

JULY 2023

20-YEAR REVIEW OF

AUDIT FEE TRENDS

2003 - 2022

REVISED OCTOBER 2024

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INTRODUCTION

Audit fees paid to external auditors can be an indicator of audit complexity. Analyzing fees provides further insights into audit risk and auditor independence.

Over the past 20 years, significant activity in the regulatory markets, both in the US and internationally, has affected audit fee and non-audit fee trends.

Accounting standards ASC 606 Revenue from Contracts with Customers, ASC 842 Leases, and ASC 326 Financial Instruments - Credit Losses required companies to change existing accounting and financial reporting standards. These new regulations likely contributed to rising audit fees in prior years.

Accounting standards that became effective for entities post-FY2021 are refinements, with some new guidance for specific sub-topics under Business Combinations, Leases, and Earnings per Share. In response to these changes, auditors are required to implement new procedures to determine if the companies' new policies adequately meet the standards.

Increases in audit complexity resulted in additional effort from external auditors. Higher-risk audits require more auditor resources (hours, personnel, specialists, etc.) to reduce audit risk to an acceptable level. Analyzing fees by industry, company size, and location can provide insight into the level of risk and auditor effort various sectors of publicly listed companies entail.

In 2020, the SEC amended the definition of accelerated and large accelerated filer status.¹ The amendments expand the number of issuers that qualify as non-accelerated filers, resulting in certain issuers no longer being required to provide auditor attestation of internal control over financial reporting (ICFR).

This type of analysis is particularly relevant when comparing companies that require an external auditor assessment on internal controls over financial reporting. These assessments provide significant insight into an entity's risk and require extra auditor effort. When analyzing year-over-year changes in audit fees, significant deviations from the norm can be identified and analyzed with overall market events, such as new regulations, enforcement actions, and filer status changes that affect the audit risk level and auditor effort.

Non-audit fees can also provide relevant information to financial statement users. Worldwide, much discussion has centered around the effect that significant non-audit services have on external auditors' level of independence. In response, the US and many European countries have enacted regulations to restrict the type of non-audit services allowed and, in many cases, the amount auditors can be paid for allowable non-audit services.

The number of initial public offering (IPO) audits can have an impact on fees as they are generally higher risk and require additional hours. The meteoric rise of SPACs in 2020 and 2021 and the significant decline in population in 2022 influenced audit fees overall and on average. SPACs generally have lower audit fees than a traditional public company due to their lack of operations, smaller size, and short operating history.

In 2022, both the PCAOB and the IASSB released changes to auditing standards that strengthen the requirements surrounding the use of other auditors. These changes are to go into effect for audits conducted in calendar year end 2024, but the work has already begun.

In this report, we seek to shed insight on audit and non-audit fee trends in the US market and explore the underlying drivers of these changes to promote a deeper understanding of the financial market.

1. <https://www.sec.gov/corpfin/secg-accelerated-filer-and-large-accelerated-filer-definitions>

EXECUTIVE SUMMARY

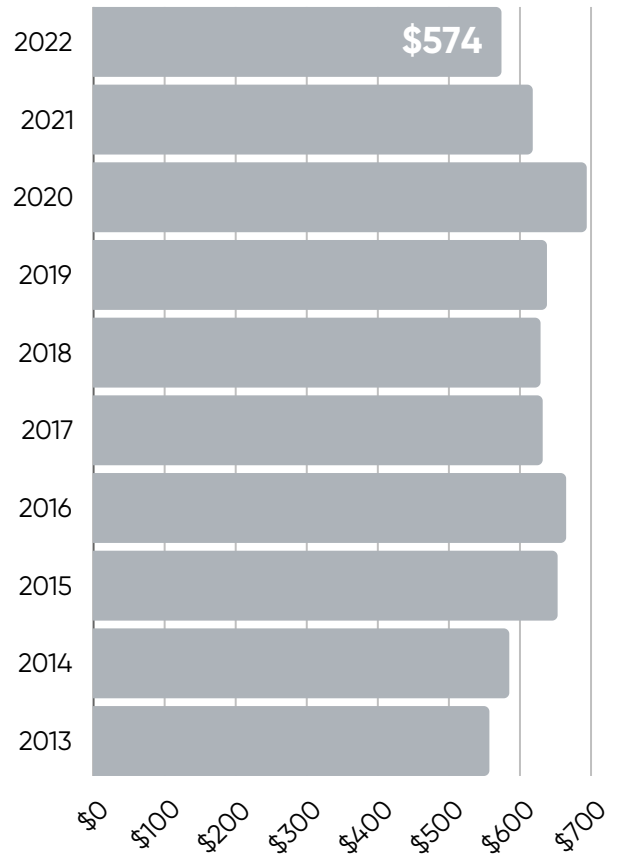


Total Audit fees reached nearly **\$16.8 billion** in FY 2022, increasing 1.3% from FY2021.

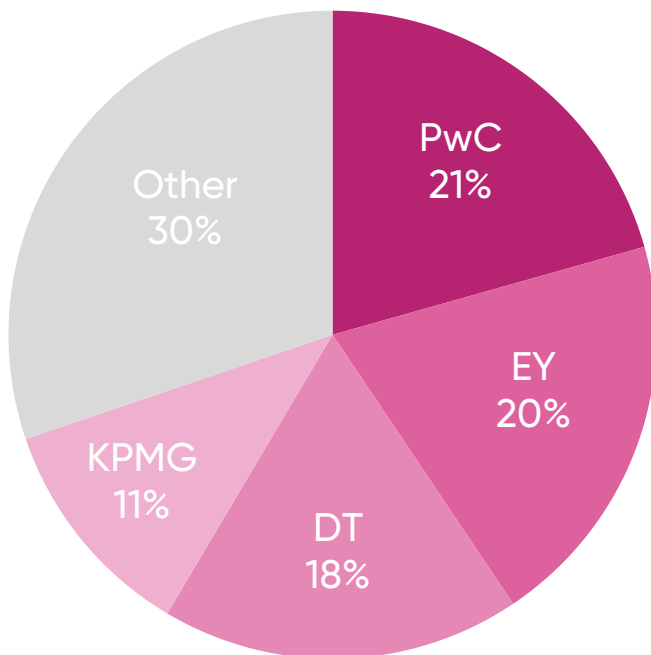


Audit Fees per Million (\$) of Client Revenue

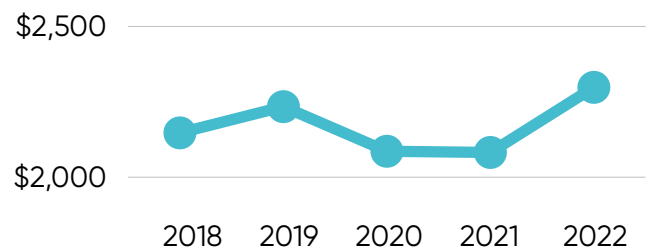
reached a nine-year **low** in FY2022 as revenues increased faster than audit fees.



The Big Four continued to dominate the **auditor market share**, constituting **70%** of all audit fees for SEC registrants paid in FY2022.



Average audit fees **increased 10%** from FY2021, reaching an all-time high of nearly \$2.3 million per SEC registrant.

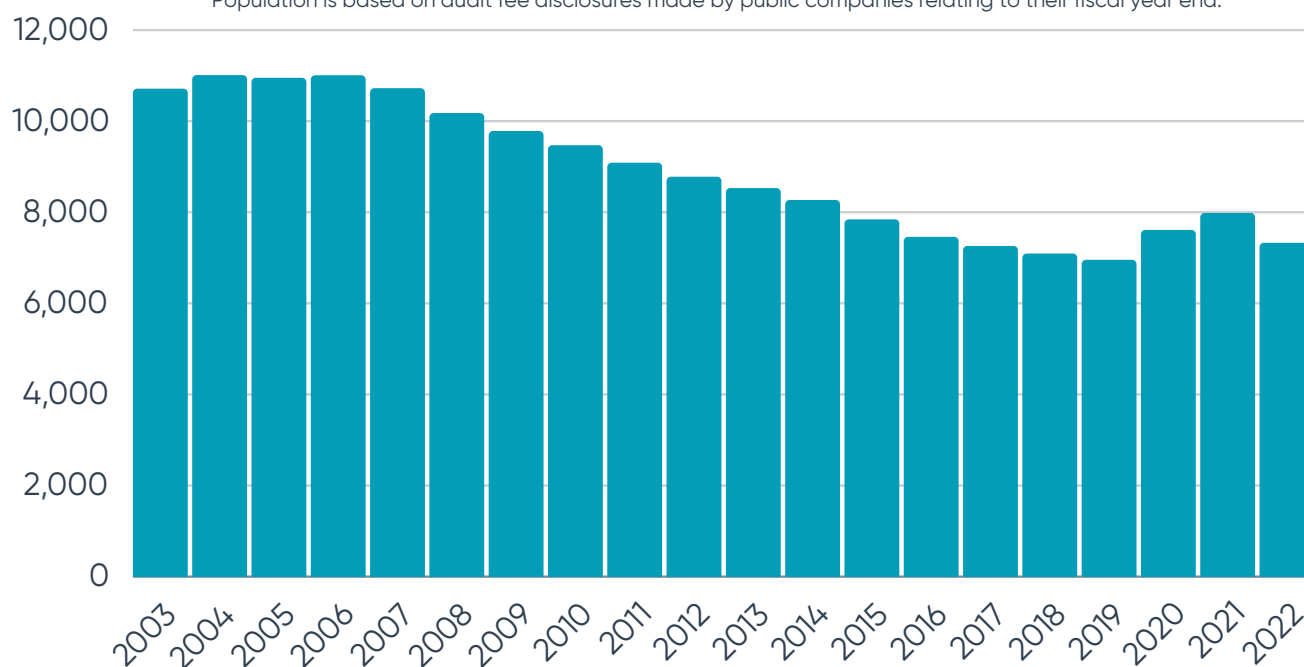


OVERVIEW

Report Population



Population is based on audit fee disclosures made by public companies relating to their fiscal year end.



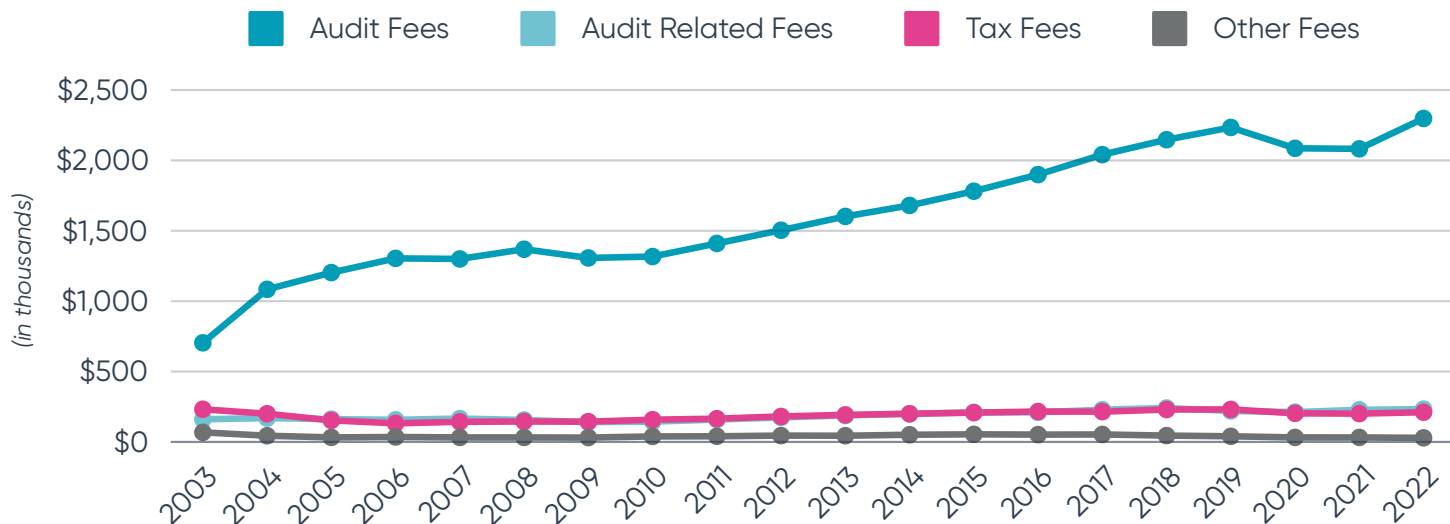
The number of companies that disclosed audit fees paid to external auditors peaked in FY2004 at 11,011. Since then, with the exception of FY2006, the total population of companies has been steadily decreasing annually until FY2020. Between FY2019 and FY2020, the number of companies that disclosed audit fees increased by 9%. The population continued to rise in FY2021, increasing another 5% from FY2020.

However, this trend reversed in FY2022 as the number of companies that disclosed audit fees decreased to 7,329. This decline represented an 8% decrease from FY2021.

SPACs contributed to the population increase in 2020 and 2021 and the decline in 2022. [SPAC IPOs fell by 86%](#) between 2021 and 2022. Additionally, 36% of SPACs that filed fees in FY2021 did not file in FY2022.

FY	Total Companies
2022	7,329
2021	7,984
2020	7,612
2019	6,956
2018	7,094
2017	7,260
2016	7,460
2015	7,844
2014	8,269
2013	8,531
2012	8,780
2011	9,088
2010	9,472
2009	9,784
2008	10,178
2007	10,724
2006	11,008
2005	10,952
2004	11,011
2003	10,713

Average Fees



The average audit fees paid by SEC registrants reached an all-time high in FY2022 at \$2,298,351—representing an 10% increase from FY2021.

Average audit related fees and average tax fees increased by 2% and 5%, respectively. Contrarily, average other fees decreased by 8% in FY2022.

Together, the average amount that SEC registrants paid for non-audit services increased in FY2022, reaching \$473,065—representing a 3% increase from FY2021.

Overall, average total fees paid grew 10% in FY2022 to \$2,772,799, the highest amount seen over the 20-year period.

(in thousands)

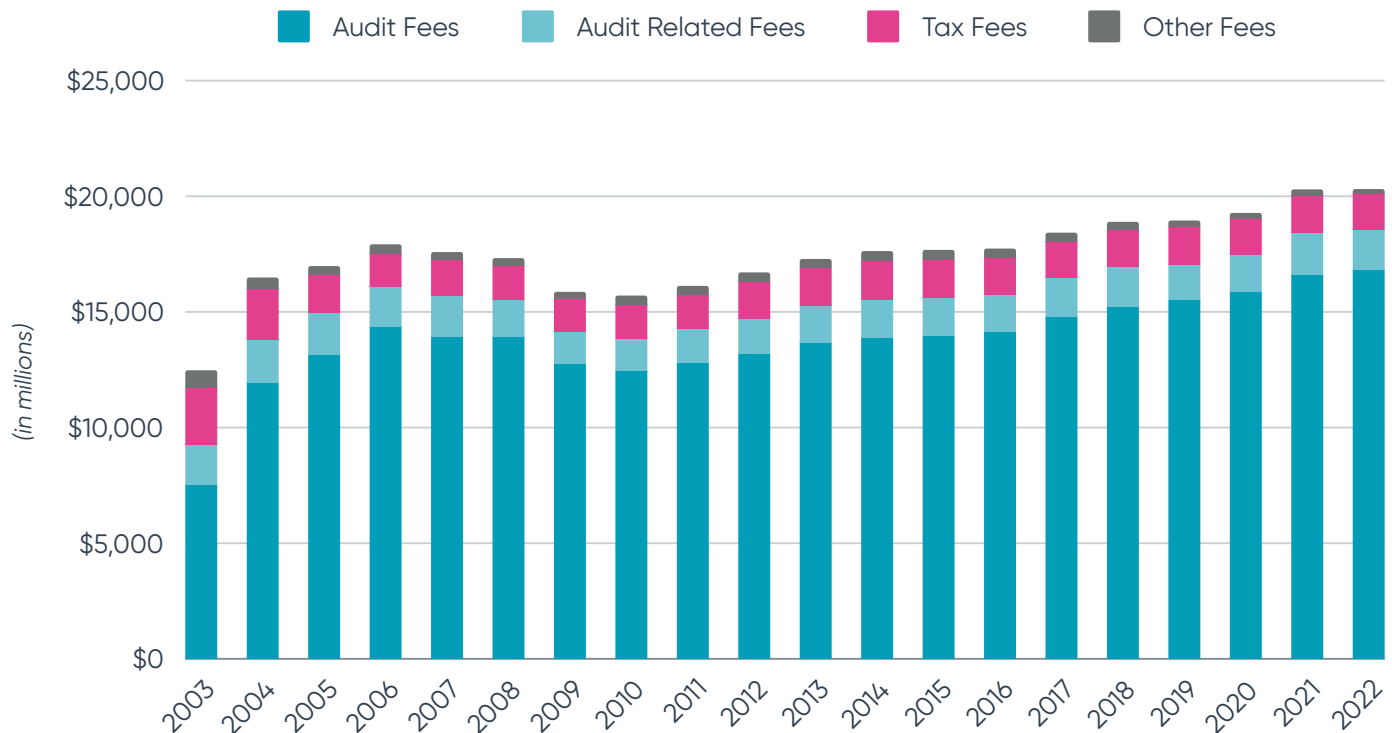
FY	Audit Fees	Audit Related Fees	Tax Fees	Other Fees	Total Fees
2022	\$2,298	\$233	\$211	\$29	\$2,773
2021	\$2,082	\$228	\$201	\$32	\$2,548
2020	\$2,086	\$212	\$203	\$32	\$2,534
2019	\$2,234	\$220	\$231	\$40	\$2,726
2018	\$2,147	\$241	\$230	\$45	\$2,665
2017	\$2,041	\$229	\$215	\$53	\$2,540
2016	\$1,899	\$210	\$216	\$52	\$2,379
2015	\$1,781	\$210	\$208	\$54	\$2,255
2014	\$1,680	\$200	\$200	\$51	\$2,133
2013	\$1,602	\$188	\$192	\$44	\$2,028
2012	\$1,504	\$174	\$181	\$45	\$1,904
2011	\$1,410	\$159	\$165	\$40	\$1,775
2010	\$1,317	\$144	\$158	\$39	\$1,659
2009	\$1,307	\$141	\$144	\$31	\$1,623
2008	\$1,369	\$156	\$145	\$32	\$1,703
2007	\$1,300	\$166	\$143	\$32	\$1,641
2006	\$1,304	\$157	\$132	\$35	\$1,629
2005	\$1,203	\$162	\$153	\$32	\$1,552
2004	\$1,084	\$169	\$200	\$44	\$1,498
2003	\$704	\$161	\$232	\$68	\$1,170

Factors Leading to Decrease in Average Audit Fees Between 2019 - 2020

- Impacts on audit work from the **COVID-19 pandemic**.
- An influx of **special purpose acquisition companies** (SPACs), which pay relatively low audit fees due to their lack of operations. This drove down the average fees by increasing the number of public companies.
- A change in **filer status definition** reclassified hundreds of companies from accelerated filers to non-accelerated filers. Non-accelerated filers are not required to have their internal controls audited but remain in the company population, further driving down the average.



Total Fees



Total fees reached \$20.3 billion in FY2022, increasing only 0.07% from the previous year.

Although the total population of companies that disclosed audit fees decreased in FY2022, total audit fees increased.

Since FY2010, total audit fees have steadily increased each year, reaching an all-time high of \$16.8 billion in FY2022. This represents a 1% increase from FY2021.

However, each category of non-audit fees saw a decrease from FY2021. Audit related fees decreased 6%, tax fees decreased 4%, and other fees decreased 16%.

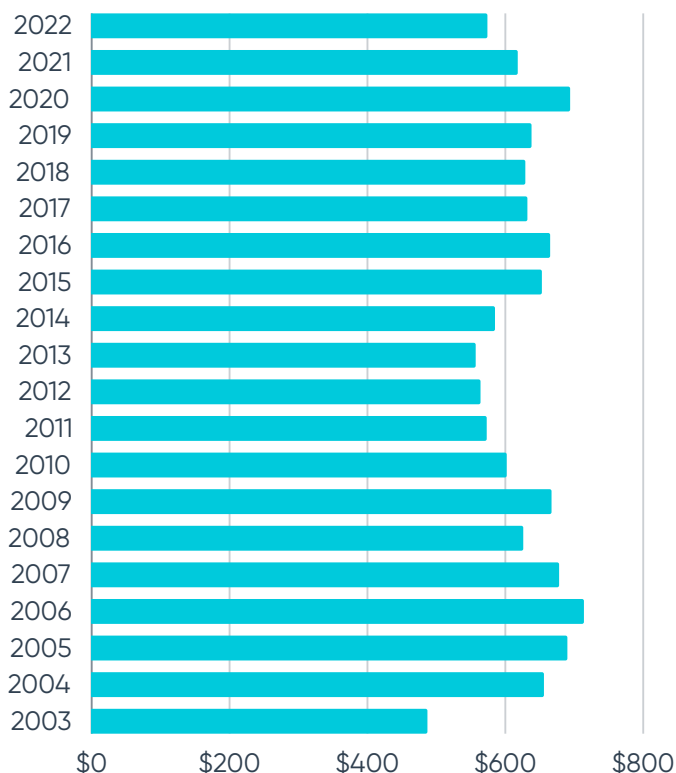
	<i>(in millions)</i>				
FY	Audit Fees	Audit Related Fees	Tax Fees	Other Fees	Total Fees
2022	\$16,845	\$1,710	\$1,545	\$212	\$20,312
2021	\$16,622	\$1,820	\$1,603	\$252	\$20,297
2020	\$15,876	\$1,615	\$1,547	\$242	\$19,280
2019	\$15,537	\$1,532	\$1,604	\$278	\$18,952
2018	\$15,233	\$1,710	\$1,631	\$320	\$18,893
2017	\$14,819	\$1,663	\$1,557	\$388	\$18,428
2016	\$14,170	\$1,568	\$1,613	\$387	\$17,739
2015	\$13,974	\$1,649	\$1,632	\$427	\$17,682
2014	\$13,892	\$1,656	\$1,658	\$424	\$17,630
2013	\$13,668	\$1,607	\$1,636	\$378	\$17,288
2012	\$13,204	\$1,524	\$1,586	\$394	\$16,708
2011	\$12,814	\$1,447	\$1,496	\$367	\$16,125
2010	\$12,477	\$1,362	\$1,497	\$371	\$15,708
2009	\$12,783	\$1,375	\$1,405	\$305	\$15,869
2008	\$13,929	\$1,589	\$1,477	\$330	\$17,325
2007	\$13,936	\$1,782	\$1,529	\$341	\$17,589
2006	\$14,351	\$1,726	\$1,456	\$390	\$17,923
2005	\$13,179	\$1,779	\$1,675	\$348	\$16,982
2004	\$11,939	\$1,857	\$2,204	\$488	\$16,487
2003	\$7,539	\$1,723	\$2,484	\$731	\$12,477

Audit Fees per Million (\$) of Revenue

Audit fees per million dollars of revenue fell following the financial crisis of the late 2000s, though audit fees never fell to the levels seen before the implementation of the Sarbanes-Oxley Act (SOX) of 2002.

Audit fees per million dollars of revenue increased 9% in FY2020 to \$694. Due to the COVID-19 pandemic, company revenues fell while audit fees continued to increase.

In FY2021, audit fees per million dollars of revenue declined by 11%. However, this was expected as company revenues returned to pre-pandemic levels. Between FY2020 and FY2021, total revenue increased 18% for SEC registrants.



FY	Audit Fees per Million (\$) of Revenue	Total Audit Fees (in millions)	Revenue (in billions)
2022	\$574	\$16,845	\$29,367
2021	\$618	\$16,622	\$26,890
2020	\$694	\$15,876	\$22,868
2019	\$638	\$15,537	\$24,353
2018	\$629	\$15,233	\$24,236
2017	\$632	\$14,819	\$23,451
2016	\$665	\$14,170	\$21,293
2015	\$653	\$13,974	\$21,412
2014	\$585	\$13,892	\$23,734
2013	\$557	\$13,668	\$24,520
2012	\$564	\$13,204	\$23,428
2011	\$573	\$12,814	\$22,370
2010	\$602	\$12,477	\$20,726
2009	\$667	\$12,783	\$19,157
2008	\$626	\$13,929	\$22,257
2007	\$678	\$13,936	\$20,567
2006	\$714	\$14,351	\$20,098
2005	\$690	\$13,179	\$19,094
2004	\$656	\$11,939	\$18,213
2003	\$487	\$7,539	\$15,481

Audit fees per million dollars of revenue have continued to decline, reaching \$574 for FY2022. This represents a 7% decrease from FY2021 and the lowest amount seen since FY2013. Although both total audit fees and revenue increased in FY2022, revenue grew at a greater rate, increasing nearly 9% from FY2021, while audit fees grew by only 1%.



AUDITOR RANKING

Top 25 Auditors by total audit fees.



FY2022 Auditor Rankings

Totals for the Big Four and Grant Thornton exclude international affiliates

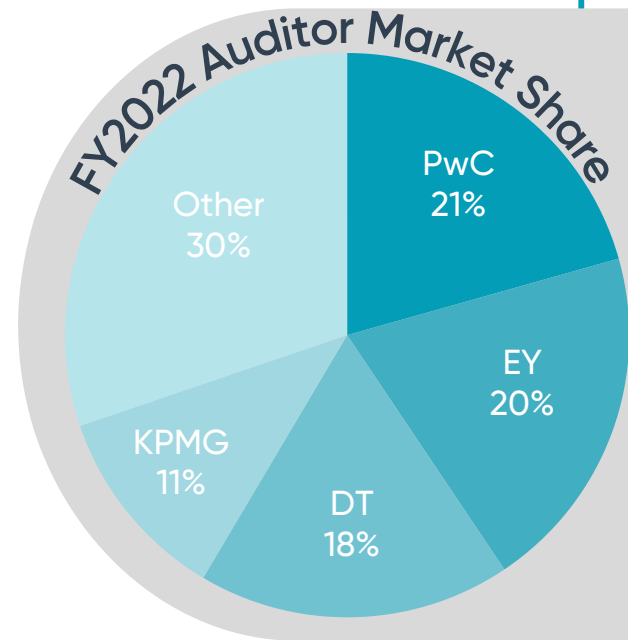
Rank	Auditor	Total Audit Fees (in millions)	Auditor	Average Audit Fees (in thousands)	Auditor	Audit Fees per Million (\$) of Client Revenue
1	PwC	\$3,474.1	PwC	\$5,154.4	EisnerAmper	\$15,942
2	EY	\$3,363.2	Deloitte	\$3,808.7	BF Borgers	\$13,715
3	Deloitte	\$3,020.3	EY	\$3,407.5	MNP	\$11,671
4	KPMG	\$1,897.7	KPMG	\$3,178.7	BPM	\$8,633
5	Grant Thornton	\$302.8	BDO LLP (UK)	\$1,844.8	Marcum	\$7,973
6	BDO USA	\$246.4	Grant Thornton	\$1,101.1	WithumSmith + Brown	\$7,490
7	Marcum	\$129.2	BDO USA	\$1,030.8	MaloneBailey	\$6,930
8	RSM US	\$96.0	Crowe	\$755.2	BDO LLP (UK)	\$6,148
9	Crowe	\$63.4	RSM US	\$738.7	Armanino	\$5,680
10	Moss Adams	\$49.1	Macias Gini & O'Connell	\$728.0	Macias Gini & O'Connell	\$4,550
11	FORVIS	\$31.6	Moss Adams	\$613.5	Baker Tilly US	\$4,289
12	Baker Tilly US	\$28.0	Mazars USA	\$519.0	Friedman	\$4,110
13	WithumSmith + Brown	\$22.1	FORVIS	\$479.4	Mazars USA	\$3,950
14	EisnerAmper	\$14.3	BPM	\$421.4	CohnReznick	\$3,947
15	MaloneBailey	\$13.5	MNP	\$418.1	Crowe	\$2,478
16	BF Borgers	\$12.2	Armanino	\$411.1	BDO USA	\$2,411
17	MNP	\$11.3	Baker Tilly US	\$354.5	Moss Adams	\$2,302
18	Plante & Moran	\$10.9	EisnerAmper	\$340.6	Plante & Moran	\$2,133
19	Armanino	\$9.9	Plante & Moran	\$340.1	FORVIS	\$2,037
20	BDO LLP (UK)	\$9.2	Marcum	\$275.5	RSM US	\$1,659
21	Macias Gini & O'Connell	\$8.7	CohnReznick	\$253.2	Grant Thornton	\$809
22	BPM	\$8.4	MaloneBailey	\$193.5	Deloitte	\$609
23	Mazars USA	\$8.3	Friedman	\$188.7	PwC	\$592
24	CohnReznick	\$8.1	WithumSmith + Brown	\$147.4	KPMG	\$564
25	Friedman	\$7.9	BF Borgers	\$73.8	EY	\$462

Auditor Market Share

As our [annual auditor changes](#) analysis highlighted, two major audit firm mergers occurred in FY2022, impacting the succeeding firms' audit fees.

During FY2022, RotenbergMeril and Friedman joined **Marcum**, contributing to Marcum's 23% increase in total fees for FY2022. Due to recording only a partial year of audit fees before the merger, Friedman dropped 11 spots in rank from FY2021. Consequently, they ended up last out of the top 25 firms in total fees for FY2022.

In June of 2022, BKD and Dixon Hughes Goodman merged into a newly formed auditing firm, **FORVIS**. During FY2022, FORVIS received over \$30 million in audit fees, ranking 11th overall in total audit fees.



Increased by:	100%+
Decreased by:	50%+

Current auditor rankings based on FY2022 total audit fees (in millions).

Rank	Auditor	2018	2019	2020	2021	2022
1	PwC	\$3,399.2	\$3,476.9	\$3,679.8	\$3,441.1	\$3,474.1
2	EY	\$2,952.4	\$3,031.4	\$3,255.9	\$3,355.6	\$3,363.2
3	Deloitte	\$2,514.5	\$2,531.8	\$2,638.6	\$2,862.9	\$3,020.3
4	KPMG	\$1,914.0	\$2,006.9	\$1,976.7	\$1,831.5	\$1,897.7
5	Grant Thornton	\$264.2	\$235.9	\$254.9	\$285.5	\$302.8
6	BDO USA	\$205.6	\$217.7	\$190.9	\$230.8	\$246.4
7	Marcum	\$48.5	\$60.1	\$67.8	\$104.8	\$129.2
8	RSM US	\$76.7	\$78.4	\$73.4	\$86.3	\$96.0
9	Crowe	\$51.6	\$60.0	\$66.8	\$62.1	\$63.4
10	Moss Adams	\$36.8	\$37.5	\$39.5	\$47.1	\$49.1
11	FORVIS	-	-	\$0.5	\$0.2	\$31.6
12	Baker Tilly US	\$0.04	\$1.6	\$18.9	\$26.6	\$28.0
13	WithumSmith + Brown	\$4.6	\$5.0	\$21.0	\$40.1	\$22.1
14	EisnerAmper	\$20.5	\$18.2	\$14.7	\$15.7	\$14.3
15	MaloneBailey	\$8.4	\$7.9	\$8.1	\$13.2	\$13.5
16	BF Borgers	\$4.4	\$5.8	\$15.4	\$15.1	\$12.2
17	MNP	\$3.3	\$3.6	\$7.7	\$10.7	\$11.3
18	Plante & Moran	\$9.1	\$10.7	\$11.4	\$12.4	\$10.9
19	Armanino	\$5.3	\$3.7	\$6.6	\$10.0	\$9.9
20	BDO LLP (UK)	\$0.6	\$5.0	\$9.4	\$11.2	\$9.2
21	Macias Gini & O'Connell	\$4.2	\$3.5	\$6.5	\$5.5	\$8.7
22	BPM	\$8.7	\$8.0	\$7.9	\$7.6	\$8.4
23	Mazars USA	\$3.4	\$4.4	\$4.7	\$5.0	\$8.3
24	CohnReznick	\$10.1	\$8.0	\$8.5	\$8.7	\$8.1
25	Friedman	\$11.0	\$14.0	\$19.4	\$19.0	\$7.9

Auditor Ranking by Average Audit Fees

In FY2022, average audit fees paid to **Macias Gini & O'Connell** (MGO) increased by 138% from FY2021. This increase led them to jump eight spots, ranking tenth for average audit fees in FY2022. The leading factor for this increase was a new client engagement in 2022, Verano Holding Corp. Although MGO mainly focused on clients in the manufacturing industry, the Illinois-based cannabis operator accounted for 30% of MGO's FY2022 total audit fees.



Increased by:	100%+
Decreased by:	50%+

Current auditor rankings based on FY2022 fees of the top 25 firms by total fees (in thousands).

Rank	Auditor	2018	2019	2020	2021	2022
1	PwC	\$4,835.3	\$5,197.2	\$5,146.5	\$5,008.9	\$5,154.4
2	Deloitte	\$3,531.6	\$3,426.0	\$3,111.6	\$3,441.0	\$3,808.7
3	EY	\$3,018.8	\$3,086.9	\$3,103.8	\$3,229.6	\$3,407.5
4	KPMG	\$2,895.7	\$3,121.2	\$2,950.3	\$2,893.4	\$3,178.7
5	BDO LLP (UK)	\$302.3	\$995.9	\$1,340.6	\$1,598.6	\$1,844.8
6	Grant Thornton	\$1,190.2	\$1,058.0	\$1,007.5	\$1,042.1	\$1,101.1
7	BDO USA	\$753.1	\$837.4	\$763.7	\$836.2	\$1,030.8
8	Crowe	\$532.0	\$659.3	\$681.6	\$689.7	\$755.2
9	RSM US	\$491.6	\$548.0	\$543.9	\$625.6	\$738.7
10	Macias Gini & O'Connell	\$2,123.9	\$866.5	\$406.3	\$305.6	\$728.0
11	Moss Adams	\$408.4	\$451.9	\$475.8	\$588.6	\$613.5
12	Mazars US	\$425.3	\$488.7	\$334.2	\$385.7	\$519.0
13	FORVIS	-	-	\$458.8	\$200.0	\$479.4
14	BPM	\$432.6	\$399.3	\$374.5	\$347.5	\$421.4
15	MNP	\$96.4	\$132.1	\$274.0	\$357.8	\$418.1
16	Armanino	\$482.4	\$336.1	\$330.5	\$386.2	\$411.1
17	Baker Tilly US	\$40.0	\$329.9	\$281.5	\$340.7	\$354.5
18	EisnerAmper	\$360.5	\$355.9	\$351.0	\$340.4	\$340.6
19	Plante & Moran	\$239.4	\$248.6	\$265.2	\$344.4	\$340.1
20	Marcum	\$249.8	\$260.0	\$185.3	\$190.8	\$275.5
21	CohnReznick	\$288.4	\$242.2	\$234.9	\$298.6	\$253.2
22	MaloneBailey	\$72.0	\$83.9	\$93.8	\$150.0	\$193.5
23	Friedman	\$183.9	\$200.2	\$242.6	\$198.3	\$188.7
24	WithumSmith + Brown	\$99.2	\$89.7	\$83.1	\$135.1	\$147.4
25	BF Borgers	\$51.1	\$56.3	\$112.5	\$83.2	\$73.8

Auditor Ranking by Audit Fees per Million (\$) of Client Revenue



CohnReznick dropped ten spots in rank in FY2022, falling from 3rd in FY2021 to 13th. Although they gained three more clients in FY2022 compared to the previous year, their total audit fees dropped 6%. At the same time, their total client revenue increased 126% in FY2022.



Increased by:	100%+
Decreased by:	50%+

Current auditor rankings based on FY2022 fees of the top 25 firms by total fees.

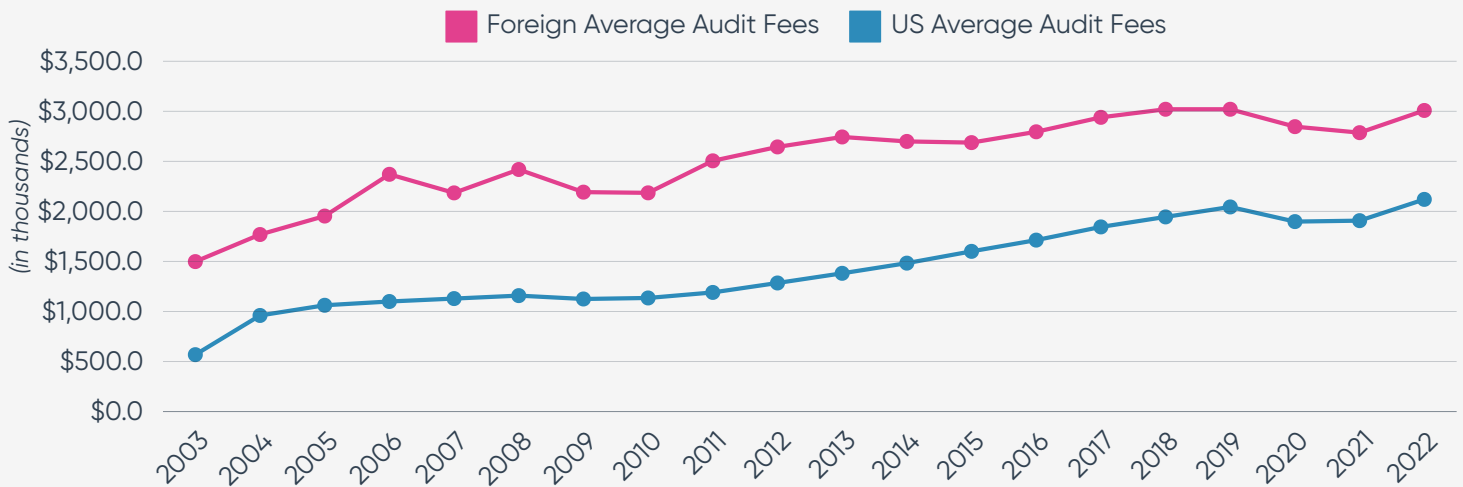
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1	EisnerAmper	\$3,841	\$3,624	\$13,647	\$14,635	\$15,942
2	BF Borgers	\$4,443	\$7,888	\$7,890	\$19,742	\$13,715
3	MNP	\$2,484	\$1,357	\$1,753	\$9,958	\$11,671
4	BPM	\$3,198	\$8,932	\$10,527	\$8,604	\$8,633
5	Marcum	\$8,358	\$6,955	\$6,018	\$7,444	\$7,973
6	WithumSmith + Brown	\$4,745	\$3,619	\$5,893	\$5,198	\$7,490
7	MaloneBailey	\$6,806	\$4,984	\$9,345	\$6,012	\$6,930
8	BDO LLP (UK)	\$5,770	\$4,412	\$4,767	\$4,307	\$6,148
9	Armanino	\$5,195	\$3,439	\$4,473	\$7,441	\$5,680
10	Macias Gini & O'Connell	\$50,708	\$6,188	\$4,866	\$4,459	\$4,550
11	Baker Tilly US	-	\$7,359	\$5,125	\$4,224	\$4,289
12	Friedman	\$2,718	\$6,484	\$6,482	\$6,064	\$4,110
13	Mazars USA	\$3,482	\$3,951	\$4,567	\$3,090	\$3,950
14	CohnReznick	\$3,277	\$2,859	\$8,344	\$9,522	\$3,947
15	Crowe	\$2,399	\$2,700	\$2,939	\$2,502	\$2,478
16	BDO USA	\$1,975	\$2,277	\$2,282	\$2,291	\$2,411
17	Moss Adams	\$2,544	\$2,481	\$2,658	\$2,904	\$2,302
18	Plante & Moran	\$3,109	\$3,194	\$2,301	\$2,279	\$2,133
19	FORVIS	-	-	\$8,358	\$689	\$2,037
20	RSM US	\$1,668	\$1,611	\$1,674	\$1,583	\$1,659
21	Grant Thornton	\$903	\$1,009	\$1,255	\$967	\$809
22	Deloitte	\$629	\$635	\$673	\$616	\$609
23	PwC	\$750	\$749	\$855	\$692	\$592
24	KPMG	\$728	\$751	\$751	\$642	\$564
25	EY	\$547	\$533	\$555	\$510	\$462

COMPANY LOCATION

Average Audit Fees

Average US and Foreign Audit Fees

Population is based on audit fee disclosures made by public companies relating to their fiscal year end.



FY2022 saw an increase in average audit fees for both US and foreign SEC registrants. Average audit fees increased to \$2.1 million for US companies, the highest seen over the 20-year period. Foreign audit fees reached just over \$3 million in FY2022, only slightly less than the average audit fees seen for FY2018 and 2019. In general, the increase in average audit fees reflects inflationary pressures, tight labor markets, increased risk, and regulatory requirements.

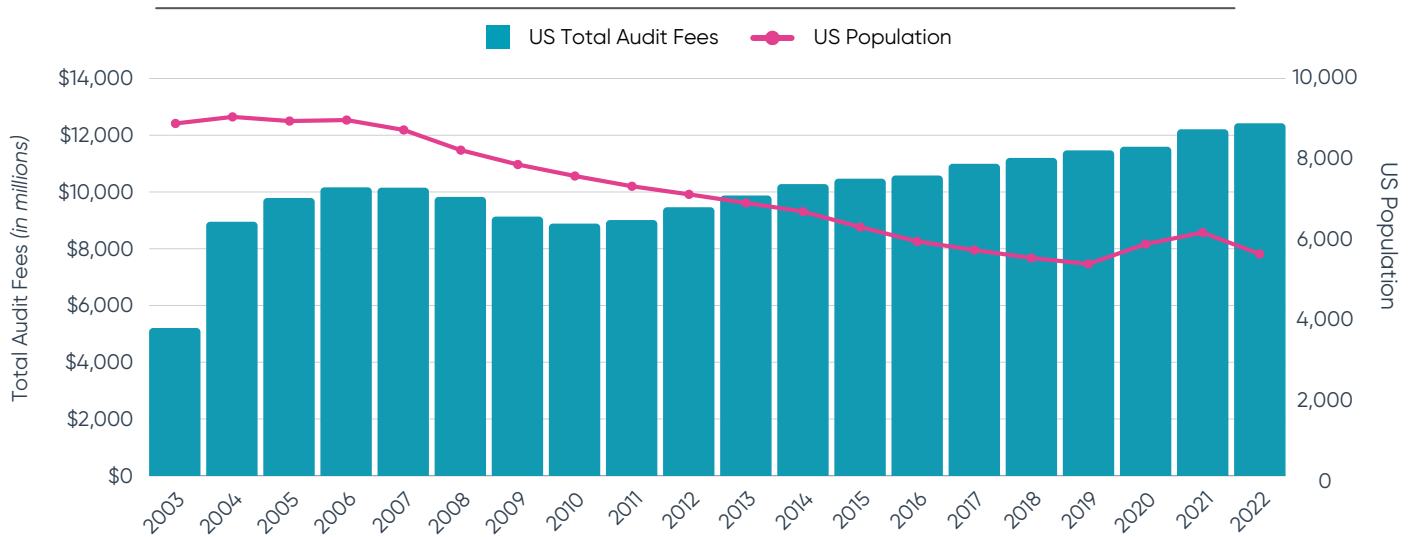
Except for FY2009, average audit fees paid by US companies have been steadily increasing since FY2003. This trend was reversed in 2020 due to several anomalies, including an influx of SPACs that pay lower than average audit fees and the effects of the pandemic. Since then, average audit fees have been increasing yet again for US companies. In FY2022, average US audit fees increased by 11%, the largest increase seen since the implementation of SOX.

Average audit fees for foreign-based companies tend to be higher than US fees. Typically, foreign-based companies listed in the US are, on average, larger than public companies based in the US. An increased focus on non-US registered firms by the PCAOB is likely also impacting audit fees. In FY2022, average audit fees for foreign registrants increased by 8%, the largest increase seen since FY2011.



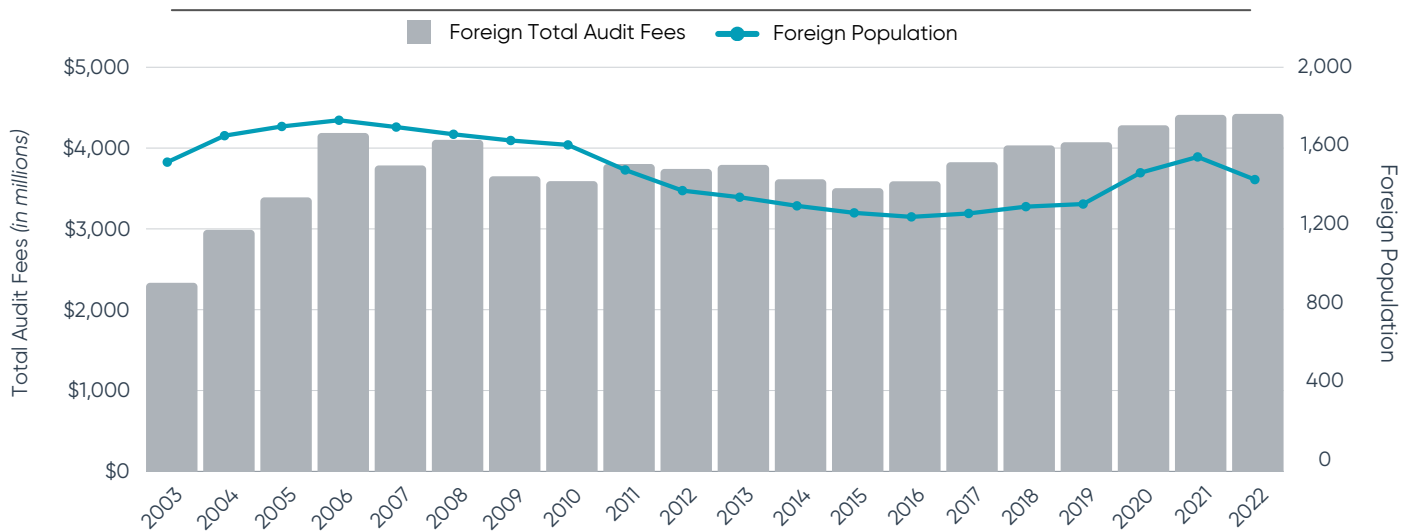
Total Audit Fees

US Total Audit Fees



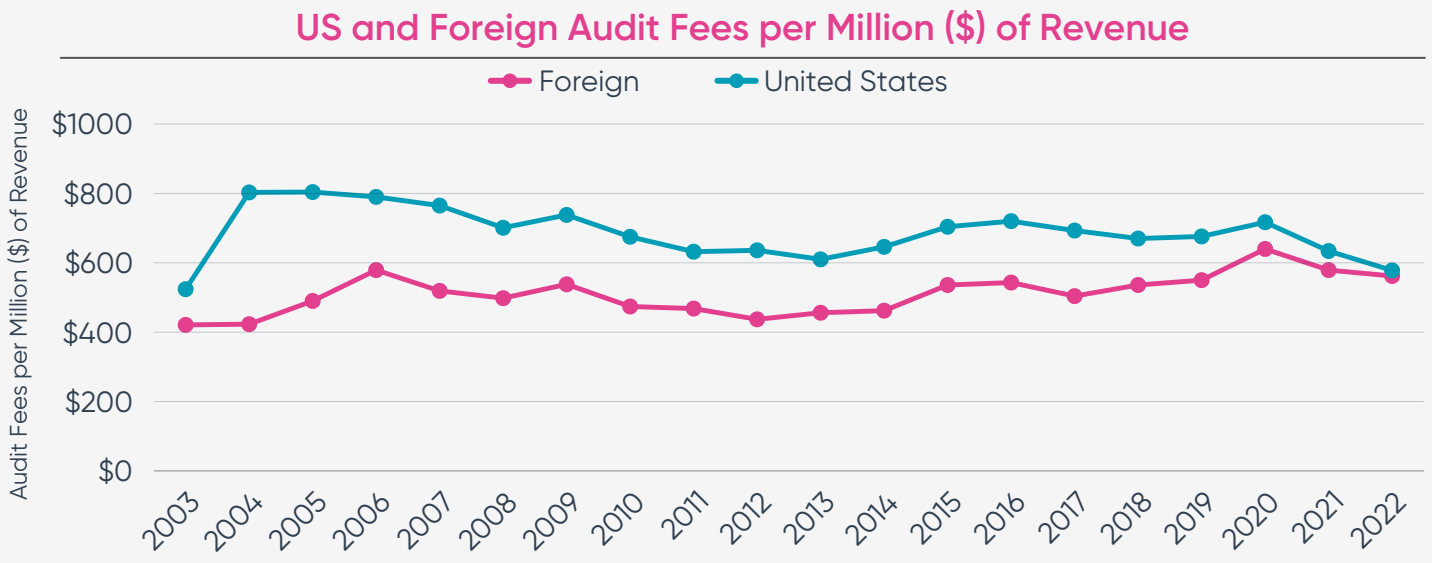
In FY2022, total audit fees for US companies grew to \$12,422 million, representing a 2% increase from FY2021. Meanwhile, total US filers fell to 5,859 in FY2022, representing an 8% decline from FY2021. Since FY2011, total US filers have declined (with the exception of FY2020 and 2021) while total US audit fees have increased.

Foreign Total Audit Fees



In FY2022, total audit fees for foreign filers grew to \$4,423 million, representing a 0.3% increase from the previous year. However, foreign filers fell to 1,470, representing a 7% decline from FY2021. Overall, the correlation between total audit fees and the number of foreign filers that disclosed audit fees has been largely positive, with total fees and total filers increasing and decreasing simultaneously. Only five fiscal years saw differing trends between total fees and the population, with FY2022 being the most prominent.

Audit Fees per Million (\$) of Revenue



Both US and foreign companies experienced a decrease in audit fees per million dollars of revenue between FY2021 and FY2022. US filers paid an average of \$578 in audit fees per \$1 million of revenue, falling 9% from FY2021. Foreign filers experienced only a 3% decrease in FY2022, paying \$562 per \$1 million of revenue.

Revenue generated during FY2022 increased at a faster rate than total audit fees for US and foreign registrants year-over-year. However, revenue grew much faster for US filers than foreign filers. Total audit fees grew by 0.3% for foreign filers, while revenue grew by 3%. Similarly, total audit fees grew by 2% for US filers while revenue, however, grew by 12%.

Overall, US and international audit fees per million dollars of revenue reached their closest point over the 20-year period in FY2022, separated by only \$16.

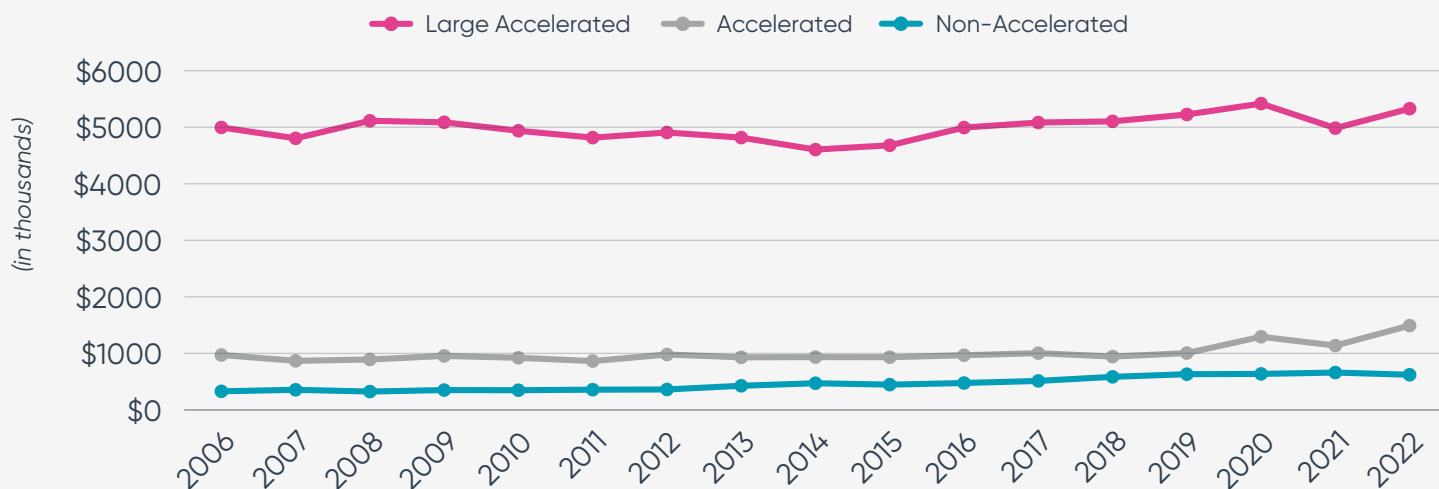


FILER STATUS

Average Audit Fees

Average Audit Fees by Filer Status

Population is based on audit fee disclosures made by public companies relating to their fiscal year end.



FY2022 saw an increase in average audit fees for large accelerated and accelerated filers.

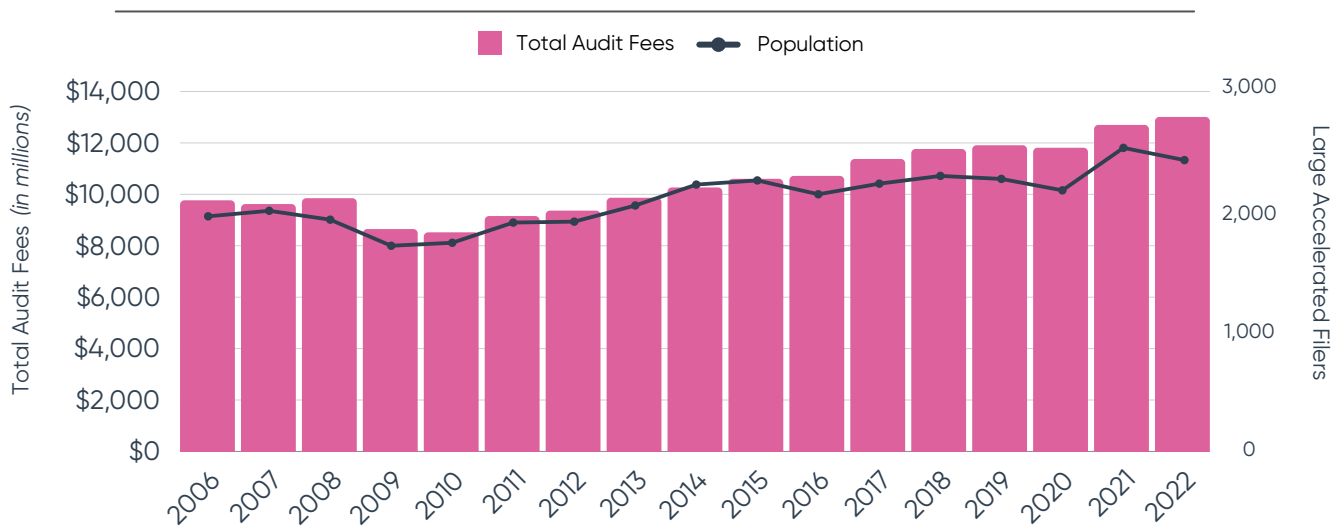
Average audit fees increased to \$5,327,646 for large accelerated filers, representing a 7% increase from FY2021. Average audit fees paid by large accelerated filers are five times greater than those paid by accelerated filers and 11 times greater than non-accelerated filers, on average.

In FY2022, average audit fees paid by accelerated filers increased 31% from FY2021 to \$1,492,375. This represents the largest amount of audit fees paid on average and the largest increase in average audit fees for accelerated filers over the 20-year period.

Conversely, non-accelerated filers saw a decrease in average audit fees paid for FY2022. On average, non-accelerated filers paid \$621,505 in audit fees, down 6% from FY2021. This is the lowest amount of average audit fees paid by non-accelerated filers since FY2018.

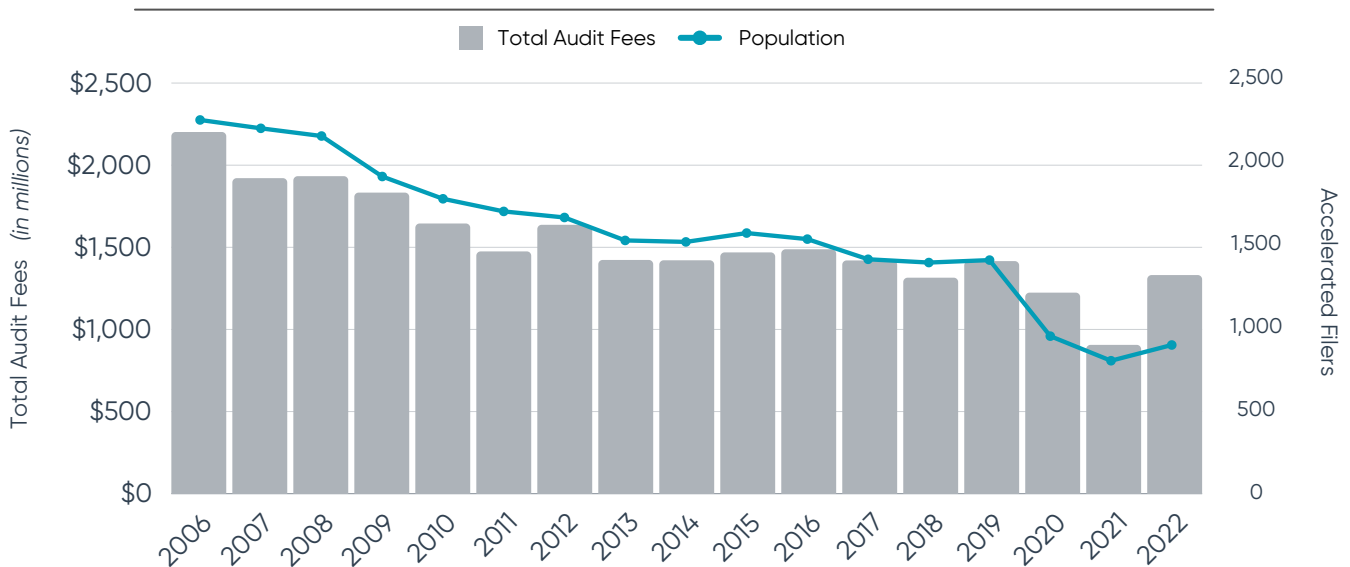
Total Audit Fees

Large Accelerated Filer Total Audit Fees



In FY2022, the number of large accelerated filers that disclosed audit fees decreased to 2,442, representing a 4% decline from FY2021. However, despite this decrease, total audit fees increased by 2%, reaching \$13,010 million. This is the highest amount of aggregate audit fees paid by large accelerated filers over the 20-year period.

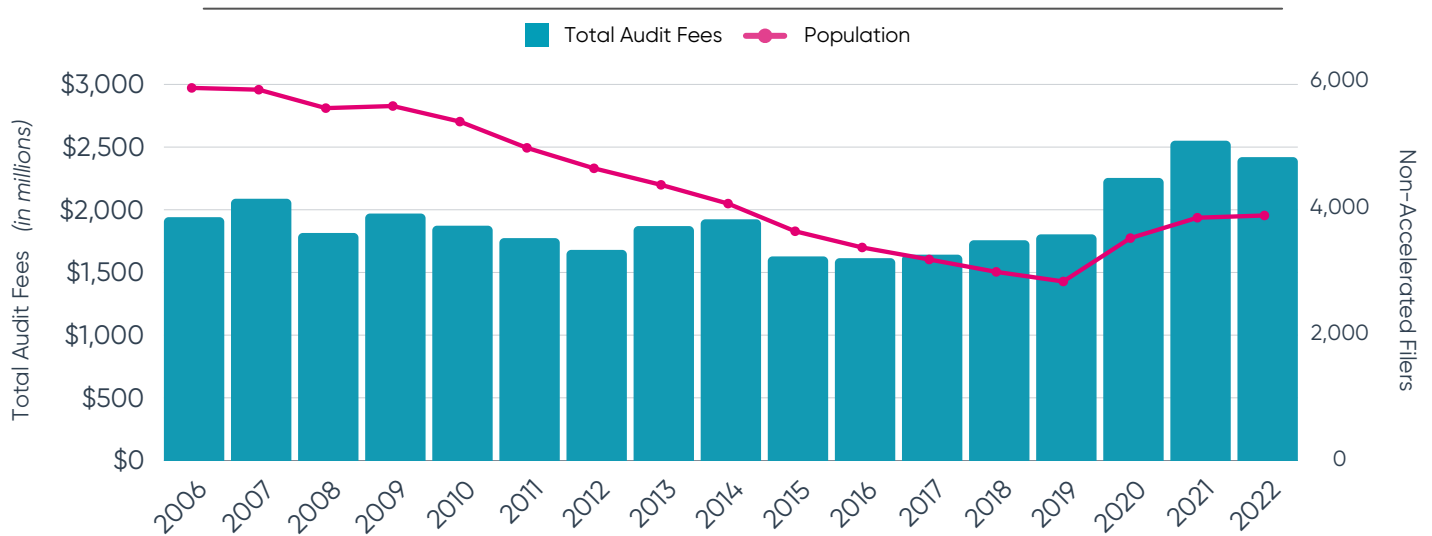
Accelerated Filer Total Audit Fees



In FY2022, total audit fees for accelerated filers increased to \$1,331 million, a 47% increase from FY2021. This is the largest increase seen throughout the 20-year period. The number of accelerated filers that disclosed audit fees also increased in FY2022. The population reached 892, increasing 12% from FY2021. FY2022 is the first year of growth since the 2020 amendment that reclassified many accelerated filers as non-accelerated.¹ In addition to population changes, increases in audit fees for accelerated filers reflect the additional cost of an internal controls attestation that is required for companies of this size.

1. <https://www.sec.gov/corpfin/secg-accelerated-filer-and-large-accelerated-filer-definitions>

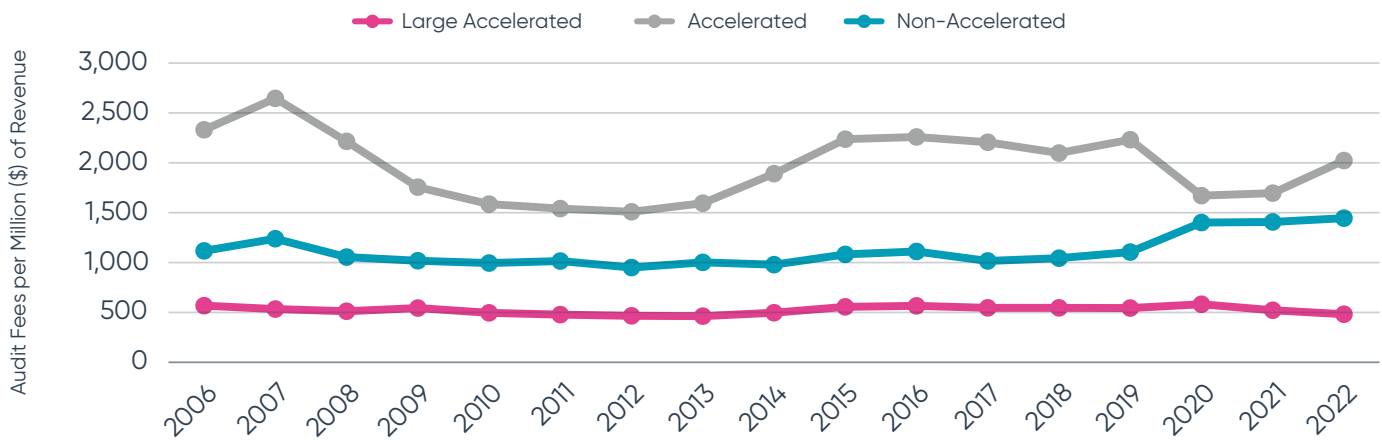
Non-Accelerated Filer Total Audit Fees



The number of non-accelerated filers that disclosed audit fees for FY2022 grew to 3,893, representing a 1% increase from FY2021. Contrarily, aggregate audit fees decreased by 5% in FY2022 to \$2,420 million. Total non-accelerated filers and their total audit fees increased rapidly after FY2019 due to the filer status regulation amendment in 2020 and the SPAC boom in FY2021.

Audit Fees per Million (\$) of Revenue

Audit Fees per Million (\$) of Revenue by Filer Status

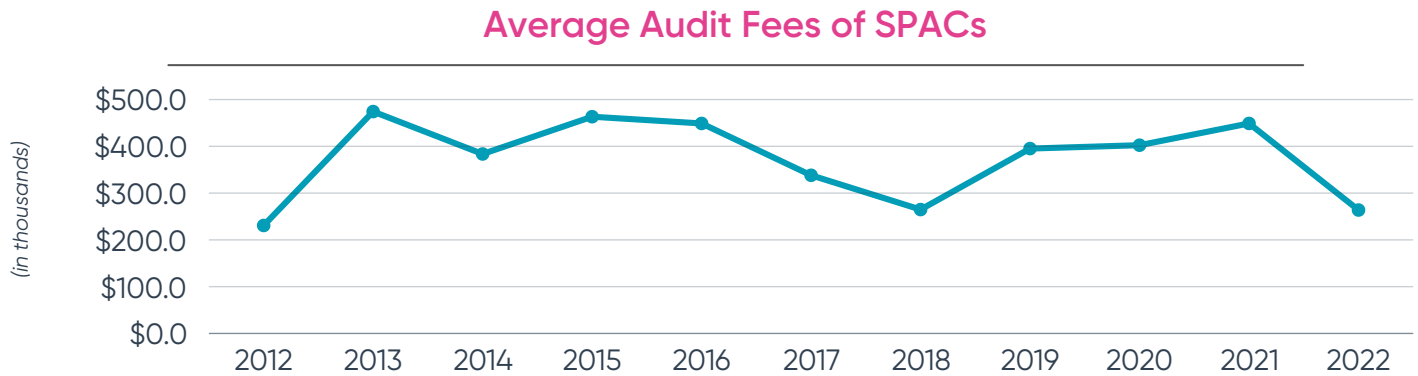


Audit fees per million dollars of revenue were consistent for non-accelerated and large accelerated filers until the filer status reclassification in FY2020. Since then, non-accelerated filers have paid higher amounts of audit fees as a proportion of revenue. Audit fees per million dollars of revenue for large accelerated filers have decreased since the amendment.

In FY2022, while audit fees per million dollars of revenue for large accelerated filers declined by 8%, accelerated and non-accelerated filers grew by 19% and 3%, respectively. Audit fees grew twice as fast as revenues for accelerated filers in FY2022, constituting the highest growth rate in audit fees per million dollars of revenue seen over the 20-year period for accelerated filers.

SPECIAL PURPOSE ACQUISITION COMPANIES (SPACs)

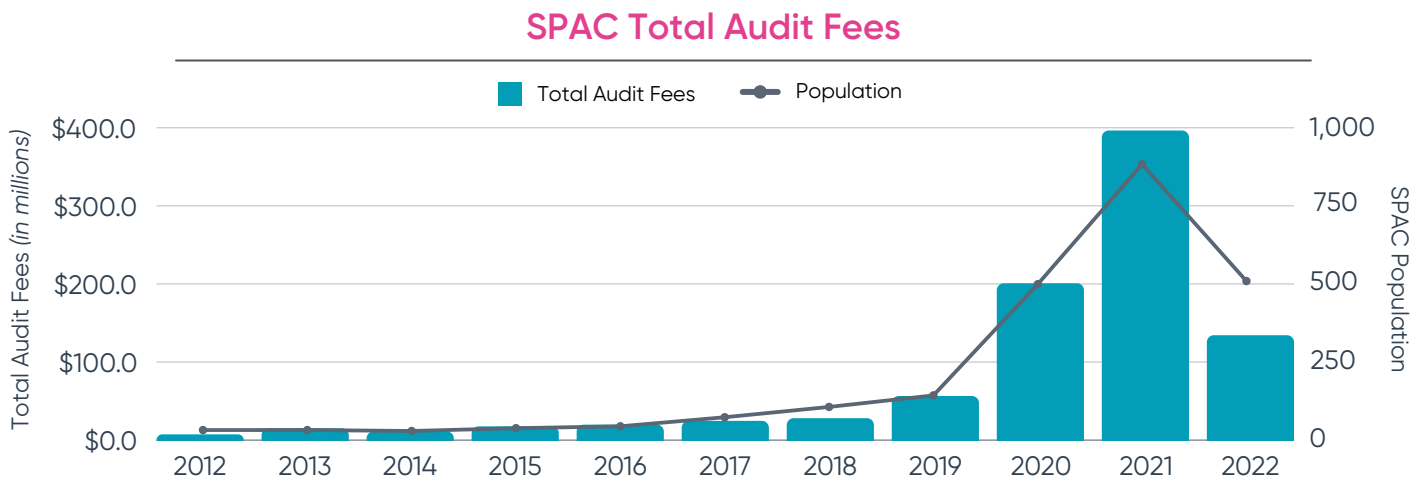
Average Audit Fees



Average audit fees for special purpose acquisition companies (SPACs) decreased by 41% in FY2022. Following a 12% increase between FY2020 and FY2021, average audit fees paid by SPACs fell to \$263,844 in FY2022 from \$448,917 in FY2021.

In 2021, the SEC issued a statement regarding certain features of warrants issued in SPAC transactions, setting off a flurry of restatements, likely contributing to the increases seen in audit fees in FY2021. SPACs continue to be a focus of inspections by the PCAOB.

Total Audit Fees



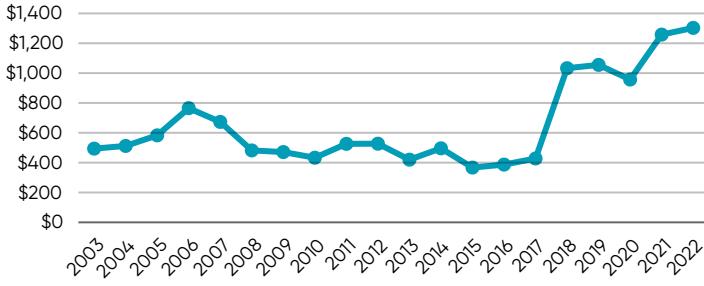
In FY2022, total audit fees for SPACs decreased to \$134.3 million, representing a 66% decrease from FY2021. Similarly, the number of SPACs that disclosed audit fees declined by 42% in FY2022 to 509.

The large spike in the SPAC population after FY2019 and the decrease in FY2022 coincides with our [FY2022 IPO analysis](#), where the SPAC IPO market decreased significantly after astronomical growth in 2020 and 2021.

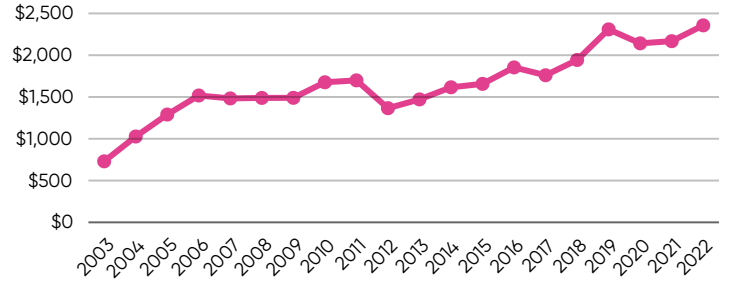
INDUSTRY

Average Audit Fees

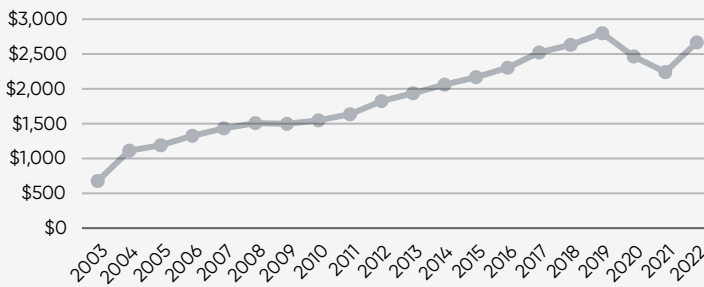
Agriculture



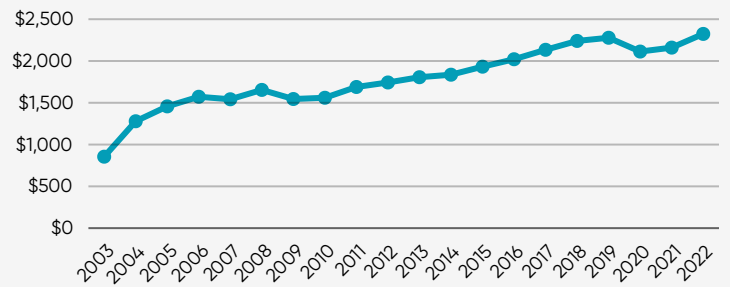
Construction



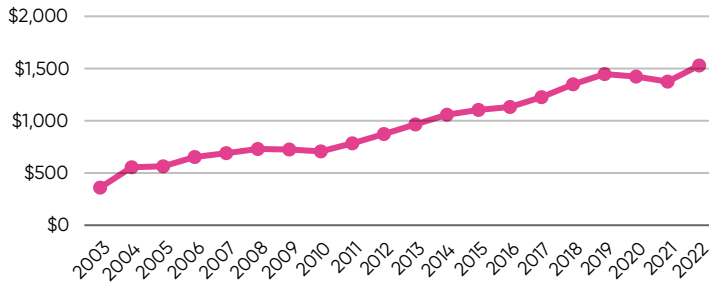
Finance



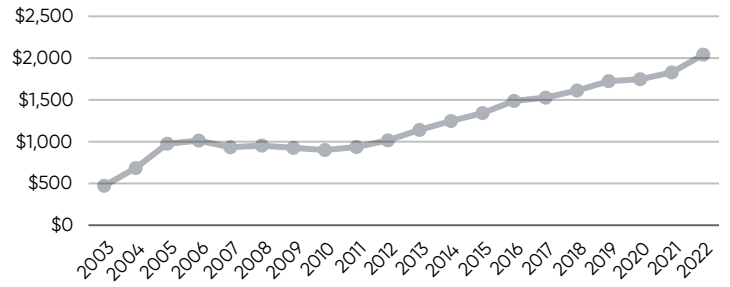
Manufacturing



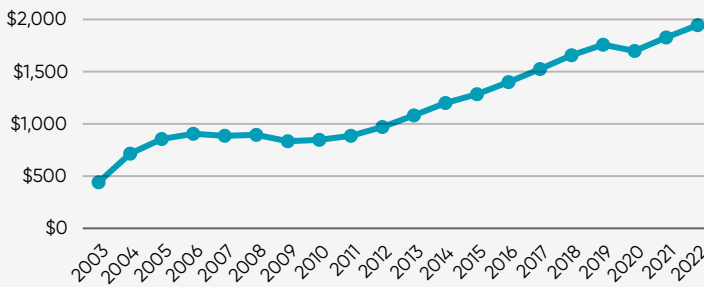
Mining



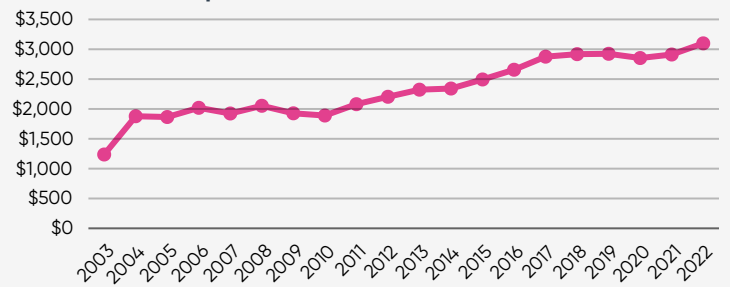
Retail Trade



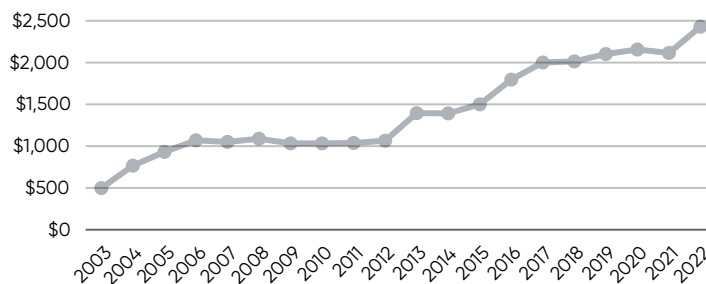
Services



Transportation & Communication

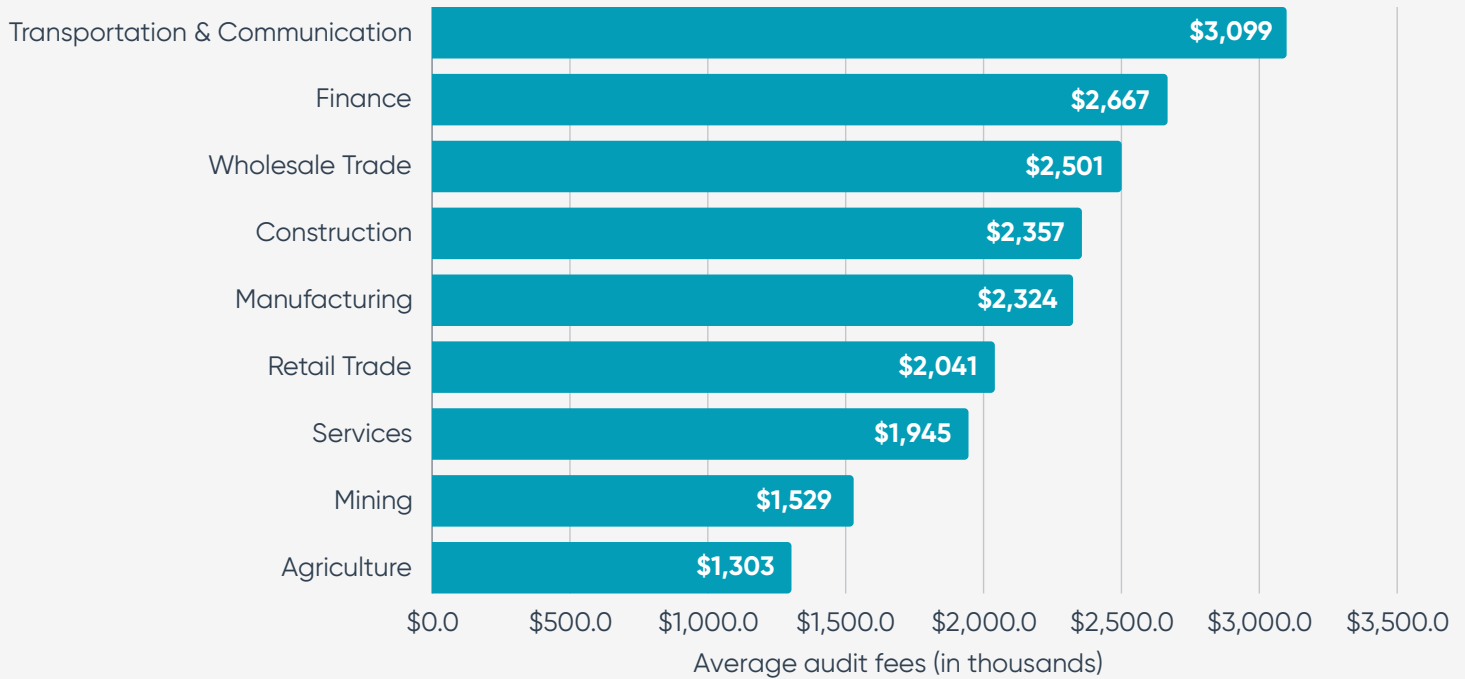


Wholesale Trade



INDUSTRY (cont.)

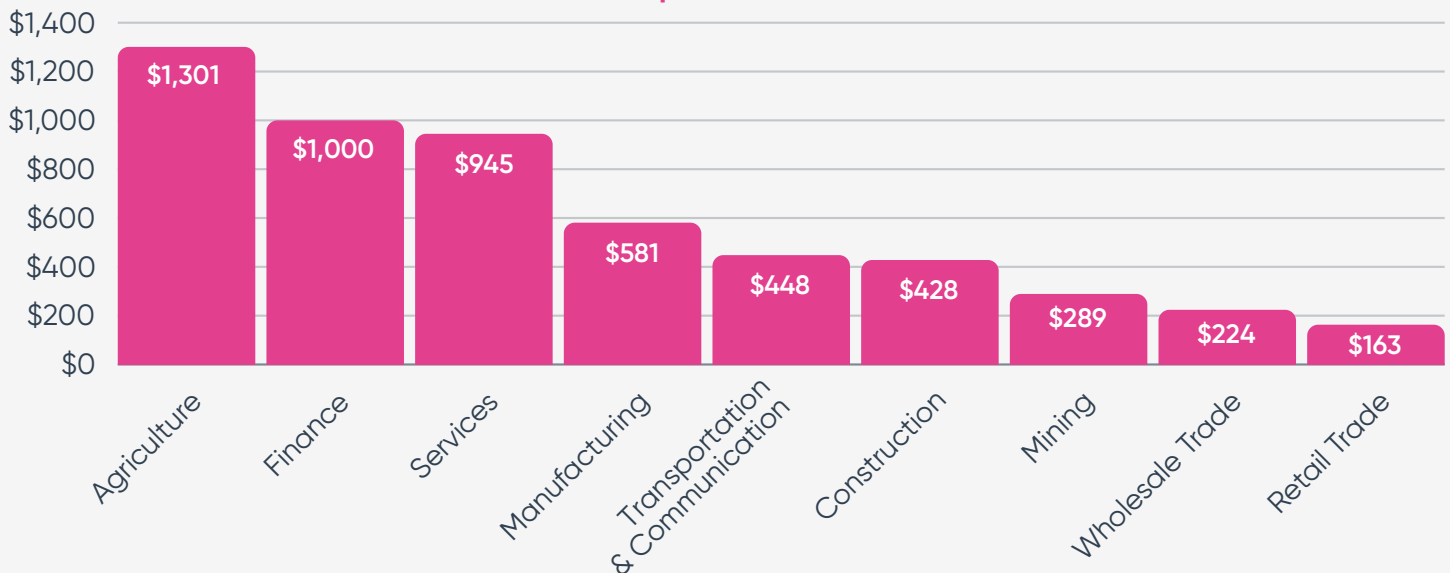
2022 Average Audit Fees by Industry



In FY2022, the Transportation & Communication industry paid the highest amount in average audit fees compared to other industries. Large accelerated filers comprised 48% of the industry in FY2022, typically resulting in higher audit fees paid.

Interestingly, agriculture paid the highest amount of audit fees per million dollars of revenue. While agriculture has the lowest total revenue of any industry at only \$44 billion, they pay the largest amount of audit fees as a proportion of their revenue.

2022 Audit Fees per \$1 Million of Revenue



DATABASE OVERVIEW AND METHODOLOGY

OVERVIEW

The Audit Analytics SEC Audit Fees database can be used to benchmark audit fees, track significant changes in audit fees, and monitor non-audit fee spend. This database makes it easy to identify audit fees, audit related fees, tax-related fees, and other fees paid to a company's independent audit firm.

Data covers all '33 and '34 Act filers since 2000. Data is updated daily and can be accessed through the Audit Analytics website, data feeds, or through the Wharton Research Data Services (WRDS).

METHODOLOGY

Fee information comes from Forms 10-K, 20-F, 40-F, as well as all forms of proxies and information statements. The analysis excludes '40 Act filers and subsidiaries and affiliates that are included in a parent's audit fees. Years refer to the fiscal year the fee information relates.

Companies that do not identify as large accelerated or accelerated filers are classified as non-accelerated filers. This includes non-accelerated filers, smaller reporting companies, and companies that do not disclose a filer status. Companies without a determinable filer status are excluded.

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ABOUT US

Whether for market intelligence, risk management, compliance, or research and public policy, Audit Analytics provides the highly structured data you need to make informed decisions.

Our expert team meticulously collects, organizes, and analyzes data – making it easy for our customers to find what they need to know. We are trusted to simplify the complex; to illuminate trends; and to reveal actionable insights.

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