000	6,300,000
1,001-5,000 Million Baht	48	2,227,125	1,824,500	780,000	9,000,000
5,001-10,000 Million Baht	11	2,596,045	2,800,000	885,000	4,265,500
10,001-50,000 Million Baht	30	3,249,472	3,000,000	800,000	8,960,000
More than 50,000 Million Baht	2	7,231,250	7,231,250	4,580,000	9,882,500
<b>Total</b>	<b>122</b>	<b>2,622,223</b>	<b>2,162,500</b>	<b>634,000</b>	<b>9,882,500</b>

**Table 11 Audit fee of MAI-listed companies by revenues**

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	46	1,781,380	1,812,500	610,000	3,480,000
501-1,000 Million Baht	43	1,808,465	1,470,000	570,000	7,000,000
1,001-5,000 Million Baht	66	1,956,136	1,770,000	610,000	4,130,000
5,001-10,000 Million Baht	3	3,251,333	3,100,000	1,845,000	4,809,000
10,001-50,000 Million Baht	0	-	-	-	-
More than 50,000 Million Baht	0	-	-	-	-
<b>Total</b>	<b>158</b>	<b>1,889,661</b>	<b>1,685,000</b>	<b>570,000</b>	<b>7,000,000</b>

## 2. Service usage of audit firms by Thai listed companies in 2020

### 2.1 Overview of service usage of audit firms by Thai listed companies

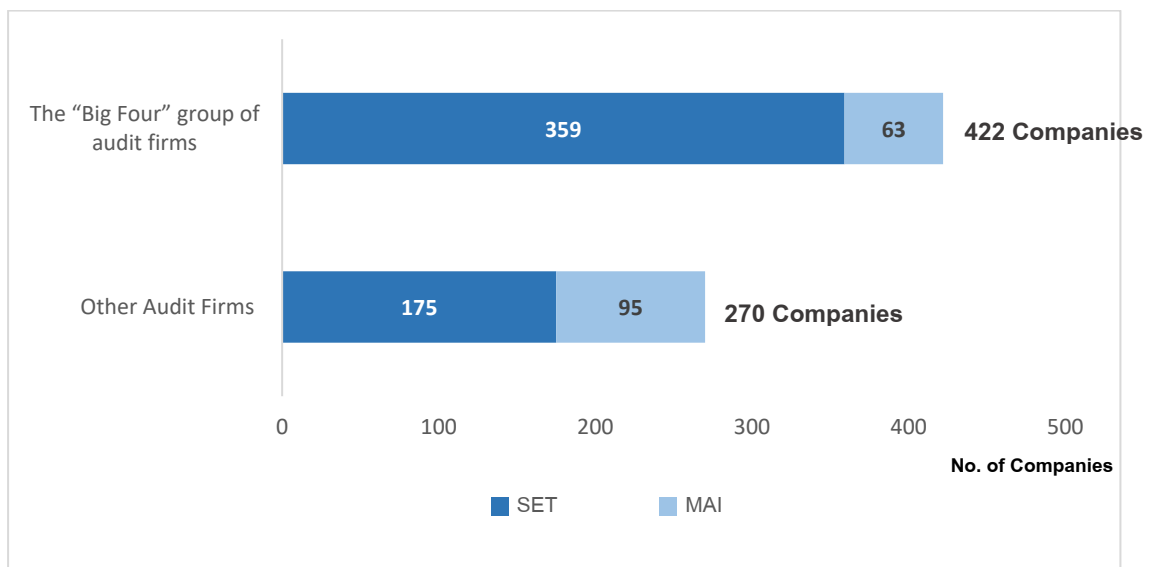
There are currently 285 SEC-approved auditors<sup>1</sup> (Feb 15, 2021) at 29 audit firms. Of the total, 54% (154 auditors) are with Big four audit firms.

Of 692 listed companies participated in the survey, 422 companies (61% of total) used auditing services of Big four audit firms while the remainder 270 companies (39% of total) used auditing services of other audit firms.

<sup>1</sup> <https://market.sec.or.th/public/orap/AUDITOR01.aspx?lang=th>

- Of 534 SET-listed companies participated in the survey,
  - 67% (359 companies) used auditing services of Big four audit firms.
  - 33% (175 companies) used auditing services of other audit firms.
- Of 158 MAI-listed companies participated in the survey,
  - 40% (63 companies) used auditing services of Big four audit firms.
  - 60% (95 companies) used auditing services of other audit firms.

**Figure 2 Service usage of audit firms by Thai listed companies**



## 2.2 Service usage of audit firms by industry

Most Thai listed companies in each industry use auditing services of Big four audit firms. The majority of most industries use EY except in resources industry that the majority use PricewaterhouseCoopers ABAS.

Taking into account other audit firms, companies in the services, industrials, consumer products, property & construction industries as well as MAI-listed companies used other audit firms more than those of the Big four.



**Table 13 Service usage of audit firms by Thai listed companies by industry**

Industry	No. of Companies	PwC	KPMG	EY	Deloitte	Other Audit Firms
<b>Agro &amp; Food Industry</b>	53 (100%)	5 (9%)	15 (28%)	<b>20</b> <b>(38%)</b>	3 (6%)	10 (19%)
<b>Resources</b>	49 (100%)	<b>19</b> <b>(39%)</b>	8 (16%)	9 (18%)	3 (6%)	10 (21%)
<b>Technology</b>	35 (100%)	3 (9%)	4 (11%)	<b>18</b> <b>(52%)</b>	5 (14%)	5 (14%)
<b>Financials</b>	59 (100%)	7 (12%)	8 (14%)	<b>23</b> <b>(39%)</b>	12 (20%)	9 (15%)
<b>Services</b>	115 (100%)	13 (11%)	20 (17%)	36 (31%)	4 (3%)	<b>42</b> <b>(38%)</b>
<b>Industrials</b>	90 (100%)	7 (8%)	12 (13%)	25 (28%)	7 (8%)	<b>39</b> <b>(43%)</b>
<b>Consumer Products</b>	39 (100%)	1 (3%)	7 (18%)	9 (23%)	1 (3%)	<b>21</b> <b>(53%)</b>
<b>Property &amp; Construction</b>	94 (100%)	10 (11%)	13 (14%)	25 (27%)	7 (7%)	<b>39</b> <b>(41%)</b>
<b>MAI</b>	158 (100%)	14 (9%)	15 (9%)	31 (20%)	3 (2%)	<b>95</b> <b>(60%)</b>
<b>Total</b>	<b>692</b> <b>(100%)</b>	<b>79</b> <b>(11%)</b>	<b>102</b> <b>(15%)</b>	<b>196</b> <b>(28%)</b>	<b>45</b> <b>(7%)</b>	<b>270</b> <b>(39%)</b>

From the survey result, it can be concluded that most Thai listed companies use auditing service of Big Four. However, the amount of audit fee varied with complexity in business operations, volume of transactions, and level of top line revenues of the listed companies.

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