Determinants of audit fees: an empirical study on selected listed Companies of Bangladesh

Md. Safiuddin
Lecturer, School of Business, Independent University, Bangladesh

ABSTRACT

Audit fee is a fee that ischarged for external assurance service to the client. To determine optimum audit fees is a concern to both client firm and audit firm. The main objective of the study is to find the determinants of audit fees in Bangladesh. Both client related factors and auditor related factors have been studied. Data were collected from financial statements of 50 DSE listed companies for the recent year 2014 and 2015. Descriptive statistics, correlation analysis and panel regression model were used to examine the effect of the independent factors on the amount of audit fees paid by the sample companies. The results find that audit fees are significantly influenced by auditor size (number of partners of audit firm), client complexity (number of branches or subsidiaries of client) and client size (total assets figure of client). This study will guide the standard setting bodies in determining minimum audit fees.

Keywords: Audit Fees, Financial Statements, Auditor Size, Client Size, Client Complexity.

INTRODUCTION

Audit fee is a fee that is paid to the external auditors for the service they perform to the clients. Simunic (1980) determines audit fees as a reflection of economic cost of efficient auditors. The necessity of auditing arises due to agency problem between management and its investors or stakeholders. Management as driven by self-interest may misuse their advantageous position of having private information at the expense of the investors (principles) (Jensen and Meckling, 1976; Watts and Zimmerman, 1983). Companies Act 1994 (Section 210) states that the remuneration of the auditors of a company shall be fixed by the company in the general meeting or in such manner as the company in the general meeting may determine. Low et al., (1990) stated that to determine the audit fees that are mutually acceptable to both parties is a common problem. Lurie (1976) advised that the client should deal properly with the subject of auditor's fees and the amount will be reasonable with the services performed. HO and NG (1996) suggested for a thorough understanding of the fee-setting process by the companies and the auditing profession to determine an optimal audit fee.

Now the question arises how the audit fees will be determined. Prior researches tried to find the determinants of audit fees from both the perspectives of client and the perspective of auditor. Client's attributes like size, complexity, risk, profitability have been studied by Firth: 1997 and auditor's attributes like size, reputation, experience, competition, industry specialization, big 4 affiliation have been studied by Chan et al.,1993. In Bangladesh ICAB is the regulatory body to set minimum audit fees for the listed companies of Bangladesh. The study therefore sought to answer the following questions: (i) what are the audit firm's and clients' factors affecting audit fees determination in Bangladesh. (ii) What is the correlation between audit fees and the different

factors determining audit fees? Other developed countries where few audit firms compete for many companies; many local and international audit firms audit the listed companies of Bangladesh. This would result in imbalance between the supply and demand for external audit. Thus, the unique features of the Bangladeshi financial companies listed on DSE would add a new dimension to the literature of the determinants of audit fees.

LITERATURE REVIEW

The present study examines the determinants of audit fees in DSE (Dhaka Stock Exchange) listed companies of Bangladesh. Several researches have been conducted regarding the determinants of audit fees in developing and developed countries. Research has been conducted in developing economies (for example: Malta: Baldacchino et al. 2014, Nigeria: Soyemi1and Olowookere 2013, Lebanon: Gammal 2012, Bahrain: Joshi and Bastaki 2000, Nigeria: Soyemi 2014, South Africa: Firer and Swartz 2006, Bangladesh: Arefin and Pervin 2015). All these researches find several factors like audit client size, complexity, risk, ownership control, corporate status, the international link of audit firms (Big 4), audit firm size, competition as the influencing factors of audit fees.

For our research purpose, we have identified the factors into two groups: client related factors and audit firm related factors. The client related factors includes client size, client complexity, client risk, client profitability etc. on the other hand, audit firm related factors include auditor size, experience, reputation, competition, industry specialization, international links of audit firms etc.

Client related factors

Client Size

Client size is the most important factor that influences audit fees. It is usually measured by total assets, revenues, sales and number of employees of the Client. Several researches find that the size of Client has a direct impact on the auditors' work, and the time spent in the auditing process. (Simunic, 1980; Low et al.,1990; Chan et al., 1993; Carson et al., 2004). Larger clients require more audit services than smaller clients do, so more time is required; hence, we would expect that these large clients pay higher fees per dollar of size relative to smaller clients in the industry (Palmrose, 1986; Carson, Fargher, Simon & Taylor, 2004).

Client Complexity

The number of branches and subsidiaries of the firm locally and internationally (subsidiaries in foreign countries) can measure complexity of the Client. It is argued that the more complex the client firm is, the greater the number and the more diversified the subsidiaries and operations are; which necessitate more audit work; therefore, audit firms charge higher audit fees. Several researches find that client complexity has a positive correlation with the audit fees (Simunic, 1980; Low et al., 1990; Chan et al., 1993; Firth, 1997; Butterworth & Houghton, 1995; Carson et al., 2004).

Client Risk

Client risk is considered as an important factor in determining the audit fees. To determine client's risk, Sandra and Patrick (1996) used gearing (clients' debt ratio) and liquidity ratios. Debt ratio can be measured by the percentage of long-term debt to total shareholders' equity. It measures the company's ability to pay off its incurred debt. The higher debt ratio indicates higher risk of the

client which may give rise to possibility of bankruptcy. On the other hand, liquidity ratio (current assets divided by current liabilities) indicates the ability of a firm to pay its short term debt. The higher ratio indicates the higher ability of a firm to pay its current dues. The study of Kim, H., & Fukukawa, H. (2013) finds that Big 3 audit firms in Japan respond to clients' business risk while two of the firms increase audit effort and charge a risk premium for audits with higher business risk, the third firm responds to clients' business risk only by increasing audit effort. In our study, we have taken debt-equity ratio (total debts divided by shareholders' equity) as a measure of client risk.

Client Profitability

The profitability of a firm can be measured by several indicators like return on assets (ROA), return on common stockholders' equity (ROE) return on investment (ROI) etc. Some researchers find that if a firm is less profitable, it intends to cut overhead costs and thus audit fees (Chan et. Al.1993). In our study, return on equity (net profit after tax divided by total shareholders' equity) has been used as the measure of client's profitability.

Audit firm related factors

Auditor Size

The size of audit firm is an important factor of determining audit fees. Prior researches find positive relationship between audit size and audit quality and audit quality and audit fees (Choi et al.2010). Auditor size can be measured by number of audit partner, total assets of the firm and market share of the firm etc. The study of DeAngelo (1981) and Watts and Zimmerman (1986) states that large audit firms are comprised of many partners, each with wealth and reputation incentives to guard against poor performance by other partners within the firm. Francis & stokes (1986) and Palmrose (1986) find strong relationship between auditor fees and audit company size. In our study, the number of partners of an audit firm has been used as a measure of auditor size. If more than one audit firm audits a company, the total number of audit partner of the total auditing firms has been taken as a proxy of auditor size.

Auditor Experience

The years of professional experience is an important factor determining the amount of audit fees. Ferguson, Francis & Stokes (2003) find positive relationship between auditor experience and amount of audit fees. In our study, the age of audit firm has been a measure of auditor experience.

International links of audit firms (Big IV)

The big four are the biggest audit firms of the world with their financial strength, expertise and high quality service. The firms having membership of big four audit firms: Earnst& Young, Deloitte, Price Water House Coopers (PWC) and KPMG or having affiliation to these firms are assumed to perform higher quality audit service and charge higher audit fees. Palmrose (1986); Francis & Simon (1987); Butterworth& Houghton (1995) find that Big 8 or Big 5 now Big 4 audit firms receive premium fees in many countries compared to other firms. Among the audit firms practicing in Bangladesh, Rahman RahmanHuq (RRH), A. Qasem& Co and HodaVasi Chowdhury & Co, Nurul Faruk & Co. have the affiliation of big 8 audit firms. In our study, we used 0 and 1 as measure of international link. (Appendix-2)

Season

There are two kinds of periods for auditing: one is busy period and another is non-busy period. In our study, we have taken 0 as the busiest season (Financial statements' closing date: 31 December) and 1 as non-busy time (financial statements closing date is elsewise). Majority of companies has the same fiscal year-end date of December 31 in our country. Time around December 31 is called the busy season for auditors and others as non-busy. During the busy time, there is likelihood to charge higher audit fees by the auditors. Alderman and Dietrick (1982) find that December year end companies are not willing to change auditors with a view to avoiding high switching cost.

Time Lag

Time lag refers to the time between the reporting date of financial statements and the date audit report is issued. Previous study finds positive relationship between time lag and audit fees. A longer time lag indicates challenges to internal control systems, more audit work to be done and more audit fees to be charged.(Chan, Ezammel, &Gwilliam, 1993; Ezzamel, Gwilliam, & Holland, 1996).

RESEARCH METHODOLOGY

Research methodology constitutes the blueprint for data collection, measurement and analysis of data. Our research type is empirical research. First we tried to identify different independent variables from prior studies that have an impact on determination of audit fees. We have taken nine variables for our experiment as indicator of audit fees. Then we tried to find the correlation between these independent variables with dependent variable: audit fees. We extended our study by panel regression model.

Method of Data Collection

We have used secondary data. The published financial statements of 50 different companies for the financial year 2014 and 2015 have been used for the study.

Sampling

In Bangladesh, there are about 559 DSE (Dhaka Stock Exchange) listed companies including financial and non-financial institutions. The total number of banks is 64. Where state-owned banks are 4, private commercial banks are 32, Islamic commercial banks are 8, foreign banks are 9 and specialized banks are 11. In our research, we could not use all financial and non-financial data because of time constraint. A simple random sampling technique was used to choose samples. A sample of 50 companies was taken to conduct the research. (Appendix I)

Regression model

The model for this study is based on the LING, G. P. (2014) audit fees model and modification of some other variables. The modification involves the incorporation of auditor size, auditor experience, season, time lag variables. This is also consistent with the existing literature relevant to this study.

$AF = \beta 0 + \beta 1AS + \beta 2AE + \beta 3B4 + \beta 4CS + \beta 5CC + \beta 6CR + \beta 7CP + \beta S + \beta 9TL + \varepsilon i$

Where,

AF= Audit fees
AS= Auditor Size
AE= Auditor Experience
B4= Big 4 Status
CS= Client Size
CC= Client Complexity
CR= Client Risk
CP= Client Profitability
S= Season
TL= Time Lag

β_0 represent the constant for audit fees regression equation (Fixed audit costs component)

εi– represents the error term of the model.

RESEARCH FINDINGS

Analysis of Descriptive Statistics

In our study, we have found that the average audit fees of the 50 selected companies is 756904.8 Taka where maximum audit fees is 6945932 Taka, which is observed in Janata Bank Limited in the year of 2015; minimum audit fees is 30000 Taka, which is observed in Anlima Yarn Dyeing Limited in the year of 2014 and 2015. It also shows that the variance of audit fees from company to company is very high. This is because financial companies have higher audit fees in comparison to non-financial companies. The study shows that 37 companies have audited their financial statements by audit firms affiliated with international links in the year of 2014 and 2015 whereas about 63 companies have their financial statements audited by local firms. Client complexity as denoted by number of branches and subsidiaries a client possess shows 1.52 branches or subsidiaries on an average. The study also shows that on an average the selected listed companies make a profit of 12.6289% on equity. The average risk of client (as denoted by total debts divided by total equity) is 6.179466 meaning that total debt of selected listed companies is 6.179466 times greater than shareholders' equity of the company. This is because of the financial companies are highly levered than nonfinancial companies. The client size as denoted by total asset of a company shows an average value of 111860419559 Taka. Average time lag is about 91.2 days meaning an independent audit report is issued after 91 days of the closing date of financial statements on an average. Our study finds that most of the companies have audited their financial statements on busy time.

Table I: Descriptive Model

	AUDIT_FEES	C_C	C_P	C_R	CLIENT_SIZE	T_L
Mean	756904.8	1.520000	0.126289	6.179466	1.12E+11	91.20000
Median	410625.0	1.000000	0.097279	3.312972	2.93E+10	94.50000
Maximum	6945932.	10.00000	0.643485	25.50378	7.26E+11	145.0000
Minimum	30000.00	0.000000	-0.121029	0.111452	2.14E+08	34.00000

Std. Dev.	1143840.	1.893530	0.119124	5.902961	1.58E+11	28.39263
Skewness	3.633211	2.001025	2.194738	0.854597	2.163997	-0.338818
Kurtosis	17.69876	8.345735	9.708979	3.024458	7.870429	1.898547
Jarque-Bera	1120.227	185.8053	267.8246	12.17476	176.8859	6.968292
Probability	0.000000	0.000000	0.000000	0.002271	0.000000	0.030680
Sum	75690479	152.0000	12.62886	617.9466	1.12E+13	9120.000
Sum Sq. Dev.	1.30E+14	354.9600	1.404860	3449.650	2.47E+24	79808.00
Observations	100	100	100	100	100	100

Correlation Analysis

Correlation analysis is useful to determine not only the relationship of variables but also strength of the association amongst variables. In the correlation there have some negative and positive relationship between dependent and independent variables based on our sample. Here dependent variable is Audit fees which is measured by natural log of audit fees paid for auditing annual accounts of parent companies and consolidated accounts and independent variables are auditor experience, auditor size, big 4 status, client complexity, client profitability, client size and time lag. The study finds that audit fees are significantly positively correlated with auditor experience, auditor size, client complexity, client risk, client size and season. On the other hand, audit fees have weak positive correlation with international link of audit firms. The study finds negative correlation between audit fees and client profitability, audit fees and time lag. Table 2 points out to a number of significant correlation between the variables like A_S and C_S, C_C and C_S, C_R and C_S, C_R and SEASON, C_S and SEASON. Correlation among the variables used in this study may provide interpretation to the regression and to a possible multicollinearity problem. The largest reported value (0.751779) between C_R and C_S and second largest value (0.692538) between C_S and SEASON do not provide a multicollinearity problem as the values are below 0.80. Judge et al. (1988).

Table II: Correlation Model

	AUDIT_FEES	A_E	A_S	B_4_S	C_C	C_P	C_R	C_S	SEASON	T_L
AUDIT_FEES	**1**	0.432307	0.541121	0.294436	0.554355	-0.005649	0.530467	0.719596	0.597970	-0.069272
A_E	0.432307	**1**	0.342062	0.201946	0.231575	0.013498	0.207154	0.378063	0.380735	-0.000557
A_S	0.541121	0.342062	**1**	0.261705	0.367091	-0.055932	0.428750	**0.522789**	0.336550	0.011319
B_4_S	0.294436	0.201946	0.261705	**1**	0.283195	0.264919	0.036225	0.245020	0.411302	-0.185786
C_C	0.554355	0.231575	0.367091	0.283195	**1**	-0.109740	0.457510	**0.506836**	0.447083	0.036374
C_P	-0.005649	0.013498	-0.055932	0.264919	-0.109740	**1**	-0.098069	0.018732	0.170691	-0.416249
C_R	0.530467	0.207154	0.428750	0.036225	0.457510	-0.098069	**1**	**0.751779**	**0.522318**	-0.074481
C_S	0.719596	0.378063	**0.522789**	0.245020	**0.506836**	0.018732	**0.751779**	**1**	**0.692538**	-0.172678
SEASON	0.597970	0.380735	0.336550	0.411302	0.447083	0.170691	**0.522318**	**0.692538**	**1**	-0.431024
T_L	-0.069272	-0.000557	0.011319	-0.185786	0.036374	-0.416249	-0.074481	-0.172678	-0.431024	**1**

Regression Model Analysis

To calculate the regression model for the dependent variable Audit fees, we have used the panel least square method. We have taken sample of 2 years (Year 2014 and 2015) financial report of 50 different companies. Therefore, the total panel of observation is 100. The regression equation result finds that audit fees are significantly influenced by auditor size (number of audit partners),

client complexity (number of branches or subsidiaries of client), client size (total assets figure of client). This result is consistent with previous studies undertaken in different countries (Simunic, 1980; Low et al., 1990; Chan et al., 1993; Firth, 1997; Butterworth & Houghton, 1995; Carson et al., 2004; Palmrose, 1986; Carson, Fargher, Simon & Taylor, 2004; Choi et al. 2010).

On the other hand, other variables like auditor experience (age of audit firm), Big IV (international link of audit firm), client profitability (after tax profit divided by shareholders' equity), client risk (debt-equity ratio of client firm), time lag (time difference between financial statements reporting date and audit report issuance date), season (busy time and non-busy time of auditor) have found to have less influence on audit fees. Most of the companies of our country close their financial statements on 31 December. Few of the firms have other reporting dates. Therefore, independent variable season has less influence on audit fees. There are a number of local firms providing auditing services in our country. The choice of local firms or big firms matters a little to most of the companies. Although prior studies show significant positive correlation between international link of audit firms and audit fees charged, our findings show weak positive correlation between these two variables. Our study also finds little influence of client profitability on audit fees. This is because we have found that amount of audit fees vary insignificantly from year to year. Instead, audit fees is predetermined and it remains almost same in current year and following year. Whether the audit firm changes due to mandatory rotation, the audit fees as set in previous year remain unchanged. The value of R2 (0.624587) and adjusted R2 (0.587046) at significance level of 10% (two-tail test) finds that the model is a good fit and can be relied to predict audit fees by these variables. We can refer that variance of audit fees can be explained by 62% by all the independent variables together.

Table III: Regression model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.826929	0.593747	4.761167	0.0000
A_E	0.002331	0.001533	1.521067	0.1317
A_S	0.023480	0.010723	2.189765	0.0311
B_4_S	0.009282	0.076573	0.121223	0.9038
C_C	0.049350	0.020360	2.423808	0.0174
C_P	0.029678	0.296624	0.100053	0.9205
C_R	-0.004633	0.008458	-0.547753	0.5852
C_S	0.214529	0.063492	3.378819	0.0011
SEASON	0.178780	0.114493	1.561496	0.1219
T_L	0.001159	0.001364	0.849876	0.3976
R-squared	0.624587	Mean dependent var		5.607662
Adjusted R-squared	0.587046	S.D. dependent var		0.476124
S.E. of regression	0.305965	Akaike info criterion		0.563944
Sum squared resid	8.425287	Schwarz criterion		0.824461
Log likelihood	-18.19722	Hannan-Quinn criter.		0.669380
F-statistic	16.63736	Durbin-Watson stat		1.058029
Prob(F-statistic)	0.000000			

SCOPE FOR FURTHER STUDY

We have taken only 50 DSE listed companies of Bangladesh as samples and found three variables: auditor size, client complexity and client size to be determinants of audit fees. If all

listed companies can be surveyed the study could have found different results. The study only finds the determinants of audit fees. It does not make any research on whether the listed companies of Bangladesh are complying with minimum audit fees as set by Institute of Chartered Accountants of Bangladesh (ICAB). Therefore, further research can be done in this regard. However, this study will help the audit firms in Bangladesh, the listed companies and regulatory bodies to take decision of determination of audit fees.

CONCLUSION

The study sought to find out the determinants of audit fees by listed financial and non-financial companies in Dhaka Stock Exchange limited. The research has been conducted on a sample of 100 annual reports of the year 2014 and 2015. However, future research can be done on the determinants of audit fees of Bangladesh using whole population. Research can also be done on the determinants of audit fees in other developed and developing countries. The compliance of audit fees as set by regulatory bodies can also be checked to see whether the companies operating in Bangladesh are abiding by the rules or not. The regulatory bodies need to be careful in setting minimum audit fees for the companies and audit firms and ensuring the proper maintenance of it.

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Appendix 1: list of sample firm and their auditing firms

2014	Al haj Textile Mills Limited	Haque ShahAlam Mansur & Co
2015	Al haj Textile Mills Limited	Haque ShahAlam Mansur & Co
2014	Alltex Industries Limited	MABS & J Parterns
2015	Alltex Industries Limited	Shafik Basak & Co
2014	Agricultural Marketing Limited	Haoladar Yunus & Co
2015	Agricultural Marketing Limited	M.J. Abedin & Co
2014	Anlima Yarn Dyeing Limited	Rahman Kashem & Co
2015	Anlima Yarn Dyeing Limited	Ata Khan & Co
2014	Apex Foods Limited	Hussain Farhad & Co
2015	Apex Foods Limited	Hussain Farhad & Co
2014	Apex Spinning & Knitting Mills Limited	Hussain Farhad & Co
2015	Apex Spinning & Knitting Mills Limited	Hussain Farhad & Co
2014	Appollo Ispat Complex Ltd	A matin & Co
2015	Appollo Ispat Complex Ltd	MABS & J Partners
2014	Atlas Bangladesh Ltd	A matin & Co
2015	Atlas Bangladesh Ltd	MAHFEL HUQ & Co
2014	Bangladesh Lamps Limited	A. Qasem & Co
2015	Bangladesh Lamps Limited	Nurul Faruk Hasan & Co
2014	Bangladesh Steel Re-Rolling Mills Limited	RRH
2015	Bangladesh Steel Re-Rolling Mills Limited	Syful Shamsul Alam & Co
2014	Baraka Power Ltd	Masih Muhith Haque & Co
2015	Baraka Power Ltd	Masih Muhith Haque & Co
2014	Bengal Windsor Thermoplastics Ltd	A. Qasem & Co
2015	Bengal Windsor Thermoplastics Ltd	A. Qasem & Co
2014	Berger Paints Bangladesh Limited	A. Qasem & Co
2015	Berger Paints Bangladesh Limited	Hoda Vasi Chowdhury & Co
2014	Beximco Pharmaceuticals Limited	M.J. Abedin & Co
2015	Beximco Pharmaceuticals Limited	M.J. Abedin & Co
2014	British American Tobacco Ltd	A. Qasem & Co
2015	British American Tobacco Ltd	RRH
2014	BSRM Steels Limited	Syful Shamsul Alam & Co
2015	BSRM Steels Limited	RRH
2014	DESCO Limited	MABS & J Partners
2015	DESCO Limited	MABS & J Partners
2014	Desh Garments Limited	SHAFIQ BASAK & CO
2015	Desh Garments Limited	MABS & J Partners
2014	GlaxoSmithkline Bangladesh Limited	Hoda Vasi Chowdhury & Co
2015	GlaxoSmithkline Bangladesh Limited	ACNABIN
2014	Golden Harvest Agro Industries Limited	S. K. Barua & Co
2015	Golden Harvest Agro Industries Limited	S. K. Barua & Co
2014	GPH Ispat Limited	Syful Shamsul Alam & Co

2015	GPH Ispat Limited	Syful Shamsul Alam & Co
2014	Grameenphone Limited	ACNABIN
2015	Grameenphone Limited	RRH
2014	RAK Ceramics Limited	Rahman Rahman Huq
2015	RAK Ceramics Limited	A. Qasem & Co.
2014	Square Pharmaceuticals Limited	Das Chowdhury Dutta & Co.
2015	Square Pharmaceuticals Limited	Das Chowdhury Dutta & Co
2014	The IBNSINA Pharmaceuticals Industries Ltd	MALEK SIDDIQUI WALI
2015	The IBNSINA Pharmaceuticals Industries Ltd	MALEK SIDDIQUI WALI
2014	AB Bank Ltd.	ACNABIN
2015	AB Bank Ltd.	ACNABIN
2014	Agrani Bank Limited	Hoda Vasi and A. Qasem
2015	Agrani Bank Limited	Hoda Vasi and A. Qasem
2014	Al- Arafah Islami Bank Ltd.	Khan Wahab Shafique Rahman & Co.SYFUL SHAMSUL ALAM & CO.
2015	Al- Arafah Islami Bank Ltd.	Khan Wahab Shafique Rahman & Co.
2014	Basic Bank Limited	ACNABIN
2015	Basic Bank Limited	ACNABIN
2014	Brack Bank Limited	Hoda Vasi Chowdhury & Co
2015	Brack Bank Limited	A. Qasem & Co.
2014	Dhaka Bank Limited	ACNABIN
2015	Dhaka Bank Limited	ACNABIN
2014	Dutch Bangla Bank Limited	Hoda Vasi Chowdhury & Co
2015	Dutch Bangla Bank Limited	Hoda Vasi Chowdhury & Co
2014	First Security Islami Bank Limited	SHAFIK BASAK AND CO
2015	First Security Islami Bank Limited	SHAFIK BASAK AND CO
2014	IDLC Limited	ACNABIN
2015	IDLC Limited	ACNABIN
2014	IFIC Bank Limited	Howladar Yunus & Co
2015	IFIC Bank Limited	M. J. ABEDIN & CO
2014	Islami Bank Bangladesh Limited	Aziz Halim Khair Choudhury Syful ShamsulAlam& Co. HowladarYunus& Co.
2015	Islami Bank Bangladesh Limited	Aziz Halim Khair Choudhury Syful ShamsulAlam& Co. HowladarYunus& Co.
2014	Janata Bank Limited	G. Kibria & Co. and S. F. Ahmed & Co.
2015	Janata Bank Limited	G. Kibria & Co. and S. F. Ahmed & Co.
2014	Meghna Bank Limited	BASU BANERJEE NATH & CO
2015	Meghna Bank Limited	BASU BANERJEE NATH & CO
2014	Mercantile bank Limited	A. Qasem & Co. Khan Wahab Shafique Rahman & Co
2015	Mercantile bank Limited	A. Qasem & Co. Aziz Halim Khair Choudhury
2014	Midland Bank Limited	S. F. AHMED & CO
2015	Midland Bank Limited	S. F. AHMED & CO
2014	Mudhomoti Bank limited	Hoda Vasi Chowdhury & Co.
2015	Mudhomoti Bank limited	Hoda Vasi Chowdhury & Co
2014	Mutual trust bank limited	M. J. ABEDIN & CO
2015	Mutual trust bank limited	M. J. ABEDIN & CO

2014	National Bank Limited	S. F. AHMED & CO
2015	National Bank Limited	S. F. AHMED & CO
2014	NCC Bank Ltd.	ACNABIN
2015	NCC Bank Ltd.	ACNABIN
2014	One Bank Limited	ATA KHAN CO.
2015	One Bank Limited	ATA KHAN CO.
2014	SBAC Bank Limited	Masih Muhith Haque and Co
2015	SBAC Bank Limited	Masih Muhith Haque and Co
2014	Shahjalal Islami Bank Limited	ACNABIN
2015	Shahjalal Islami Bank Limited	ACNABIN
2014	South East Bank Limited	Syful Shamsul Alam & Co. Howladar Yunus & Co.
2015	South East Bank Limited	Syful Shamsul Alam & Co. Howladar Yunus & Co.
2014	The Premier Bank Limited	Syful Shamsul Alam & Co. K. M. HASAN & CO.
2015	The Premier Bank Limited	Syful Shamsul Alam & Co. K. M. HASAN & CO.
2014	Trust Bank Limited	Syful Shamsul Alam & Co
2015	Trust Bank Limited	Syful Shamsul Alam & Co

Appendix 2: International link of Bangladeshi Audit Firms

Rahman Rahman Haq & Co.	KPMG
Hoda Vasi Chowdhury and Co.	Deloite Touche Totmatsu
ACNABIN	Independent member of Baker Tally International
A Quasem and Co.	Price Water House Coopers
Nurul Faruk & Co.	BDO