

AEcensus

2021

The National Census For Accounting Entities



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Foreword

Amidst the Covid-19 pandemic, Singapore's accountancy sector shrank 3.7% in 2020, with total revenue declining to \$2.49 billion. This was against the backdrop of a 5.4% contraction in the Singapore's economy and 9.7% contraction in Singapore's professional services sector in 2020.

DEMAND FOR SERVICES

Although revenue decreased across the four broad service categories, audit and assurance services remained a key source of revenue for the Accounting Entities ('AEs'), accounting for 49% of the sector's operating receipts and contributing over \$1.2 billion in revenue.

Other key sources of revenue include business advisory services and tax which jointly contributed to 44% of the sector's operating receipts.

We expect firms to continue diversifying their service offerings beyond audit as companies resume their growth activities in the post Covid-19 economy. One of these areas include sustainability-related services, with more firms intending to provide such services in the next three years.

ACCOUNTANCY WORKFORCE

Employment of locals by the AEs grew by 2.5% with an estimated increase of 389 in 2020. Despite the increase in the local workforce, there was an overall reduction of 315 jobs in the AEs and related entities, bringing the workforce size to 20,515 - a decrease of 1.5% from the previous year.

PRODUCTIVITY

Productivity decreased by 2.3% in 2020. Average revenue per employee was \$121,289. The fall in productivity is seen across all service categories and is attributable to the fall in demand of these services globally. This was driven largely by the decrease in average revenue per employee for the Big 4, Medium and Micro AEs by 4.7%, 3.3% and 6.0% respectively. However, Large and Small AEs saw an increase in average revenue per employee of 9.5% and 4.1% respectively.

DIGITALISATION

The year saw a rise in the adoption of eight out of twelve digital solutions listed in the census. Technologies such as Tax software and Cloud Accounting software saw the highest increase in adoption, with adoption of Tax software increasing from 19% to 27% and Cloud Accounting software increasing from 22% to 30%.

OUTLOOK FOR 2022

The accountancy sector has displayed strong resilience in the face of the Covid-19 challenge. As Singapore emerges stronger from the pandemic, the majority of AEs are equally optimistic of their growth prospects and have indicated growth in their annual revenue and headcount for 2022, particularly in business advisory and tax.

IN APPRECIATION

The SAC team would like to thank all the respondents for making AEcensus 2021 possible. We hope that AEs will find the report useful in charting their future plans and use the findings to benchmark themselves against the rest of the industry in their pursuit for growth and transformation.



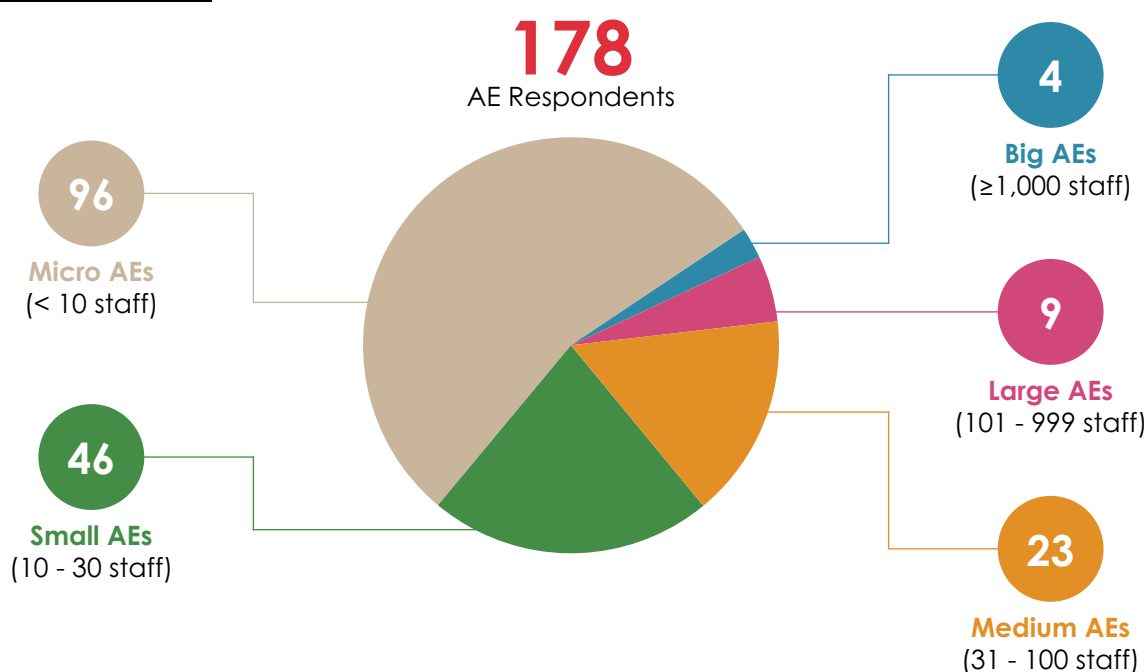
Mr Evan Law
Chief Executive
Singapore Accountancy Commission

Introduction

AEcensus is the national census conducted by the Singapore Accountancy Commission (SAC) for Accounting Entities (AEs) that are registered under the Accountants Act (Chapter 2).

AEcensus 2021 was conducted from 1 April to 15 July 2021 to capture activities for the year 2020. A total of 178 Accounting Entities (AEs) responded to the survey. These respondents generated close to 89% of the sector's total estimated revenue.

FIG 1 Respondents Profile



AE Size	Total Number of Respondents	% of Estimated Total Population Based on AE Size
Big 4 AEs (≥ 1,000 staff)	4 out of 4	100%
Large AEs (101 - 999 staff)	9 out of 9	100%
Medium AEs (31 - 100 staff)	23 out of 28	82%
Small AEs (10 - 30 staff)	46 out of 180*	26%
Micro AEs (< 10 staff)	96 out of 486*	20%

* Estimated based on total population of 707 Accounting Entities approved under the Accountants Act as at 31 March 2021

The census comprises five segments: market structure, accountancy workforce, productivity, technology adoption, and expected growth. These segments were measured as follows:

MARKET STRUCTURE



Measured by both domestic revenue (work performed in Singapore) and foreign revenue (work performed outside Singapore).

ACCOUNTANCY WORKFORCE



Measured firms' distribution of jobs across the 5 service categories: audit and assurance, business advisory, tax advisory and compliance, corporate support, and admin/support.

PRODUCTIVITY



Measured by the average annual revenue per employee; total wage expenses as a percentage of total operating revenue; and total wage expenses as a percentage of total operating expenses.

TECHNOLOGY ADOPTION



Measured by the average adoption level of common accounting related software; audit and tax software etc; and broad base software; HR/Payroll and Marketing/CRM software etc.

EXPECTED GROWTH



Measured the firms' expected annual revenue and headcount growth in 2022.

ABOUT SINGAPORE ACCOUNTANCY COMMISSION

SAC spearheads the development of the Singapore accountancy sector with the vision of developing Singapore into a leading global accountancy hub. SAC is working to achieve this by deepening the skills of the accountancy talent pool; developing the industry to capture growth opportunities; and creating a hub and exchange by building Singapore into a centre for thought leadership. SAC is a statutory body under the Ministry of Finance. For more information, please visit www.sac.gov.sg.

ACKNOWLEDGEMENT

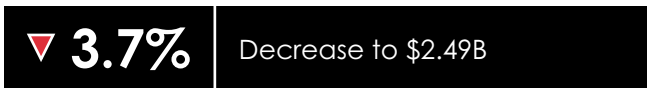
SAC would like to extend our sincere appreciation to all respondents who contributed their time to complete the survey and participate in the interviews.

SUPPORTING PARTNERS



Summary Of Findings

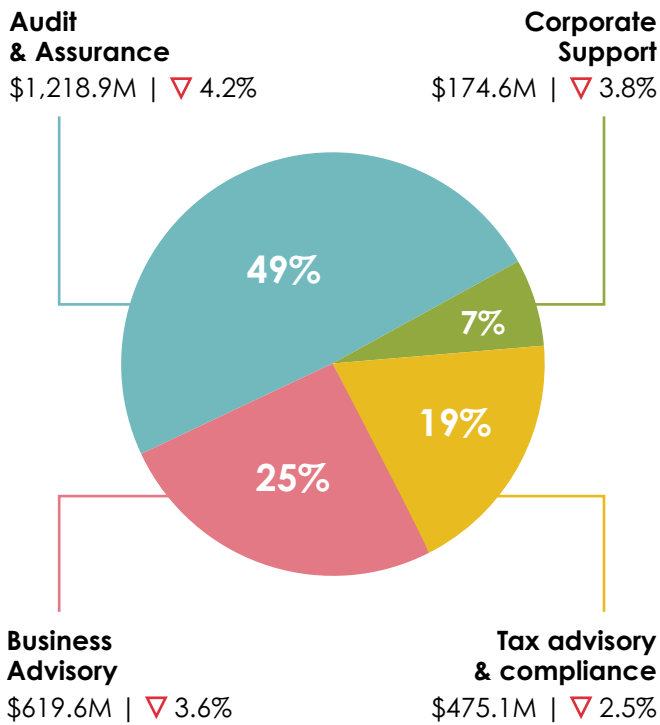
TOTAL REVENUE



REVENUE BY SERVICE CATEGORY

\$2,488 million

total operating receipts in 2020

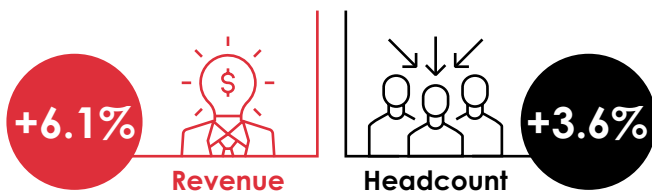


13 Accounting entities that are currently providing **sustainability-related services**

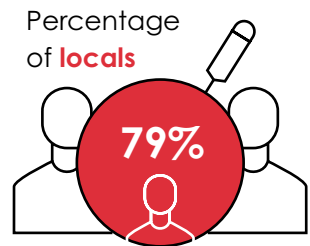
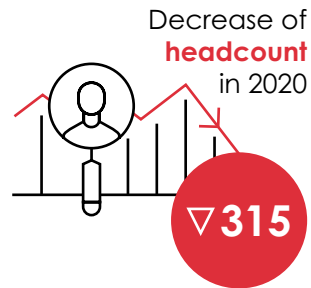


Accounting entities that intend to provide sustainability-related services in the **next 3 years** **34**

EXPECTED GROWTH IN 2022



WORKFORCE



PRODUCTIVITY



Service	Average Revenue per Employee 2020 (\$'000)	Year-on-Year Change
Audit & Assurance	\$122.8	▼ 0.9%
Business Advisory	\$138.5	▼ 2.3%
Tax Advisory & Compliance	\$173.4	▼ 4.6%
Corporate Support	\$115.4	▼ 5.4%
TOTAL	\$121.3	▼ 2.3%

TOTAL WAGE EXPENSE AS A PERCENTAGE OF TOTAL



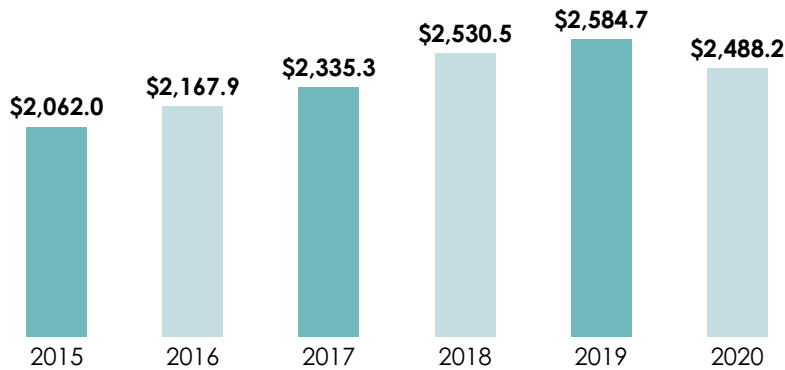
Market Structure

REVENUE COMPOSITION

Amidst the Covid-19 pandemic, the total estimated revenue for the accounting sector shrank 3.7% to S\$2,488.2 million in 2020. This was against the backdrop of a 5.4% contraction in the Singapore's economy and 9.7% contraction in Singapore's professional services sector in 2020¹.

3.7% ▽
Decrease in total revenue to S\$2.49B

FIG 2 Estimated Revenue Generated (\$' million)



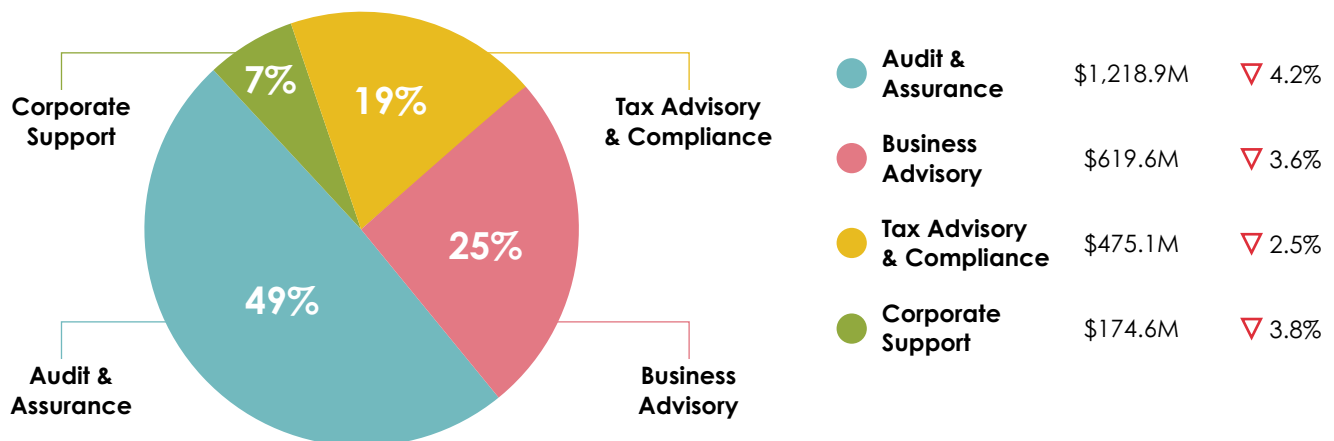
REVENUE BY SERVICE CATEGORY

Audit and assurance services continued to be the primary source of revenue for AEs and made up 49% of the sector's total operating receipts in 2020.

Business advisory services, which comprise corporate finance and deal advisory, risk management and governance, IT advisory, restructuring and insolvency, and other advisory services, contributed another 25% of receipts.










The remaining 26% is made up of tax advisory and compliance services (19%) and corporate support services (7%).

FIG 3 Revenue by Service Category



¹ Ministry of Trade and Industry Singapore, Economic Survey of Singapore 2020

FIG 4 Revenue By Service Line (\$' million)

Service Line	Revenue (\$' million)		Year-on-year Change	
	2020	2019	(\$' million)	(%)
 Audit & Assurance	\$1,218.9	\$1,272.9	▼ \$54.0	▼ 4.2%
 Tax Compliance	\$288.6	\$287.2	▲ \$1.4	▲ 0.5%
 Tax Advisory	\$186.5	\$200.0	▼ \$13.5	▼ 6.8%
 Corporate Support	\$174.6	\$181.6	▼ \$7.0	▼ 3.8%
 Risk Management & Governance	\$166.7	\$206.5	▼ \$39.8	▼ 19.3%
 Corporate Finance & Deal Advisory	\$145.3	\$168.6	▼ \$23.3	▼ 13.8%
 IT Advisory	\$135.6	\$115.6	▲ \$20.0	▲ 17.3%
 Other Advisory Services	\$120.0	\$101.8	▲ \$18.2	▲ 17.9%
 Restructuring & Insolvency	\$52.0	\$50.6	▲ \$1.4	▲ 2.7%

Risk management & governance services saw the sharpest decline in revenue of 19.3% in 2020, as most advisory projects were put on hold due to the evolving and uncertain economic and operating landscape arising from Covid-19 lockdowns.

This is followed by corporate finance and deal advisory services and tax advisory services which fell 13.8% and 6.8% respectively. Audit and assurance services and corporate support services also fell by 4.2% and 3.8% respectively.

The decrease in revenue is offset by revenues in IT advisory services and other advisory services which increased by 17.3% and 17.9% respectively. Revenues from both tax compliance services, and restructuring and insolvency services also increased by 0.5% and 2.7% respectively in 2020.

OVERSEAS REVENUE

An estimated \$237.1 million was generated from work performed outside Singapore by AEs in 2020. Such revenue made up 9.5% of the sector's total revenue and was generated largely by the Big 4 AEs (\$220.0 million) and Large AEs (\$15.2 million). Revenue from work performed outside Singapore contributed 12.8% and 5.1% to the revenues of the Big 4 and Large AEs respectively. In comparison, revenue from overseas work made up less than 1% of total revenue for the Medium, Small and Micro AEs, which had limited overseas activities and performed most of their work in Singapore.

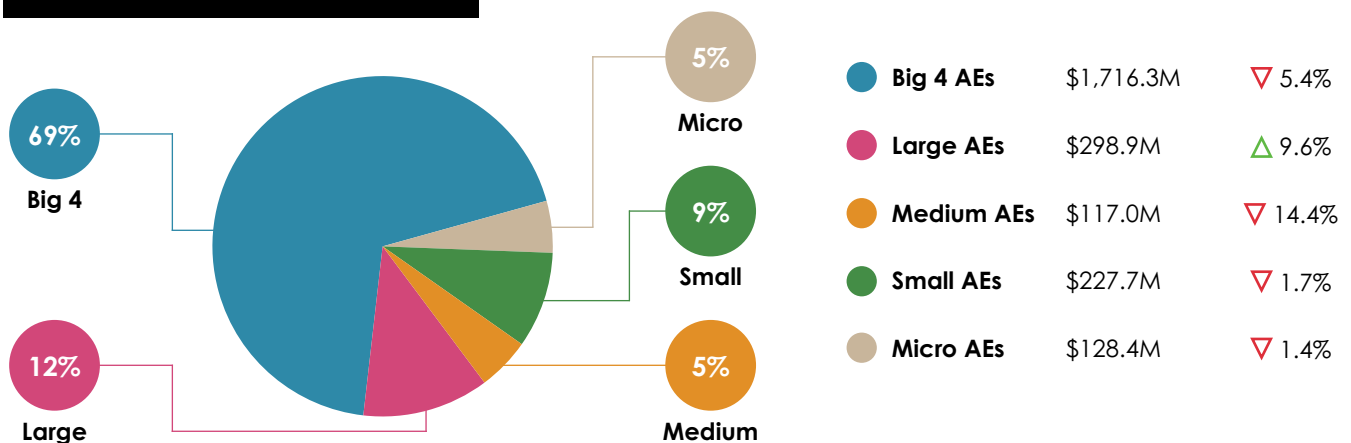
Fig 5 Estimated Revenue Derived From Work Performed Outside Singapore (\$' million)

AE Size	2020 (% of revenue)	2019 (% of revenue)	Year-on-year Change
TOTAL	\$237.1M (9.5%)	\$255.1M (9.9%)	▽ 7.0%
Big 4	\$220.0M (12.8%)	\$220.0M (12.1%)	Unchanged
Large	\$15.2M (5.1%)	\$30.6M (11.2%)	▽ 50.3%
Medium	\$0.9M (0.8%)	\$2.3M (1.7%)	▽ 60.6%
Small	\$0.4M (0.2%)	\$1.3M (0.6%)	▽ 72.2%
Micro	\$0.7M (0.5%)	\$0.9M (0.7%)	▽ 27.5%

REVENUE BY AE SIZE

The Big 4 AEs continued to dominate the sector by contributing about 69% of the sector's overall revenue in 2020. Total revenue decreased across all AE tiers, with the exception being the Large AEs. The Medium AEs experienced the sharpest fall in revenue (14.4%), mainly due to the estimated number of Medium AEs declining from 34 to 28. This was followed by the Big 4 AEs (5.4%), the Small AEs (1.7%), and the Micro AEs (1.4%). In contrast, Large AEs increased total revenue by 9.6%.

FIG 6 Revenue Composition by AE Size



BIG 4 AES

Total revenue contracted by 5.4% to \$1,716.3 million in 2020. Audit and assurance revenues remained a key source of revenue for Big 4 AEs in 2020, accounting for 45% of their total revenues (2019: 46%). This is followed by business advisory services (32%). Revenues in all service categories declined between 3.1% and 6.5% in 2020.

The fall in business advisory revenues of 3.1% is mainly due to a fall in revenues from risk management and governance (19.9%), corporate finance and deal advisory (13.6%), and restructuring and insolvency services (3.8%). However, both IT advisory services and other advisory services saw a sharp increase of 21.3% and 19.2% respectively in 2020.

FIG 7 Revenue By Service Category of Big 4 AEs (\$' million) (n=4)





Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
 Audit & Assurance	\$777.4	45%	▽ 6.4%
 Business Advisory	\$548.6	32%	▽ 3.1%
 Tax Advisory & Compliance	\$367.9	21%	▽ 6.5%
 Corporate Support	\$22.3	1%	▽ 4.0%
TOTAL	\$1,716.3	100%	▽ 5.4%

FIG 7.1 Revenue By Business Advisory Services (\$' million)

Risk Management & Governance	Corporate Finance & Deal Advisory	IT Advisory	Restructuring & Insolvency	Other Advisory Services
\$144.7	\$131.4	\$126.4	\$32.8	\$113.4
▽ 19.9%	▽ 13.6%	△ 21.3%	▽ 3.8%	△ 19.2%

LARGE AES

Total revenue increased 9.6% in 2020 to reach \$298.9 million. Audit and assurance services accounted for 45% of the total revenues (2019: 46%), followed by corporate support and business advisory services which accounted for 20% and 19% of total revenue respectively. While tax advisory and compliance services accounted for 16% of total revenue, the smallest across the 4 service categories, such revenues saw the sharpest increase of 41.9% in 2020. Both audit and assurance services, and corporate support services increased 6.8% and 7.3% respectively.

Business advisory services saw a slight drop of 0.8% in 2020 with declines across almost all business advisory service lines in 2020 except for restructuring and insolvency services which increased sharply (45.1%). Risk management and governance services, and corporate finance and deal advisory services, which accounted for more than 50% of Large AEs' business advisory revenue, saw significant decline of 12.0% and 11.5% respectively in 2020.

FIG 8 Revenue By Service Category of Large AEs (\$' million) (n=9)















Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
 Audit & Assurance	\$134.5	45%	 6.8%
 Corporate Support	\$60.0	20%	 7.3%
 Business Advisory	\$56.8	19%	 0.8%
 Tax Advisory & Compliance	\$47.5	16%	 41.9%
TOTAL	\$298.9	100%	 9.6%

FIG 8.1 Revenue by Business Advisory Services (\$' million)

Risk Management & Governance	Corporate Finance & Deal Advisory	IT Advisory	Restructuring & Insolvency	Other Advisory Services
\$16.9	\$12.6	\$8.6	\$15.0	\$3.7
 12.0%	 11.5%	 10.7%	 45.1%	 2.7%

MEDIUM AEs

Total revenue decreased 14.4% in 2020 to \$117.0 million due mainly to an estimated lower number of entities with headcount between 31 to 100 staff (2020: 28 vs 2019: 34). Revenues from audit and assurance and corporate support services accounted for more than 80% of Medium AEs' revenues with the former accounting for 63% of their total revenue (2019: 59%) and the latter accounting for 20% (2019: 21%).

Revenues decreased across all the service categories in 2020 with business advisory services registering the sharpest fall of 37.1%. Medium AEs provide limited business advisory services with such revenues accounting for only 5% of their total revenue (2019: 7%). Revenues decreased across all business advisory services in 2020.

FIG 9 Revenue By Service Category of Medium AEs (\$' million) (n=28)





Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
 Audit & Assurance	\$73.6	63%	▽ 8.8%
 Corporate Support	\$22.9	20%	▽ 18.4%
 Tax Advisory & Compliance	\$14.3	12%	▽ 21.1%
 Business Advisory	\$6.2	5%	▽ 37.1%
TOTAL	\$117.0	100%	▽ 14.4%

FIG 9.1 Revenue by Business Advisory Services (\$' million)

Risk Management & Governance	Corporate Finance & Deal Advisory	IT Advisory	Restructuring & Insolvency	Other Advisory Services
\$3.3	\$1.0	\$0.4	\$1.0	\$3.3
▽ 4.0%	▽ 30.1%	▽ 65.3%	▽ 66.4%	▽ 4.0%

SMALL AEs

Total revenue declined 1.7% to \$227.7 million in 2020. Revenues across all service categories declined between 1.9% and 10.9% in 2020 except for tax advisory and compliance services which increased sharply by 15.8%. Similar to 2019, audit and assurance revenues accounted for 66% of their total revenue (2019: 66%).

Small AEs provide minimal business advisory services with such revenues making up only 3% of their total revenue (2019: 3%). Such revenues were mainly generated from risk management and governance, restructuring and insolvency, and other advisory services, accounting for 95% of the Small AEs' total business advisory revenue. Risk management and governance revenues declined sharply in 2020 (36.9%), offset by increases in revenues from restructuring and insolvency services (35.7%) and other advisory services (21.1%).

FIG 10 Revenue By Service Category of Small AEs (\$' million) (n=180)





Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
 Audit & Assurance	\$149.9	66%	▽ 1.9%
 Corporate Support	\$39.6	17%	▽ 10.9%
 Tax Advisory & Compliance	\$30.9	14%	△ 15.8%
 Business Advisory	\$7.2	3%	▽ 6.7%
TOTAL	\$227.7	100%	▽ 1.7%

FIG 10.1 Revenue by Business Advisory Services

Risk Management & Governance	Corporate Finance & Deal Advisory	IT Advisory	Restructuring & Insolvency	Other Advisory Services
\$1.7	\$0.3	\$0.1	\$3.0	\$2.1
▽ 36.9%	▽ 48.3%	▽ 82.3%	△ 35.7%	△ 21.1%

MICRO AEs

Total revenue contracted by 1.4% to \$128.4 million in 2020. Similar to Small AEs, Micro AEs are highly dependent on audit and assurance services which accounted for 65% of their total revenues (2019: 64%). Such revenues increased slightly by 0.9% in 2020, offset by decreases in other service categories. Only 1% of their total revenues were generated from business advisory services (2019: 1%).

FIG 11 Revenue By Service Category of Micro AEs (\$' million) (n=486)














Service Category	Revenue (\$' million)	% of Total Revenue	Year-on-year Change
 Audit & Assurance	\$83.5	65%	 0.9%
 Corporate Support	\$29.8	23%	 0.4%
 Tax Advisory & Compliance	\$14.4	11%	 17.2%
 Business Advisory	\$0.7	1%	 64.3%
TOTAL	\$128.4	100%	 1.4%

FIG 11.1 Revenue by Business Advisory Services

Risk Management & Governance	Corporate Finance & Deal Advisory	IT Advisory	Restructuring & Insolvency	Other Advisory Services
\$0.1	\$0.1	\$0.1	\$0.2	\$0.2
 77.7%	 57.7%	No revenue in 2019	 76.2%	 32.4%

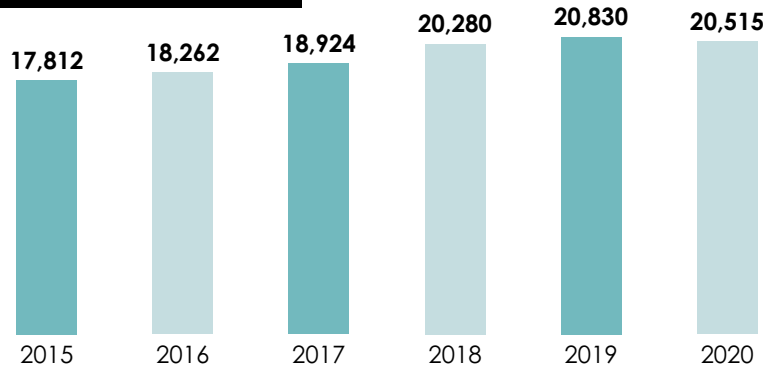
Accountancy Workforce

SIZE OF ACCOUNTANCY WORKFORCE

In 2020, an estimated 20,515 people were employed in AEs and their related entities. With total employment across the Singapore economy falling by 4.9%² in 2020, the AEs' accounting workforce declined only 1.5%. This contrasted with the increases observed in the accountancy workforce in the preceding years.

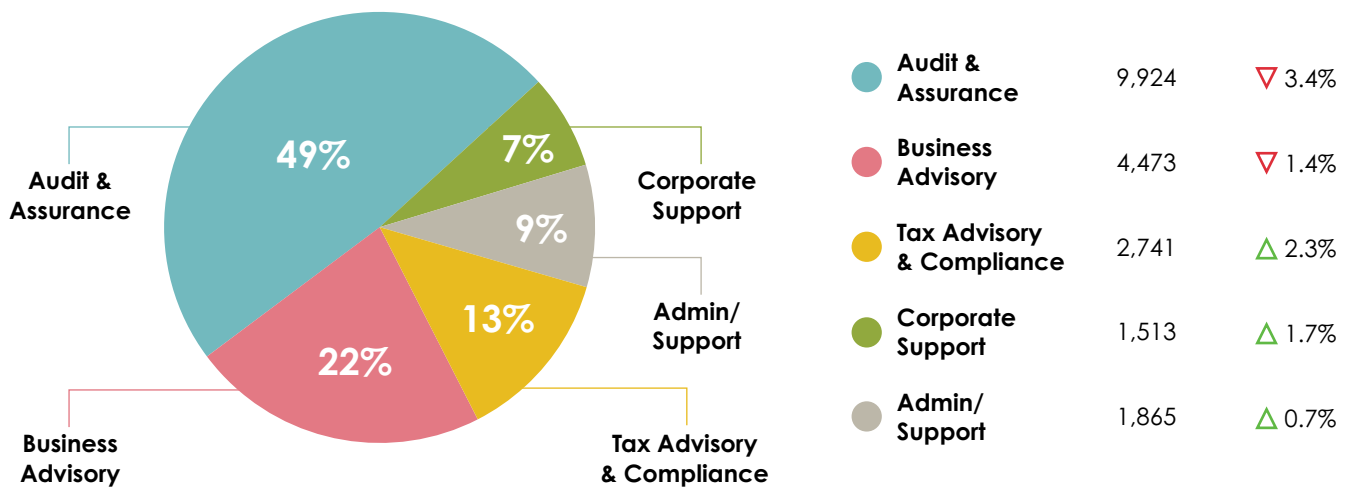
315 ▽
Decrease in headcount in 2020

FIG 12 Estimated Size of Accountancy Workforce



Total accountancy employment fell by 315 jobs due mainly to the decrease of 349 (3.4%) jobs in audit and assurance and 65 jobs (1.4%) in business advisory. On the other hand, total employment increased in tax advisory and compliance (2.3%), corporate support services (1.7%), and administrative/support services (0.7%). The overall decrease in workforce is mainly driven by the decrease in the foreign workforce in the sector (see page 22).

FIG 13 Workforce Composition, By Service Category



The fall in total employment for business advisory services was mainly due to the risk management and governance, and corporate finance and deal advisory which fell by 169 (13.7%) and 25 (3.3%) respectively. On the other hand, employment in IT advisory, other advisory services, and restructuring and insolvency increased in 2020.

FIG 14 Workforce Composition, By Service Line

Type of Services	2020	2019	Jobs Created	Year-on-year Change
Audit & Assurance	9,924	10,273	▽ 349	▽ 3.4%
Tax Advisory	877	825	△ 51	△ 6.2%
Tax Compliance	1,864	1,855	△ 8	△ 0.5%
Corporate Support	1,513	1,488	△ 25	△ 1.7%
Risk Management & Governance	1,067	1,236	▽ 169	▽ 13.7%
Corporate Finance & Deal Advisory	725	750	▽ 25	▽ 3.3%
IT Advisory	1,211	1,181	△ 30	△ 2.5%
Restructuring & Insolvency	301	294	△ 7	△ 2.4%
Other Advisory Services	1,168	1,076	△ 92	△ 8.5%
Admin / Support	1,865	1,852	△ 14	△ 0.8%

MANPOWER DISTRIBUTION, BY AE SIZE

More than half the accountancy workforce (57%) was employed by the Big 4 AEs. The remaining 43% worked across the remaining 703 AEs. The Big 4, Medium and Small AEs reported a decrease in their headcount, while the Large and Micro AEs added to their headcount in 2020.

FIG 15 Estimated Workforce Composition, by AE Size

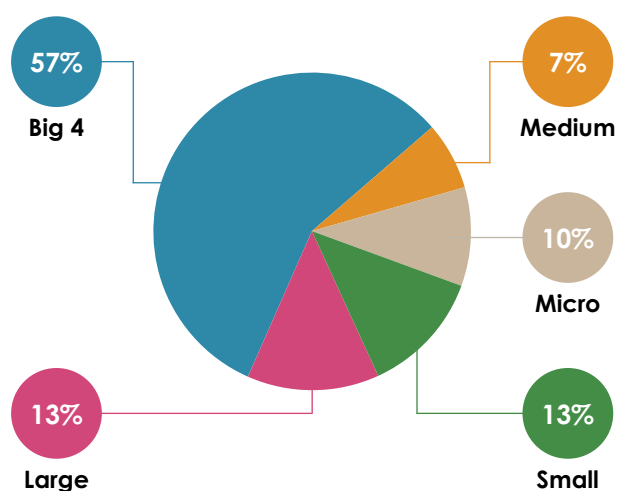


FIG 16 Estimated Manpower Distribution, by AE Size

AE Size	2020	2019	Jobs Created	Year-on-year Change
TOTAL	20,515	20,830	▽ 315	▽ 1.5%
Big 4	11,724	11,802	▽ 78	▽ 0.7%
Large	2,738	2,735	△ 3	△ 0.1%
Medium	1,424	1,609	▽ 185	▽ 11.5%
Small	2,579	2,732	▽ 153	▽ 5.6%
Micro	2,050	1,952	△ 98	△ 5.0%

WORKFORCE COMPOSITION

Slightly over a third of the accountancy workforce are in managerial and senior management roles (2020: 34%). The majority are in associates (26%) and senior associates (32%) roles. Excluding Micro AEs which have an average headcount of 4.2 workers, the Big 4 AEs held the highest proportion of senior staff in management and senior management roles (35%). Large and Small AEs had about 30% and 33% of their workforce in management and senior management roles respectively. About a quarter of Medium AEs' workforce are in similar roles (25%).

The census showed that the total fall in employment is mainly attributed to a decrease in the number of associates which fell by 499 (8.5%). On the other hand, total number of senior associates, managers, and directors/partners increased in 2020. Of note, the sector saw an increase of 219 headcount in manager roles (5.1%).

FIG 17 Workforce Composition, By Seniority (in total employment numbers)

Seniority	2020	2019	Jobs Created	Year-on-year Change
● Associates	5,366	5,865	▼ 499	▼ 8.5%
● Senior Associates	6,492	6,415	▲ 77	▲ 1.2%
● Managers	4,542	4,323	▲ 219	▲ 5.1%
● Directors / Partners	2,560	2,550	▲ 10	▲ 0.4%
● Others	1,555	1,677	▼ 122	▼ 7.3%

FIG 18 Workforce Composition, By Seniority (in Percentage)

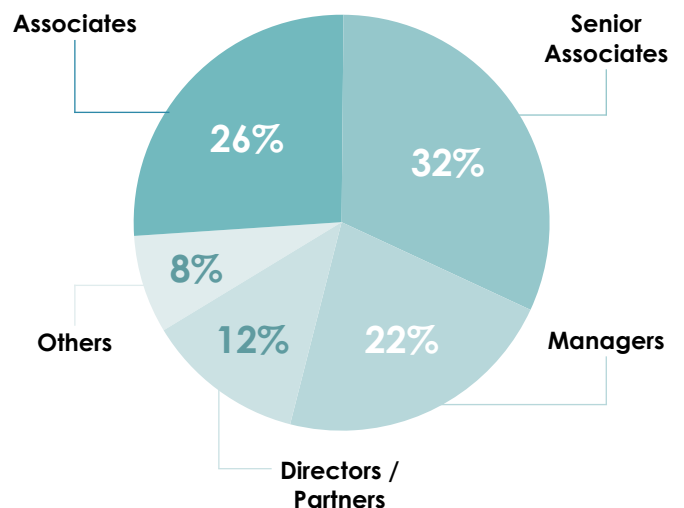







FIG 19 Workforce Composition, By AE Size and by Seniority

AE Size	Associate	Senior Associate	Manager	Director / Partner	Others
TOTAL	26%	32%	22%	12%	8%
● Big 4	26%	33%	26%	9%	6%
● Large	25%	37%	21%	9%	8%
● Medium	31%	33%	14%	11%	11%
● Small	29%	27%	16%	17%	11%
● Micro	22%	23%	16%	30%	9%

WORKFORCE DISTRIBUTION OF BIG 4 AEs

41% of the workforce worked in audit and assurance services, followed by business advisory (33%), and tax advisory and compliance services (15%). Although corporate support services contribute only 1% of their total revenues, jobs in corporate support services increased the most in 2020. 57 new positions in corporate support were added in 2020, while the workforce for audit and assurance, tax advisory and compliance and business advisory all shrank during the year.

FIG 20 Workforce Distribution of Big 4 AEs (n=4)

Service Category	Headcount	% of Workforce	Jobs Created	Year-on-year Change
 Audit & Assurance	4,765	41%	▽ 95	▽ 2.0%
 Tax Advisory & Compliance	1,783	15%	▽ 39	▽ 2.1%
 Corporate Support	221	2%	△ 57	△ 34.8%
 Business Advisory	3,812	33%	▽ 45	▽ 1.2%
 Admin / Support	1,143	10%	△ 44	△ 4.0%
TOTAL	11,724	100%	▽ 78	▽ 0.7%






WORKFORCE DISTRIBUTION OF LARGE AEs

Audit and assurance make up almost half of the workforce (47%). Although these revenues grew 6.8% in 2020, Large AEs saw the total audit workforce shrank by 15 positions due to the tight labour market. Similarly, workforce for corporate support services declined by 33 positions even though such revenues grew 7.3% in 2020.

On the other hand, there were 61 new positions added to business advisory although such revenues shrank slightly by 0.8%.

Large AEs added 41 new positions to tax advisory and compliance services in 2020 as revenues for such services increased 41.9% in 2020.






FIG 21 Workforce Distribution of Large AEs (n=9)

Service Category	Headcount	% of Workforce	Jobs Created	Year-on-year Change
 Audit & Assurance	1,280	47%	▽ 15	▽ 1.2%
 Tax Advisory & Compliance	295	11%	△ 41	△ 16.1%
 Corporate Support	459	17%	▽ 33	▽ 6.7%
 Business Advisory	480	18%	△ 61	△ 14.6%
 Admin / Support	224	8%	▽ 51	▽ 18.5%
TOTAL	2,738	100%	△ 3	△ 0.1%

WORKFORCE DISTRIBUTION OF MEDIUM AEs

More than 60% of the Medium AEs' workforce worked in audit and assurance (61%) as such revenues made up 63% of their total revenues. Jobs across all services generally declined in 2020, with audit and assurance workforce shrinking by 118 (11.9%). The decline in workforce was also mainly due to a decrease in the estimated number of entities with headcount between 31 to 100 staff (2020: 28 vs 2019: 34).






FIG 22 Workforce Distribution of Medium AEs (n=28)

Service Category	Headcount	% of Workforce	Jobs Created	Year-on-year Change
 Audit & Assurance	871	61%	▽ 118	▽ 11.9%
 Tax Advisory & Compliance	110	8%	▽ 49	▽ 30.8%
 Corporate Support	214	15%	△ 2	△ 0.9%
 Business Advisory	84	6%	▽ 22	▽ 20.8%
 Admin / Support	145	10%	△ 2	△ 1.4%
TOTAL	1,424	100%	▽ 185	▽ 11.5%

WORKFORCE DISTRIBUTION OF SMALL AEs

Similar to the Medium AEs, a majority of the Small AEs' workforce were in audit and assurance services (67%). The decline in the workforce was mainly due to audit and assurance which shrank by 177 (9.3%). However, jobs in the tax advisory and compliance services increased the most (31.9%). There was also an increase in the number of administrative and support staff (12.4%).


















FIG 23 Workforce Distribution of Small AEs (n=180)

Service Category	Headcount	% of Workforce	Jobs Created	Year-on-year Change
 Audit & Assurance	1,731	67%	▽ 177	▽ 9.3%
 Tax Advisory & Compliance	277	11%	△ 67	△ 31.9%
 Corporate Support	271	11%	▽ 43	▽ 13.7%
 Business Advisory	83	3%	▽ 24	▽ 22.4%
 Admin / Support	217	8%	△ 24	△ 12.4%
TOTAL	2,579	100%	▽ 153	▽ 5.6%

WORKFORCE DISTRIBUTION OF MICRO AEs

More than 60% of the Micro AEs' workforce worked in audit and assurance (62%) as such revenues made up 65% of their total revenues. The workforce for business advisory shrank the most during the year (72.9%), which is in line with the 64.3% decrease in business advisory revenue.

FIG 24 Workforce Distribution of Micro AEs (n=486)

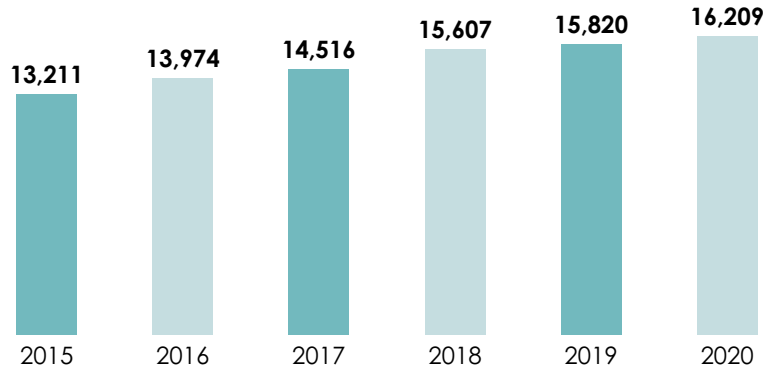
Service Category	Headcount	% of Workforce	Jobs Created	Year-on-year Change
 Audit & Assurance	1,277	62%	 56	 4.6%
 Tax Advisory & Compliance	276	13%	 41	 17.4%
 Corporate Support	348	17%	 42	 13.7%
 Business Advisory	13	1%	 35	 72.9%
 Admin / Support	136	7%	 6	 4.2%
TOTAL	2,050	100%	 98	 5.0%

Local Workforce

79% of the accountancy workforce were locals in 2020³. Although total workforce decreased by 1.5%, local employment grew by 2.5% with an estimated increase of 389 in 2020. Since 2015, the local accountancy workforce has increased by nearly 3,000 to 16,209 in 2020.

79%
Percentage of
Singaporeans and
Permanent Residents

FIG 25 Estimated number of Singaporeans and Permanent Residents in Accountancy Workforce



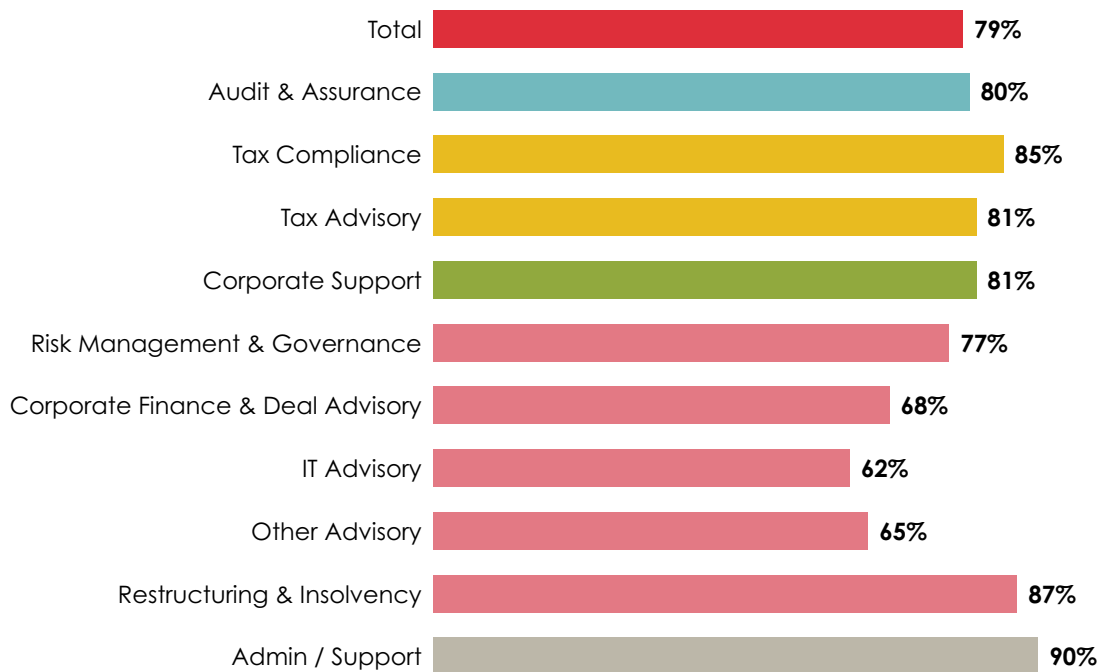
Of note, the census indicated higher percentage of locals in key service lines such as audit and assurance, tax advisory and compliance, corporate support services, as well as restructuring and insolvency services. Lower percentage of locals are observed in corporate finance and deal advisory, IT advisory and other advisory services. The lower percentage of locals in IT advisory services is in line with observations that Singapore faced a shortage of ICT talents.⁴

AEs are likely to face intense competition for talent from other sectors and within the sector itself as accounting talent continues to be highly sought after by employers. To take advantage of the growth opportunities that are on the horizon, AEs need to build and attract a strong pipeline of talent by reviewing their current human capital strategies to look after the well-being of employees, strengthen the alignment of the internal culture with the aspirations of young accounting professions, and consider job redesign to make jobs more productive and attractive for their staff.

³ Singaporeans and Permanent Residents

⁴ Infocomm Media Development Authority. Annual Survey on Infocomm Media Manpower 2019.

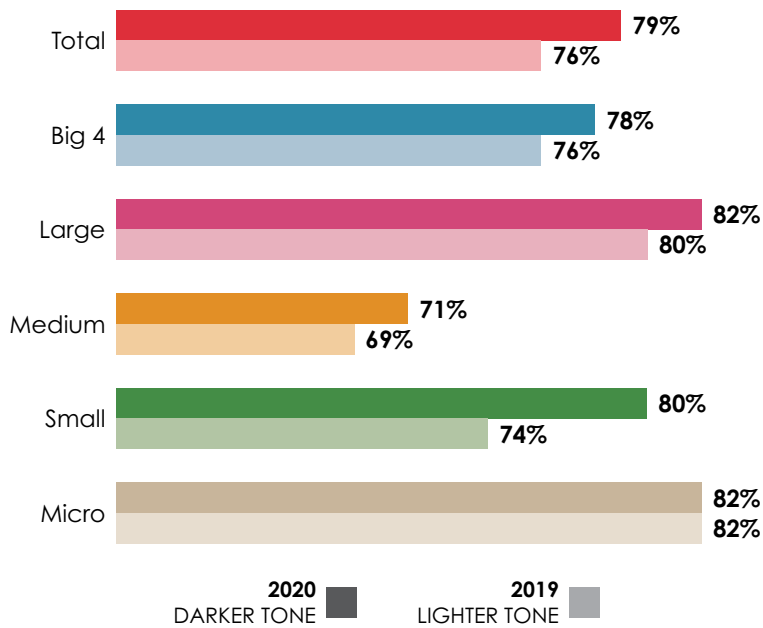
FIG 26 Percentage of Locals in AEs, By Service Line



The percentage of locals employed in the respective AEs increased from 76% in 2019 to 79% in 2020. Across the last 5 years, the percentage of locals had increased from 74% in 2015⁵ to 79% in 2020.

9 in 10
Senior management roles were filled by locals

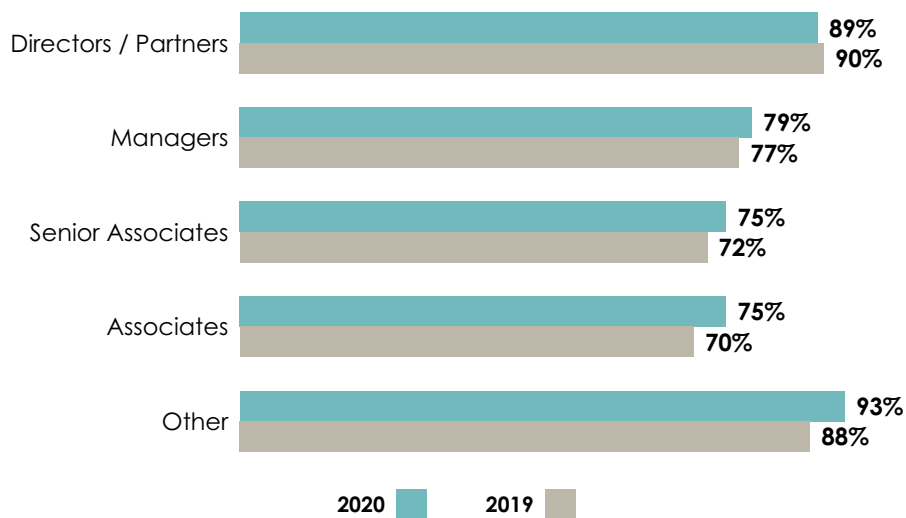
FIG 27 Percentage of Locals in AEs, By AE Size



9 IN 10 SENIOR MANAGEMENT ROLES FILLED BY LOCALS

Locals are well-represented in management positions with 9 in 10 senior management roles and 8 in 10 managerial positions filled by locals. However, there are lower proportions of locals in entry roles, particularly among the smaller AEs as they tend to face challenges in attracting local talents in an increasing tight labour market within Singapore.

FIG 28 Percentage of Locals in AEs, By Seniority



Wages

FIRST YEAR ASSOCIATE

According to the Ministry of Manpower, the median gross monthly salary of accountancy graduates ranges from \$3,000 to \$3,500 across the local universities. SAC estimates that the median gross starting salary of accountancy graduates would be \$3,358⁶.

The median gross monthly salary for first year associates in AEs was \$3,000 (2019: \$3,000). This was lower compared to the median gross monthly salary of graduates from the Institutes of Higher Learning (IHL) across all disciplines which was estimated to be \$4,008⁷.

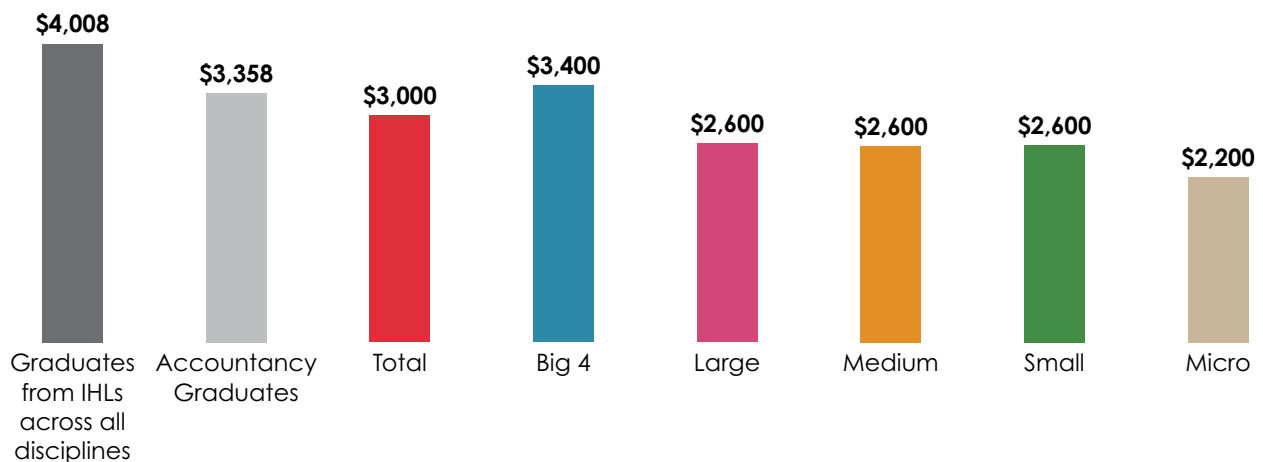
With the Job Transformation Maps⁸ projecting a growing demand for accounting talent in the next five years, AEs which harbour aspirations to grow and attract local talent may want to consider reviewing their employee value proposition and strengthen their ability to attract local talent.

The Big 4 AEs paid first year associates the highest median gross monthly salary of \$3,400, (2019: \$3,400). In comparison, the median gross monthly salary paid by other AEs to first year associates was \$2,600⁹.

Wages at managerial level outperform national level by

5%

FIG 29 Estimated Median Gross Monthly Salary for First Year Associate, By AE Size



⁶ The median gross salary monthly salary (excluding bonuses) of accountancy graduates from NTU (Bachelor of Accountancy - 3 year programme), NTU (Bachelor of Accountancy & Bachelor of Business - 4 year programme), NUS (Bachelor of Business Administration (Accountancy)(Honours) - 4 year programme), SMU (Bachelor of Accountancy - 3 year programme), SIT (Bachelor of Accountancy with Honours) and SUSS (Bachelor of Accountancy - 4 year programme) is \$3,000, \$4,405, \$3,500, \$3,100, \$3,100, and \$3,000 respectively. The median gross starting salary (excluding bonuses) of accountancy graduates is \$3,100. Assuming a 1-month annual wage supplement, SAC estimates that the median gross monthly starting (inclusive of bonuses) would be \$3,358. Source: Ministry of Manpower, Manpower Research and Statistics Department, Singapore Yearbook of Manpower Statistics 2021.

⁷ The median gross starting salary of graduates in full-time employment from the Institutes of Higher Learning is \$3,700, excluding bonuses. Assuming a 1-month annual wage supplement, SAC estimates that the median gross monthly starting salary would be \$4,008. Source: Ministry of Manpower, Manpower Research and Statistics Department, Singapore Yearbook of Manpower Statistics 2021.

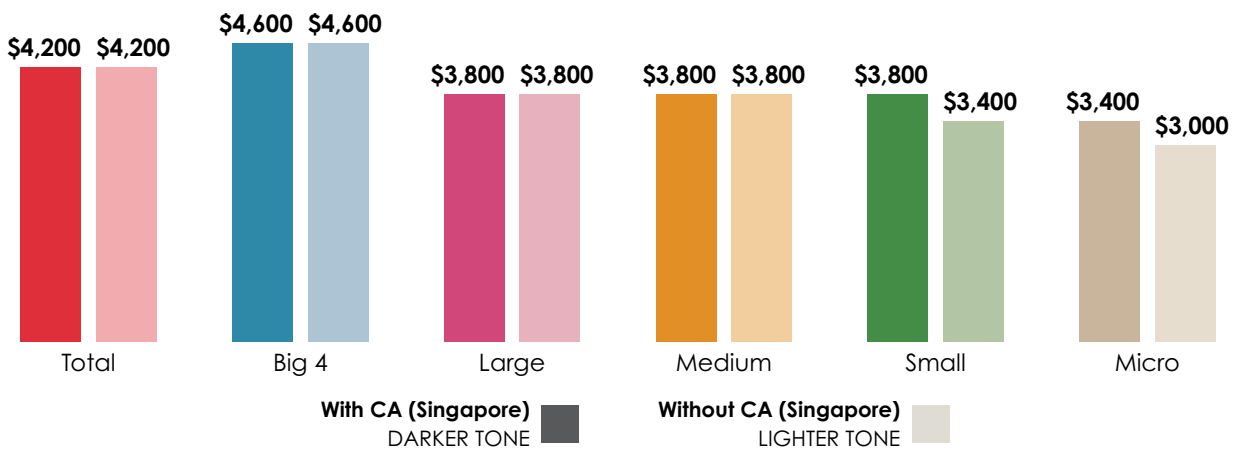
⁸ Jobs Transformation Maps for the Finance and Accounting functions, and Accounting Practices

⁹ It was noted that the Big 4 AEs tend to hire from the local IHLs while the Large, Medium, Small and Micro AEs tend to hire from other sources.

FIRST YEAR SENIOR ASSOCIATE

The median gross monthly salary for first year senior associates was \$4,200, lower than the \$4,600 reported in 2019. This is due to some AEs reporting slightly lower gross monthly salary for first year senior associates which is in line with the lower revenues reported in 2020. Of note, although the Large AEs reported lower median gross monthly salaries, the Medium and Small AEs reported higher median gross monthly salaries for first year senior associates. The median gross monthly salary for those with Chartered Accountant (Singapore) qualifications was higher than those without in Small and Micro AEs.

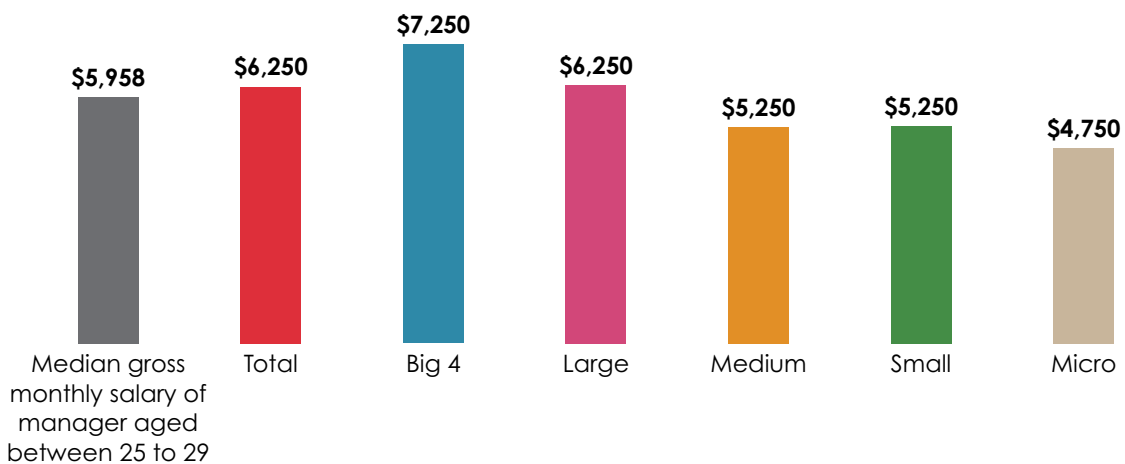
FIG 30 Estimated Median Gross Monthly Salary for First Year Senior Associate, By AE Size



FIRST YEAR MANAGER

The median gross monthly salary for a first year manager was about \$6,250, lower than that reported in 2019 of \$7,250 due to some AEs reporting a slightly lower gross monthly salary for first year managers, which is likely due to lower bonuses and is in line with the lower revenues reported in 2020. However, this was 5% higher than the median gross monthly salary of full-time employed resident managers and administrators aged 25 to 29¹⁰.

FIG 31 Estimated Median Gross Monthly Salary for First Year Manager, By AE Size



¹⁰ The median gross monthly income from work of full-time employed resident managers and administrators aged 25 to 29 is \$5,958 in June 2020. (Source: Ministry of Manpower, Research & Statistics Department, Comprehensive Labour Force Survey)

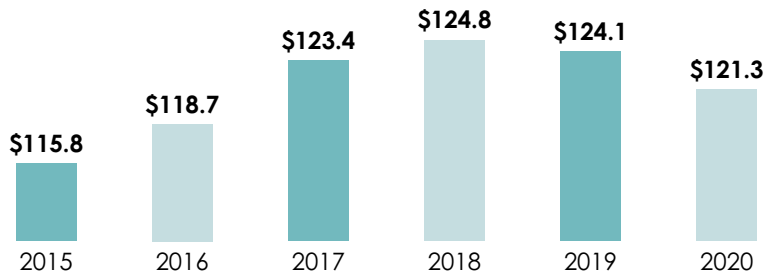
Productivity

AVERAGE REVENUE PER EMPLOYEE

At the sectoral level, the average revenue per employee decreased 2.3% to \$121,289 in 2020.

\$121,289
Average revenue
per employee

FIG 32 Average Revenue per Employee (\$'000)



Average revenue per employee fell across all service categories led by corporate support services (5.4%), followed by tax advisory and compliance services (4.6%), business advisory services (2.3%), and audit and assurance services (0.9%).

FIG 33 Average Revenue Per Employee, By Service Category (\$'000)

Service Category	2020	2019	Year-on-year Change
● Audit & Assurance	\$122.8	\$123.9	▽ 0.9%
● Corporate Support	\$115.4	\$122.0	▽ 5.4%
● Business Advisory	\$138.5	\$141.7	▽ 2.3%
● Tax Advisory & Compliance	\$173.4	\$181.8	▽ 4.6%
TOTAL	\$121.3	\$124.1	▽ 2.3%

The decrease in revenue per employee was attributed primarily to the Big 4, Medium and Micro AEs. On the other hand, revenue per employee increased for the Large and Small AEs. Of note, an upward trend in the revenue per employee for Small AEs has been observed since 2016¹¹.

FIG 34 Average Revenue Per Employee, By AE Size (\$'000)


















AE Size	2020	2019	Year-on-year Change
● Big 4	\$146.4	\$153.7	▽ 4.7%
● Large	\$109.2	\$99.7	△ 9.5%
● Medium	\$82.1	\$85.0	▽ 3.3%
● Small	\$88.3	\$84.8	△ 4.1%
● Micro	\$62.6	\$66.7	▽ 6.0%
TOTAL	\$121.3	\$124.1	▽ 2.3%

AVERAGE REVENUE PER EMPLOYEE, BY SERVICE LINE

Tax advisory services generated the highest average revenue per employee of \$212,904. In comparison, other advisory services recorded the lowest average revenue per employee of \$102,724.

In general, the average revenue per employee for business advisory services was found to be higher than that for traditional services. Three out of the top five service lines with the highest average revenue per employee were business advisory-related services.

FIG 35 Average Revenue Per Employee, By Service Line










Service Line	% of Total Revenue	Average Revenue per Employee (\$'000)	Ranking Based on Productivity	Year-on-year Change
 Tax Advisory	7%	\$212.9	1	 12.2%
 Corporate Finance & Deal Advisory	6%	\$200.5	2	 10.8%
 Restructuring & Insolvency	2%	\$172.9	3	 0.4%
 Risk Management & Governance	7%	\$156.2	4	 6.5%
 Tax Compliance	12%	\$154.8	5	Unchanged
 Audit & Assurance	49%	\$122.8	6	 0.9%
 Corporate Support	7%	\$115.4	7	 5.4%
 IT Advisory	5%	\$112.0	8	 14.4%
 Other Advisory Services	5%	\$102.7	9	 8.6%

BIG 4 AES

Tax advisory and compliance services continued to generate the highest average revenue per employee (\$206,356), followed by audit and assurance services (\$163,148), business advisory services (\$143,921) and corporate support services (\$100,969).

The Big 4 AEs reported a fall in the average revenue per employee for all four services categories in 2020.

FIG 36 Average Revenue Per Employee of Big 4 AEs (n=4)










Service Category	Average Revenue per Employee (\$'000)	Year-on-year Change
 Audit & Assurance	\$163.1	 4.6%
 Business Advisory	\$143.9	 2.0%
 Tax Advisory & Compliance	\$206.4	 4.4%
 Corporate Support	\$101.0	 28.8%
TOTAL	\$146.4	 4.7%

LARGE AES

Similar to the Big 4 AEs, the most productive service category for the Large AEs was tax advisory and compliance services (\$161,053). This is followed by corporate support services (\$130,723) and business advisory services (\$118,437). Audit and assurance services was the least productive (\$105,075).

Productivity increased for all service categories, except for business advisory services which declined by 13.4%. Average revenue per employee increased the most for tax advisory and compliance services by 22.2%.

FIG 37 Average Revenue Per Employee of Large AEs (n=9)










Service Category	Average Revenue per Employee (\$'000)	Year-on-year Change
 Audit & Assurance	\$105.1	 8.1%
 Business Advisory	\$118.4	 13.4%
 Tax Advisory & Compliance	\$161.1	 22.2%
 Corporate Support	\$130.7	 15.0%
TOTAL	\$109.2	 9.5%

MEDIUM AES

Similar to the Big 4 and Large AEs, tax advisory and compliance was the most productive service category (\$130,510) for the Medium AEs. This was followed by corporate support services (\$106,973) and audit and assurance services (\$84,501). Business advisory services was the least productive category (\$73,655).

Average revenue per employee increased the most for tax advisory and compliance services (14.4%). This is followed by audit and assurance services (3.5%). On the other hand, productivity for corporate support services and business advisory services decreased by 19.1% and 20.7% respectively.

FIG 38 Average Revenue Per Employee of Medium AEs (n=28)

Service Category	Average Revenue per Employee (\$'000)	Year-on-year Change
 Audit & Assurance	\$84.5	 3.5%
 Business Advisory	\$73.7	 20.7%
 Tax Advisory & Compliance	\$130.5	 14.4%
 Corporate Support	\$107.0	 19.1%
TOTAL	\$82.1	 3.3%










SMALL AES

Corporate support services continued to be the most productive service category, generating an average revenue per employee of \$146,335 for Small AEs. This was followed by tax advisory and compliance services (\$111,599) and business advisory services (\$86,901). Audit and assurance services was the least productive category (\$86,561).

While business advisory services only constitute 3% of their overall revenues, its average revenue per employee increased 19.9%, led mainly by productivity improvements for restructuring and insolvency services, IT advisory services and other advisory services.

Average revenue per employee also increased for audit and assurance services (8.1%) and corporate support services (3.3%). On the other hand, productivity for tax advisory and compliance services decreased by 12.2%.

FIG 39 Average Revenue Per Employee of Small AEs (n=180)










Service Category	Average Revenue per Employee (\$'000)	Year-on-year Change
 Audit & Assurance	\$86.6	 8.1%
 Business Advisory	\$86.9	 19.9%
 Tax Advisory & Compliance	\$111.6	 12.2%
 Corporate Support	\$146.3	 3.3%
TOTAL	\$88.3	 4.1%

MICRO AES

Similar to Small AEs, corporate support services generated the highest revenue per employee for Micro AEs in 2020 (\$85,528). This is followed by audit and assurance services (\$65,405) and tax advisory and compliance services (\$52,462). Business advisory services was the least productive (\$51,196).

Productivity decreased for all service categories, except for business advisory services which increased by 27.1%. Average revenue per employee decreased the most for tax advisory and compliance services by 20.7%.

FIG 40 Average Revenue Per Employee of Micro AEs (n=486)

Service Category	Average Revenue per Employee (\$'000)	Year-on-year Change
 Audit & Assurance	\$65.4	 3.5%
 Business Advisory	\$51.2	 27.1%
 Tax Advisory & Compliance	\$52.5	 20.7%
 Corporate Support	\$85.5	 12.5%
TOTAL	\$62.6	 6.0%

TOTAL WAGE EXPENSE AS A PERCENTAGE OF TOTAL OPERATING REVENUE

Total wage expense as a percentage of total operating revenue remained the same at 59% as compared to 2019.

The most notable jump was for Medium and Small AEs with the percentages increasing from 60% to 63% and 61% to 64% respectively. This is in line with the higher median gross monthly salaries paid to first year senior associates by the Medium and Small AEs.

TOTAL WAGE EXPENSE AS A PERCENTAGE OF TOTAL OPERATING EXPENSE

Total wage expense as a percentage of total operating expense increased to 74% in 2020 from 73% in 2019.

The most notable jump was for Medium AEs with the percentage increasing from 70% in 2019 to 74% in 2020. This is in line with the higher median gross monthly salaries that they paid to first year senior associates.

Total wage expense as a percentage of total operating:

Revenue
59%

Expense
74%

FIG 41 Total Wage Expense as a Percentage of Total Operating Revenue and Expense, By AE Size

AE Size	Total Wage Expense as a Percentage of Total Operating Revenue		Total Wage Expense as a Percentage of Total Operating Expense	
	2020	2019	2020	2019
TOTAL	59%	59%	74%	73%
● Big 4	57%	58%	75%	75%
● Large	64%	63%	72%	71%
● Medium	63%	60%	74%	70%
● Small	64%	61%	71%	72%
● Micro	58%	61%	70%	70%

Technology Adoption

TECHNOLOGY ADOPTION ACROSS THE SECTOR

Technology adoption saw general improvement across the sector with KYC/AML* tools being most widely adopted, which saw usage increasing from 61% in 2019 to 64% in 2020.

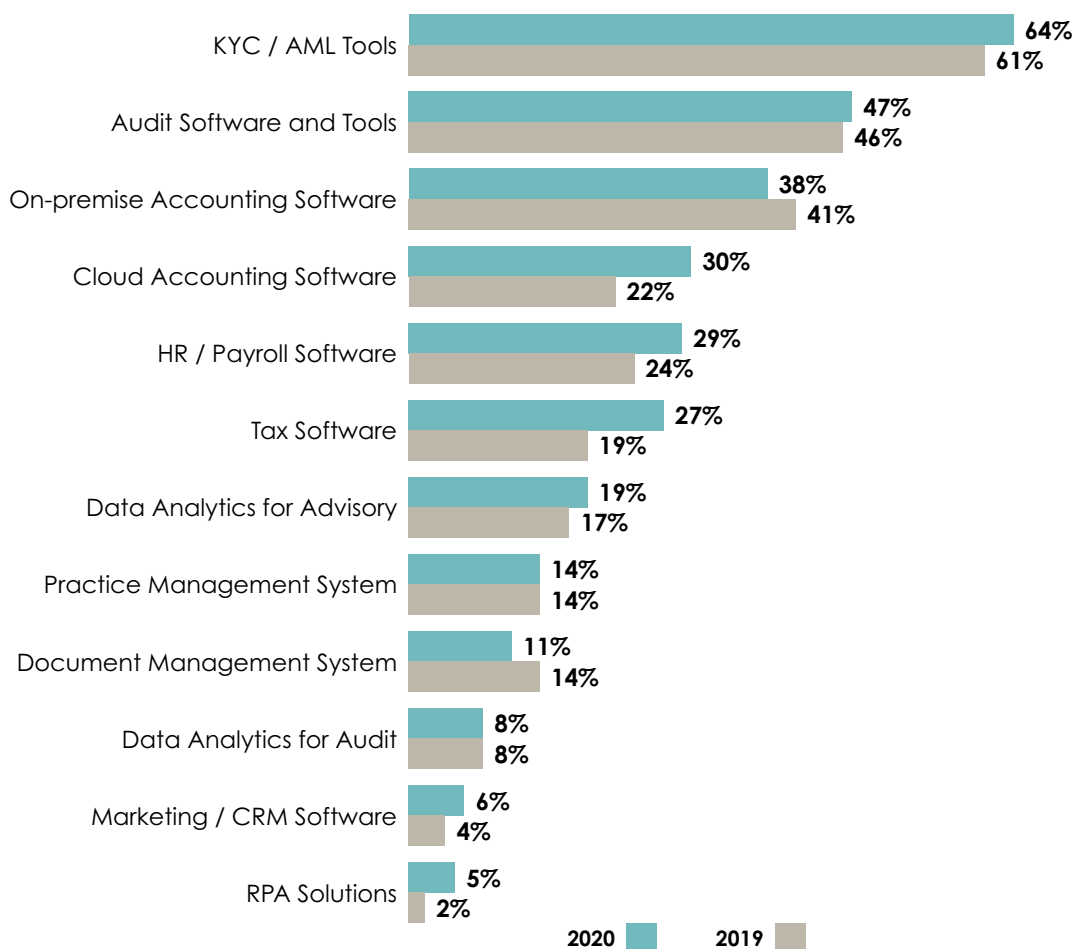
Adoption rates improved for 8 out of 12 type of technology in 2020 as compared to 2019. This may be due to the various programmes by the Singapore Accountancy Commission, Enterprise Singapore and the Institute of Singapore Chartered Accountants which increased awareness and supported AEs with funding to adopt such solutions.

The decrease in the adoption of on-premise accounting software from 41% in 2019 to 38% in 2020 may be due to the shift to cloud accounting software, which has increased from 22% in 2019 to 30% in 2020.

The census also showed that 91% of AEs have adopted at least 1 or more technology solutions, while 66% of AEs have adopted at least 2 or more technology solutions.

66%
AEs adopted 2 or more technology solutions

FIG 42 Technology Adoption Level, By Type of Technology



* Note: KYC / AML tools refer to Know your customers / Anti-money laundering screening tools; RPA solutions refer to robotic process automation.

FIG 43 Percentage of AEs that adopted the following number of technology solutions

Percentage of AEs that adopted x technology solutions

1 or more	2 or more	3 or more
91%	66%	42%

FIG 44 Technology Adoption Level, by AE Size

Technology	Year	Big 4	Large	Medium	Small	Micro
	Change	–	–	△	△	–
Audit Software and Tools	2020	100%	100%	91%	71%	33%
	2019	100%	100%	79%	65%	33%
	Change	▽	△	▽	△	△
Cloud Accounting Software	2020	75%	89%	61%	39%	24%
	2019	100%	56%	62%	35%	13%
	Change	–	△	△	▽	△
Data Analytics for Advisory	2020	100%	44%	13%	7%	25%
	2019	100%	33%	9%	9%	18%
	Change	–	△	△	▽	△
Data Analytics for Audit	2020	100%	89%	22%	4%	7%
	2019	100%	67%	21%	5%	5%
	Change	–	△	△	▽	△
Document Management System	2020	100%	56%	17%	17%	6%
	2019	100%	44%	24%	20%	3%
	Change	–	△	▽	▽	△
HR / Payroll Software	2020	100%	100%	87%	61%	13%
	2019	100%	100%	93%	43%	10%
	Change	–	–	▽	△	△
KYC / AML Tools	2020	75%	100%	96%	78%	56%
	2019	75%	100%	93%	80%	49%
	Change	–	–	△	▽	△
Marketing / CRM Software	2020	100%	67%	22%	7%	3%
	2019	100%	56%	21%	5%	1%
	Change	–	△	△	△	△
On-premise Accounting Software	2020	75%	78%	48%	35%	38%
	2019	50%	78%	66%	33%	42%
	Change	△	–	▽	△	▽
Practice Management System	2020	100%	89%	57%	33%	2%
	2019	100%	89%	48%	28%	4%
	Change	–	–	△	△	▽
RPA Solutions	2020	75%	44%	43%	4%	1%
	2019	75%	11%	14%	0%	1%
	Change	–	△	△	△	–
Tax Software	2020	100%	89%	55%	38%	18%
	2019	100%	88%	36%	27%	11%
	Change	–	△	△	△	△

Sustainability-Related Services

NUMBER OF FIRMS AND PERCENTAGE OF REVENUE DERIVED

The formation of the new International Sustainability Standards Board (ISSB) under the IFRS Foundation sends a strong signal that accountants have an important role to play in establishing a set of consistent international standards for sustainability reporting for all stakeholders¹². This is supported by the findings of a recent study which highlights sustainability-related services as one of the top 10 services requested from the Big 4 and Small and Medium Practices (SMPs) by corporates in Singapore within the next 3 years¹³.

AEs are responding to meet the increase in demand. While the census showed that 13 AEs provided sustainability-related services in 2020, an additional 21 AEs indicated that they also have plans to provide these services over the next 3 years.

34

Accounting entities that intend to provide sustainability-related services in the next 3 years

FIG 45 Number of AEs that are currently providing Sustainability-related Service(s)







AE Size	Number of AEs					
	Any of the sustainability-related services	SR (TCFD) ¹⁴	SR (Non-TCFD) ¹⁵	SAdv ¹⁶	SAss ¹⁷	GFAAdv ¹⁸
TOTAL	13	7	9	10	7	6
 Big 4	4	4	4	4	4	4
 Large	8	3	5	5	2	2
 Medium, Small & Micro	1	0	0	1	1	0

FIG 46 Number of AEs that intend to provide sustainability-related service(s) Within the Next 3 Years.

AE Size	Number of AEs					
	Any of the sustainability-related services	SR (TCFD)	SR (Non-TCFD)	SAdv	SAss	GFAAdv
TOTAL	34	17	14	23	20	16
 Big 4	4	4	4	4	4	4
 Large	7	1	1	3	3	2
 Medium, Small & Micro	23	12	9	16	13	10

12 New global standards-setting body for climate, sustainability-related disclosures launched. The Business Times, 5th November 2021

13 ACCA, Singapore Accountancy Commission, & Shanghai National Accounting Institute. (2021). Market Demand for Professional Services in the Asia Pacific FY2021 – 2024.

14 SR (TCFD): Sustainability reporting - Task Force on Climate-related Financial Disclosures (TCFD)




15 SR (Non-TCFD): Sustainability reporting - Non-TCFD (e.g. GRI, SASB standards)

16 SAdv: Sustainability advisory (e.g. policy, strategy, impact measurement, risk management)

17 SAss: Sustainability assurance (e.g. assurance on sustainability reports, greenhouse gas emissions and carbon tax)

18 GFAAdv: Green and sustainable finance advisory/assurance (e.g. green bonds issuance, green bonds assurance)

FIG 47 Average percentage of revenue derived from sustainability-related services

AE Size	Currently providing sustainability-related service(s)		Intend to provide sustainability-related service(s) within the next three years	
	No. of AEs	Average percentage of revenue derived from these services	No. of AEs	Average expected annual revenue growth
TOTAL	13	2%	34	17%
 Big 4	4	2%	4	67%
 Large	8	2%	7	34%
 Medium, Small & Micro	1	0%	23	4%

Expected Growth for 2022

Expected growth for 2022:

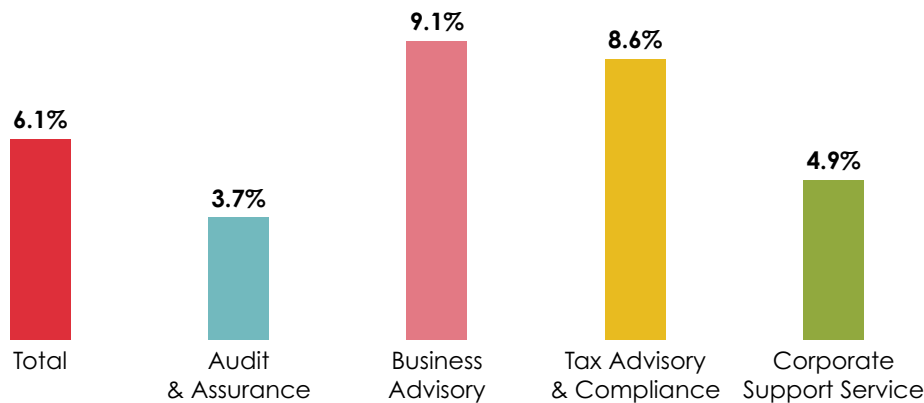
EXPECTED REVENUE GROWTH FOR 2022

According to the Ministry of Trade and Industry (MTI), Singapore is expected to grow between 3% and 5% in 2022¹⁹. Likewise, accounting entities appear to be fairly optimistic about growth prospects in 2022. Based on their expectations, the sector is projected to grow 6.1% in 2022, led mainly by growth in business advisory services (9.1%) and tax advisory and compliance services (8.6%). Corporate support services and audit and assurance services are also expected to show strong growth in 2022 (4.9% and 3.7% respectively).

Revenue
6.1%

Headcount
3.6%

FIG 48 Estimated Expected Revenue Growth in 2022, By Service Category



AUDIT & ASSURANCE

△ PROJECT TO GROW 3.7%



40% of the respondents providing such services are positive about the growth prospect of audit and assurance services in 2022. However, 26% of the respondents indicated that such revenues are expected to decline in 2022, with another 34% expecting these revenues to remain the same. Small and Micro AEs are the most pessimistic, with 31% and 29% indicating negative growth for such services respectively.

BUSINESS ADVISORY

△ PROJECT TO GROW 9.1%



The census showed that the AEs expressed strong optimism about the growth of business advisory services. More than half of the AEs providing such services expect positive growth for business advisory services in 2022 (53%). 41% of the respondents indicated the revenues are expected to remain unchanged, with only 6% indicating that revenues are expected to decline in 2022.

TAX ADVISORY AND COMPLIANCE

△ PROJECT TO GROW 8.6%



37% of the AEs providing such services project the services to grow in 2022. 51% expect such revenues to remain the same, with about 12% expecting negative growth. Compared to other services, the Big 4 AEs appear to be more bullish about the growth of tax advisory and compliance services.

CORPORATE SUPPORT

△ PROJECT TO GROW 4.9%



Over half of the respondents (51%) providing such services expect revenue to remain the same. 40% of the respondents project positive revenue growth in 2022, while 9% expect revenue to decline. The Big 4 (100%) and Large AEs (67%) are the most optimistic about the growth prospects of such services.

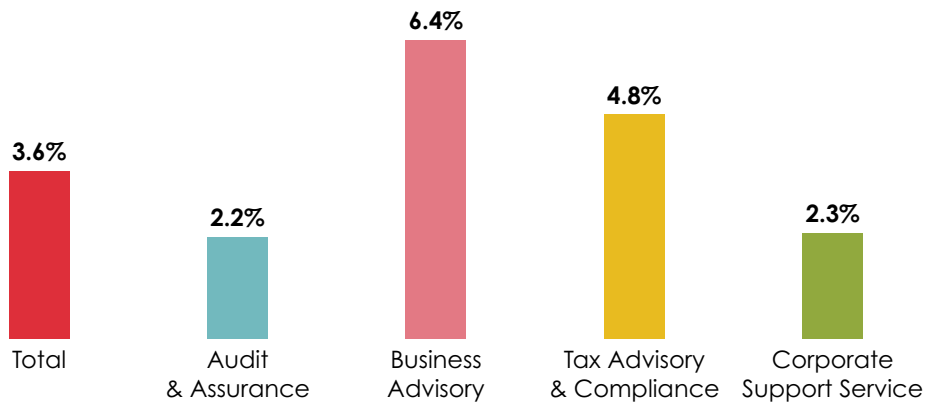
FIG 49 Estimated Expected Revenue Growth in 2022, By AE Size

AE Size	Audit & Assurance	Business Advisory	Tax Advisory & Compliance	Corporate Support Services	Total
TOTAL	△ 3.7%	△ 9.1%	△ 8.6%	△ 4.9%	△ 6.1%
Big 4	△ 4.4%	△ 9.6%	△ 9.8%	△ 9.8%	△ 7.3%
Large	△ 4.8%	△ 5.2%	△ 7.9%	△ 3.4%	△ 5.1%
Medium	△ 4.4%	△ 2.8%	△ 1.3%	△ 2.5%	△ 3.6%
Small	△ 0.2%	△ 6.4%	△ 0.8%	△ 5.0%	△ 1.3%
Micro	△ 1.0%	△ 1.8%	△ 2.7%	△ 5.8%	△ 2.2%

EXPECTED HEADCOUNT GROWTH FOR 2022

Majority of the respondents expect to increase their headcounts in 2022. Similar to the projected revenue growth, the projected headcount growth for 2022 is highest for business advisory services (6.4%), followed by tax advisory and compliance services (4.8%), corporate support services (2.3%) and audit and assurance services (2.2%). Overall, the respondents expect to add 683 jobs in 2022.

FIG 50 Estimated Expected Headcount Growth in 2022, By Service Category



AUDIT & ASSURANCE

△ PROJECT TO GROW 2.2%



Revenues from audit and assurance services are projected to grow by 3.7% in 2022. As a result, headcounts are also expected to increase. The census showed that 32% of the respondents providing such services expect to increase the total headcounts for this service line. However, 12% of the AEs indicated that they expect to decrease their workforce for such services, and 56% of the AEs expect headcount to remain unchanged in 2022.

BUSINESS ADVISORY

△ PROJECT TO GROW 6.4%



The business advisory workforce is expected to add 293 jobs in 2022. The census showed that 25% of the respondents providing such services expect to increase the total headcounts for this service line. 71% of the AEs indicated that they expect headcount to remain unchanged, while only 4% expect headcount to decrease in 2022. Hiring for business advisory are mainly expected to be led by the Big 4 and Large AEs.

TAX ADVISORY AND COMPLIANCE

△ PROJECT TO GROW 4.8%



The workforce for such services is expected to add 136 jobs in 2022, mainly led by the Big 4 and Large AEs. 17% of the respondents providing such services expect headcount to increase in 2022. 79% of the indicated that they expect headcount to remain unchanged, while only 5% expect headcount to decrease.

CORPORATE SUPPORT

△ PROJECT TO GROW 2.3%



The workforce for corporate support services has shrunk over the last few years before growing in 2020. The workforce is expected to continue growing in 2022. Most of the AEs (75%) expect the headcount for this service line to remain unchanged. 22% of AEs providing such services expect to grow their headcounts while only 4% expect to reduce such teams.

FIG 51: Estimated Expected Headcount Growth in 2022, By AE Size

AE Size	Audit & Assurance	Business Advisory	Tax Advisory & Compliance	Corporate Support Services	TOTAL
TOTAL (JOBS)	△ 219	△ 293	△ 136	△ 35	△ 683
TOTAL (%)	△ 2.2%	△ 6.4%	△ 4.8%	△ 2.3%	△ 3.6%
Big 4	△ 3.0%	△ 7.0%	△ 6.6%	△ 5.6%	△ 5.1%
Large	△ 3.4%	△ 3.5%	△ 3.2%	△ 3.7%	△ 3.4%
Medium	△ 3.2%	△ 0.8%	△ 0.2%	△ 0.8%	△ 2.4%
Small	△ 0.5%	△ 2.3%	△ 0.7%	△ 1.4%	△ 0.7%
Micro	▽ 0.7%	Unchanged	▽ 0.2%	▽ 0.3%	▽ 0.6%

Top 50 Accounting Entities²⁰

BIG 4

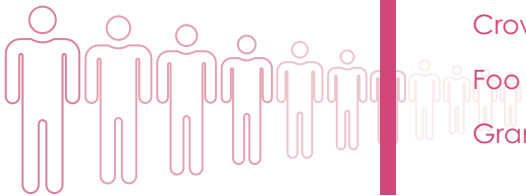
(≥ 1,000 staff)



Deloitte & Touche LLP
Ernst & Young LLP
KPMG LLP
PricewaterhouseCoopers LLP

LARGE

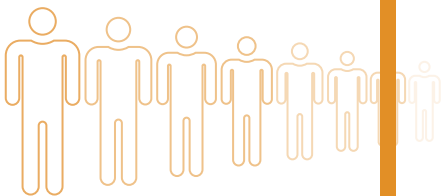
(101 - 999 staff)



Baker Tilly TFW LLP
BDO LLP
Crowe Horwath First Trust LLP
Foo Kon Tan LLP
Grant Thornton Audit LLP
Mazars LLP
Nexia TS Public Accounting Corporation
RSM Chio Lim LLP
UHY Lee Seng Chan & Co.

MEDIUM

(31 - 100 staff)



Assurance Partners LLP
Audit Alliance LLP
Ecovis Assurance LLP
EisnerAmper PAC
Fiducia LLP
Helmi Talib & Co
Heng Lee Seng LLP
HLB Atrede LLP
Infinity Assurance LLP
KLP LLP
(formerly known as Kong, Lim & Partners LLP)
Kreston ACA PAC
(formerly known as Kreston Ardent CAtrust PAC)
Kreston David Yeung PAC
Lo Hock Ling & Co
Moore Stephens LLP
P G Wee Partnership LLP
Paul Wan & Co
Pinebridge LLP
PKF-CAP LLP
Precursor Assurance PAC
Robert Tan Partners PAC
Robert Yam & Co PAC
Rohan.Mah & Partners LLP
Steven Tan Russell Bedford PAC

SMALL

(10 - 30 staff)



Acutus LLP
CA Practice PAC
CSI & Co. PAC
L W Ong & Associates LLP
MGI Alliance Singapore PAC
MGI N Rajan Associates
Natarajan & Swaminathan
OA Assurance PAC
Philip Liew & Co
R Chan & Associates PAC
Reanda Adept PAC
RT LLP
Thong & Lim
V.P. Kumaran & Co.

Glossary of Terms

Accounting Entity (AE)	<p>An Accounting Corporation, Accounting Firm, or Accounting Limited Liability Partnership, approved under the Accountants Act (Chapter 2). An accounting entity provides audit and assurance services – regulated by ACRA – as well as other non-audit related services such as basic accounting services, tax preparations, corporate advisory services and consultancy services.</p>
Accounting Services Entity (ASE)	<p>An entity that does not provide audit and assurance services that are regulated by ACRA, but provide non-audit related accounting services such as basic accounting services, tax preparations and corporate advisory services.</p>
Audit and Assurance	<p>Comprises:</p> <ul style="list-style-type: none"> • Statutory audit; • Accounting advisory; and • Other assurance services.
Corporate Support Services	<p>Comprises:</p> <ul style="list-style-type: none"> • Bookkeeping; • Corporate secretarial and legal services; • Outsourcing of accounting/finance personnel; • Payroll; • Statutory financial reporting/compilation services; and • Fund administration services.
Corporate Finance and Deal Advisory	<p>Comprises:</p> <ul style="list-style-type: none"> • Business valuation; • Financial modelling; • Debt and capital advisory; • IPOs and capital markets activity; • M&A and due diligence; and • Project and Infrastructure.
IT Advisory	<p>Comprises:</p> <ul style="list-style-type: none"> • IT solution business; • Technology risk advisory; • Technology consulting; and • IT forensic services.
Restructuring and Insolvency Advisory	<p>Comprises:</p> <ul style="list-style-type: none"> • Corporate restructuring (operational restructuring) • Debt restructuring (capital advisory, judicial management, scheme of arrangement) • Insolvency services (liquidation, receiverships); and • Litigation support and expert witness services.
Risk Management and Governance	<p>Comprises:</p> <ul style="list-style-type: none"> • Risk advisory; • Corporate governance advisory; • Fraud and forensic services; and • Internal audit services.

Tax Compliance	<p>Comprises:</p> <ul style="list-style-type: none"> • Compliance in corporate tax; • Compliance in personal income tax; and • Compliance in GST services.
Tax Advisory	<p>Comprises:</p> <ul style="list-style-type: none"> • Transfer pricing advisory; • International tax advisory; and • Tax advisory – other services.
Other Advisory Services	<p>Comprises:</p> <ul style="list-style-type: none"> • Process improvement; • Sustainability and CSR reporting; • HR compliance; • Succession planning/business transfer; and • Other services.
Work Performed in Singapore	<p>Income received by all entities based in Singapore which is sourced locally. This excludes non-operating income, such as sale/disposal of fixed assets, grants and from revenues collected on behalf of others.</p> <p>For example:</p> <ul style="list-style-type: none"> • Income received from the provision of accounting services in Singapore
Work Performed outside Singapore	<p>Income received by all entities based in Singapore which is sourced overseas. This excludes non-operating income, such as sale/disposal of fixed assets, grants and gross revenues collected on behalf of others.</p> <p>For example:</p> <ul style="list-style-type: none"> • Revenue from work performed by Singapore staff outside Singapore • Revenue from the provision of cloud-based services to clients based outside Singapore
Business Unit	<p>A segment of the entity that represents a specific business function or an entity comprising a business function.</p>

Annex: Data Tables

Figures may not sum up to 100% due to rounding.

TABLE 1

Annual Revenue Derived From Work Performed in Singapore (n=178)






AE Size	Less than S\$0.5 mil	S\$0.5 mil to < S\$1 mil	S\$1 mil to < S\$5 mil	S\$5 mil to < S\$10 mil	S\$10 mil to < S\$25 mil	S\$25 mil to < S\$50 mil	S\$50 mil or more
TOTAL	41%	22%	11%	3%	4%	0%	2%
 Big 4	0%	0%	0%	0%	0%	0%	100%
 Large	0%	0%	0%	13%	75%	0%	13%
 Medium	0%	4%	4%	22%	4%	0%	0%
 Small	4%	28%	39%	0%	0%	0%	0%
 Micro	74%	25%	1%	0%	0%	0%	0%

TABLE 2

Annual Revenue Derived From Work Performed Outside Singapore (n=178)






AE Size	N.A.	Less than S\$0.25 mil	S\$0.25 mil to < S\$0.5 mil	S\$0.5 mil to < S\$1 mil	S\$1 mil to < S\$2 mil	S\$2 mil to < S\$5 mil	S\$5mil or more
TOTAL	85%	8%	1%	1%	1%	1%	3%
 Big 4	0%	0%	0%	0%	0%	0%	100%
 Large	22%	11%	11%	11%	22%	11%	11%
 Medium	65%	30%	4%	0%	0%	0%	0%
 Small	93%	7%	0%	0%	0%	0%	0%
 Micro	96%	4%	0%	0%	0%	0%	0%

TABLE 3

Annual Revenue Per Employee (n=176)






AE Size	Less than S\$30,000	S\$30,000 to < S\$45,000	S\$45,000 to < S\$60,000	S\$60,000 to < S\$80,000	S\$80,000 to < S\$100,000	S\$100,000 to < S\$125,000	S\$125,000 to < S\$150,000	S\$150,000 or more
TOTAL	10%	10%	13%	27%	23%	9%	7%	1%
 Big 4	0%	0%	0%	0%	0%	0%	67%	33%
 Large	0%	0%	0%	13%	50%	13%	25%	13%
 Medium	0%	9%	9%	26%	39%	17%	0%	4%
 Small	2%	4%	7%	35%	26%	11%	11%	2%
 Micro	17%	14%	18%	26%	16%	5%	3%	1%

TABLE 4

Percentage of Employees with Professional Qualifications (n=177)

AE Size	Less than 20%	20% to < 40%	40% to < 60%	60% to < 80%	80% or more
TOTAL	5%	30%	26%	14%	25%
Big 4	0%	50%	25%	25%	0%
Large	11%	33%	33%	11%	11%
Medium	4%	39%	13%	22%	22%
Small	2%	35%	30%	15%	17%
Micro	6%	24%	26%	11%	33%

TABLE 5

Gross Monthly Salary Range – First Year Associate (n=178)

AE Size	N.A.	S\$2,000 or less	S\$2,001 - S\$2,400	S\$2,401 - S\$2,800	S\$2,801 - S\$3,200	S\$3,201 - S\$3,600	More than S\$3,600
TOTAL	25%	12%	17%	38%	7%	2%	1%
Big 4	0%	0%	0%	0%	25%	50%	25%
Large	0%	0%	0%	56%	44%	0%	0%
Medium	0%	0%	22%	70%	9%	0%	0%
Small	11%	4%	20%	57%	7%	2%	0%
Micro	41%	20%	17%	21%	2%	0%	0%

TABLE 6

Gross Monthly Salary Range – First Year Senior Associate with CA Singapore (n=178)

AE Size	N.A.	S\$2,800 or less	S\$2,801 - S\$3,200	S\$3,201 - S\$3,600	S\$3,601 - S\$4,000	S\$4,001 - S\$4,400	More than S\$4,400
TOTAL	37%	6%	9%	24%	17%	4%	3%
Big 4	0%	0%	0%	0%	0%	50%	50%
Large	0%	0%	0%	44%	22%	22%	11%
Medium	4%	0%	9%	57%	26%	4%	0%
Small	26%	2%	11%	26%	28%	4%	2%
Micro	54%	10%	9%	14%	9%	1%	2%

TABLE 7

Gross Monthly Salary Range – First Year Senior Associate without CA Singapore (n=178)

AE Size	N.A.	S\$2,800 or less	S\$2,801 - S\$3,200	S\$3,201 - S\$3,600	S\$3,601 - S\$4,000	S\$4,001 - S\$4,400	More than S\$4,400
TOTAL	21%	14%	25%	24%	9%	6%	1%
Big 4	0%	0%	0%	0%	0%	50%	50%
Large	0%	0%	22%	22%	22%	33%	0%
Medium	0%	0%	26%	52%	22%	0%	0%
Small	4%	9%	33%	38%	9%	7%	0%
Micro	38%	23%	22%	11%	5%	2%	0%

TABLE 8

Gross Monthly Salary Range – First Year Manager (n=178)

AE Size	N.A.	S\$5,000 or less	S\$5,001 - S\$5,500	S\$5,501 - S\$6,000	S\$6,001 - S\$6,500	S\$6,501 - S\$7,000	More than S\$7,000
TOTAL	30%	32%	13%	12%	10%	1%	3%
Big 4	0%	0%	0%	0%	25%	25%	50%
Large	0%	0%	11%	33%	56%	0%	0%
Medium	4%	26%	26%	22%	22%	0%	0%
Small	11%	39%	28%	13%	7%	0%	2%
Micro	49%	34%	3%	7%	3%	0%	3%

TABLE 9

Percentage of Revenue From Audit and Assurance Services (n=178)

AE Size	N.A.	30% or less	31% to 40%	41% to 50%	51% to 60%	61% to 70%	More than 70%
TOTAL	3%	12%	11%	11%	11%	11%	40%
Big 4	0%	0%	25%	50%	25%	0%	0%
Large	0%	0%	11%	44%	22%	22%	0%
Medium	0%	9%	4%	22%	22%	17%	26%
Small	2%	11%	17%	4%	7%	11%	48%
Micro	5%	16%	9%	6%	8%	9%	46%

TABLE 10

Percentage of Revenue From Business Advisory Services (n=178)






AE Size	N.A.	10% or less	11% to 20%	21% to 30%	More than 30%
TOTAL	72%	15%	7%	5%	1%
 Big 4	0%	0%	0%	50%	50%
 Large	0%	22%	56%	22%	0%
 Medium	30%	48%	13%	9%	0%
 Small	76%	17%	4%	2%	0%
 Micro	90%	6%	2%	2%	0%

TABLE 11

Percentage of Revenue From Tax Advisory and Compliance Services (n=178)






AE Size	N.A.	10% or less	11% to 20%	21% to 30%	More than 30%
TOTAL	26%	23%	32%	15%	4%
 Big 4	0%	0%	25%	75%	0%
 Large	0%	11%	67%	22%	0%
 Medium	13%	17%	48%	22%	0%
 Small	26%	33%	30%	4%	7%
 Micro	32%	22%	26%	15%	5%

TABLE 12

Percentage of Revenue From Corporate Support Services (n=178)





AE Size	N.A.	10% or less	11% to 20%	21% to 30%	More than 30%
TOTAL	34%	15%	9%	15%	28%
 Big 4	0%	100%	0%	0%	0%
 Large	0%	22%	33%	33%	11%
 Medium	26%	17%	9%	17%	30%
 Small	33%	13%	13%	15%	26%
 Micro	42%	10%	5%	13%	30%

TABLE 13

Total Wage Expense As A Percentage of Total Operating Revenue (n=177)

AE Size	40% or less	41 - 50%	51 - 60%	61 - 70%	71 - 80%	81 - 90%	More than 90%
TOTAL	19%	15%	19%	22%	14%	8%	2%
Big 4	0%	25%	50%	25%	0%	0%	0%
Large	0%	11%	11%	44%	22%	11%	0%
Medium	4%	17%	26%	26%	13%	13%	0%
Small	4%	11%	28%	22%	15%	15%	4%
Micro	33%	16%	13%	19%	14%	4%	2%

TABLE 14

Total Wage Expense As A Percentage of Total Operating Expense (n=177)

AE Size	40% or less	41 - 50%	51 - 60%	61 - 70%	71 - 80%	81 - 90%	More than 90%
TOTAL	13%	3%	8%	23%	30%	21%	2%
Big 4	0%	0%	0%	25%	50%	25%	0%
Large	0%	0%	11%	22%	56%	11%	0%
Medium	4%	0%	4%	30%	43%	17%	0%
Small	4%	0%	17%	26%	26%	26%	0%
Micro	21%	6%	4%	20%	25%	20%	3%

TABLE 15

Expected Annual Revenue Growth of Audit and Assurance Services in 2022 (n=169)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	8%	8%	10%	34%	21%	9%	9%
Big 4	0%	0%	0%	0%	67%	33%	0%
Large	0%	11%	0%	11%	44%	11%	22%
Medium	4%	9%	0%	22%	35%	13%	17%
Small	9%	16%	7%	24%	27%	7%	11%
Micro	9%	4%	16%	46%	11%	9%	4%

TABLE 16

Expected Annual Revenue Growth of Business Advisory Services in 2022 (n= 66)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	3%	2%	2%	41%	30%	11%	12%
Big 4	0%	0%	0%	0%	0%	67%	33%
Large	0%	0%	11%	11%	33%	11%	33%
Medium	7%	7%	0%	36%	36%	7%	7%
Small	0%	0%	0%	29%	36%	14%	21%
Micro	4%	0%	0%	65%	27%	4%	0%

TABLE 17

Expected Annual Revenue Growth of Tax Advisory and Compliance Services in 2022 (n=132)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	2%	2%	8%	51%	23%	8%	6%
Big 4	0%	0%	0%	0%	0%	67%	33%
Large	0%	0%	0%	22%	33%	22%	22%
Medium	5%	5%	0%	40%	35%	15%	0%
Small	0%	3%	6%	38%	35%	6%	12%
Micro	2%	2%	14%	67%	12%	3%	2%

TABLE 18

Expected Annual Revenue Growth of Corporate Support Services in 2022 (n= 113)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	3%	1%	5%	51%	22%	11%	7%
Big 4	0%	0%	0%	0%	33%	0%	67%
Large	0%	0%	0%	33%	44%	11%	11%
Medium	6%	0%	0%	38%	38%	13%	6%
Small	0%	3%	3%	35%	32%	13%	13%
Micro	4%	0%	9%	70%	7%	9%	0%

TABLE 19

Expected Headcount Growth of Audit and Assurance Services in 2022 (n=164)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	3%	5%	4%	56%	20%	9%	4%
Big 4	0%	0%	0%	0%	100%	0%	0%
Large	0%	11%	0%	22%	44%	0%	22%
Medium	4%	4%	4%	22%	35%	26%	4%
Small	2%	11%	4%	49%	18%	13%	2%
Micro	4%	1%	5%	75%	11%	2%	2%

TABLE 20

Expected Headcount Growth of Business Advisory Services in 2022 (n=69)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	3%	1%	0%	71%	14%	3%	7%
Big 4	0%	0%	0%	0%	67%	0%	33%
Large	0%	0%	0%	44%	22%	0%	33%
Medium	7%	7%	0%	57%	21%	0%	7%
Small	0%	0%	0%	67%	20%	13%	0%
Micro	4%	0%	0%	96%	0%	0%	0%






TABLE 21

Expected Headcount Growth of Tax Advisory and Compliance Services in 2022 (n=131)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	2%	2%	1%	79%	10%	5%	2%
Big 4	0%	0%	0%	0%	33%	67%	0%
Large	0%	0%	0%	44%	33%	11%	11%
Medium	5%	5%	0%	60%	25%	5%	0%
Small	0%	3%	0%	80%	9%	9%	0%
Micro	3%	0%	2%	92%	2%	0%	2%

TABLE 22

Expected Headcount Growth of Corporate Support Services in 2021 (n= 111)

AE Size	Decrease more than 10%	Decrease 6% to 10%	Decrease 1% to 5%	No Change	Increase 1% to 5%	Increase 6% to 10%	Increase more than 10%
TOTAL	2%	1%	1%	75%	14%	5%	3%
 Big 4	0%	0%	0%	0%	0%	100%	0%
 Large	0%	0%	0%	56%	33%	0%	11%
 Medium	6%	0%	0%	56%	31%	6%	0%
 Small	0%	3%	0%	74%	13%	6%	3%
 Micro	2%	0%	2%	87%	6%	2%	2%

SINGAPORE ACCOUNTANCY COMMISSION

55 Newton Road
#03-02, Revenue House
Singapore 307987
Tel : +65 6325 0518
Fax : +65 6226 3386



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www.sac.gov.sg

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