

Survey result of audit fee and service usage of audit firms by Thai listed companies in 2021

The Thai Institute of Directors Association has conducted a survey on audit fee and service usage of audit firms by Thai listed companies in 2021 from additional data compilation under the Corporate Governance Report of Thai Listed Companies (CGR) 2021 program. 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 716 listed companies participated in the survey consist of

- 544 SET-listed companies, accounting for 76% of the total.
- 172 MAI-listed companies, accounting for 24% of the total.

Two main findings can be summarized as follow:

1. Audit fee of Thai listed companies in 2021

1.1 Overview of audit fee

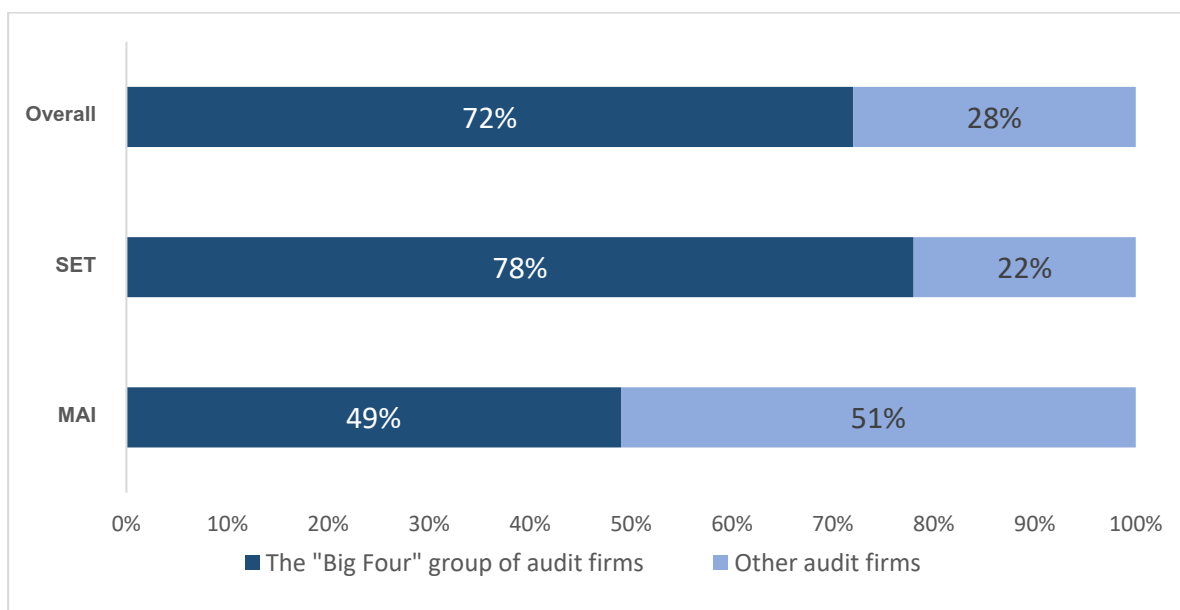
In 2021, audit fee paid by all Thai listed companies, both on SET and MAI, amounted to 1,712,316,814 Baht.

- Big four audit firms accounted for 72% or 1,237,522,314 Baht.
- Other audit firms accounted for 28% or 474,794,500 Baht.

Considering the listing type, we found that

1. SET-listed companies paid a combine of 1,401,564,814 Baht audit fee.
 - Big four audit firms accounted for 78% or 1,086,617,314 Baht.
 - Other audit firms accounted for 22% or 314,947,500 Baht.
2. MAI-listed companies paid a combine of 310,752,000 Baht audit fee.
 - Big four audit firms accounted for 49% or 150,905,000 Baht.
 - Other audit firms accounted for 51% or 159,847,000 Baht.

Figure 1 Audit fee revenues of BIG 4 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 1,876,500 Baht.
- Average was at 2,391,504 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.
- Listed company that paid the largest amount of audit fee was in the financial industry (banking sector) at 23,800,000 Baht.

Table 1 Audit fee of Thai listed companies by industry

Industry	No. of Companies	Total Audit	Average	Median	Minimum	Maximum
Agro & Food Industry	63	133,893,305	2,125,291	1,715,000	660,000	6,100,000
Big Four Audit Firms	53	120,283,305	2,269,496	1,886,000	1,000,000	6,100,000
Other Audit Firms	10	13,610,000	1,361,000	1,217,500	660,000	2,740,000
Resources	66	164,380,161	2,490,609	1,890,000	800,000	8,900,000
Big Four Audit Firms	46	122,029,161	2,652,808	2,046,500	800,000	8,900,000
Other Audit Firms	20	42,351,000	2,117,550	1,695,000	1,180,000	8,010,000

Industry	No. of Companies	Total Audit	Average	Median	Minimum	Maximum
Technology	51	123,438,500	2,420,363	2,000,000	590,000	10,350,000
Big Four Audit Firms	37	89,738,500	2,425,365	2,100,000	590,000	5,500,000
Other Audit Firms	14	33,700,000	2,407,143	1,567,000	980,000	10,350,000
Financials	72	286,920,600	3,985,008	2,490,000	570,000	23,800,000
Big Four Audit Firms	61	267,965,600	4,392,879	2,630,000	570,000	23,800,000
Other Audit Firms	11	18,955,000	1,723,182	1,600,000	830,000	3,340,000
Services	157	353,778,300	2,253,365	1,840,000	450,000	7,621,500
Big Four Audit Firms	89	239,993,300	2,696,554	2,300,000	600,000	7,621,500
Other Audit Firms	68	113,785,000	1,673,309	1,422,500	450,000	5,700,000
Industrials	128	242,827,660	1,897,091	1,550,000	650,000	8,800,000
Big Four Audit Firms	70	154,039,160	2,200,559	1,870,500	910,000	8,800,000
Other Audit Firms	58	88,788,500	1,530,836	1,337,500	650,000	4,970,000
Consumer Products	51	90,374,160	1,772,042	1,450,000	750,000	4,032,000
Big Four Audit Firms	21	48,234,660	2,296,889	2,300,000	1,110,000	4,032,000
Other Audit Firms	30	42,139,500	1,404,650	1,160,000	750,000	2,783,000
Property & Construction	128	316,704,128	2,474,251	2,045,000	500,000	10,212,500
Big Four Audit Firms	73	195,238,628	2,674,502	2,300,000	750,000	8,590,000
Other Audit Firms	55	121,465,500	2,208,464	1,594,000	500,000	10,212,500
MAI	172	310,752,000	1,806,698	1,617,500	570,000	4,583,000
Big Four Audit Firms	74	150,905,000	2,039,257	1,839,500	570,000	4,583,000
Other Audit Firms	98	159,847,000	1,631,092	1,485,000	610,000	4,390,000
Total	716	1,712,316,814	2,391,504	1,876,500	450,000	23,800,000
Big Four Audit Firms	450	1,237,522,314	2,750,050	2,200,000	570,000	23,800,000
Other Audit Firms	266	474,794,500	1,784,942	1,449,000	450,000	10,350,000

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 more than 3,000,000 Baht.
- 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	112	1,623,772	1,440,000	450,000	5,680,000
501-1,000 Million Baht	107	1,677,197	1,450,000	570,000	6,475,000
1,001-5,000 Million Baht	286	2,140,495	1,815,000	500,000	10,350,000
5,001-10,000 Million Baht	80	2,288,195	2,185,000	800,000	5,500,000
10,001-50,000 Million Baht	92	3,347,300	2,875,000	700,000	12,039,000
Over 50,000 Million Baht	39	6,353,986	4,240,000	800,000	23,800,000
Total	716	2,391,504	1,876,500	450,000	23,800,000

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	5	1,388,000	1,500,000	1,030,000	1,710,000
1,001-5,000 Million Baht	29	1,926,259	1,692,500	660,000	4,587,000
5,001-10,000 Million Baht	12	2,324,753	2,041,950	1,130,000	5,040,000
10,001-50,000 Million Baht	12	2,325,000	2,255,000	1,000,000	5,500,000
Over 50,000 Million Baht	4	3,514,941	2,985,700	1,988,365	6,100,000
Total	63	2,125,291	1,715,000	660,000	6,100,000

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	9	1,899,889	1,859,000	1,180,000	3,110,000
501-1,000 Million Baht	3	1,836,667	2,110,000	1,200,000	2,200,000
1,001-5,000 Million Baht	22	2,184,955	1,602,500	825,000	8,010,000
5,001-10,000 Million Baht	12	1,811,497	1,618,981	800,000	3,200,000
10,001-50,000 Million Baht	8	2,943,875	2,878,800	1,516,000	4,365,000
Over 50,000 Million Baht	12	4,034,433	3,027,500	944,500	8,900,000
Total	66	2,490,609	1,890,000	800,000	8,900,000

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	5	2,214,000	1,670,000	1,000,000	5,680,000
501-1,000 Million Baht	7	1,822,857	2,000,000	980,000	2,940,000
1,001-5,000 Million Baht	19	2,238,026	1,745,000	590,000	10,350,000
5,001-10,000 Million Baht	7	1,994,286	1,890,000	1,280,000	2,800,000
10,001-50,000 Million Baht	8	2,756,250	2,525,000	1,280,000	4,910,000
Over 50,000 Million Baht	5	4,215,200	4,240,000	2,426,000	5,500,000
Total	51	2,420,363	2,000,000	590,000	10,350,000

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	1,989,400	2,080,000	850,000	3,240,000
501-1,000 Million Baht	10	1,924,000	1,890,000	570,000	4,150,000
1,001-5,000 Million Baht	23	2,453,826	2,490,000	950,000	4,720,000
5,001-10,000 Million Baht	3	2,103,000	2,409,000	1,000,000	2,900,000
10,001-50,000 Million Baht	14	4,831,043	3,959,000	750,000	12,039,000
Over 50,000 Million Baht	7	15,351,143	13,907,000	800,000	23,800,000
Total	72	3,985,008	2,490,000	570,000	23,800,000

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	32	1,456,750	1,260,000	450,000	3,290,000
501-1,000 Million Baht	30	1,711,570	1,450,000	1,000,000	3,250,000
1,001-5,000 Million Baht	62	2,357,316	2,042,500	600,000	7,621,500
5,001-10,000 Million Baht	10	2,758,060	2,900,000	1,430,000	4,200,000
10,001-50,000 Million Baht	17	3,210,941	3,200,000	700,000	6,200,000
Over 50,000 Million Baht	6	4,582,500	4,882,500	1,210,000	7,170,000
Total	157	2,253,365	1,840,000	450,000	7,621,500

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	16	1,297,000	1,316,000	650,000	1,900,000
501-1,000 Million Baht	25	1,442,480	1,270,000	700,000	2,910,000
1,001-5,000 Million Baht	59	1,805,196	1,490,000	940,000	4,500,000
5,001-10,000 Million Baht	13	2,182,006	2,240,000	1,190,000	3,210,000
10,001-50,000 Million Baht	12	3,060,833	3,020,000	1,550,000	4,970,000
Over 50,000 Million Baht	3	4,803,667	3,000,000	2,611,000	8,800,000
Total	128	1,897,091	1,550,000	650,000	8,800,000

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	14	1,387,964	1,155,000	860,000	2,430,000
501-1,000 Million Baht	12	1,371,667	1,235,000	750,000	3,000,000
1,001-5,000 Million Baht	19	2,102,421	2,146,000	800,000	4,032,000
5,001-10,000 Million Baht	5	2,175,332	2,300,000	1,431,660	2,700,000
10,001-50,000 Million Baht	1	3,660,000	3,660,000	3,660,000	3,660,000
Over 50,000 Million Baht	-	-	-	-	-
Total	51	1,772,042	1,450,000	750,000	4,032,000

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	20	1,790,900	1,547,000	655,000	4,390,000
501-1,000 Million Baht	15	2,076,068	1,610,000	634,000	6,475,000
1,001-5,000 Million Baht	53	2,201,591	2,000,000	500,000	7,170,000
5,001-10,000 Million Baht	18	2,573,793	2,775,000	885,000	5,500,000
10,001-50,000 Million Baht	20	3,592,000	3,025,000	1,460,000	8,590,000
Over 50,000 Million Baht	2	7,446,250	7,446,250	4,680,000	10,212,500
Total	128	2,474,251	2,045,000	500,000	10,212,500

Table 11 Audit fee of MAI-listed companies by revenues

Total Revenue	No. of Companies	Average	Median	Minimum	Maximum
Less than 500 Million Baht	63	1,718,270	1,500,000	610,000	4,390,000
501-1,000 Million Baht	47	1,632,787	1,460,000	570,000	3,250,000
1,001-5,000 Million Baht	59	1,991,508	1,732,500	810,000	4,583,000
5,001-10,000 Million Baht	3	2,753,667	3,100,000	1,961,000	3,200,000
10,001-50,000 Million Baht	-	-	-	-	-
Over 50,000 Million Baht	-	-	-	-	-
Total	172	1,806,698	1,617,500	570,000	4,583,000

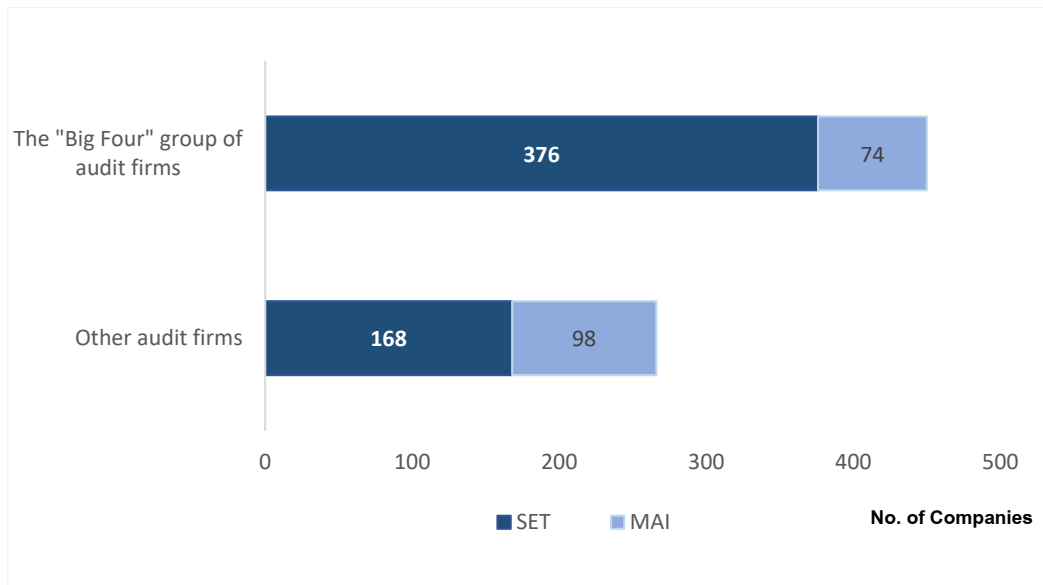
2. Service usage of audit firms by Thai listed companies in 2021

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

Of 716 listed companies participated in the survey, 450 companies (63% of total) used auditing services of Big four audit firms while the remainder 266 companies (37% of total) used auditing services of other audit firms.

- Of 544 SET-listed companies participated in the survey,
 - 69% (376 companies) used auditing services of Big four audit firms.
 - 31% (168 companies) used auditing services of other audit firms.
- Of 172 MAI-listed companies participated in the survey,
 - 43% (74 companies) used auditing services of Big four audit firms.
 - 57% (98 companies) used auditing services of other audit firms.
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Figure 2 Service usage of audit firms by Thai listed companies

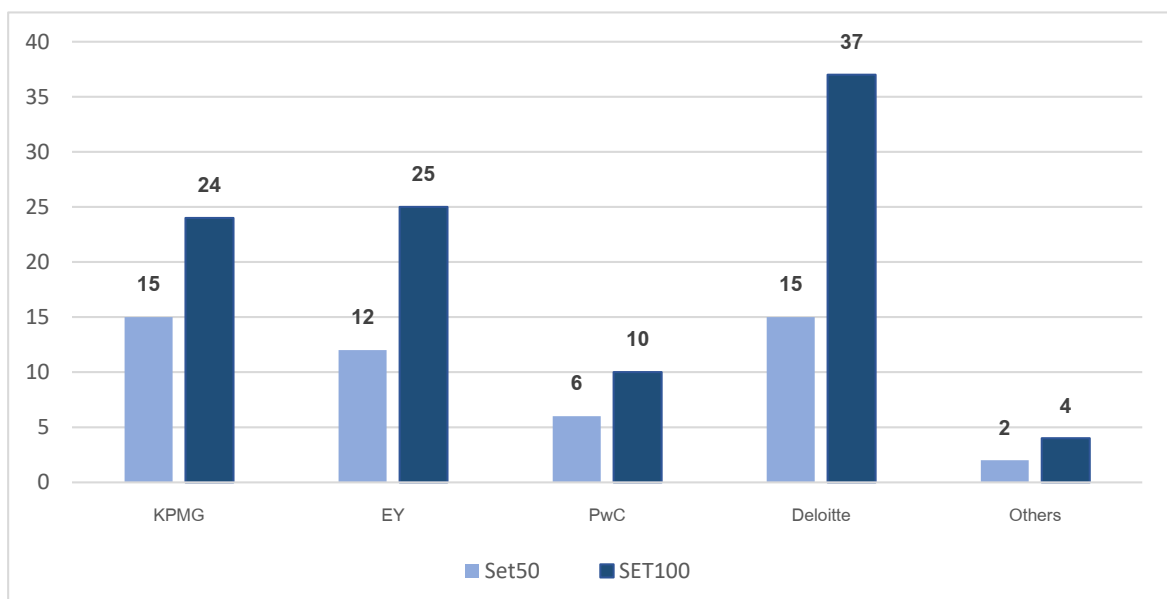


2.2 Service usage of audit firms by SET-listed companies, SET50 Index and SET100 Index

According to the survey, 96% of Thai listed companies, including 50 companies surveyed in SET 50 and 100 companies SET 100 surveyed, use audit services from the Big Four audit firms. In the SET 50, the audit firms that companies in this group choose to use the service the most, accounting for the same 30%, are PricewaterhouseCoopers ABAS Company Limited and EY Office Company Limited.

For Thai listed companies in the SET 100, the audit firm that has been used the most Accounting for 37% is EY Office Company Limited.

Figure 3 Service usage of audit firms by SET-listed companies, SET50 and SET100 Index .



2.3 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.

However, when compare with other audit firms It was found that the consumer products group and the MAI group are two business groups that have a proportion of using services from other audit firms higher than the Big four audit firms.

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

Industry	No. of Companies	PwC	KPMG	EY	Deloitte	Other Audit Firms
Agro & Food Industry	63 (100%)	7 (11%)	16 (25%)	27 (43%)	3 (5%)	10 (16%)
Resources	66 (100%)	21 (32%)	11 (17%)	12 (18%)	2 (3%)	20 (30%)
Technology	51 (100%)	6 (12%)	5 (10%)	21 (41%)	5 (10%)	14 (27%)
Financials	72 (100%)	12 (17%)	10 (14%)	28 (39%)	11 (15%)	11 (15%)
Services	157 (100%)	16 (10%)	20 (13%)	50 (32%)	3 (2%)	68 (43%)
Industrials	128 (100%)	10 (8%)	20 (16%)	35 (27%)	5 (4%)	58 (45%)
Consumer Products	51 (100%)	2 (4%)	7 (14%)	11 (21%)	1 (2%)	30 (59%)
Property & Construction	128 (100%)	11 (8%)	16 (13%)	36 (28%)	10 (8%)	55 (43%)
MAI	172 (100%)	15 (9%)	15 (9%)	42 (24%)	2 (1%)	98 (57%)
Total	716 (100%)	85 (12%)	105 (14%)	220 (31%)	40 (6%)	266 (37%)

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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