MODERATING EFFECT OF AUDIT QUALITY ON THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE CODE AND FIRM PERFORMANCE: EVIDENCE FROM LISTED COMPANIES ON THE STOCK EXCHANGE OF THAILAND

WALAIPORN NUANSA-ARD

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF
PHILOSOPHY PROGRAM IN BUSINESS ADMINISTRATION
FACULTY OF BUSINESS ADMINISTRATION
RAJAMANGALA UNIVERSITY OF TECHNOLOGY THANYABURI
ACADEMIC YEAR 2023

MODERATING EFFECT OF AUDIT QUALITY ON THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE CODE AND FIRM PERFORMANCE: EVIDENCE FROM LISTED COMPANIES ON THE STOCK EXCHANGE OF THAILAND

WALAIPORN NUANSA-ARD

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF
PHILOSOPHY PROGRAM IN BUSINESS ADMINISTRATION
FACULTY OF BUSINESS ADMINISTRATION
RAJAMANGALA UNIVERSITY OF TECHNOLOGY THANYABURI
ACADEMIC YEAR 2023

Dissertation Title	Moderating Effect of Audit Quality on the Relationship between Corporate Governance Code and Firm Performance: Evidence from Listed Companies on the Stock Exchange of Thailand
Name – Surname	Miss Walaiporn Nuansa-ard
Program	Business Administration
Dissertation Advisor	Assistant Professor Supa Tongkong, Ph.D.
Dissertation Co-advisor	Associate Professor Wachira Boonyanet, Ph.D.
Academic Year	2023

DISSERTATION COMMITTEE

.... Chairman
(Associate Professor Kanibhatti Nitirojntanad, D.B.A.)

.... Committee
(Assistant Professor Kusuma Dampitakse, Ph.D.)

.... Committee
(Mr. Krisada Chienwattanasook, D.B.A.)

.... Committee
(Associate Professor Wachira Boonyanet, Ph.D.)

.... Committee
(Assistant Professor Supa Tongkong, Ph.D.)

Approved by the Faculty of Business Administration, Rajamangala University of Technology Thanyaburi in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy

.... Dean of Faculty of Business Administration
(Associate Professor Khahan Na-Nan, Ph.D.)
2 October 2023

Dissertation Title	Moderating Effect of Audit Quality on the Relationship between Corporate Governance Code and Firm Performance: Evidence from Listed Companies on the Stock Exchange of Thailand
Name-Surname	Miss Walaiporn Nuansa-ard
Program	Business Administration
Dissertation Advisor	Assistant Professor Supa Tongkong, Ph.D.
Dissertation Co-advisor	Associate Professor Wachira Boonyanet, Ph.D.
Academic Year	2023

ABSTRACT

The objectives of this research were to examine the effect of corporate governance practices according to the corporate governance code (CG Code) on firm performance, the effect of audit quality on firm performance, and the moderating effect of audit quality on the relationship between corporate governance practices and firm performance. The audit quality was measured by audit fees and the firm performance in this study was measured by Tobin's Q ratio.

The samples used in this study were 95 listed companies on the Stock Exchange of Thailand (SET) that have fully implemented the CG Code and voluntarily disclosed their information in the year 2021. Data were collected from the annual reports, financial reporting and the SETSMART database. Content analysis was employed to analyze the CG Code voluntary disclosures, along with statistical methods used to analyze the data, namely multiple linear regression and Hayes's regression-based analysis.

The research results revealed that corporate governance practices, according to the CG Code along with audit quality, both had positive effects on firm performance at a statistically significant level of .01. Audit quality was also found to moderate the positive correlation between CG Code and firm performance, such that the effect of CG Code on firm performance is strengthened as the quality of audits increases. Specifically, the study indicated that the positive effect of CG Code on firm performance was stronger when the audit quality was average and above, whereas CG Code showed no statistically significant effect on firm performance when audit quality was below average.

Keywords: corporate governance, audit quality, firm performance, moderating effect, CG Code

Acknowledgements

This dissertation was achieved thanks to the valuable guidance of Assistant Professor Dr. Supa Tongkong and Associate Professor Dr. Wachira Bunyanet, who served as primary advisor and co-advisor. As I reflect on my academic path, I realize that without the guidance and encouragement of both of my advisors, I would not have been able to succeed and my success would not have happened. These are the pillars of my academic aspirations; and I always hold them in the highest regard.

Furthermore, I wish to extend gratitude to Associate Professor Dr. Kanibhatti Nitirojntanad, the chairperson of the examination committee, for imparting fresh perspectives. Since the initial dissertation defense, her insightful suggestions and persuasive arguments have been instrumental in deepening my understanding and uncovering the essence of doctoral studies. Special appreciation is also due to Assistant Professor Dr. Kusuma Dampitakse and Dr. Krisada Chienwattanasook, who provided valuable guidance, enabling the researcher to adopt a more expansive outlook and conduct root cause research to yield valuable insights, thereby enhancing the contribution of this study. Moreover, I would like to express my deepest appreciation to my family members, including my elder brothers and sisters, Dr. Nuntachai Nuansa-ard and Ms. Kamolwan Meekhantong, for their generous support in my education and living expenses. I aspire to response their kindness with the utmost love and respect.

Finally, I would like to acknowledge Rajamangala University of Technology Srivijaya for providing the time and grants that have enabled my success today. Additionally, I would like to give a sincere thanks to friends and colleagues who have supported me throughout this study. I wish the outcomes of this study will ultimately benefit the nation and future students.

Walaiporn Nuansa-ard

Table of Contents

Page

Table of Contents (Continued)

Page

List of Tables

List of Figures

List of Abbreviations

Abbreviation	Meaning
CG Code	Corporate Governance Code
TBQ	Tobin’s Q
AQ	Audit Quality
LNSIZE	Firm Size (FS)
FL	Firm Leverage
PROFIT	Profitability
INVEST	Investment

CHAPTER 1
INTRODUCTION

1.1 Background and Statement of the Problem

As the business grows larger, it becomes more and more difficult for business owners to run the business alone. Therefore, they need to hire professional managers and delegate them the authority to manage business resources in the hope that these managers will create wealth for them. Therefore, there is separation of ownership and control of the enterprise. If the executives are honest and perform their assigned tasks, there will be no agency problem in the organization cause by conflicts of interest (Jensen & Meckling, 1976). Agency theory states that all people act out of self-interest and not in the interest of the principal. Agents, therefore, inherently behave opportunistically and exploitatively for their own self-interest, which leads to agency problems.

Good corporate governance has been applied to safeguard corporate interests and reduce conflicts between management, shareholders and owners. Pham (2016) expressed that good corporate governance plays an important role in developing good relationships between the board of directors, shareholders, and stakeholders. As a result, the company will develop appropriately. Pankaj (2017) states that good corporate governance not only promotes the company's activities and increases its ability to access external financial resources, but also encourages the company to create business value and the control systems in respond to risk events. Shuling, Gary and Picheng (2017) found that good corporate governance has an impact on increasing the earnings quality of the company, which is an important signal of a successful organization from the perspective of investors. Outa and Waweru (2016) found that adherence to corporate governance principles is related to a firm's financial performance and increased firm value. However, Nurlan, Monowar and Keunjung (2016) noted that good corporate governance practices remain a challenge for policymakers due to rapidly changing circumstances leading to reforms and the need to improve corporate governance principles. This is in line with Chaudhary and Gakhar (2018) who noted that stakeholders in today's business world are demanding better corporate governance and more concrete corporate governance reforms due to the increase in fraud and deception in business.

In the past, there have been many examples of failures of large global companies with corporate governance problems, such as Enron, Parmalat, Satyam, Lehman Brother, WorldCom and Ricoh. They all struggled with corruption and fraud by executives, resulting in severe damage and eventual bankruptcy. As a result, many researchers have tried to figure out why these global companies with strong corporate governance go bankruptcy and eventually close. In a study of Geoffrey and Gavin (2005), it was found that corporate governance failure is due to unhealthy management structures. This failure involves the structure of the board, which can be divided into 4 types: 1) strategic failure, 2) control failure, 3) ethical failure, and 4) interpersonal relations failure. In addition, Singh and Shigufta (2010); Gupta and Sharma (2010); Rezart (2016) found that the most suspicious of fraud through corporate governance is the unethical practices and questionable roles of the board, including the defective ownership structure. Similar to the study of Navita (2016) and Rezart (2016, which found that the collapse of large corporations as a result of weak corporate governance systems due to unethical practices, fraud and individuals lacking moral qualifications; especially the independent power in the hands of the chief executive officer is considered an obvious problem.

While there is evidence in both the research articles and the relevant literatures of the importance of corporate governance and the positive benefits derived from its implementation, as noted above, deficiencies have been identified that are inconsistent with the principles of good corporate governance, even though companies have disclosed their implementation in accordance with good corporate governance. Therefore, investors and other stakeholders cannot analyze the overall trustworthiness of a company solely on the basis of its CG results, as the honesty and integrity of its board of directors and executives are also of great importance.

In addition, despite the use of CG in Thailand, CG scoring has continued to improve, especially the ASEAN CG scorecard, which has a higher score every year. Other issues that the listed companies do not score well are the responsibility of the committees in relation to stakeholders and their focus on society, technology and environment, which are becoming more and more concentrated in the global context. Therefore, in order to develop a listed company to have better standards in terms of corporate governance and make a to leap in growth, CG adjustments must be made to respond to changes that are the principle of corporate growth through the comprehensive creation of sustainable corporate values in all dimensions. For this reason, various international organizations and investors have called for greater corporate social and environmental responsibility, believing that it is not enough to gain the trust of investors and stakeholders simply by adopting corporate governance principles using the 'Comply or Explain' method, but that the board of directors must adhere more closely to corporate governance.

In the wake of these changes, the Securities and Exchange Commission of Thailand has issued corporate governance principles based on the "Apply or Explain" principle, also known as the Corporate Governance Code (CG Code), in line with the Thai context and appropriateness for Thailand, especially for the Board of Directors. This is an integral part of the 2012 Corporate Governance Principles, and the CG integrates social and environmental aspects into business processes, from setting strategic directions operational processes, monitoring and reporting, ensuring long-term business performance, creating reliability for investors, stakeholders and people around, for the benefit of creating sustainable business values as expectations of the business sector, investors, and the capital market, and society as a whole (The Securities and Exchange Commission, 2018).

In previous literature reviews, it was found that the primary objective of corporate governance is to ensure that the company as a whole is properly managed so that investors and stakeholders can ensure that their money is put in the right place. Overall, it was found that the Board of Directors is an important internal governance mechanism. The Board of Directors is responsible for protecting against unfair forms that may occur in the organization, as the Board of Directors is responsible for overseeing the company's system to operate efficiently. Therefore, it can be said that the Board of Directors is an important person for the survival of the company because part of the overall operation is in the hands of the Board of Directors (Martijn & Simone, 2016).

For this reason, it appears that a lot of previous research conducted on the relationship between corporate governance through the role of the board and stock performance. For example, an empirical study of Demerjian, Lev, Lewis and McVay (2013) explained that the board with good management skills be able to use its resources more efficiently, and eventually be able to report its revenues with higher quality.

Limpaphayom and Connelly (2004) shows that firm with good corporate governance score resulted in good firm performance (Tobin's Q ratio). Ngatno, Apriatni and Youlianto (2021) found that corporate governance helps to balance the interests of shareholders and other stakeholders in the company that lead to reduce the agency problem and the increase in investor trust, shareholders wealth as well as investment opportunities. Mirela and Marius (2021) found that corporate governance practices had significant positive relation to Tobin's Q.

In addition, many researches in accounting and finance have studied audit quality and its impact on various aspects. For example, the effect of audit quality on firm performance (Mohamed & Elewa, 2016); corporate governance and audit quality (Okaro, Okafor & Okoye, 2015); effect of audit quality on market price of firms (David, Boniface & Christian, 2018); auditor report and earnings management (Mohammad, 2016); and audit quality and stock returns co-movement: evidence from Vietnam (Pham, Vu, Nguyen & H.Nguyen, 2020). These empirical studies confirm the effect of audit quality on the set of outcome variables, as well as to support the importance of audit quality in accounting, finance and corporate governance. That is to say, when the Board of Directors managed with good corporate governance, the board would select a quality auditing company, and the quality of financial reports audited by a high-quality auditing company's auditors would send a signal to investors and stakeholders. On the contrary, if the company does not have good corporate governance, the auditor of the audit firm is unable to report the accounts of the risky company in a good direction, causing the company to lack credibility and affecting the funding from investors. This corresponds to stakeholder theory based on the concept of Grey, Owen and Adam (1996) that the more important the stakeholders are to the organization, the more effort the organization will manage the relationship. Corporate data, whether financial data or corporate social responsibility data, is an important component that organizations can use to manage their stakeholders, while the main importance of Auditors' Theory of Inspired Confidence is that, the duties and responsibilities of the auditors are derived from the confidence and trust that the public bestowed on the success of the audit and the assurance given by the auditor. And signaling theory is of the opinion that companies with good performance send signals to the market through financial disclosure. Financial statements audited by reliable auditors signal to the market that financial statements are more reliable than those audited by unreliable auditors.

The selection of firm performance to test the relationship with CG Code and audit quality is clearly confirmed by many scholars about the importance of the firm performance. For example, Armstrong, Blouin, Jagolinzer and Larcker (2015) found that corporate governance reduced tax avoidance at higher levels. According to the perspective of agency theory, audit quality is important to reduce conflicts of interest between managers and external shareholders. Audit quality is the quality of corporate governance that controls the actions of managers and disrupts account management and fraudulent activities consistent with DeAngelo and Masulis (1980) that board expertise and board role performance are significantly associated with financial reporting quality. Also, internal audit quality is significantly associated with financial reporting quality. Hua, Hla and Isa (2016) found that compliance with disclosure requirements related to financial reporting standards and the quality assurance of accounting audits by the office had a positive and significant relationship with financial performance. This study examined the quality of accounting audits in terms of business size and financial performance in terms of return on assets and return on equity. Consistent with other studies, Afza and Nasir (2014) confirm that investors believe that the quality of external audits helps improve a company's performance. They believe that companies audited by reputable audit firms are more likely to disclose reliable and appropriate information than companies audited by small audit firms. This reliable information can attract investors and customers to the company, leading to improved performance, which is reflected in the company's sales growth. Consistent with Hussainey (2009) stated that the audit quality influences investors' perceptions of the company's financial performance. Xin Ye (2020); Shipman and Ryan (2021) was explained in general, the higher the audit fees charged, the better an accounting firm's reputation. The higher the quality of audit services, the more trustworthy the information provided to statement users. Listed companies are more willing to pay higher-than-average audit fees to reputable accounting firms. To avoid the risk of material misstatement and thus affecting the firm's reputation, the firm with a high reputation will inevitably increase audit investment, which will also lead to an increase in audit costs.

Shubita (2021) recommend that company executives understand the significance of contracting with reputable and large accounting firms, as these firms have better capabilities in improving efficiency, selecting staff, and being better prepared for efficient and effective audit processes. The theory of confidence, which is inspired by the public's confidence and trust in auditors, emphasizes the importance of auditors' responsibilities and duties to the success of audits and the certifications received from accounting agencies. According to Carmichael (2004), societal trust in financial statements evaporates when audit processes fail to meet society's expectations, resulting in a loss of value even during the auditing process (John, Kenneth & Austine, 2019). Audit quality improves as auditor premiums increase, and that this positive association is strong both when measured at the firm level and when considered between tiers of firms.

Therefore, this study aimed to focus on the main questions that for companies listed on the SET, how CG Code voluntary disclosure affect the market-based firm performance which is measured with Tobin’s Q ratio, along with to what extent does the audit quality moderate the effect of CG Code voluntary disclosure on firm performance of listed companies on the SET that have fully implemented the CG Code and voluntarily disclosed their information?

From the above conclusions, the first gap of the study on such matter, for example, is that the current CG Code has been officially announced with listed companies in order to add value and enhance corporate governance and to prove the transparency and CG of the board in leading their business to sustainability. However, it is not possible to know what level of importance awareness the board gives to CG Code and each practice. Moreover, it is not possible to know whether compliance with the CG Code can really create value for the company in terms of operational efficiency because it lacks evaluation or verification of CG Code implementation. The second gap of this study is about firm performance and audit quality. In many researches, there are some controversies over the study findings, which indicate that it partly depends on the context of the country under different laws. In addition, there is no coherent empirical study that studies CG Code, Tobin’s Q and audit quality together.

Thus researcher deems it appropriate to study the aforementioned issue at the same time in order to assess the efficiency and effectiveness of the company as a whole through three perspectives so that the board of listed companies use it as information to improve the organization, recognize the value and give importance to the need for CG Code to create value for the company and enable the company to compete effectively in the future and can build trust for investors and stakeholders and increase liquidity which is beneficial to the company's fundraising, helping the company to be sustainable in the long term, and as a basis for determining opportunities and risk in investment. Moreover, it is encouraged to assess and analyze sustainability with social responsibility through systematic disclosure. Transparent disclosure of information will help stakeholders to be confident and investors will have sufficient information to make investment decisions. In addition, shareholders, investors, and relevant interested parties can use the results to make preliminary consideration in assessing the efficiency and effectiveness of the company.

1.2 Purpose of the Study

This research aimed to study, in the context of listed companies on the Stock Exchange of Thailand (SET), the impact of the informative value of corporate governance code (CG Code) voluntary disclosures on firm performance and whether audit quality moderates the effect of CG Code voluntary disclosures on firm performance. Therefore, the research objectives were set as follows.

1) to explore the voluntarily CG Code disclosures of listed companies on the SET for testing the relationship between CG Code and firm performance,

2) to examine the audit quality of listed companies on the SET for testing the relationship between audit quality and firm performance, and

3) to investigate the moderating effect of audit quality on the relationship between CG Code and firm performance.

1.3 Research Questions and Hypothesis

1.3.1 Research Questions

This study aimed to answer the two main research questions:

1) How does CG Code voluntary disclosure affect the firm performance of listed companies on the SET?

2) To what extent does the audit quality moderate the impact of CG Code voluntary disclosure on firm performance of listed companies on the SET?

1.3.2 Research Hypotheses

According to the above research questions and objectives, three hypotheses were proposed as follows.

Hypothesis 1: CG Code has a positive effect on firm performance.

Hypothesis 2: Audit quality has a positive effect on firm performance.

Hypothesis 3: Audit quality moderates the impact of CG Code on firm performance.

1.4 Scope of Study

The CG Code voluntary disclosures in this study employed “Corporate Governance Code for listed companies 2017” that comprised 8 principles: 1) establish clear leadership role and responsibilities of the board, 2) define objectives that promote sustainable value creation, 3) strengthen board effectiveness, 4) ensure effective CEO and people management, 5) nurture innovation and responsible business, 6) strengthen effective risk management and internal control, 7) ensure disclosure and financial integrity, and 8) ensure engagement and communication with shareholders along with 137 guidelines and explanations. Implementation of the CG Code is based on an ‘apply or explain’ basis in that the board is encouraged to apply each principle and sub-principle by means that are suitable for the company’s business in order to foster transparency and accountability of the board of directors to build investor confidence. Such confidence is essential for raising capital and being a publicly listed company. The audit quality was measured by the ratio of audit fees to total assets and Tobin’s Q ratio was used to measure market-based firm performance.

The samples used in this study consisted of 95 listed companies on the SET that have fully implemented the CG Code and voluntarily disclosed their information in 2021. Data were collected from the annual reports, financial reporting and the SETSMART database. Content analysis was employed to analyze CG Code voluntary disclosures, along with statistical methods used to analyze the data, namely multiple linear regression to test the effect of CG Code on firm performance and the moderating effect of audit quality on the relationship between CG Code on firm performance, along with Hayes's regression-based analysis to test the interaction effects of audit quality and CG Code on firm performance.

1.5 Limitation of Study

This study has some limitations that require further study. Firstly, in studying the performance of companies in the CG Code aspect, the samples used in this study consisted of 97 listed companies on the SET that have fully implemented the CG Code and voluntarily disclosed their information in 2021, only 95 companies are used in the analysis regarding outliers' data. This research excluded companies those did not disclose their governance practices according to the CG Code guidelines and those that did not provide sufficient information as per the research objectives. Content analysis was employed to analyze the informative value of CG Code voluntary disclosures. An assessment guide for determining the compliance score for 137 guidelines in total was created by the researcher based on the modified Likert 5-point scale. A weighted average was then used to determine the total score for each principle based on the number of sub-principles.

Lastly, this study focuses on audit quality, which is measured by the ratio of audit fees divided by total assets. The study does not specifically analyze other aspects of audit quality that may be attributable to the type of audit firm, such as Big4 and non-Big4, as well as auditor characteristics such as audit skills, knowledge, experience, relationships between the auditor and the auditing company, the number of affiliated companies, and the number of companies need to be audited that assign to the auditor. These details, which have been found in previous research or related studies, might affect audit fees.

1.6 Definition of Terms

	Variable	Definition
1.	Corporate Governance Code (CG Code)	Weighted average total CG score of firm i divided by full CG score based on the “Corporate Governance Code for listed companies 2017”, which comprised 8 principles, totaling 137 guidelines and explanations.
2.	Audit Quality (AQ)	Proportion of company annual audit fees to total assets.
3.	Firm performance (TBQ)	The market-based firm performance that was measured by the Tobin’s Q ratio. The formula for Tobin's Q ratio is the sum of market value of equity and book value of debt divided by total book value of assets.
4.	Control variables	There are 4 control variables: (1) Firm size (FS) - net of company total assets, (2) Firm leverage (FL) - the ratio of total debt divided by total assets, (3) Profitability (PROFIT) - the ratio of profit (loss) before tax divided by total assets, and (4) Investment (INVEST) - the ratio of property, plant and equipment divided by total assets

1.7 Contribution of the Study

This study investigated the effect of CG Code voluntary disclosure on market-based firm performance and the moderating effect of audit quality on the relationship between CG Code voluntary disclosure and firm performance. The study results contributed to the literature that the effect of CG Code voluntary disclosure on firm performance was positively significant. When examining the moderating role of audit quality, the findings show that audit quality has a positive and significant moderating role on the effect of CG Code voluntary disclosure on firm performance.

The study also found that higher audit quality of the contracted accounting auditor enhances firm performance. The positive effect of CG Code on firm performance is stronger when audit quality increases. Specifically, the positive impact of CG Code on firm performance increases only when the audit quality is reflected in average and above-average audit fees ratio. In contrast, CG Code has no significant effect on firm performance when audit quality is below average. This study highlights the importance of voluntary disclosure in line with CG Code principles in the long-term aims to reflect transparency and ethical conduct within business operations, thereby enhancing investors’ confidence in developing Thai capital and global financial markets. It is essential to recognize the value of auditing work and collectively establish auditing fees according to the standards of good auditing practices. This ensures a fair balance between the auditor's responsibilities and the remuneration or risk they receive, motivating efficiency in auditing, and trustworthy financial reporting.

1.8 Research Framework

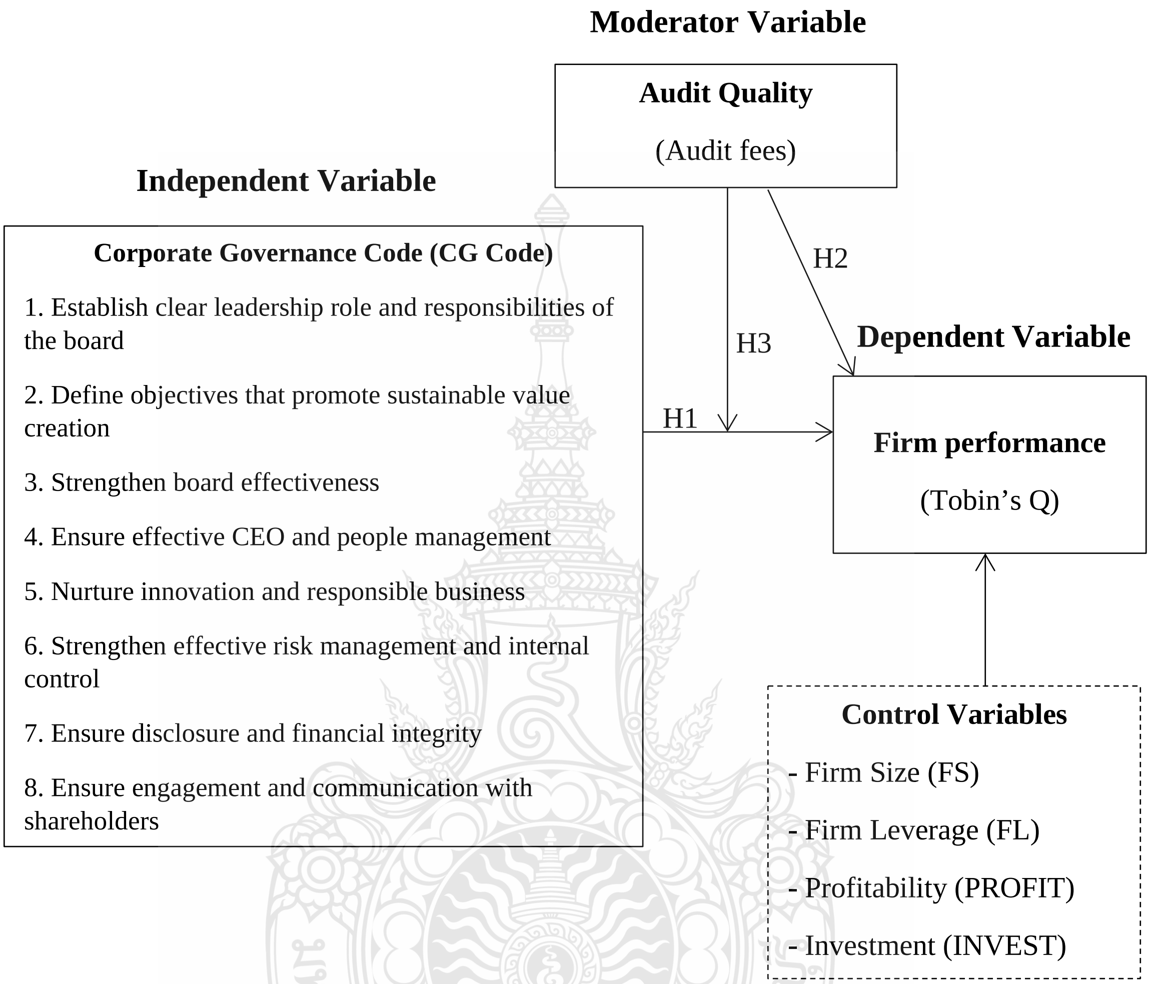


Figure 1.1 Shows the conceptual framework of this research

Based on the conceptual framework in Figure 1.1 and the above hypotheses, the three statistical models are proposed as follows:

Hypothesis 1: CG Code has a positive effect on firm performance.

$TBQ_i = \beta_0 + \beta_1\ CG\ Code + \beta_2 FS_i + \beta_3 FL_i + \beta_4 PROFIT_i + \beta_5 INVEST_i + \varepsilon_i$ **(1)**

Hypothesis 2: Audit quality has a positive effect on firm performance.

$TBQ_i = \beta_0 + \beta_1 AQ + \beta_2 FS_{i_i} + \beta_3 FL_i + \beta_4 PROFIT_i + \beta_5 INVEST_i + \ \varepsilon_i$ ……**(2)**

Hypothesis 3: Audit quality moderates the impact of CG Code on firm performance.

$$TBQ_i = \beta_0 + \beta_1 CG\ Code_i + \beta_2 AQ_i + (\beta_3 CG\ Code_i \times AQ_i) + \beta_4 FS_i + \beta_5 FL_i + \beta_6 PROFIT_i + \beta_7 INVEST_i + \varepsilon_i \quad \textbf{(3)}$$

1.9 Organization of the Study

The first chapter is the research introduction. It includes the research background, research objectives, research questions, research framework, research scope, definition of research objects, and research results. The second chapter is literature review and related research theory introduction. The third chapter is research methodology, including sample selection, data collection, variable measurement, research tools and research models. The fourth chapter is research results. Descriptive statistical analysis, correlation test, multicollinearity test, multiple regression analysis and Hayes's regression-based analysis were conducted to test the hypotheses and answer research questions. The fifth chapter is the research conclusion and recommendations. Summarizes the main findings of the study and discusses the study results and presents academic contributions and implications for practice, as well as pointing out limitations of the study and directions for future research.

CHAPTER 2
REVIEW OF THE LITERATURE

This research aimed to explore the informative value of the CG Code voluntary disclosures on firm performance and the moderating role of audit quality. The researcher studied the relationship between the level of compliance with the CG Code, firm performance and audit quality, which was measured by audit fees as a moderator. In this chapter, the explanation was divided into 4 major areas: related theories; concepts of CG Code, firm performance, audit quality; linkage literature review and research hypotheses development; and concept of control variables as follows:

2.1 Theoretical Explanation of the Study

2.1.1 Agency Theory

2.1.2 Stakeholder Theory

2.1.3 Signaling Theory

2.1.4 Auditor-inspired Confidence Theory

2.2 Concepts of the Study

2.2.1 Corporate Povernance and Corporate Governance Code (CG Code)

2.2.2 Firm Performance

2.2.3 Audit Quality

2.3 Linkage Literature Review and Research Hypotheses Development

2.3.1 Relationship between Corporate Governance and Firm Performance

2.3.2 Relationship between Audit Quality and Firm Peformance

2.3.3 Relationship between Corporate Governance, Firm Performance and Audit Quality

2.4 Concept of Control Variable

2.1 Theoretical Explanation of the Study

2.1.1 Agency Theory

The theory of agency establishes the relationship between principal (e.g. shareholders of a company) and agent (e.g. company directors). In accordance with this theory, the company hires an agent to act on its behalf. The company assigns a director or manager as its agent to act on behalf of shareholders. Shareholders expect the agent to perform their duties and make decisions with a view of maximizing the benefits of the principal. Conversely, the agent is not necessarily required to make decisions for the maximum benefits of the principal. The agent may succumb to behavior that is detrimental to the principal, seize opportunities, and undermine customer expectations. The key feature of the theory of the firm is the separation of ownership and control. The theory states that individuals or employees have responsibilities for their work and responsibilities of their own. Rewards and punishments can be used to align the incentives of agents. The theory of the firm is rooted in economic theory by Alchian and Demsetz (1972) and further developed by Jensen and Meckling (1976). The agency theory is defined as the "relationship between the principal and the agent," such as shareholders and representatives, such as executives and managers of the company. The agency theory is based on the assumption that the role of the organization is to maximize the wealth of the owners or shareholders (Blair, 1995). However, the theory explains that everyone in the organization is motivated by self-interest, which often conflicts with the interests of each party. Therefore, when managers or executives see this direction as beneficial only to themselves, they will try to find ways to create maximum value for the company. The theory of agency is generally used to separate ownership and control. Although this theory provides impartial assessments, it does not eliminate or even reduce the undesirable behavior of the company. In reality, the agency theory can be used to examine the relationship between ownership and management structure. Therefore, good corporate governance should be used to maintain the benefits of the organization and reduce conflicts between managers and shareholders. Agency theory Jensen and Meckling (1976) describes the relationship between two groups of people. The first group is called the Principal, who agrees to give the resources and rights to manage the resources that they have to the second group, called the Agent. The Agent will manage and ensure the Principal receive the highest returns and the Agent will receive compensation from that work. This theory considers that everyone in an organization has a motivation for personal interest, for which the interests of each party tend to have conflicts of interest. Therefore, the management or executives will try to find approaches to create the maximum value for the company only if they consider that the approach benefits themselves. In this case, they may not consider whether or not such approach would bring the greatest wealth to the owners of the company. Therefore, company executives often choose accounting methods that help maximize their wealth or interest, which creates the concept of earnings management. According to the Mc Colgan (2001) study the causes of conflicts between the principal and agent which can be identified as follows:

1) Moral-Hazard is the conflict arising from the management, which is an agency and managed by taking into account the personal interests rather than the interests of shareholders. For example, the management or the management's family use company resources for personal use, so those resources are not used in activities that generate revenue for the company.

2) Earnings Retention is the conflict related to the firm size as measured by the company's retained earnings. Management will utilize the retained earnings by applying the internal capital structure policy (internal retained earnings) rather than finding external sources of credit (creditors) to reduce management oversight from third parties. Applying such capital structure will reduce the return of shareholders in the form of dividends.

3) Time Horizon is the conflict caused by the investment period. The shareholders will focus on the future cash flow of the company, while the management will focus on the cash flow of the company only during the time that they manage. Therefore, the management tend to invest in short-term projects rather than long-term projects, even if those projects provide higher returns. Such problems often occur to senior executives who are almost retired.

4) Risk Aversion is the conflict that caused by management’s risk tolerance behavior. While the management compensation does not depend on the company's performance, the management receives only salary compensation, which is a fixed salary. Therefore, the management always chooses to invest in low-risk projects as the management will not get the additional benefit from the project, even it is successful with high returns. Projects with high returns will also have a high risk as well. If management fails, it will affect their job positions. While shareholders like the management who decide to invest in projects with high risk because they will receive high returns that may increase

wealth for the shareholders themselves. Jensen and Meckling (1976) discuss two types of agency conflicts as follows.

1) Conflict between shareholders and management. The management will try to find a way to create the highest value for the business only if it is determined that it provides benefits for himself. The hypothesis behind the agency theory is that business owners or shareholders and management or executives have conflicts of interest. Management or executives make the most benefit of themselves, regardless of whether or not such behavior will bring the greatest benefit or wealth to the owner. Such inefficiency in the operation can reduce ownership and management power by inappropriate way of the executives, which is borrowing from external sources to control the executives. Jensen and Meckling (1976) argued that borrowing can reduce ownership and management power because borrowing requires cash to be paid for both principal and interest over time specified in the contract. This is a factor that will reduce the cash flow of the business; therefore, management is unable to use the remaining cash flow from operations to spend in an inappropriate way. In addition, the use of funds from liabilities still has the risk of bankruptcy costs, so executives do not want to take too much risk.

2) Conflict of interest between shareholders and creditors. The theory explains that in businesses with a lot of external borrowing, companies tend to invest in high-risk projects. This is because high-risk projects often have high returns. When the project is completed, the creditor will receive interest in return, which is the rate specified in the contract. Therefore, any remaining profits from investing in high-risk projects will belong to all shareholders. On the other hand, if the project fails, the creditors will have to share the losses because the company will not be able to repay the creditors and may have to negotiate a debt restructuring, reducing the value of the creditors.

A key problem of management is to inspect agents' operations, which is difficult because of the high cost and time-consuming. An approach that shareholders can inspect the management is that shareholders have the power to determine the direction of the company's operations through voting at the shareholders' meeting. In addition, there is one associated mechanism which is the acquisition mechanism. With the fear of being overthrown, the management must work with more responsibility. Since the board is a representative of the shareholders, the board of directors must manage the company with care and honesty as a shareholder representative. Moreover, the board must also be loyal and fair to take into account the interests of shareholders rather than personal benefit. The Securities and Exchange Commission has provided guidelines for the Board of Directors which are: 1) Fairness, 2) Transparency, and 3) Accountability.

2.1.2 Stakeholder Theory

The stakeholder theory integrates management responsibilities with the diverse interests of stakeholders, and emphasizes that managers in organizations have a network of relationships to serve, including suppliers, employees, and business partners. This theory focuses on management decision-making and the real value of all stakeholders' benefits and costs, without any one group dominating over the others. During the 1980s to 1990s, the stakeholder theory transformed the shareholder view of Friedman (1970) which believed that maximizing shareholder financial outcomes was the ultimate concern of a company. The stakeholder theory presented by Freeman (1984) emphasized the organizational responsibility to all types of stakeholders. This theory arose from the growing need for corporate social responsibility in the context of societal changes from industrial to post-modern, post-capitalist, post-structural, and post-traditional societies. The new economy features complex and profound changes in all aspects, with significant impacts on society and the environment, which are essential to corporate social responsibility (Borlea, 2013). This theory of corporate governance based on maximizing the interests of all stakeholders has proved to be the most efficient in history, not only because it conducts to the economic success of the company, but also because it works to achieve a competitive advantage due to gain people's trust and consequently a goodwill on the market. This idea is based on the theory of stakeholders and managers who work to maximize the value of the company to avoid being indifferent to the social benefits of their shareholders. The coordination of these benefits has been certified by the corporate governance system. The theory of corporate governance that holds the highest benefits of all stakeholders has been proven to be the most effective in history, not only because it leads to the economic success of the company, but also because it works to achieve a competitive advantage through the benefits received by people. The resulting trust and popularity in the market (European Commission, 2005; Borlea, 2013). The proponent of the theory suggests that managers in an organization have a network of relationships to serve, including suppliers, employees, lenders, and other business partners. Therefore, the audit are responsible for accounting for the different gains and losses of these stakeholders, as they rely on their opinions regarding financial decision-making. The stakeholder theory is praised for being able to overcome the narrow perspective that the sole purpose of a company is to maximize economic value for shareholders (Eshitemi & Omwenga, 2016). As stakeholders may have a direct or indirect impact on the organization's operations, the quality of audit provides information on how well these stakeholders are represented. Therefore, decision-making by these stakeholders based on the quality of audit available at a high level can impact the company's performance (John et al., 2019).

The development of stakeholder theory is based on the Barnard (1983) conceptual framework in The Functions of the Executive, which provides a positive perspective on managers in supporting social responsibility. Later, Freeman (1984) supports that managers must satisfy people who influence company outcomes, including employees, customers, vendors, inputs, organizations and local communities. Therefor it states that stakeholders are groups and individuals that may affect / or be affected by the success of the organization's mission. This is consistent with Post, Preston and Sachs (2002) defines stakeholders as individuals or groups that make impact or those impacted by organizational decisions, policies and practices. That is to say, the Stakeholder theory has the idea that executives should not only pay attention to stakeholders within the organization, but should also support social responsibility. And from a wider company perspective, stakeholders are groups that do not have a right to operate the business. Freeman (1984) defines stakeholder theory as group or individual that is able to impact or influence the actions of a company. Stakeholders of the company include shareholders, creditors, employees, customers, sellers, public groups that receive mutual benefits.

Freeman has developed stakeholder theory for corporate planning and structure for corporate policy and social responsibility models for stakeholder management. The company's planning and structure of its business policy based on stakeholder theory will focus on the development and evaluation of corporate strategy decisions to encourage the company to continue its business operations. Different behaviors of stakeholder groups have been taken into consideration in the strategy development plan and the corporate resources and environment management to achieve the best fit. This is consistent with the research of Gray, Owen and Adams (1996), which describes the dynamics of stakeholder theory that the first change is directly related to the model of accountability. That is, the reciprocal relationship between an organization and its stakeholders can be seen from the foundations of society in relation to obligations and responsibilities. Therefore, the objectives and goals of the organization are the models of how they represent accountability. Secondly, stakeholder theory will be applied strictly in the organization. That is, the organization gives importance to the stakeholders because the organization believes that each group wants to have a relationship management in order to maximize the benefit of the organization. In other words, the more important the stakeholder for the organization, the more organization will try to manage the relationship. Corporate information, whether financial information or social responsibility information, is an important component that organizations can use to manage their stakeholders.

2.1.3 Signaling Theory

Signal theory is a theory that describes the behavior of two parties, the sender and the receiver, originated in 1973 by Michael Spence, the theory of signal transmission explains how the success or failure of signal management is communicated to the owner. The theory of signals related to data asymmetry. A positive aspect of signal transmission theory is that companies providing good information can separate themselves from those that do not have "good news" by informing the market about their condition. This is a signal of future efficiency for companies with a financial history. Poor performance will not be trusted by the market. The theory of signal transmission is one of the main theories in understanding financial management. Generally, signals are interpreted as signals that companies (management) send to external parties (investors). These signals can be in various forms that can be directly observed or studied in depth to be understood. Without considering the format or type of signal that is issued, they are all intended to indicate something with the hope that the market or external parties will change the valuation of the company. That signal must have the power of data (information content) in order to change the external party's valuation of the company.

The relationship between signal theory and the financial performance of a company is that increased disclosure will provide positive signals to various parties interested in the company (stakeholders), such as shareholders and investors. The more information that is transmitted to stakeholders and shareholders, the more information they will have about the company. This creates confidence among stakeholders and shareholders, which is demonstrated by the acceptance of the company's products to increase profits and return on equity (ROE). In economic and financial literature, the signal theory aims to provide clear evidence of the internal conditions of a company and trends in the future that are better than those of external individuals such as investors, creditors, government or even shareholders. In other words, a company has an advantage in controlling information compared to external individuals who have a stake in the company. When one party has too much information while the other party does not, it is called an imbalance of information (Dewiyanti, S.E., M.Si., Ak., CA., CSRA, & Cert.DA, 2021).

2.1.4 Auditor-inspired Confidence Theory

Wallace (1980) identified three assumptions to explain the need for auditing, which are the assumptions of stewardship, information, and insurance. The best explanation of these assumptions using agency theory, which explains the relationship between the company's management (agent) and its shareholders (principal), is that the agent can better represent the principal because he has more information about the company's value. This is also known as information asymmetry and can lead to conflicts of interest between shareholders and management, prompting managers and outside investors to hire reputable auditors. The audit function increases the credibility of information by giving users more confidence in the information, which helps them make decisions. Although external auditing cannot be expected to eliminate information asymmetry, it can reduce its impact on a company's value. The lending credibility theory is another theory based on public perception. The central issue of this theory is the addition of credibility to financial statements as well as the reduction of information asymmetry. Stakeholders need a guarantee for a "fair representation of the economic value of the firm" (Ecaterina, 2007).

Auditors' Inspired Confidence Theory developed in the Netherlands by the Limperg Institute in 1985, recognizes the auditor as a confidential agent whose function is derived from the need for expert and independent examination, as well as the need for expert judgment supported by the audit work. This theory establishes a link between the users' need for reliable financial reports and the audit work's ability to meet those needs. As a result, auditors must plan and carry out their audits in such a way that the risk of undetected material misstatements is kept to a bare minimum. The auditor is required to conduct his work in a way that does not betray his trust. The main significance of this theory is that the auditor's duties and responsibilities are derived from the public's confidence and trust in the audit's success and the auditor's assurance (Dewiyanti et al., 2021).

2.2 Conceptual of the Study

2.2.1 Conceptual of Corporate Governance Code (CG Code) in Thailand

Since the 1997 economic crisis that occurred in Thailand, which has continued to cause damage to the capital market, it has seen the urgent need to recover the Thai capital market; therefore, the Master Plan for capital market development was established. In the conference, representatives from the private sector and government agencies have provided many useful ideas. One of the key measures that the meeting paid special attention to was creating good corporate governance in the capital market in listed companies, in intermediary institutions, as well as in regulators. Later, the government officially announced the year 2002 as the starting year of good corporate governance campaign. The government has established the National CG Committee. This committee has a policy for various departments to promote good corporate governance and organize corporate governance as a National Agenda. Finally, at the beginning of 2004, Thailand participated in the World Bank's Corporate Governance Assessment Program. It is intended for both domestic and international investors to be well informed about the development of corporate governance regarding the supervision of the Thai capital market. The Office of the Securities and Exchange Commission acts as a liaison between representatives of Thai banks and various agencies involved in the capital market. The criteria used by the World Bank in assessing Thailand are based on the OECD Principles established by the Organization for Economic Co-operation and Development.

"Corporate Governance" has other names that may be heard in various contexts, such as Good Governance or Good Corporate Governance or Corporate Governance or CG. All have the same meaning that company management is efficient, transparent, and accountable and takes into account all stakeholders. In the case of a publicly listed company, the importance of CG is clearly evident. Since a large number of people, who are shareholders, are unable to closely manage the company, they have to appoint a trusted person to be a director in order to take care of the company's management. Confidence and trust given to the agent is a result of good governance. That is to say, the director must do their utmost to protect the interests of the company and the shareholders, not to use the position to seek benefits or take advantage of the company, supervise the management and the executive to work efficiently so that the shareholders receive worthy return on investment given to the company. At the same time, it has to give shareholders the right to know the company information, make important decisions, including inspect the work of directors and executives. Corporate governance is beneficial to both the company and the capital market as a whole. Benefits to the company include being able to raise funds at an appropriate cost, having a reasonable financial cost, and helping to reduce production costs resulting in being competitive. Benefits to the overall capital market include boosting confidence, increasing purchasing demand, increasing liquidity and price levels, which are beneficial to the company's fundraising (Securities and Exchange Commission, 2018).

The international standard for corporate governance, which is used as the norm in many countries, is the OECD Principles of Corporate Governance. The Stock Exchange of Thailand is aware of the importance and benefits of good corporate governance. In 2006, it proposed good corporate governance principles to listed companies which are comparable to the OECD's corporate governance principles. Later in 2012, it was revised again to comply with the ASEAN Corporate Governance Scorecard, which is divided into 5 sections as follows.

1) Rights of Shareholders. The criteria in this section describes the protection of shareholders' rights and facilitates shareholders to exercise their rights in various matters

that they deserve. The criteria in this section therefore considers the company's practices regarding the rights of shareholders, such as whether or not the directors' remuneration was approved by the shareholders every year; whether or not the voting for the director's election allowed the shareholders to vote individually, etc.

2) Equitable Treatment of Shareholders. The criteria in this section gives importance to equitable treatment for all shareholders, including minority and foreign shareholders. Minority shareholders should be protected from exploitation, whether directly or indirectly, by a controlling shareholder. This section therefore focuses on the guideline to protect the rights of such shareholders. For example, whether or not the company gives shareholders the right to vote in one share per one vote; whether the company has a process or channel for small shareholders to participate in the selection and appointment of directors or not, etc.

3) Roles of Shareholders. The criteria in this section gives importance to the rights of the stakeholders of the company, whether they are legal rights or mutual agreement. It recognizes that the relationship and good cooperation between the company and the stakeholders are the factors that will help the company to grow sustainably. For example, the company should have a clear, concrete policy regarding the supervision of safety, welfare and employee benefits, and disclose the practice to the public; the company should clearly specify and disclose the concrete policy regarding fair customer treatment and responsibility to the public, etc.

4) Disclosure and Transparency. The criteria in this section gives importance to accurate, complete and timely disclosure of important company information. Important information includes financial situation, operational performance, shareholding structure, and corporate governance. For example, the company should disclose the shareholding structure by completely clearly describing major shareholder and minority shareholder proportion; disclosure of financial situation and operational performance should be an analytical explanation regarding financial situation and operational performance, significant changes, as well as factors that cause or affect financial situation and operational performance, etc.

5) Board Responsibilities. The criteria in this section gives importance to the role of the board of directors in guiding the company's operating direction, monitoring of

management operations and showing accountability of the Board of Directors towards the company and shareholders. For example, the board of directors should clearly specify the directors' tenure in the corporate governance policy of the company, etc.

The Thai capital market has used good corporate governance principles set by the Stock Exchange of Thailand as an important mechanism for enhancing CG in listed companies from the beginning to the present, which has achieved great success. In the initial stage, the Stock Exchange of Thailand issued 15 CG principles and subsequently developed into Corporate Governance Principles, divided into 5 sections according to the OECD Principles used at that time. In order to encourage listed companies to comply with the said good corporate governance principles, the Office requires listed companies to disclose information in Form 56-1 regarding compliance on the "Comply or Explain" regulation, which is also used in developed countries such as the United Kingdom, Germany, the Netherlands and other countries.

The beginning of corporate governance in accordance with the "Comply or Explain" regulation came from Cadbury (1992), the first person who wrote the UK's financial governance guidelines. However, he often emphasized that his report was not a comprehensive approach to corporate governance, but rather a financial focus. However, he made proposals related to the audit committee, committee level, committee remuneration, recruitment committee, with external independent directors, separating the chairman from the chief executive officer, and reporting performance to the public whether or not the company has complied with the rules, and the reason for the part that cannot be done. Since then, the corporate governance principles under the "Comply or Explain" have become a requirement of the Stock Exchange covering almost all listed companies around the world. Although, throughout the past years, there have been many revisions to corporate governance to suit the situation of each country, most companies around the world still voluntarily accept Cadbury's 'Comply or Explain' corporate governance principles because they believe it is the best practices of the board quality leadership standards and effectiveness, responsibility in the compensation and investor relations Process (Bob & Chris, 2016).

The development of good corporate governance is often a response to the failure of corporate or economic unrest. Therefore, over the past three decades, many countries have become stricter with corporate governance. This can be observed from the rapid changes that occur in economy, society, politics, culture and technology, which is not just in Thailand but around the world and affecting each other. People can see the rapid development in technology, the transition from analogue to the digital world, emergence and becoming a world leader of IT development companies.

In addition, we also see the economic downturn in the United States, the impact of Greece's economic crisis, the emergence of Eurozone group, the use of European Currency Unit, the growth and potential of leading industries in China and India, news of factory opening and closing of a world-renowned company to find cheaper resources, and so on. This reflects the changes that have occurred over time. Its dynamic is so fast and so intense that many people cannot catch up. Opportunities and threats occur all the time with companies, whether they are players in the national market, the regional market, or the players in the world market. It results in each organization having to adapt to survive and to gain advantage and market opportunities, as well as to escape failure from the current situation. Therefore, in order for the company to be competitive, with good long-term performance, convincing for shareholders and people around, to enable the company's sustainable growth, the board and the management of the organization therefore need to cope and adjust their operations to be more suitable for today's business world. In 2013, Finland's Nokia, known as one of the world's most successful companies, announced Nokia takeover. During a press conference to announce Nokia was being acquired by Microsoft. Nokia's CEO, Ziyad Jawabra, ended his speech saying this "we didn't do anything wrong, but somehow, we lost".

Corporate leaders must have a superior vision of managing risks and change. They must be strong enough to quickly stand up from failure and lead the organization to move forward steadily, must be able to communicate effectively with people in the organization to gain mutual awareness of the importance of dealing with external changes. Importantly, corporate leaders must have the potential to create a corporate culture to operate on change, be flexible to adapt to the uncertainty, and they must make the risk assessment and analysis of potential impacts become Part of normal daily work, because in today's world economic wars and uncontrollable environmental factors directly affect the company. However, what is more concern than external risks are internal risks or corruption and internal fraud. One example of a bankrupt company due to its weak corporate governance is Parmalat bankruptcy. It was found that there was a suspicious financial management, a loosening audit process, and the failed corporate governance in Parmalat caused by a conflict of interest of its owners and managers. This has caused criticism about the efficiency of corporate governance in Europe, because previously there was a giant European corporation that has experienced financial problems caused by administrative peculiarities. Same as the collapse of Enron, investigations show that overall corporate governance in Enron was very weak, especially the board's ability, the board's moral qualities, because these committees were involved in fraud activities, which were considered the real reason for corporate governance failure (Rezart, 2016).

Satyam bankruptcy, a scandal in 2008 when the CEO made a letter of confession to shareholders about account enrichment. At one point, the letter stated that “the concern was the poor performance would result in a takeover, thereby exposing the gap. It was like riding a tiger, not knowing how to get off without being eaten.” The confession ended the world's 4th largest software company in the blink of an eye, with widespread debate about how it is possible because Satyam won the 'Golden Peacock Award' in 2008 as a world-class CG company. From the analysis of the main reasons, it was found that unethical business practices, questionable roles of the committee and defective ownership structure resulted in other significant regulatory defects, therefore Satyam permanently was closed (Singh, Naveen & Shigufta, 2010; Gupta and Sharma, 2010; Rezart, 2016). The failure of corporate governance of Ricoh India was caused by account forgery and violation of accounting principles, which led to the loss of 11.23 billion rupees. This made Noboru Akahane, the new president of Ricoh India, who just took the position in 2016, recognize good corporate governance. He focused on the overall picture of the corporate governance structure, the role of the board of directors, the audit committee and the external auditor, explored the relationship between sustainability reporting and transparency in the disclosure of company financial information, understood the management and supervision of a subsidiary company by a multinational company, and recognized how to response to the crisis situation.

Lehman Brothers, the 158-years-old company, the world's financial power, closed down after huge lost from investing in real estate loans. The failure of Lehman

Brothers caused a sub-prime crisis in America 25,000 people lost their jobs immediately. It was said that the major weakness of this event was the Board of Directors. The president and CEO, Richard, S. was heavily condemned for his disqualification and was accused of his mismanagement due to his overly confident and stubbornness.

Geoffrey and Gavin (2005) provided information about the failure of corporate governance in 4 categories relating to the structure of the committee, namely 1) strategic failure, 2) control failure, 3) ethical failure, and 4) interpersonal relations failure. He said it was worth the time that these committees should improve themselves in line with good corporate governance to reduce strategic failure, control failure and dishonesty. It could help the board to diagnose problems before the crisis, as the committee should demonstrate their leadership and control because they were the top leaders in the organization. Due to problems of social, economic, political, technological change and the world’s environmental degradation, in addition to good CG, international organizations, investors and stakeholders also have claimed the companies for increased social and environmental responsibility. Building confidence among investors and stakeholders by using good corporate governance principles based on 'Comply or Explain' alone is not enough for today's business world as both the business sector and investors expect wealthy and sustainable earnings. Although there are many proofs confirming the importance of corporate governance both in the form of research and articles and confirming the positive benefits arising from the implementation of corporate governance, the gap of corruption through corporate governance policies still exists. Therefore, considering the company's overall image by only using CG scoring as a measure of credibility alone is not enough because the integrity of the board and management are important as well.

In addition, although the existing CG Scoring in Thailand has been continuously improved and in particular the ASEAN CG Scorecard which has an increased score every year, one issue that the listed companies are still not doing well is the responsibility of the board concerning stakeholders and their focus on the society, technology and environment, while these are considered to be more concentrated in a global context.

Therefore, in order to have better standards of corporate governance and rapid growth, listed companies must change CG to respond to the changes, which is the principle for business growth by creating sustainable and comprehensive business values in all dimension. International organizations, investors and stakeholders also have claimed the companies for increased social and environmental responsibility. Building confidence among investors and stakeholders by using good corporate governance principles based on 'Comply or Explain' alone is not enough, the board of directors must have more good governance.

Recognizing the abovementioned changes, the Securities and Exchange Commission of Thailand has issued good corporate governance principles under the “Apply or Explain” measure, also known as Corporate Governance Code (CG Code) under the context and suitability for Thailand specifically for the Board of Directors that has been integrated from the of good corporate governance principles year 2012 under the context and suitability for Thailand. The board of directors can use their discretion to consider and apply the principle appropriately for the benefit of sustainable business value creation, not just comply with the regulatory requirements. The CG integrates social and environmental issues into business processes, from determining strategic directions, operational processes, monitoring and reporting, ensuring long-term business performance, creating reliability for investors, stakeholders and people around, for the benefit of creating sustainable business values as the expectations of business sector, investors and capital market and society as a whole (Securities and Exchange Commission, 2018).

Figure 2.1 The CG Code principle

In summary, CG Code is a practice guideline for the Board of Directors by aiming for the business to have good operating results with regard to long-term continuity responsibility to shareholders and stakeholders, society, environment as well as adaptable under various changes, which the leadership roles of the committee were as follows.

(1) Defining objectives business goals that are going to create sustainable business values.

(2) Proceeding towards achieving the target by having a committee that achieves its objectives, supervise and develop executives and personnel to have competence along with promote innovation and responsible business practices.

(3) Tracking and disclosing information by ensuring that there is an appropriate internal control system and risk management, maintaining financial reliability and disclosure as well as participation and communication with shareholders.

2.2.2 Overview Concept of Firm Performance (Tobin's Q)

Due to the system of responsibility management, supervising and overseeing business operations is crucial. When shareholders, the board of directors, and company executives take responsibility for their actions, everyone can be confident that they are accountable. There are no clear examples of poor business oversight more striking and egregious than the case of Enron. The American energy company's reputation suffered because of poor business oversight. The management used hidden accounting methods to conceal what was essentially theft from the company. Incorrect figures were passed on to the board of directors, who did not communicate this information to shareholders. This resulted in shareholders being unaware that the company's debt exceeded what Enron could repay. The accounting scandal caused them to pay a high price. Several lawsuits were filed against Enron's executives, the company went bankrupt, and employees lost billions in pension funds. The importance of good business oversight cannot be overstated. Without it, companies may face the risk of collapse and shareholders may suffer significant losses.

The objective of corporate governance is to facilitate efficient operations, comprehensive management, and long-term success for the company. Business supervision is a system in which companies are regulated and controlled. The board of directors is responsible for supervising their own company. The benefits of business supervision include increased transparency, accountability, and strategic planning, which are necessary for most organizations operating in highly competitive markets. Good governance helps companies operate for maximum business benefit, especially by improving efficiency, stability, and effectiveness, unlocking new opportunities, reducing risk, and promoting growth that is faster and safer. In addition, it can also improve reputation and promote trust.

Corporate governance is the system by which companies are directed and controlled, as well as the purpose for which they are directed and controlled. It specifies who has power and accountability, as well as who makes decisions. Essentially, it provides tools for both the board and management to run a company more effectively. Good corporate governance entails effectively supervising a company's management in order to protect its integrity, achieve more open and rigorous procedures, and ensure legal compliance. Finally, it should foster positive relationships with stakeholders such as shareholders and employees. Thus, the four Ps of good corporate governance are people, process, performance, and purpose. According to signaling theory, a good company will purposefully signal the market, and the market is expected to be able to distinguish between good and bad companies. A market-capable signal is one that can be captured and perceived. The quality of a company is demonstrated through good corporate governance, which will then provide a signal by delivering the financial statements as well as the corporate governance information achieved by the company in a specific time period.

A good company's signal is considered good news, whereas a bad company's signal is considered bad news. Dividends and capital gains are two types of returns that investors seek, and according to the residual theory of dividend, a company establishes a dividend policy after all profitable investments have been funded. After all profitable investment proposals have been funded, the dividend paid is a residual. Companies that are still in the early stages of development will need a significant amount of money to expand their operations, and one source of funds to use is profit. If the company uses profit during its business expansion, the amount of dividend distribution will be reduced. According to Bender and Ward's data 2009 companies in the growth phase usually set a relatively small dividend payout ratio compared to fully grown companies (Suhadak, Kurniaty, Handayani, & Rahayu, 2019). It is difficult to deny that good corporate governance has become increasingly popular in the past decade. This concept has not only gained widespread popularity but also high status. Firstly, good corporate governance is one of the key factors that lead to a company's growth, success, long-term profitability, and winning in global business competition. Secondly, the economic crisis in Asia and Latin America is believed to be caused by a failure in implementing good corporate governance practices (Suhadak et al., 2019).

Ranti (2013) said that many literatures have linked corporate governance to the company's performance, resulting in a variety of findings. Good corporate governance can attract certain types of investors as well as influencing the price they will pay for the stock. Premium investors around 11% to 16% in the United States are willing to pay for shares of companies with good governance, showing that improved corporate governance will provide more return to investors. Andreou, Louca and Panayides (2014) studied the relationship between corporate governance and financial management decision-making, such as excess management and best alternative investment in the shipping industry. They also considered factors related to company performance in their research. Finally, they proposed measures for corporate governance, such as being an internal business owner, board size, having a board of directors, the proportion of board members serving on other company boards, and CEO overlap related to financial management decision-making and company performance. Gupta and Sharma (2014) surveyed the impact of corporate governance practices on company performance in India and South Korea. They attempted to prove that improved corporate governance would lead to better company performance. The results showed that corporate governance practices set effective limitations for both stock prices and financial performance of companies.

Koerniadi, Krishnamurti and Tourani-Rad (2014) analyzed the practices of corporate governance and the volatility of stock returns. The research found that various aspects of corporate governance such as board composition, shareholder rights, and disclosure practices are related to a decrease in risk levels, among other factors that are stable. Many researches exposed that the important of corporate governance as follows. Shuling Chiang et al., (2017) a good corporate governance results in higher quality of revenue as it is an important signal of the organization's success in attracting investors. Outa and Waweru (2016) found that adhering to corporate governance principles is related to financial performance and value added of the company. Pankaj (2017) pointed that good corporate governance not only promotes company activities and enhances the ability to access external funding sources, but also promotes the creation of business value and control systems to respond to risk events.

Sang-Woo and Chong (2004) studied Corporate Governance in Asia: Recent Evidence from Indonesia, KDI School of Public Policy and Management (Korea), Thai Institute of Directors Association and the Malaysian Institute of Corporate Governance, which shown that Tobin’s Q measured all of the country from the study (except Korea) have a median value equal to 1, while Korea has a median value of Tobin’s Q less than 0.8 but has a high rate of return on assets. It shows that the market value of Korea is lower than it should be. This may be due to poor or insufficient corporate governance and the results of this study supported Limpaphayom and Connelly (2004) shown that a good corporate governance score results in better organizational performance (measured by Tobin’s Q). This is consistent with the researcher's aim of conducting a study to explore whether improvements to good corporate governance in accordance with the CG Code would also affect firm performance measured by Tobin’s Q. Objectives of the CG Code as explained by the Stock Exchange of Thailand as a guideline for the Board of Directors who is the leader or person in charge of the organization applied in the supervision for the business to have good performance in the long run reliable for shareholders and people around them for the benefit of creating sustainable value for the business, meets the expectations of the business sector, investors, as well as the capital market and society as a whole. The board should supervise the business to reach to governance outcome (Corporate governance code for listed companies, 2017). Ngatno et al., (2021) stated that corporate governance (CG) goal is to balance interests between shareholders and other stakeholders in the company. This is a management approach to reduce conflicts of interest and increase investor trust, goodwill, shareholder wealth and investment opportunities.

Chancharat and Kumpamool (2022) found that working capital has positive impact on the firm financial performance and conclude that working capital of the firm increases the Tobin’s Q. Mirela and Marius (2021) found that corporate governance practices on performance is significant and positive relationship to Tobin’s Q. Farooq, Noor and Ali (2022) look into the governance and performance relationship in the context of critical firm characteristics, and found that corporate governance (CG) appears to have a positive impact on accounting returns and market indices (Tobin’s Q).

This study aims to assess how the principles of CG Code influence firm performance and to apply the conclusions from the study for improving corporate governance in Thailand. The study would like to explore the relationship between the CG Code that describes the roles and responsibilities of the board of directors towards the company's performance whether corporate governance in accordance with the CG Code guidelines is good or more practices would enhance the firm performance measured by Tobin’s Q.

2.2.3 Overview Concept of Audit Quality

The development of economies of various countries is identified in the form of investment activities, which depend on the financial status of the countries (Anvarkhatibi, Safashur, & Mohammadi, 2012). Financial statements are therefore an important tool in making investment decisions. However, in order to provide transparent information and eliminate ambiguity, the disclosure of financial information must be transparent. Audit reports serve as a means of communication between auditors and decision-makers (Moradi, Salehi, Rigi, & Moeinizade, 2011).

Augustine (2014) suggests that audit quality guidelines and standards were best practices developed in various countries to reduce the collapse of the organization. Most of these practices showed regulatory support for ensuring and maintaining the integrity of the auditor's report relating to the company's revenue and financial statements. Audit quality (AQ) was first defined by DeAngelo (1981) as the market-assessed joint probability that a given auditor discovers a breach in the client's accounting system and reports the breach. Based on the study to determine whether or not the audit quality has a significant influence and the relationship with the market price per share of the company in Nigeria, Augustine (2014) found that the audit quality has a significant influence on the market price per share of the company.

European Supreme Audit Institution (EUROSAI) extended the definition of audit quality in 2004 to include the level at which the set of inherent characteristics of an audit meets the requirements. Therefore, the audit process will assess the probability of material misstatement and reduce the possibility of misstatement at an appropriate level. (Watts and Zimmerman,1986; Knechel, 2009). Audit quality is recognized as having an influence on financial reporting and has a huge impact on investor confidence (Levitt, 1998). External auditors therefore have an important and challenging role in ensuring the reliability of financial reports (Mautz & Sharaf, 1961; Wallace, 1987). According to Al-Attar (2017) investors, brokers and dealers make investment decisions after evaluating the financial information disclosed by the company. They rely on the audit report to ensure that the information is fair, so the audit report is a creative source for investment decisions on the company's shares (Anvarkhatibi et al., 2012). The audit report is the product of the inspection process, so the quality of the inspection process will affect investment decisions when the inspection report is used as an important source of information when making investment decisions. Such influence is indicated in the share prices of listed companies, as the change in stock prices is a reflection of changes in investment decisions made by investors and other interested parties (Moradi et al., 2011). Financial information disclosed in the financial statements is normal for all investors, therefore increased confidence helps reduce deviations in investor valuation. Therefore, most investors use the audited data and find that the audit has a significant influence on the trading volume and the return of the company's shares (Al-Attar 2017; Chen, Srindhi, & Xijia, 2014).

Audit quality is a complex and multi-faceted concept. The classic definition of audit quality referred to by most researchers is based on DeAngelo (1981), which specifies audit quality as follows. (a) Find a violation in the client's account system. (b) Report a violation. Emphasizing two key areas of audit quality: (1) the ability of the audit firm to determine how much it is possible to detect the misrepresentation of information, and (2) independence and impartiality of the auditor regarding the misrepresentation of information that has been detected. This definition is quite useful for studying audit quality. According to DeAngelo (1981), audit quality is the probability that auditors will find and report errors about misrepresentation or omissions in the client's financial statements.

Davidson and Neu (1993) stated that audit quality is the accuracy of the auditor's report and added the definition of audit quality as the auditor's ability to inspect and eliminate material misstatements and management of reported net profits. A key point about the definition of audit quality is to distinguish audit firm’s quality from audit quality. Many studies do not make this difference, but make the concepts interchangeable. However, under certain conditions, the definition of audit firm’s quality and audit quality may be used interchangeably. Based on the basic assumptions in the definition of DeAngelo (1981), when an auditor serves only one level of audit quality, the audit firm’s and the audit quality may be similar and consistent (Clarkson, 2000; Colbert & Murray, 1998). According to David et al., (2018), the auditing of financial statements acts as a mechanism to control the inequality of information and protect the interests of different complainants by ensuring that the financial statements are audited. The auditor helps reduce the danger of material misstatement by preparing financial statements in accordance with predefined standards. The dangers reduced by misrepresenting information will increase confidence in the stock market, which will help reduce the cost of capital for the company (Hoti, Ismajli, Ahmeti, & Dermaku, 2012). Standards makers and operators are able to increase the efficiency of public companies by publishing standards that help ensure audits improve financial information excellence, as internal and external financial users are interested in the audit excellence.

According to David et al., (2018) explained that signaling theory is of the opinion that companies with good performance send signals to the market through financial disclosure. Financial statements audited by reliable auditors signal to the market that financial statements are more reliable than those audited by unreliable auditors. There is concern about the truth of the reported revenue and the relationship with the audit process due to the failure of the organization. Therefore, the question of whether the failure of these organizations and the fluctuations in stock prices may result from a poor audit process. The quality of the audit process should have a great influence on the reported revenue and have a great influence on investor confidence.

There has been less research on the potential audit fees consequences of audit market concentration. Early studies on the audit market in the United States conclude that it is characterized by price competition, for example, show that the market shares of market-leading audit firms erode over time in non-regulated industries, implying that the audit market is driven by price competition. The level of audit market concentration in the United States is explained by a model of undifferentiated price competition address the association between market concentration and audit fees over a narrow scope covering insurance companies authorized to do business in the state of Wisconsin between 1982 and 1986. Their findings suggest that higher levels of market concentration led to higher levels of price competition (i.e. lower audit fees) (Joshua, Brett, & Paul, 2019).

Xin Ye (2020); Shipman and Ryan (2021) explained that the more reputable an accounting firm is, the higher their audit fees will be. The more rigorous the audit, the more reliable the information will be. Companies are willing to pay premium audit fees to prestigious accounting firms to avoid the risk of significant reporting errors that could damage the company's reputation. Reputable firms have to increase the factors in the audit, which leads to increased audit costs. The quality of the audit increases as the amount of insurance premiums paid to the auditor increases. This positive relationship is strong at both the organizational and firm levels.

The study of Shubita (2021) recommend that company executives be aware of the importance of entering into a contract with large and reputable accounting firms.

These firms have greater capabilities in improving efficiency and selecting employees, which makes them better prepared for the efficient and effective audit process. It has been found that the theory of confidence, which inspires confidence in the assessors, supports the primary importance of the responsibilities and accountability of the assessors, based on the public's confidence and trust in the success of the auditing and certification that they receive from the accountants. The confidence that society has in financial reporting disappears when the audit process fails to meet social expectations, leading to a loss of relevance in the audit process (John et al., 2019).

Audit fees reflect efficiency and skills and the reliability experience of auditors needed by large companies to be able to report financial report results professionally. This reputation is matched by the company's accurate and transparent financial position and risk management, which has been certified by an auditor make shareholders and investors have confidence in investing. Altogether, the researcher's perspective supports previous research findings that factors affecting audit fees include company size, company risk, business complexity, the credibility of the organization, good corporate governance assessment results, tangible fixed assets, business liquidity, the ratio of non-current liabilities to total liabilities, and nature of the audit firm; these factors affect firm performance. It common for companies to pay higher audit fees to reflect their financial status and for long-term credibility through highly skilled auditors as well as provide expert advice. Audit fees are the aggregate amount in monetary terms received for a particular audit service. Audit fees are amounts paid to auditors for an audit assignment. It reflects the cost of the efforts expended by the public accountants and risks of litigation, which can be viewed as the sum payable to the auditor and the audit services offered to the client. Audit fees may vary depending on the risk assessment, the complexity of services provided, level of expertise required to perform such services, the related cost structure of the CPA firm and other professional considerations. Auditor fees are the compensation to auditors for the services they rendered to a client, and such services include statutory audit and non-statutory services known as management consultancy services. Audit fees are the collection of costs incurred by the auditor for conducting the audit (audit effort) and the expected present value of possible future losses to the client's stakeholders that may result from this period audit of financial statements. They further stressed that these loses arise from litigation and loss of reputation and therefore, the higher the expected losses from being involved with the audit, the higher should be the fees. It was observed that audit risks, client size, and audit complexity were among factors that influence the audit fees (Ngatno et al., 2021).

Xin Ye (2020) and Carcello et al. (2002) found that the structure of governance of the board has a significant positive relationship with audit fees, as well as a significant positive relationship with independence, diligence, and professionalism of the board. Khalil and colleagues conducted an empirical study on audit fees of registered companies in Canada and found that the separation of powers into two parts has a positive relationship with audit fees (Khalil, Magnan, & Cohen,2011.). Beasley and Petroni (2011) found that the proportion of independent directors is significantly positively related to audit fees in studying the relationship between corporate governance structure and audit fees. A possible reason is that organizations with higher proportion of independent directors also have a higher demand for quality auditing. Therefore, when selecting a business firm, they tend to choose those with higher reputation, and audit fees will also increase accordingly. However, Jiang and Zheng (2012) studied the relationship between the separation of two powers and the audit fees, and found that when the chairman and the general manager is the same person (CEO duality), the audit fees will become higher. The reason for the difference may be due to a relatively complete system of separating powers, which increases the demand of companies for higher quality audits. Therefore, audit fees will increase. However, the power separation system in China is not complete. When these two powers are combined into one person, the role of the board of directors' supervision and control will decrease. Therefore, accountants will need to improve their risk control estimation during audits, which will increase audit fees. Li, Wang and Yin (2017) found that the professionalism of the audit committee is conducive to reducing the audit fees of registered companies. The power of the CEO can interfere with the efficient display of the professional role of the audit committee and negatively impact the audit fees. Additional research found that compared to state-owned enterprises, the power of the CEO of non-state-owned enterprises can further reduce the negative impact of the professionalism of the audit committee (Li et al., 2017). Yang (2015) chose data from the chemical industry to study the relationship between corporate governance, political relevance, and audit fees; it was found that the size of the independent board, the diligence of the audit committee, and audit fees in the corporate governance structure have a significant positive correlation.

Antonio (2014) elaborated several articles have been written about the cost of audit fees (Moutinho, Cerqueira, & Brandao, 2012). Since Simunic (1980) developed a model to determine the process by which audit fees are set, other empirical studies with the goal of defining audit fee pricing have been published. Our goal here is to use Tobin's Q, capital intensity, and sales growth to propose the model as audit and non-audit fees in relation to other variables, as done by Francis (1984). Audit fees reflect the time spent performing the service (Moutinho et al., 2012) which is related to the size of the client company because larger companies have more data to examine (Hallak and Silva, 2012). As a result, the size of the client company influences the cost of audit services (Palmrose, 1986). Antonio (2014) discovered that increases in audit and non-audit fees raise and lower Tobin's Q, respectively. In other words, audit fees have a positive impact on Tobin's Q for the Brazilian firms, whereas consulting fees have a negative impact on the metric.

Ye (2020) explained the more reputable an accounting firm is, the higher the cost of auditing their accounts. The higher the quality of the auditing service, the more reliable the information becomes. Companies are willing to pay higher fees for auditing services from more reputable accounting firms to avoid the risk of significant reporting errors that can impact the company's reputation.

The hypothesis of this review shows that registered companies are willing to pay higher fees for auditing services from high-quality accounting firms. Therefore, the auditing fees will increase as the factor of quality assurance in auditing increases.

In the review of the foregoing literature, we used the audit fee as the audit quality because the audit fees represents the total audit quality. The conclusion from the above is clear that the quality of auditing greatly influences the quality of financial reports held by shareholders, stakeholders, or investors used to make decisions to assess the performance status of the business. The quality of auditing is reported in various forms, both in the past and present. The quality measures come from various sources, including the size of the accounting firm, the qualifications of the auditor, skills, experience, reputation, or even independence. In this research, the quality of auditing is summarized through the term "audit fees" as to whether it is reasonable for businesses to invest in auditing expenses in exchange for the quality of the audit. The term "you get what you pay for" is used to determine whether high quality is possible at a higher cost.

2.3 Linkage Literature Review and Research Hypotheses Development

2.3.1 Relationship between Corporate Governance and Firm Performance

The Agency Theory is a theory that studies the method of designing contracts that can stimulate rational agents to operate on behalf of principals when the agent's benefits conflict with the principal's benefits (Jensen & Meckling, 1976). If both parties (owners and agents) have conflicting benefits, where the agent does not operate according to the owner's benefits, this conflict can be reduced by the agent's cost. This means the total cost of control and supervision by the owner through the board of directors, institutional rights, and public rights in terms of dividend payments and supervising stock prices for organizational issues. The concept of good corporate governance is expected to be a tool for building investor confidence that they will receive returns on their investments. (Suhadak et al., 2019).

Morck, Randall, Andrei, Shleifer and Vishny (1998) state that good corporate governance involves the method of controlling managers by investors to provide benefits and act honestly in managing the company's resources. According to Saif (2012), states that every country in the world has its own rules and regulations. For instance, some countries may have laws, standards, or social norms. Gulzar and Wang (2010) state that good corporate governance is important for business continuity and sustainability. Corporate governance will provide transparency in responding to different stakeholders, such as business partners, customers, and creditors. The main objectives of corporate governance are to promote responsibility, transparency, fairness, and disclosure, which are fundamental values for the success of every business. According to Yasser (2011) statement, the word "Governance" comes from the Greek word "kybernan," which means leadership or governance. The meaning goes beyond governance, referring to the relationship between provincial governors in a democratic system and various institutions, such as the government and the public. In other words, decision-making power is transferred to individuals for the common benefit of the country, which clearly reflects the goals and objectives for the future.

Fremond and Capaul (2002) defined corporate governance as "the property rights of shareholders". They argued that "Property rights are complex rights" and these depend on the company's profits and distribution. Thus, corporate governance is a way to protect the rights of investors or shareholders and they will receive appropriate returns. It will also help reduce the risk of being exploited. Shaheen and Nishat (2005) considered corporate governance as a guideline and business management of a company that operates with the final objective to increase shareholder wealth.

The rights of shareholders are different in different companies and the increase in shareholder rights has a higher company value. Gompers, Ishii and Metrick (2003) mentioned that a corporation is like a republic. The final power is with the shareholders, these shareholders choose the committee that assigns most of the decisions to the manager. The relationship and sharing of power between investors and managers are determined by corporate governance. On the contrary, a higher company value will result in a higher share price. This relationship should promote practices that protect shareholders from self-interest management by providing incentives for executives to manage the company for the long-term interests of shareholders (Daily, Dalton, & Canella, 2003). However, in practice, the directors tend to be more loyal to their employees than the shareholders (Khan, Nemati, & Iftikhar, 2011).

Many empirical studies have tested the relationship between corporate governance and firm performance. For example, Ngatno et al. (2021) explained that the goal of corporate governance (CG) is to balance interests between shareholders and other stakeholders in the company. This is a management approach to reduce conflicts of divisions and increase investor trust; stable goodwill, shareholder wealth and investment opportunities. According to Chancharat and Kumpamool (2022), working capital has positive impact on the firm financial performance and conclude that working capital of the firm increases the Tobin’s Q. Mirela and Marius (2021) found that corporate governance practices on performance is significant and positive relationship to Tobin’s Q. Pankaj (2017) pointed that good corporate governance not only helps promoting the company’s activities and increasing the ability to access external financial resources, but also encouraging the company to create business value and control systems in responding to risk events. According to Outa and Waweru (2016) found that compliance with corporate governance principles relates to the company's financial performance and value-added, thus good corporate governance ensures that the organization's board of directors meets regularly, maintains control over the business, and has clear responsibilities. In addition, it guarantees a strong risk management system. Corporate governance is a fundamental foundation of good business. It promotes strong and effective decision-making through processes, practices, and policies. In addition, it is also the first line of defense in preventing allegations of misconduct or neglecting organizational duties. The Oxford University Press Business English Dictionary defines corporate governance as "the way in which the board of directors and managers control a company and make decisions, especially decisions that have a significant impact on shareholders. As we can see, good corporate governance is never a necessity in managing a company to success. Reports on corporate governance take various forms, including regulatory compliance, meeting reports, audits and accounts, and reports for investors. Creating and maintaining these reports is important in all countries where operations are conducted (Young, 2022). Thus, its shows that having a good corporate governance system, resulted in an organization being able to create more value. In addition, corporate governance helps increase the growth of private companies. Many studies show that good corporate governance affects access to external funding. Changes in the global economy, both in the context of society and the environment, have led to a systematic review of corporate governance at the national level. Countries that are in external financial need to have a robust and effective corporate governance system for their ability to raise funds. Thailand's failure to attract external funds from most foreign investors may be due to weak investor protection or economic and political instability, resulting in investors lacking confidence. For this reason, Thailand places great importance on good corporate governance principles in terms of structure, relationships and practices in order to create transparency, accountability of the board, which is a very important factor for listed companies in which the public is a shareholder, including other interested parties, investors, and related parties.

Therefore, the board of directors must supervise the operations of the management and executive to achieve the company's goals and be responsible to the shareholders with greater attention to the global context. Therefore, Thailand has developed the corporate governance code as a Corporate Governance Code (CG Code) in order to build investor confidence in a comprehensive way. The content of the CG Code covers the requirements and objectives of the integrated company, ranging from society, environment, technology, stakeholders, in order to build credibility and disclose operational transparency, provide evidence confirming the effectiveness of the company and the sustainability of the company through the operations of the board for investors, stakeholders. The previous research about CG and Tobin’s Q in Thailand from Sang-Woo and Nam (2004) studied Corporate Governance in Asia: Recent Evidence from Indonesia, KDI School of Public Policy and Management (Korea), Thai Institute of Directors Association and the Malaysian Institute of Corporate Governance shown that Tobin’s Q measured all of the country from the study (except Korea) have a median value equal to 1, while Korea has a median value of Tobin’s Q less than 0.8 but has a high rate of return on assets. It shows that the market value of Korea is lower than it should be.

The study of Limpaphayom and Connelly (2004) shown that a good corporate governance score resulted in an organization's better performance (measured as Tobin’s Q). This is consistent with the researcher's aim of conducting a study to explore whether improvements to good corporate governance in accordance with the CG Code would also affect firm performance measured by Tobin’s Q. Kouwenberg (2006) examined the impact of voluntary corporate governance initiatives on the value of the company in the context of emerging markets of Thailand in 2002, based on the "Comply or Explain" corporate governance approach. The results show that a one standard deviation increase in a firm-level code adoption index is related to a 10% increase in firm value in the period 2003-2005. The conclusions of empirical studies on voluntary code adoption in developed markets - typically finding no significant impact on firm value - cannot simply be extrapolated to emerging markets. Salterio, Steven and Yan (2014) examined whether or not companies leverage the flexibility of information disclosure system based on "Comply or Explain" approach to properly apply governance practices for the company’s value creating requirement according to the company's economic theory. The research results showed that audit measures have a positive relationship with the company's value and higher operational efficiency. In addition, the inspection results found that companies applying “Comply or Explain” approach not exercise discretion in avoiding improving the company’s corporate governance compliance. It is concluded that “Comply or Explain” approach provides tangible financial benefits to shareholders in terms of company value and higher return on investment in shareholders' shares. Rose and Caspar (2016) found a positive link between the ROE / ROA and the corporate governance of Danish companies under “Comply or Explain”

Thanjunpong (2015) examine the corporate governance, earnings management and tax planning which had impact on firm value of listed companies in the Stock Exchange of Thailand, the result found that good corporate governance had positive direct and indirect effects on performance (measure by Tobin’s Q).

The Thai capital market used good corporate governance principles set by the Stock Exchange of Thailand as an important mechanism for enhancing CG on the "Comply or Explain" principle, which is used in the same way as developing countries such as the United Kingdom, Germany, the Netherlands and other countries from the beginning until being successful. However, Changes in the global economy, both in the context of society and the environment, have led to a systematic review of corporate governance at the national level. Thailand has therefore developed its corporate governance into "Apply or Explain" or the Corporate Governance Code (CG Code) as studied in this research. In order to verify the confirmation from the literature review on the relationship between corporate governance and firm performance, whether the increased company value, firm performance or fluctuations in Tobin’s Q; it is a study of the conclusions of the literature on the relationship of corporate governance under the "Comply or Explain" approach. Currently, Thailand has applied Corporate Governance by “Apply or Explain” (CG Code) approach and it is found that there is no empirical research in Thailand regarding this matter. Therefore, this research is interested in studying the relationship between corporate governance under the "Apply or Explain" approach or CG Code and firm performance to examine whether they are related or not and in what direction. It can be developed hypothesis as follows:

Hypothesis 1: CG Code has a positive effect on firm performance.

Table 2.1 Summary of relationship between corporate governance and firm performance

Title	Authors	Purpose	Methods	Results
Corporate Governance in Asia: Recent Evidence from Indonesia, Republic of Korea, Thailand and Malaysia	Nam, Sang-Woo and Nam II Chong (2004)	To investigate corporate governance in Asian countries using Tobin's Q	- Sample of 307 Indonesian, Korean, Thai, and Malaysian companies listed on their respective stock exchanges, -Variables are corporate governance and Tobin's Q. - Regression analysis	The governance score and Tobin's Q have a significantly positive relationship. Good corporate governance under democratic principles also affects the performance of companies measured by Tobin's Q.
Does Voluntary Corporate Governance Code Adoption Increase Firm Value in Emerging Markets? Evidence from Thailand	Kouwenberg (2006)	In an emerging market context, investigate the impact of a voluntary corporate governance initiative on firm value	- Use a diverse sample of 320 publicly traded companies - Ownership concentration, CG policy, stock market capitalization, sale growth and financing, growth opportunities are examples of independent variables and Tobin's Q is dependent variable - Data collected from Annual report - Regression Analysis	During the years 2003-2005, one of the standard deviation values in the index of accepted company codes increased by 10% in line with the increased company value.
Corporate Governance, Earnings Management and Tax Planning which had impact on Firm Value of Listed Companies in the Stock Exchange of Thailand	Thanjunpong (2015)	examine corporate governance, earnings management and tax planning which had impact on firm value of listed companies in the Stock Exchange of Thailand	- 652 samples from Thailand Stock Exchange were used -Independent variables included CG, EM, TP; dependence variable is firm value - Data were 2011-2012 Annual reports - Multiple Regressions Analysis	The research findings indicate that good corporate governance has a positive impact on the firm value (Tobin's Q).

Table 2.1 Summary of relationship between corporate governance and firm performance (Cont.)

Title	Authors	Purpose	Methods	Results
Moderating effects of corporate governance mechanism on the relation between capital structure and firm performance	Ngatno, Apriatni and Youlianto (2021)	Investigate the role of corporate governance in moderating the relationship between capital structure and firm performance	-A total of 506 units were sampled from micro financial institutions (rural banks) - Mechanism for independent corporate governance - Data were secondary data in the form of financial reports as of the end of 2019 - multiple linear regression analysis and moderation analysis	Based on the analysis of screening, the size of the board of directors is the only factor that can strengthen the relationship between capital structure and company performance.
Corporate governance and financial performance: evidence from Romania	Mirela Oana Pintea, et al. (2021)	To assess the impact of adopting corporate governance principles on the financial performance of companies listed on the Bucharest Stock Exchange (BSE)	-An econometric analysis was carried out to estimate the impact of the authors' corporate governance indicator on financial performance, as measured by Tobin's Q, return on equity (ROE), economic value added (EVA), and total shareholder returns (TSR). - Regression Analysis	Tobin's Q has a positive correlation with corporate governance practices.

Table 2.1 Summary of relationship between corporate governance and firm performance (Cont.)

Title	Authors	Purpose	Methods	Results
Working capital management, board structure and Tobin's Q ratio of Thai listed firms	Chancharat, Kumpamool (2022)	investigates whether the integration of working capital management (WCM) and the board structure of a firm affects its Tobin's Q ratio	- 319 Thai listed firms; independent and dependent variables included capital management, board structure, and Tobin's Q ratio – Data were firm-year observations from 2010 to 2019. -To address endogeneity, the two-step generalized method of moments (two-step GMM) model is used.	When company executives pursue an aggressive working capital policy and the corporate board has a diverse structure, the Tobin's Q ratio of the company will increase.

2.3.2 Relationship between Audit Quality and Firm Performance (Tobin's Q)

The economic development of various countries is specified in terms of investment activities which depend on the financial situation of the company (Anvarkhatibi et al., 2012). Therefore, financial statements are an important tool for investment decisions. However, for this purpose, the transparency of the information disclosed in the financial statements is therefore quite necessary to make the information transparent and to eliminate ambiguity. The audit report will act as a communication medium between the investigator and the investment decision maker (Moradi et al., 2011). Augustine (2014) stated that the audit duality guidelines and standards were best practices developed in various countries to reduce the collapse of the organization. Most of these practices showed regulatory support for ensuring and maintaining the integrity of the auditor's report relating to the company's revenue and financial statements. Audit quality was first defined by DeAngelo (1981) as the market-assessed joint probability that a given auditor discovers a breach in the client's accounting system and reports the breach. Based on the study to determine whether or not the audit quality has a significant influence and the relationship with the market price per share of the company in Nigeria, Augustine found that the audit quality has a significant influence on the market price per share of the company.

European Supreme Audit Institution (EUROSAI) extended the definition of audit quality in 2004 to include the level at which the set of inherent characteristics of an audit meets the requirements. Therefore, the audit process will assess the probability of material misstatement and reduce the possibility of misstatement at an appropriate level (Watts and Zimmerman, 1986; Knechel, 2009). Audit quality is recognized as having an influence on financial reporting and has a huge impact on investor confidence (Levitt, 1998). External auditors therefore have an important and challenging role in ensuring the reliability of financial reports (Mautz & Sharaf, 1961; Wallace, 1987). According to Al-Attar (2017), investors, brokers and dealers make investment decisions after evaluating the financial information disclosed by the company. They rely on the audit report to ensure that the information is fair, so the audit report is a creative source for investment decisions on the company's shares (Anvarkhatibi et al., 2012). The audit report is the product of the inspection process, so the quality of the inspection process will affect investment decisions when the inspection report is used as an important source of information when making investment decisions. Such influence is indicated in the share prices of listed companies, as the change in stock prices is a reflection of changes in investment decisions made by investors and other interested parties (Moradi et al., 2011). Financial information disclosed in the financial statements is normal for all investors, therefore increased confidence helps reduce deviations in investor valuation. Therefore, most investors use the audited data and find that the audit has a significant influence on the trading volume and the return of the company's shares (Al-Attar, 2017; Chen et al., 2014).

Chen, Li and Zhang (2018) mentioned that the audit serves as an important mechanism which provides reasonable assurance that financial statements will be presented fairly according to GAAP, can reduce data imbalances and alleviate agency problems between management and shareholders. Audit quality has therefore been the main focus of most audit research over the past decades, since financial reporting depends on the quality of the auditor. Chen, et al. (2018) conducted a study examining the impact of audit quality on stock price delays, as high-quality auditors certify high-quality financial reports. Although many researchers examined that the audit quality has a significant relationship with the firm performance, many other researchers found that it does not correlate with the company's firm performance. For example, Al-Thuneibat, Bedalqader, Baker and Ata (2011) found that there were conflicts regarding the impact of the auditor's position on the audit quality. They found that the relationship of the audit firm with customers and the size of the organization has a significant influence on the audit quality, while the higher auditor's position adversely affects the audit quality. When extending the auditor's operational period, the audit quality will decrease due to the growth in the scope of the accrual at the discretion. To increase the quality of the audit and the independence of the auditor, the organization should circulate the audit firm so that the audit can be done with care. Improving audit quality is important for companies to maintain investor confidence in financial performance.

Sayyar, Rasid and Elhabib (2015) used a sample of 542 listed Malaysian companies to assess the impact of audit quality on firm performance. The study uses audit fees and audit firm rotation as proxies for audit quality, and return on assets (ROA) and

Tobin’s Q as measures of firm performance. Regression analysis was used to examine the data. According to the findings, audit quality (audit fee and audit firm rotation) is both significantly and negatively related to ROA (performance). Aledwan, Yaseen and Alkubisi (2015) investigated the impact of audit quality on the financial performance of Jordanian listed firms. The study was descriptive in nature, and the research was conducted using the correlational and ex-post facto designs. Multiple regression analysis with SPSS was used to analyze the data and test the hypotheses. Their findings show that auditor size and independence have a significant impact on the financial performance of Jordan's listed cement firms. However, auditor independence has a greater impact on financial performance than auditor size.

Almomani (2015) investigated the impact of external audit quality features on improving the quality of accounting profit of Amman stock exchange in listed manufacturing firms. Indicators of audit quality, audit office size, auditors' fees, period of customer retention, type of auditor's opinion, and specialization in client's industry were used to measure audit quality, with profitability as a proxy variable to express earnings quality. Using a sample of 45 firms and data from 2009 to 2013, the study used a multiple linear regression method, and the results show that auditor's fees have the most significant effect on earnings quality, which in turn improves the quality of accounting profits, which is a measure of financial performance (John et al., 2019).

Hua et al. (2016) examinined the impact of the quality of auditing and financial reporting standards of companies on the financial success in Malaysia. This study has conducted a sample survey of construction companies registered in the Malaysian stock market from 2010 to 2013. The data in this research were collected from the published annual reports. Cooperation between companies and established accounting firms was used as a representative of audit quality, and the return on assets was used as a performance indicator of the companies. The general least squares regression model was used to test the correlation between interesting variables in the study. The study found that complying with financial reporting standards, disclosure of related information, and ensuring audit quality of companies have a positive correlation with financial performance. The study measured audit quality from two perspectives: the size of the company and financial performance, which includes return on assets and return on equity. These findings are consistent with other studies (John et al., 2019).

Listed companies are more willing to pay higher-than-average audit fees to reputable accounting firms; listed companies are willing to pay higher audit fees for high-quality audit services provided by high-quality accounting firms, so audit fees rise. the duties and responsibilities of accountants come from the confidence and trust of the public in the success of auditing and assurance by accountants. Management of the company realize the importance of contracting with audit offices of large size and good reputation because these offices are more capable of increasing their efficiency, qualifying their employees, and thus be fully prepared for the audit process efficiently and effectively; the higher the quality of audit services, the more reliable the information provided to the users of statements. For clarity whether the quality of the audit quality will actually affect the firm performance, especially in companies listed on the Stock Exchange of Thailand, where social, political and economic changes are considered to have a direct influence on company. As a developing country, the confidence of the audit is so essential that investors cannot ignore. For this purpose, the researcher chose to use audit quality as a moderator to oversee the relationship between CG Code and firm performance to confirm that listed companies in Thailand give priority on the audit quality.

Audit quality in this research refers to the audit quality of the qualified audit firm. It refers to the quality of audits in which the auditor has used the ability, skills, expertise, advanced consulting and experience in auditing financial reports for the company to build credibility and confidence among users of financial reports. According to Davidson and Neu (1993), the key point about the definition of an audit quality is to distinguish the quality of an audit firm from the quality of the audit. In this research, it was defined the meaning of audit quality as the quality of audits involve auditors applying a rigorous audit process and quality control procedures that comply with laws, regulations and applicable standards. Interactions among stakeholder plays an important role in supporting high-quality financial reporting and the way in which they interact may affect audit quality. The major proposition of this study is that firm performance (Tobin’s Q) of companies depends on audit quality (audit fees) (Geng, Zhang, & Zhou, 2019).

Hypothesis 2: Audit quality has a positive effect on firm performance.

Table 2.2 Summary of relationship between audit quality and firm performance

Title	Authors	Purpose	Methods	Results
Audit Quality and market pricing of earnings and earnings components in China The impact of audit quality on the share prices of quoted companies in Nigeria	Okolie and Izedonmi (2014)	Determine whether audit quality has a significant impact on and is related to company market value per share in Nigeria.	-From 2010 to 2013, construction firms listed on the Malaysian Stock Exchange were the sampled. Least Square Regression Model is used to assess audit quality and return on assets as a measure of firm performance.	Audit quality has a significant impact on market price per share (MPS).
The impact of audit quality on firm performance	Sayyar, Basiruddin, Rasid and Elhabib (2015)	Investigate the impact of audit quality on Malaysian firm performance	Audit quality was proxied by audit fees and audit firm rotation, while firm performance was measured by return on assets (ROA) and Tobin's Q. - Regression analysis	Audit quality (audit fees and audit firm rotation) is significantly affected Tobin's Q and negatively related to ROA.
The impact of external audit quality features on enhancing the quality of accounting profit of listed manufacturing firms at Amman stock exchange	Almomani (2015)	Audit quality indicators that improve accounting profit quality	-Using a sample of 45 businesses from 2009 to 2013 -Variables: audit office size, auditor fees, customer retention period, type of auditor's opinion, specialization in client's industry, profit quality -Multiple linear regression analysis	Auditor's fees have the greatest impact on earnings quality, which improves the quality of accounting profits, which is a measure of financial performance.

Table 2.2 Summary of relationship between audit quality and firm performance (Cont.)

Title	Authors	Purpose	Methods	Results
Practicing FRS and audit quality support financial success of construction firms in Malaysia..	Hua, Hla, and Isa (2016)	Examine the impact of audit quality and FRS practices of firms on their financial success.	- Sample companies listed on Bursa Malaysia stock market 2010-2013 -Variables: practices of FRS,proxy for audit quality, and return on assets is used as a measure of firm performance. -To assess the level of compliance with the regulations and provisions of the Financial Reporting Standard (FRS) in Malaysia, - OLS regression analysis	The results also indicate that audit quality has a significant positive impact on business financial success. The management of listed construction firms improve their practices of FRS and employ the service of established audit firms in support of financial success.
The impact of auditing on stock prices of Amman Stock Market's Listed Companies	AI-Attar (2017)	To investigate the impact of auditing on stock prices of listed companies on the Amman Stock Market	- A sample of 233 finance managers from Amman stock exchange listed companies. -Variables: audit quality and stock price -Data was gathered from finance managers of Amman stock exchange-listed companies -Descriptive analysis, factor analysis, and structural equation modeling.	Audit quality improves the firm's financial performance, which is reflected in stock prices.

Table 2.2 Summary of relationship between audit quality and firm performance (Cont.)

Title	Authors	Purpose	Methods	Results
Perceived audit quality, state ownership, and stock price delay: evidence from China	Chen, Dong, Li and Zhang (2018)	Investigate the effect of audit quality on stock price delay and whether it differs between two types of Chinese firms: state-owned enterprises (SOEs) and non-state-owned enterprises (NSOEs)	- 15,019 firm-year samples from 2001 to 2011. - Variables include stock price delays, auditors from big4 and non-big4 states, and ownership - Database of China Securities Markets and Accounting Research - Descriptive statistics, cross-sectional analyses, and regression analysis	Firms with Big 4 auditors experience less stock price delay, whereas high-quality auditors play an important role in the price formation process because there is less stock price delay and the audit quality of international Big 4 auditors is perceived to differ from that of domestic Big 4 auditors.
Effect of audit quality on market price of firms listed on the Nigerian stock market	Ugwunta, Ugwuanyi and Ngwa (2018)	Investigates the impact of audit quality on the share prices of Nigerian oil and gas companies	- The study's population consists of all firms listed on the Nigerian Stock Exchange in the oil and gas sector. - Variables include audit size, audit independence, auditor industry specialization, auditor tenure, audit committee composition, and share price. - Data: Annual Report and Sampled Account - Regression Analysis	The audit committee composition has a significant positive relationship with share prices. While auditor type (BIG4/NON-BIG4), auditor independence, and audit committee composition all have a positive and significant relationship with share price.

Table 2.2 Summary of relationship between audit quality and firm performance (Cont.)

Title	Authors	Purpose	Methods	Results
Effect of audit quality on firm performance: A review of literature	Ivungu.et al. (2019)	To conduct a literature review on concepts, theories, and empirical studies related to audit quality and firm performance	Examine the available literature on concepts, theories, and empirical studies related to audit quality and firm performance	According to the literature, audit quality has a positive impact on firm performance.
Literature review on influencing factors of audit fees	Ye (2020)	Accounting firms' perspectives on the impact of audit fees and the impact of customers' feedback	This paper investigates the impact of audit fees from the perspective of accounting firms and the impact of customers' perspectives on audit fees to sort out the relevant literature on audit fees in these two aspects, with the hope of providing reference value for the study of audit fees.	The impact of accounting firms, firm reputation, customers, earnings management, internal control, and corporate governance on audit fees was discovered in the literature.

Table 2.2 Summary of relationship between audit quality and firm performance (Cont.)

Title	Authors	Purpose	Methods	Results
The impact of audit quality on Tobin's Q: Evidence from Jordan	Shubita (2021)	The purpose of this study was to determine the impact of auditing quality on the market value of manufacturing companies listed on the Amman Stock Exchange (ASE).	The panel data approach was used in the study to analyze cross-sectional data for 41 industrial companies, which included time series data for the period (2009-2019). This study hypothesizes that audit quality increases market value by providing high-quality services. The fixed-effect model was used in the study to test its hypotheses.	According to the study, the company's management should recognize the importance of contracting with audit offices of large size and good reputation because these offices are more capable of increasing their efficiency, qualifying their employees, and thus being fully prepared for the audit process efficiently and effectively.

2.3.3 Relationship between Corporate Governance Code, Firm Performance and Audit Quality

Financial report is vital to the audit. The principles of information disclosure are aimed at ensuring the supply of relevant, reliable and sufficient information, which allows stakeholders to make rational decisions. In particular, investors need to have audited financial reports to make investment decisions and assess the risks and expected returns from their investments. Audit is a reasonable assurance to shareholders, the financial statements prepared by the management must be free from material errors. (Watts & Zimmerman, 1986).

The economic development of various countries is specified in terms of investment activities which depend on the financial situation of the company (Anvarkhatibi et al., 2012). Therefore, financial statements are an important tool for investment decisions. But for this purpose, the transparency of the information disclosed in the financial statements is therefore quite necessary. To make the information transparent and to eliminate ambiguity, the audit report will act as a communication medium between the auditor and the investment decision maker (Moradi et al., 2011). In general, the auditor is involved in assuring the reliability of financial statements. Dehkordi and Makarem (2011) expected that the audit quality will increase the ability of the corporate governance components to create more efficiency. Fremond and Capaul (2002) defined corporate governance as "Property Rights of Shareholders". They argued that "Property rights are complex rights" and these depend on the company's profits and distribution. Corporate governance is a way to protect the rights of investors or shareholders and they will receive appropriate returns. It also helps to reduce the risk of being exploited. While Shaheen and Nishat (2005) considered corporate governance as a guideline and business management of a company that operates with the final objective to increase shareholder wealth.

Mohamed and Elewa (2016) examine the reasons behind the use of good corporate governance mechanisms. The most widely agreed reasons are lower capital costs, better efficiency, and treatment for all stakeholders. The past economic and financial crises have demonstrated the importance of corporate governance.

Triole (2001) mentioned that the primary objective of corporate governance is to ensure that large-scale corporate societies are managed properly so investors can be confident that their funds are in the right place. Dahawy (2008) reported that corporate governance is very useful for developing countries. Corporate governance can help these countries achieve a higher level of economic growth, build confidence in the country's economy and the ability to raise savings, while corporate governance can play an important role to increase investment rates and protect the rights of individual shareholders or individual investors. Investors can improve their future performance predictions, reduce risk and uncertainty when the audit office examines high-quality accounts, such as the accounts of important companies that have been audited. Legoria, Reichelt and Soileau (2018) examined the impact of the quality of audits on the disclosure of company information. It was found that the quality of audit reports explained the company's customer options in forcing the disclosure of their main customer identities. In summary, the benefits of insurance have been recognized in protecting financial report users (including investors) and enhancing transparency and efficiency of the data environment.

Pham et al. (2020) explianed the higher quality of audits results in higher returns for shareholders. Better audit quality helps reduce data imbalance between managers and shareholders, between controlling and minority shareholders, and between external and internal parties of the company. Corporate governance refers to the supervision and control of the structure and processes of the company. Good corporate governance is about the relationships between management, the board of directors, controlling shareholders, minority shareholders, and other stakeholders. Good corporate governance promotes sustainable economic development by improving operational performance and increasing opportunities to access capital from external sources. Companies with better corporate governance processes are more likely to achieve their organizational goals than those without such processes. According to Adams and Mehran (2003) businesses with better processes and procedures often perform better. Having well-defined policies and practices is considered a key factor in improving an organization's financial performance. Many writers argue that if an organization prioritizes and follows a system, it can provide better returns to shareholders. (Gomper et al., 2003).

Corporate governance serves as a framework dedicated to ensuring the effective management of a company, encompassing adherence to regulatory mandates imposed by various governing bodies. This framework is designed to benefit all stakeholders, including society at large. Central to this governance structure is the board of directors, which plays a pivotal role in mitigating the costs associated with agency representation, stemming from the separation of ownership and control within the company. In essence, corporate governance stands as a significant determinant influencing the trajectory of economic growth. Adherence to best practices in corporate governance not only mitigates investment risks but also enhances financial performance, making the company more appealing to potential investors. Furthermore, research has indicated that sound corporate governance practices contribute to higher market valuations and return on assets (ROA) for companies registered in France, Italy, Japan, the United Kingdom, and the United States (Bayelign, 2020).

Transparency, accuracy, and trust, facilitating the auditors' role to do their jobs reflected on audit quality. In contrast, poor corporate governance mechanisms risk the firm being mismanaged, impair firm reputation, and encourage fraud and unethical practices (Hoti et al., 2012). Audit quality, including the opinion of the auditor, has a significant influence on the movement of stock performance because investors require the opinion of the auditor as a reliable source of information about the company’s financial performance. Hussainey (2009) stated that investors feel confident about their investment decisions for companies with audited financial data compared to unaudited companies. Due to increased confidence in profits based on data reliability, the demand for the shares increases as well as the trading volume, which will increase the share price. Investors rely on the audit quality and distinguish between profit-making and non-profit companies, so they anticipate future profits. Company specific information is included in the stock price. The majority of shareholders focus on the quality of auditors because they are linked to the quality of the information they receive from the company. If they feel unsure about the quality of the auditor, they will not rely on the company's financial information. In addition, corporate governance helps increase the growth of private companies.

Duangnapa, Ravi, Chaiwuth and Jomjai (2019) studied the impact of corporate governance on the relationship between the power of the Chief Executive Officer and the performance of companies listed on the Stock Exchange of Thailand (SET) and the Market for Alternative Investment (mai). The findings showed that CEO power has a significant negative relationship with firm performance, when testing regulatory variables by using interaction between impact of corporate governance and CEO power on firm performance. The result showed that there is no relationship. Therefore, the sub-group analysis is done by dividing the sample into 2 groups, which are good governance companies and fair governance companies. The result showed that in good governance companies, CEO power has no relation to the firm performance, but in fair governance companies, CEO power has a negative relationship with the firm performance. The results of this research can explain that fair governance companies have agency problems because they do not have a good governance and audit system, which gives the Chief Executive Officer a lot of power. With the consolidation of power between the Chief Executive Officer and the Chairman of the Board of Directors, they are able to use their power to take advantage of the business and make the business performance worse.

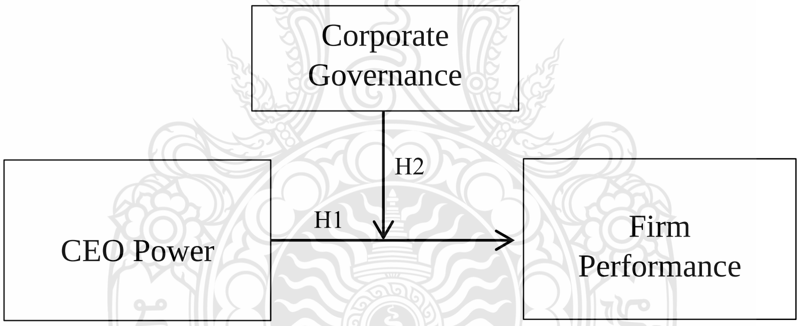


Figure 2.2 Research framework the moderating effect of corporate governance on relationship between CEO power and firm performance

Al-Matari, Saif and Yahya Ali (2016) presented the idea of a direct relationship between ownership structure and firm performance and proposed a concept survey on the effect of quality on investigating the relationship between ownership structure and firm performance. The study recommended that future research should consider other variables of internal governance, such as the characteristics of the board, the diversity of the board, the characteristics of the internal audit and others that have the potential to improve the level of firm performance. The study results revealed that the ownership concentration has a positive and significant effect on ROA. In the same path, the managerial ownership has a positive but insignificant association with ROA. Moreover, the study failed to find a moderating effect of the audit quality on the relationship between ownership concentration and managerial ownership, and firm performance of Omani companies.

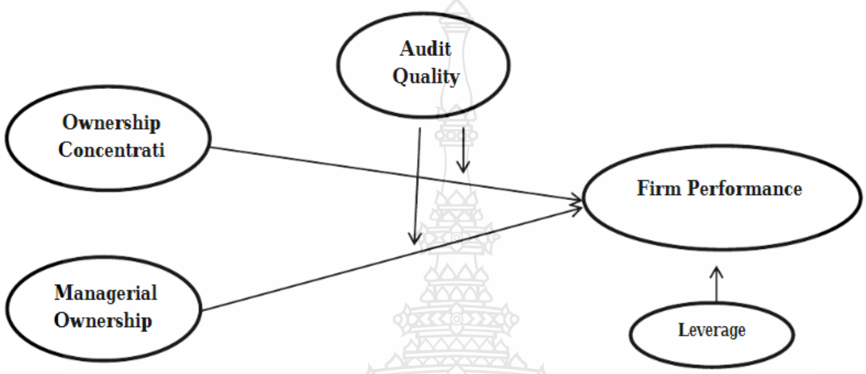


Figure 2.3 Research framework for the moderating effect of audit quality on the relationship between ownership structure and firm performance

Audit quality is a complex and multi-faceted concept. The classic definition of audit quality referred to by most researchers is based on DeAngelo (1981) which specifies audit quality as follows: (a) find a violation in the client's account system, (b) report a violation; and emphasizing two key areas of audit quality: (1) the ability of the audit firm to determine how much it is possible to detect the misrepresentation of information, and (2) independence and impartiality of the auditor regarding the misrepresentation of information that has been detected. This definition is quite useful for studying audit quality. According to DeAngelo (1981), audit quality is the probability that auditors will find and report errors about misrepresentation or omissions in the client's financial statements.

According to David et al. (2018) explained that Signaling theory is of the opinion that companies with good performance send signals to the market through financial disclosure. Financial statements audited by reliable auditors signal to the market that financial statements are more reliable than those audited by unreliable auditors. There is concern about the truth of the reported revenue and the relationship with the audit process due to the failure of the organization. Therefore, the question of whether the failure of these organizations and the fluctuations in stock prices may result from a poor audit process. The quality of the audit process should have a great influence on the reported revenue and have a great influence on investor confidence.

Therefore, when choosing an audit firm with higher reputation, the accounting fees would increase as well (Beasley & Petroni, 2011). However, Jiang et al. (2012) studied the relationship between the separation of powers and accounting fees and found that when the chairman of the board and the general manager are combined into one, accounting fees will increase. The reason for the difference may be due to the two powers having a relatively complete system of separation, which increases the demand for high-quality audits of the company. Therefore, audit fees increase. Antonio et al. (2014) elaborated several articles have been written about the cost of audit fees. Since Simunic (1980) developed a model to determine the process by which audit fees are set, other empirical studies with the goal of defining audit fee pricing have been published. Our goal here is to use Tobin's Q, capital intensity, and sales growth to model audit and non-audit fees in relation to other variables, as done by Francis (1984). Auditing fees reflect the time spent performing the service (Moutinho et al., 2012) which is related with the size of the client company, because larger companies have more data to examine (Hallak & Silva, 2012). Therefore, the size of the client company impacts the price paid for audit services (Palmrose, 1986). Antonio et al. (2014) discovered that increases in audit and non-audit fees raise and lower Tobin's Q, respectively. In other words, audit fees have a positive impact on Tobin's Q for the Brazilian firms studied, whereas consulting fees have a negative impact on the metric. Research on examination fees that may arise from market distortions in the accounting examination market is becoming increasingly limited. Early studies focused on the United States and generally concluded that the accounting examination market is characterized by price competition. For example, Joshua et al. (2019) found that high-quality examinations serve as an effective governance mechanism that protects users from opportunistic behavior and managerial misconduct. Ferchichi and Dabbous (2019) found that examination quality is an efficient control and monitoring mechanism that protects users from opportunistic behavior and managerial misconduct. The governance structure of the board of directors has a significant positive correlation with audit fees, and also has a significant positive correlation with the independence, diligence and professionalism of the board of directors (Carcello et al., 2002). According to Khalil et al. (2011) conducted an empirical study on the audit fees of Canadian listed companies and found that the separation of two powers was positively correlated with audit fees; the proportion of independent directors was significantly positively correlated with audit fees. The possible reason is that the enterprises with higher independent directors also have higher demand for audit quality.

Audit fees reflect efficiency and skills and the reliability experience of auditors needed by large companies to be able to report financial results professionally. This reputation is consistent with that of companies that want to accurately reflect the financial situation of their business, transparency and good risk management which has been certified by the auditor make shareholders, stakeholders and investors have confidence in investing and still maintain benefits with the same company. Audit fee is the collection of costs incurred by the auditor for conducting the audit effort and the expected present value of possible future losses to the client's stakeholders that may result from this period audit of financial statements. It was further stressed that these losses arise from litigation and loss of reputation and therefore, the higher the expected losses from being involved with the audit, the higher should be the fees. It was observed that audit risks, client size, and audit complexity were among factors that influence the audit fees (Siala & Jarboui, 2018; Ye, 2020; Decker, 2021; Shubita,2021; Ngatno et al., 2021).

From the review of the literature, concepts and related theories above, it is clear that this study explores the influence of audit quality impact to the relationship between CG Code and firm performance to test whether or not the influence of CG Code on firm performance is high when the company hires an auditor from an auditing company that charges high audit fees. Thus, the hypothesis is proposed that:

H3**:** Audit quality moderates the impact of CG Code on firm performance.

Table 2.3 Summary on the previous moderating effect of audit quality on the relationship between variables

Title	Authors	Purpose	Methods	Results
The moderating effect of audit quality on the relation between shareholder activism and earnings management: Evidence from France	Siala and Jarboui (2018)	The purpose of this study is to provide empirical evidence on the impact of shareholder activism on earnings management. It is specifically interested in the moderating role of an external governance mechanism such as external audit quality.	- A sample of 77 firms from the SBF 120 index from 2008 to 2012. - Shareholder Variable Activism (PROP), External Audit Quality Index (IQUA), - Data obtained from the Infinancial Database and DataStream Database from annual and special reports (Thomson Reuters) - Descriptive statistics, Univariate Analysis, Multivariate Analysis, and Regression Analysis	External audit quality plays a moderating role between shareholder activism and earnings management.
The moderating effect of corporate governance on relationship between CEO power and firm performance	Duangnapa, Ravi, Chaiwuth and Jomjai (2018)	Investigate the role of corporate governance in the relationship between CEO power and firm performance, as well as the moderating effect of firm performance	- A Thai listed company from SET and mai from 2010 to 2016 - Variable: CEO power, firm performance, corporate governance (moderating) - Data: Annual report, SET SMART, and Bloomberg - Multiple Regression Analysis	According to the moderating test, companies with a low level of corporate governance will have an agency problem.
The moderating effect of audit quality on CEO compensation and tax avoidance: Evidence from Tunisian context	Jihene and Moez (2019)	Examine the impact of CEO pay on corporate tax evasion. It is also being investigated whether corporate governance, specifically audit quality, has a moderating effect on this association.	- Sample of 67 firms listed on the Tunisian stock exchange from 2013 to 2016	The moderating effect of audit quality on CEO compensation and tax avoidance: Evidence from Tunisian context

Table 2.3 Summary on the previous moderating effect of audit quality on the relationship between variables (Cont.**)**

Title	Authors	Purpose	Methods	Results
Effect of audit quality on firm performance: A review of literature	Ivungu et al. (2019)	To conduct a literature review on concepts, theories, and empirical studies related to audit quality and firm performance	Examine the available literature on concepts, theories, and empirical studies related to audit quality and firm performance	According to the literature, audit quality has a positive impact on firm performance.
Literature review on influencing factors of audit fees	Ye (2020)	To investigate the impact of audit fees from the perspective of accounting firm and the impact of customers' perspectives on audit fees.	This paper investigates the impact of audit fees from the perspective of accounting firms and the impact of customers' perspectives on audit fees to sort out the relevant literature on audit fees in these two aspects, with the hope of providing reference value for the study of audit fees.	The impact of accounting firms, firm reputation, customers, earnings management, internal control, and corporate governance on audit fees was discovered in the literature.
Moderating effects of corporate governance mechanism on the relation between capital structure and firm performance	Ngatno, Apriatni, and Youlianto (2021)	Investigate the role of corporate governance in moderating the relationship between capital structure and firm performance	-Sample from micro-financial institutions (rural banks) with a total of 506 units - Independent: Corporate governance mechanism - Dependence: Firm performance - Data: secondary data in the form of financial reports at the end of 2019 - multiple linear regression analysis and moderation analysis	According to the results of the moderation analysis, the size of the board of commissioners is the only factor that can strengthen the relationship between capital structure and company performance.

Table 2.3 Summary on the previous moderating effect of audit quality on the relationship between variables (Cont.)

Title	Authors	Purpose	Methods	Results
The impact of audit quality on Tobin’s Q: Evidence from Jordan	Shubita (2021)	The purpose of this study was to determine the impact of auditing quality on the market value of manufacturing companies listed on the Amman Stock Exchange (ASE).	-The study used the panel data approach to analyze cross-sectional data for 41 industrial companies that included time series data for the period (2009-2019). -This study hypothesizes that audit quality leads to an increase in the market value by the offering of high-quality services. -For hypothesis testing, the study used the fixed-effect model.	According to the study, the company's management should recognize the importance of contracting with audit offices of large size and good reputation because these offices are more capable of increasing their efficiency, qualifying their employees, and thus being fully prepared for the audit process efficiently and effectively.

2.4 Overview Concept of Control Variable

2.4.1 Firm Size (FS)

The firm size is used as a control variable because the size of the firm affects resource availability, decision-making and other issues that can influence economic outcomes (Alvarez, Anson, & Mendez, 2013). Firm size is also one of the variables that acts as a proxy for firm maturity, which is associated with more stable and less risky management practices (Beiner et al., 2006). Although there are various measures of firm size, one of the more common measures is the natural logarithm of total asset (Carter, Simpkins, & Simpson, 2003). This measure was used in this study to measure firm size. This is because it reduces the size problem between companies of different sizes. Firm size was measured by net of company total assets (Amal, Nadia, & Malek, 2015).

2.4.2 Firm Leverage (FL)

Firm leverage relates to the debt structure of the firm, or how much debt financing it supports compared to the equity financing (Armitage, 2005). Firm leverage is essentially an indicator of the accumulated financing decisions of management (Armitage, 2005). Thus, it is a useful control variable since it determines the overall management capability of the firm. Firm leverage measure is the ratio of total debt divided by total assets, a coefficient measure in which a higher coefficient indicates a more highly leveraged firm (Amal et al., 2015).

2.4.3 Profitability (PROFIT)

The profitability ratio indicates how successful a business is in generating profits during a given period, relative to operating costs, revenue, and shareholder equity. The higher the profitability ratio, the better it is for the company, as it demonstrates the business's ability to consistently generate profits. The profitability ratio is calculated using financial metrics, and it is often used in conjunction with the efficiency ratio, as these metrics demonstrate a business's ability to generate revenue from the used of assets. The profitability ratio is important because it can attract investor’s interest when a business is profitable. When a business generates good profits, it shows investors that the company is likely to operate smoothly in the future, which can instill confidence and encourage investment. Investors should be encouraged when they see a good profitability ratio, as this may lead to more independent investments and increased investment amounts when they see that the business has a good profitability ratio. The return-on-investment ratio requires that you have a good understanding of your business's profit and loss and balance sheet. These ratios uncover your business’s ability to generate returns on investment based on the equity, assets, and debt that your business has.

Generally, communities with a broader scope will measure the success of a company or organization based on the company's ability to manage efficiently. One way to evaluate performance is through profit, where the profit and loss statement is a financial statement that can report on the financial status of a company within a certain period of time, as well as the company's operations over several previous periods, to allow financial reports to predict the future. Therefore, a company's ability to generate profits can be determined by comparing the profits earned during a certain period with the amount of assets and working capital used to generate these profits. Financial reports must be analyzed for decision-making purposes, including financial ratio calculations and analysis.

There are several analytical techniques used to analyze and assess a company's financial condition and changes in profits. One technique to determine whether the financial information generated can be useful for predicting changes in earnings, including financial conditions in the future is financial ratio analysis (Syamsul et al., 2020). Therefore, in this research we will use profitability as a control variable in the part of firm performance. Based on the measurement of variables from Salameh (2011), the calculation was then adjusted to be consistent with this study that profitability is measured by the ratio of profit (loss) before taxes divided by total assets.

2.4.4 Investment (INVEST)

Property, plant, and equipment (PPE) are long-term tangible assets of a company that are generally used for more than one year. Examples of PPE include buildings, machinery, land, office equipment, furniture, and vehicles. Companies list their net income and profit margins in their financial statements, which indicate how much sales the company makes per dollar invested in property, plant, and equipment (PPE). PPE is a measure of the efficiency of generating revenue from fixed assets such as buildings, vehicles, and machinery. The higher the PPE, the more efficient our investment will be (http://www.business-literacy.com). Investment analysts and accountants use PPE of a company to assess whether the company has a strong financial foundation and efficiently utilizes its capital for the most effective and productive outcomes. Companies that invest in PPE are a good sign for investors. Fixed assets are significant investments for many companies in the future. PPE is crucial for the long-term success of many companies, but it requires high capital investment. Sometimes, companies sell some of their assets to raise cash and increase profits or net income. For this reason, examining a company investment in PPE and the sale of fixed assets is essential. PPE is an asset that is expected to generate economic benefits and income for many years. Purchasing PPE is a sign that management is confident in the long-term outlook and profitability of the company (Boyle & Murphy, 2022).

In summary, PPE are long-term assets that are important for the business operations and financial health of a company in the long term. Equipment, machinery, buildings, and vehicles are types of PPE or tangible assets that the company cannot easily recognize. Purchasing PPE is a sign that the management is confident in the company future and long-term profitability. Investment analysts and accountants use the company PPE to examine whether the company has a strong financial foundation and uses its funds efficiently (Boyle & Murphy, 2022). The measurement of the variable from Boyle and Murphy (2022) and then modified the calculation to be consistent with this study as the ratio of property, plant and equipment divided by total assets.

CHAPTER 3
RESEARCH METHODOLOGY

3.1 Research Conceptual Framework

This study aimed to answer the two research questions: 1) How does CG Code voluntary disclosure affect the firm performance of listed companies on the SET? and 2) What extent does the audit quality moderate the impact of CG Code voluntary disclosure on firm performance of listed companies on the SET? In order to answer the above questions, the study employed three main objectives: 1) to explore the voluntarily CG Code disclosures of listed companies on the SET for testing the relationship between CG Code and firm performance, 2) to examine the audit quality of listed companies on the SET for testing the relationship between audit quality and firm performance, and 3) to investigate the moderating effect of audit quality on the relationship between CG Code and firm performance.

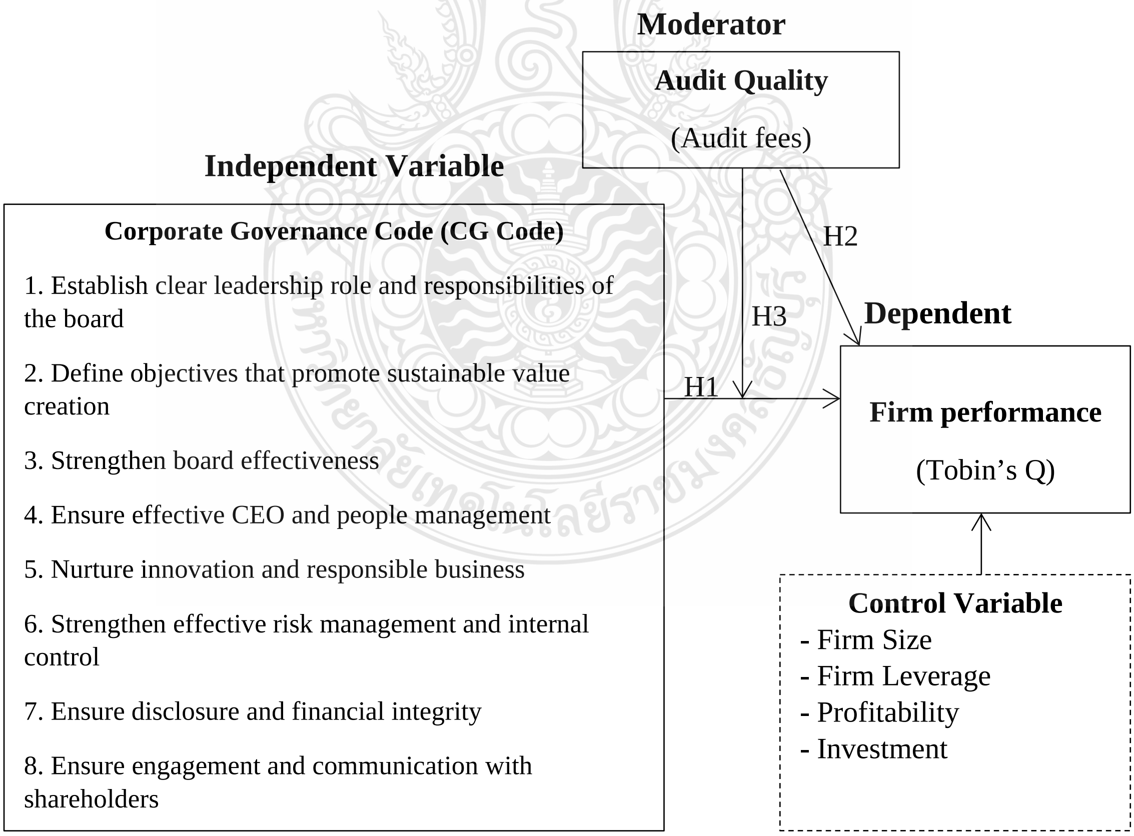


Figure 3.1 Conceptual framework of this research

The research conceptual framework are consisted of the independent, dependent and moderator variables as well as the control variables: firm size, firm leverage, profitability and investment. The independent variable is the CG Code voluntary disclosures consisting of eight principles whereas market-based firm performance as measured by Tobin's Q is the dependent variable; audit quality collected through audit fees serves as a moderating variable for the relationship between CG Code voluntary disclosures and firm performance. Thus, the hypotheses were proposed that CG Code voluntary disclosures has a positive effect on firm performance (H1); audit quality has a positive effect on firm performance (H2); Audit quality moderates the impact of CG Code on firm performance. (H3), such that the impact of CG Code voluntary disclosures on firm performance is stronger when audit quality increases.

Content analysis was employed to analyze CG Code voluntary disclosures, along with statistical methods used to analyze the data, namely multiple linear regression to test the effect of CG Code on firm performance and the moderating effect of audit quality on the relationship between CG Code on firm performance, along with Hayes's PROCESS macro regression-based analysis to test the interaction effects of audit quality and CG Code on firm performance.

3.2 Population and Sample

The population used in this study was companies listed on the Stock Exchange of Thailand (SET). The total number of companies listed on SET was 567 companies as of December 31, 2021. This study used non-probability sampling method, specifically the purposive sampling method by selecting a sample group of companies listed on SET that have fully implemented the CG Code and voluntarily disclosed their information in the year 2021. Thus, the total samples in this study were 97 companies listed on SET that have fully implemented the CG Code and voluntarily disclosed their information in 2021 which accounted for 16.5% of the population.

This study used a cross-sectional data from all samples of 97 listed companies on SET that have fully implemented the CG Code and voluntarily disclosed their information in 2021. Data collection was performed based on publicly available information including annual reports, financial reporting, and the SETSMART database.

3.3 Research Variables and Measurements

3.3.1 Independent Variable

The independent variable in this study is the CG Code voluntary disclosures employed “Corporate Governance Code for listed companies 2017” that comprised 8 principles: 1) establish clear leadership role and responsibilities of the board, 2) define objectives that promote sustainable value creation, 3) strengthen board effectiveness, 4) ensure effective CEO and people management, 5) nurture innovation and responsible business, 6) strengthen effective risk management and internal control, 7) ensure disclosure and financial integrity, and 8) ensure engagement and communication with shareholders. These 8 CG Code principles comprised 137 guidelines and explanations. Implementation of the CG Code is based on an ‘apply or explain’ basis in that the board is encouraged to apply each principle and sub-principle by means that are suitable for the company’s business in order to foster transparency and accountability of the board of directors to build investor confidence. Such confidence is essential for raising capital and being a publicly listed company.

3.3.2 Moderator Variable

The moderator variable in this study is audit quality which is measured as by the ratio of audit fees to total assets. This study mainly focuses on the moderating effect of audit quality on the relationship between the CG Code and firm performance. Apparently, the impact of CG Code on firm performance will increase when audit quality is considered as a moderating variable. A moderating variable is used because the study assumes that auditors play an important role in reviewing corporate governance to assess whether financial statements are presented fairly, and when they find deficiencies in corporate governance that affect the financial position and operations, they report these deficiencies to those responsible for governance. This means that auditors play a moderating role in improving corporate performance (Baron & Kenny, 1986; Frazier & Baron, 2004).

3.3.3 Dependent Variable

The dependent variable in this study is firm performance. The proxy for firm performance in this study is based on market-based firm performance that is measured by the Tobin’s Q ratio. Tobin's Q ratio is a financial measure used to evaluate a company's market value in relation to the total book value of its assets. It is used to evaluate long-term performance and growth by comparing the market value of a company's equity and outstanding debt to its total assets. If Tobin's Q is greater than 1, the market value of the company exceeds its book value. This indicates that company has created a value that is greater than the book value. On the contrary, If Tobin's Q ratio is less than 1, then company has a market value lower than its book value. The formula for Tobin's Q ratio is as follows:

(Market Value of Equity + Book Value of Debt) / Total Book Value of Assets

3.3.4 Control Variables

Based on the literature on corporate governance, audit quality, and firm performance, along with to address endogeneity concerns, the research model includes control variables, namely firm size (net of total assets), firm leverage (total debt to assets ratio), profitability (profit before tax to total assets ratio), and investment (property, plant and equipment to total assets ratio). Summary of variables and their measurements are presented in Table 3.1

Table 3.1 Summary of variables and measurements

Variables	Notation	Measurement/ Description	Sources
Independent Variable			
Corporate Governance Code	CG Code	Weighted average total score divided by full score	Table 3.2 in this study
Moderating Variable			
Audit Quality	AQ	Audit fees divided by total assets	Geng et al., (2019)
Control Variables			
Firm Size	FS	Net of total asset (Natural logarithm)	Amal et al., (2015)
Firm Leverage	FL	Total debt divided by total assets	Amal et al., (2015)
Profitability	PROFIT	Profit (loss) before tax divided by total assets	Hussein, (2011); Syamsul et al., (2020)

Table 3.1 Summary of variables and measurements (Cont.)

Variables	Notation	Measurement/ Description	Sources
Investment	INVEST	Property, plant and equipment divided by total assets	Boyle and Murphy, (2022)
Dependent Variable			
Tobin's Q	TBQ	Sum of market value of equity and book value of debt divided by book value of total assets	Al-Najjar and Kilincarslan,(2016)

3.4 Data Collection

The collection of data for this research is divided into 2 parts as follows.

Part 1: The secondary data comprised audit quality (AQ), firm performance (TBQ) and control variables, namely firm size (FS), firm leverage (FL), profitability (PROFIT), and investment (INVEST) of the 97 sampled companies in 2021 are collected from the annual reports, financial reporting, and the SETSMART database.

Part 2: Corporate Governance Code (CG Code) voluntarily disclosures are manually collected from the 97 sampled companies those disclosed the CG Code compliance report from the annual reports and the SET website. The level of practice is referred from the Guidelines for Corporate Governance Principles (CG Code) of the Stock Exchange of Thailand. The CG code is evaluated to match the more meaningful information with the more practical items. The level of practice is determined using the OECD recommended guidelines for corporate governance principles (CG Code). The study covers all 137 practical aspects of the CG Code Manual and establishes evaluation criteria that focus on the company's disclosure results. Following the modified Likert scale (Brown, 2001), the results are classified into 5 levels: 5 = fully disclosure, 4 = mostly disclosure, 3 = moderately disclosure, 2 = low disclosure, and 1 = least disclosure. This research analyzed and determined the criteria for scoring each item. There are 137 guidelines in total. An assessment guide for determining the compliance score for 137 guidelines in total was created by the researchers and is shown in Appendix H. Based on the above 5 points rating scale, the average score of each principle and sub-principle were used to interpret the level of practical score as follows: the average score 4.21 - 5.00

means having the highest level of practice; the average score 3.41 - 4.20 means having a high level of practice; the average score 2.61 - 3.40 means having a moderate level of practice; the average score 1.81 - 2.60 means having a low level of practice; and the average score 1.00 - 1.80 means having a lowest level of practice.

This study applied the weighted average to determine the total score for each principle based on the number of sub-principles of each principle. For example, Principle 1 has 8 sub-principles and the full score for each sub-principle is 5, thus the full score of Principle 1 accounts for 40. Therefore, the weighted average full score of Principle 1 is 40 divided by 685 which accounts for 0.058394, whereas 685 is the full score for all eight principles. As a result, the full score for weighted average CG Code voluntarily disclosure score is 1.000000, comprising Principle 1 (0.058394), Principle 2 (0.072993), Principle 3 (0.321168), Principle 4 (0.102190), Principle 5 (0.065693), Principle 6 (0.153285), Principle 7 (0.102190), and Principle 8 (0.124088), respectively. Determination of the weighted average CG Code score of each principle and the full score can be summarized as shown in Table 3.2 along with Table 3.3 presents the determination of CG Code scores for ABC sampled company according to the criteria in Table 3.2.

Table 3.2 Full score, weighted average score of each principle and total CG Code disclosure score

Corporate Governance Code (CG Code)	Number (Full score) of each principle		Weighted average score of each principle
Principle 1 Establish Clear Leadership Role and Responsibilities of the Board	8	(40)	0.058394
Principle 2 Define Objectives that Promote Sustainable Value Creation	10	(50)	0.072993
Principle 3 Strengthen Board Effectiveness	44	(220)	0.321168
Principle 4 Ensure Effective CEO and People Management	14	(70)	0.102190
Principle 5 Nurture Innovation and Responsible Business	9	(45)	0.065693
Principle 6 Strengthen Effective Risk Management and Internal Control	21	(105)	0.153285
Principle 7 Ensure Disclosure and Financial Integrity	14	(70)	0.102190
Principle 8 Ensure Engagement Communication with Shareholders	17	(85)	0.124088
Total	137	(685)	1.000000

Table 3.3 Determination of CG Code scores for ABC sampled company

Principle	Number of practical aspects	Full score	Weighted average score for each principle	ABC company total score	ABC company Weighted average score for each principle of
1	8	40	0.058394	35	0.051095
2	10	50	0.072993	40	0.058394
3	44	220	0.321168	170	0.248175
4	14	70	0.102190	70	0.102190
5	9	45	0.065693	35	0.051095
6	21	105	0.153285	85	0.124088
7	14	70	0.102190	70	0.102190
8	17	85	0.124088	80	0.116788
	137	685	1.000000	585	0.854015

3.5 Conceptual and Statistical Model

PROCESS for SPSS developed by Hayes (2012) was used to analyze the moderator effect of audit quality on the relationship between CG Code voluntarily disclosures and firm performance. PROCESS helps interpret the conditional effect of CG Code voluntarily disclosures on firm performance at different value of moderator (audit quality). Prominently, the analysis can demonstrate a spotlight analysis as the pick-a-point approach. This approach requires various values of audit quality to estimate the conditional effect of CG Code voluntarily disclosures on firm performance when audit quality is equal to the mean value, the one standard deviation above the mean, and the one standard deviation below the mean. According to this analysis, all predictors are required to mean-centered transformation to solve multicollinearity problem, the coefficient of the interaction effect can be interpreted within the range of the data whereas the mean-centering option does not affect the analysis results: coefficient, standard error, conditional effects, and R square.

According to the research framework, CG Code voluntarily disclosures was an antecedent variable while firm performance was a consequent variable. Additionally, the study extended the moderating effect of audit quality on this relationship. Multiple regression model was applied to test the hypotheses as follows.

Hypothesis 1: CG Code has a positive effect on firm performance.

Hypothesis 2: Audit quality has a positive effect on firm performance.

Hypothesis 3: Audit quality moderates the impact of CG Code on firm performance.

3.5.1 Model Test: The relationship between corporate governance code (CG Code) and firm performance (Tobin's Q)

Conceptual diagram that demonstrates the relationship between corporate governance code and firm performance was shown in Figure 3.2. In order to test Hypothesis 1 that CG Code voluntarily disclosures have a positive effect on firm performance, the statistical model was proposed as follows.

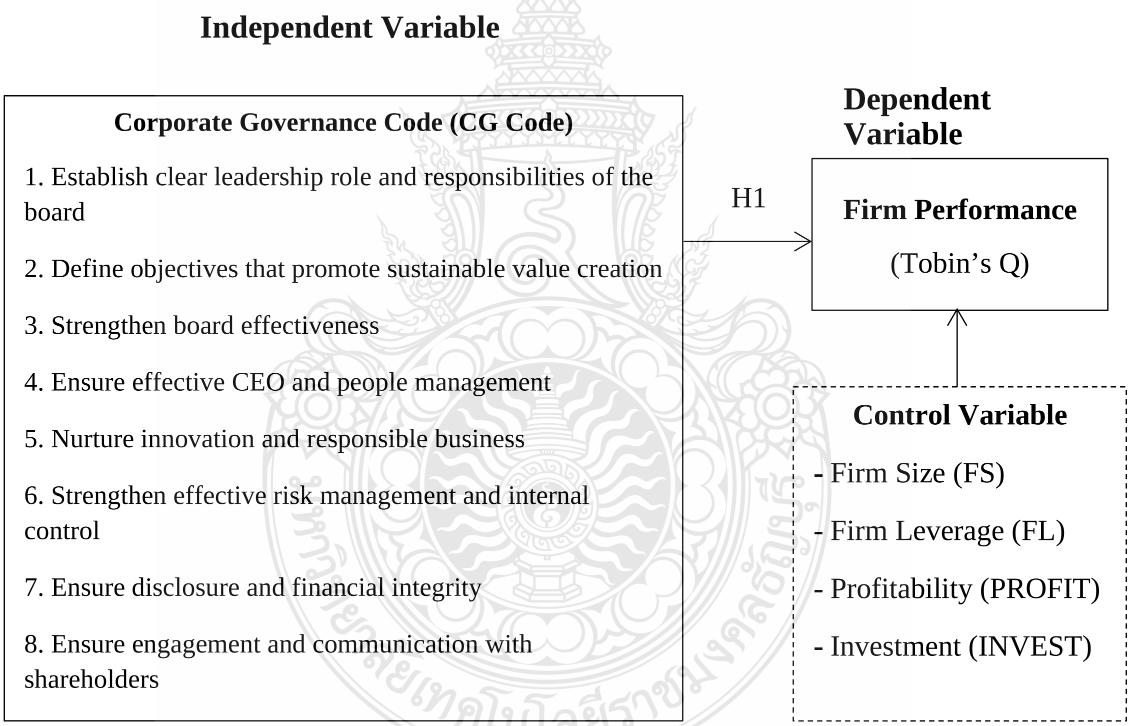


Figure 3.2 Conceptual diagram for the relationship between corporate governance code and firm performance

$$TBQ_i = \beta_0 + \beta_1\ CG\ Code + \beta_2 FS_i + \beta_3 FL_i + \beta_4 PROFIT_i + \beta_5 INVEST_i + \varepsilon_i$$

(Equation 1)

Hypothesis 1: CG Code has a positive effect on firm performance.

3.5.2 Model Test: Relationship between Audit Quality (AQ) and Firm Performance (Tobin's Q)

Conceptual diagram that demonstrates the relationship between audit quality and firm performance was shown in Figure 3.3. In order to test Hypothesis 2 that audit quality has a positive effect on firm performance, the statistical model was proposed as follows.

$$TBQ_i = \beta_0 + \beta_1 AQ + \beta_2 FS_{i_i} + \beta_3 FL_i + \beta_4 PROFIT_i + \beta_5 INVEST_i + \varepsilon_i$$

(Equation 2)

Hypothesis 2: Audit quality has a positive effect on firm performance.

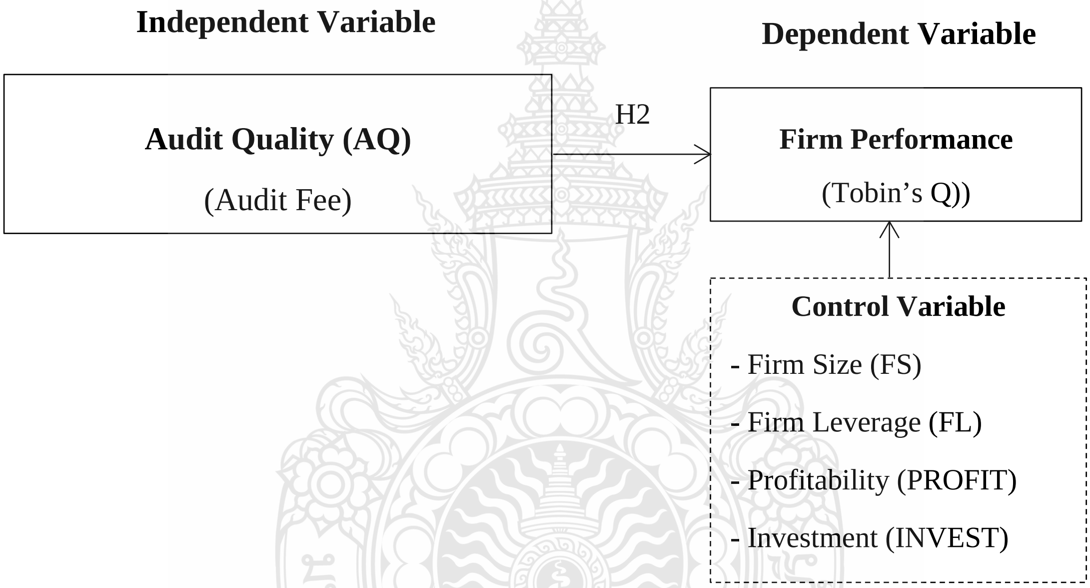


Figure 3.3 Conceptual diagram for the relationship between audit quality and firm performance

3.5.3 Model Test: Moderating Effect of Audit Quality on the Relationship between Corporate Governance Code and Firm Performance

Conceptual diagram that demonstrates the moderating effect of audit quality on the relationship between CG Code and firm performance was shown in Figure 3.4. In order to test Hypothesis 3 that audit quality affects the impact of CG Code on firm performance, such that the impact of CG Code on firm performance is stronger when audit quality increases, the statistical model was proposed as follows.

$$TBQ_i = \beta_0 + \beta_1 CG\ Code_i + \beta_2 AQ_i + (\beta_3 CG\ Code_i \times AQ_i) + \beta_4 FS_i + \beta_5 FL_i + \beta_6 PROFIT_i + \beta_7 INVEST_i + \varepsilon_i$$

(Equation 3)

Hypothesis 3: Audit quality moderates the impact of CG Code on firm performance.

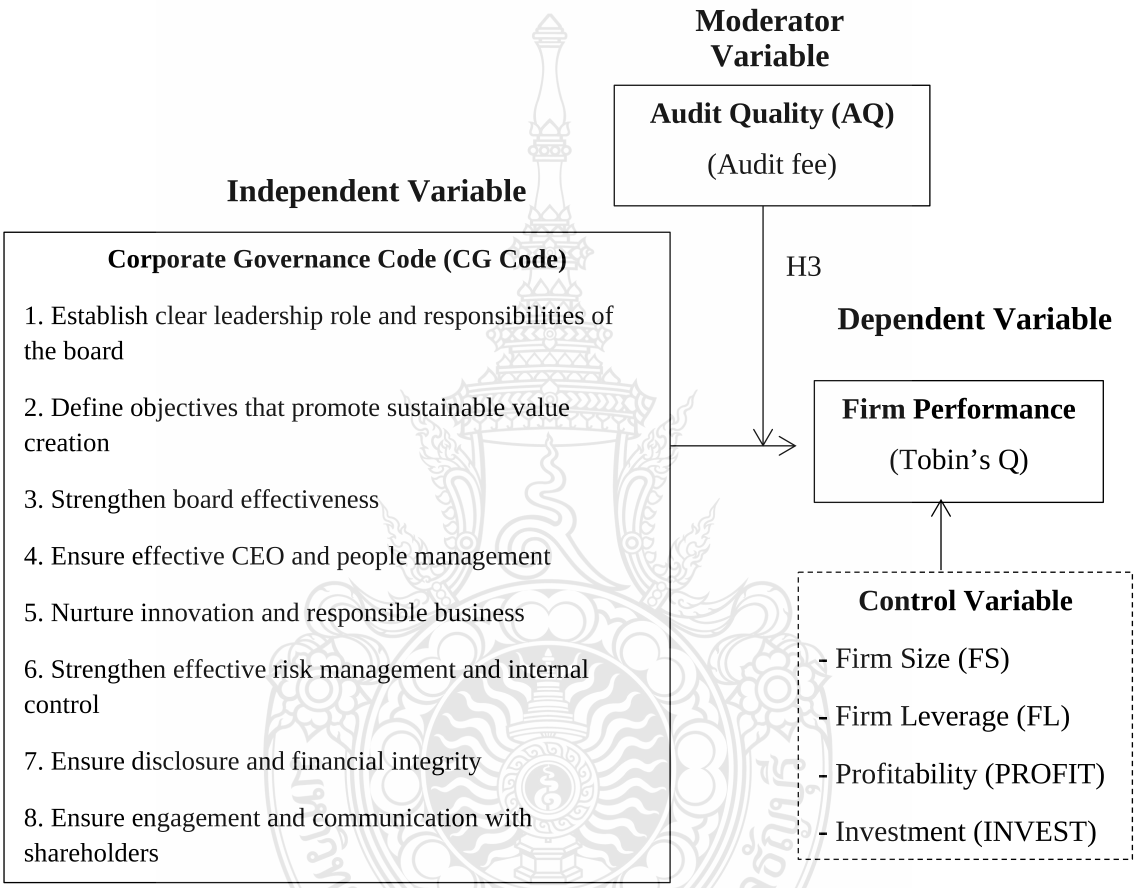


Figure 3.4 Conceptual diagram for the moderating effect of audit quality on the relationship between corporate governance code and firm performance

3.6 Data Preparation

Data for the analysis must be prepared carefully and check the assumptions to ensure that the data set meets the assumptions of the analysis technique of multiple regression analysis. Data validation ensures that the proposed analysis is feasible and produces accurate results along with the results of the analysis were not influenced by data anomalies or violations of the assumptions of the multiple regression analysis. The preparation of data for this study is as follows.

3.6.1 Missing Value

Since the sample group in this study was companies listed on the SET that have fully implemented the CG Code and voluntarily disclosed information in 2021. The total samples consisted of 97 companies, and data from all 97 sample companies can be collected completely without any missing data.

3.6.2 Outlier Detection, Data Cleaning and Normality Check

Since the dataset in this study did not have missing data, therefore data cleaning involved identifying and removing outliers. Outliers were removed using the Mahalanobis distance, which is the distance of the case from the centroid of the remaining cases. The centroid is a point created at the intersection of the means of all variables. There were two companies from the dataset were evaluated and removed as the outliers. Thus, the final sample group of this study was 95 companies. (Shown in appendix A).

Additionally, this study also verified whether the data had a normal distribution or not, by analyzing the skewness and kurtosis values. If the skewness value is within ± 3 and the kurtosis value is ± 10, the data is normally distributed (Brown, 2006; Kline, 2011). (Shown in appendix B.)

CHAPTER 4
RESEARCH RESULT

This dissertation aimed to study the moderating effect of audit quality on the relationship between CG Code and firm performance: evidence from the Stock Exchange of Thailand. The objectives of this study were to examine, in the context of listed companies on the Stock Exchange of Thailand (SET), the impact of the informative value of corporate governance code (CG Code) voluntary disclosures on firm performance which was measured by Tobin's Q and to analyze the moderating effect of audit quality on this relationship. The analysis results present in this chapter are divided into 4 sections as follows:

1. Descriptive statistics for all variables
2. Regression analysis
3. Hypotheses testing
4. Summary of hypotheses testing

Data were collected from the annual report, financial reported from the SET website, and SETSMART database for all 97 listed companies on the Stock Exchange of Thailand (SET) that have fully implemented the CG code and voluntarily disclosed their information in 2021. After apply the technique of Mahalanobis distance (Ghorbani, 2019) to remove the outliers (unacceptable value >.0001), the total samples in this study were 95 firms. Content analysis was employed to analyze CG code voluntary disclosures, along with the statistical methods used to analyze the data consisting of multiple linear regression to test the effect of CG code on firm performance, and moderating effect of audit quality on the relationship between CG code on firm performance, and testing the interaction effects of audit quality and CG code on firm performance with Hayes's regression-based analysis.

4.1 Descriptive Statistics for all Variables

The descriptive statistics for all variables in this study are presented in table 4.1-4.11 as follow.

Table 4.1 Descriptive statistics for independent, moderator and control variables

	Variable	Mean	Med.	*SD*	Min.	Max.
Dependence	Tobin's Q (TBQ) (times)	1.706	1.185	1.183	0.465	5.900
Independence	CG Code (Score)	0.766	0.764	0.082	0.631	0.981
Moderator	Audit Quality (AQ) (times)	0.638	0.398	0.6345	0.003	2.861
Control	Firm Size (FS) (Million Baht)	120,820	7,591	532,945	611	3,753,832
	Firm Leverage (FL) (times)	0.465	0.476	0.217	0.042	0.895
	Profitability (PROFIT) (times)	0.074	0.057	0.076	-0.061	0.507
	Investment (INVEST) (times)	0.253	0.226	0.228	0.001	0.862

Table 4.1 The results of the basic data study showed that firm performance (TBQ) had the average value of 1.706 times and the standard deviation is equal to 1.183 with the maximum of 5.900 times, median value is 1.185 times and minimum value is 0.465 times. The mean for CG Code is at the level of 0.766, the standard deviation is equal to 0.082, maximum value is 0.981, median value is 0.764 and minimum value is 0.631, while audit quality (AQ) measured by the ratio of audit fees to total assets has the average at the level of 0.638 times, the standard deviation is equal to 0.398, maximum level is 2.861 times, the median is 0.398 times and minimum level is 0.003 times. The control variables consisting firm size (FS) has the average value of 120,820 Million Baht, the standard deviation is equal to 532,945, maximum level is 3,753,832 Million Baht, median value is 7,591 Million Baht and the minimum is 611 Million Baht. This study solves the problem that firm size is not normal distribution by transform it to natural logarithm of firm size and achieve the normality assumption. it was found that ln FS has the mean of 16.244, the standard deviation is equal to 1.835, maximum value is 22.046, the median is 15.843 and minimum level is 13.323. Firm leverage (FL) has the average value of 0.465 times, the standard deviation is equal to 0.217, maximum level is 0.895 times, median level is 0.476 times and minimum level is 0.042 times, while the mean for Profitability (PROFIT) is 0.074 times

with the standard deviation of 0.076, maximum level is 0.507 times, median level is 0.057 times and minimum level is -0.061 times. Finally, the Investment (INVEST) has the average value of 0.253 times, the standard deviation is equal to 0.228 times, maximum level is 0.862 times, the median is 0.226 and minimum is 0.001 times.

Table 4.2 Skewness and kurtosis of data

Variable	Before data transformation		After natural logarithm transformation for FS	
	Skewness	Kurtosis	Skewness	Kurtosis
Firm Size (FS)	6.4126	41.4797	0.9355	0.8303
Firm Leverage (FL)	-0.0246	-0.8802		
Profitability (PROFIT)	1.2048	9.8280		
Investment (INVEST)	0.7897	-0.2326		
CG CODE	0.4744	-0.0932		
Audit Quality (AQ)	2.1318	6.3230		
TBQ	1.9602	3.3755		

Skewness and kurtosis indices were used to determine the normality of the data. Acceptable values of Skewness range from -3 to +3, and Kurtosis is appropriate from -10 to +10 (Brown, 2006; Kline, 2011). Table 4.2 shows that only the control variable: Firm Size (FS) has both Skewness and Kurtosis values outside the acceptable range, with a skewness value of 6.4126 and a kurtosis value of 41.4797. Therefore, the FS data were transformed using the natural logarithm (ln FS), resulting in the Skewness and Kurtosis values as shown in Table 4.2. Therefore, all variables in this study satisfied the normality assumption. From Table 4.3 to 4.11, researchers provided information about descriptive statistics of corporate governance code (CG Code) to explain the disclosure of the following information: Eight principles from the total sample of 95 companies including mean, standard deviation, maximum, median and minimum were as follow:

Table 4.3 Descriptive statistics overview, corporate governance code (CG Code)

Corporate Governance Code (CG Code)	Mean	Median	SD	Min	Max
Principle 1	4.47	4.50	0.554	3.00	5.00
Principle 2	3.91	3.90	0.504	3.00	5.00
Principle 3	3.82	3.82	0.501	2.73	4.95
Principle 4	3.67	3.86	0.716	2.29	5.00
Principle 5	3.75	3.67	0.650	2.00	5.00
Principle 6	3.75	3.57	0.674	2.14	5.00
Principle 7	3.88	4.00	0.712	2.07	5.00
Principle 8	3.79	3.76	0.622	2.71	5.00
Total	3.88	3.86	0.369	3.11	4.91

According to table 4.3, the study found that all eight principles of the Corporate Governance code (CG Code) of most companies have a high level of compliance. The mean was 3.88, and the standard deviation 0.369, the median score of exposure was in the range of 3.86, the maximum is 4.91 and the minimum is 3.11. When considering the mean of each practice, it was found that the highest mean was in principle 1: Establish Clear Leadership Role and Responsibilities of the Board with a mean of 4.47, and a standard deviation of 0.554, the median score of disclosure level was in the range of 4.50, with the maximum is 5.00 and the minimum is 3.00. The next order is principle 2: Define Objectives that Promote Sustainable Value Creation, with a mean of 3.91 and a standard deviation of 0.504, the median score of exposure was in the range of 3.90, with the maximum is 5.00 and the minimum is 3.00. The third order is principle: 7 Ensure Disclosure and Financial Integrity, with a mean of 3.88 and a standard deviation of 0.712, the median score of exposure level was in the range of 4.00, with the maximum is 5.00 and the minimum is 2.07. The fourth order is principle: 3 Strengthen Board Effectiveness, with a mean of 3.82 and a standard deviation of 0.501, the median score of exposure level was in the range of 3.82 with the maximum is 4.95 and the minimum is 2.73. The fifth order is principle 8: Ensure Engagement Communication with Shareholders, with a mean of 3.79 and a standard deviation of 0.622, the median score of exposure level was in the range of 3.76 with the maximum is 5.00 and the minimum is 2.71. The sixth order is Principle 5: Nurture

Innovation and Responsible Business, with a mean of 3.75 and a standard deviation of 0.650, the median score of exposure level was in the range of 3.67 with the maximum is 5.00 and the minimum is 2.00. The seventh order is Principle 6: Strengthen Effective Risk Management and Internal Control, with a mean of 3.75 and standard deviation of 0.674, the median score of exposure level was in the range of 3.57 with the maximum is 5.00 and the minimum is 2.14. The eighth order is principle 4: Ensure Effective CEO and People Management, with a mean of 3.67 and standard deviation of 0.716, the median score of exposure level was in the range of 3.86 the maximum is 5.00 and the minimum is 2.29.

Table 4.4 Descriptive statistics for independent, (CG Code), Principle 1: Establish clear leadership role and responsibilities of the board

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board	**Practical Level**							
	5	**4**	**3**	**2**	**1**	**N**	$\bar{x}$	***SD***
Principle 1.1	62 (65.3)	24 (25.3)	9 (9.5)	-	-	95 (100)	4.56	0.664
Principle 1.2	64 (67.4)	20 (21.1)	11 (11.6)	-	-	95 (100)	4.56	0.695
Principle 1.3	62 (65.3)	23 (24.2)	10 (10.5)	-	-	95 (100)	4.55	0.681
Principle 1.4	47 (49.5)	19 (20.0)	29 (30.5)	-	-	95 (100)	4.19	0.879
Principle 1.5	46 (48.4)	17 (17.9)	32 (33.7)	-	-	95 (100)	4.15	0.899
Principle 1.6	66 (69.5)	20 (21.1)	9 (9.5)	-	-	95 (100)	4.60	0.659
Principle 1.7	64 (67.4)	22 (23.2)	9 (9.5)	-	-	95 (100)	4.58	0.662
Principle 1.8	63 (66.3)	24 (25.3)	8 (8.4)	-	-	95 (100)	4.58	0.645
Total Principle 1						95 (100)	4.47	0.554

Table 4.4, the study found that Principle 1, Establish Clear Leadership Role and Responsibilities of the Board, had the highest level of information disclosure. This indicates a highest level of compliance with the requirements of good corporate governance (CG Code). The overall mean was 4.47, with a standard deviation of 0.554. When examining each item individually, it was found that the highest mean was in sub-practice 1.6, with a mean of 4.60 and a standard deviation of 0.659. There were 66 companies (69.5%) that

disclosed the highest information in this sub-practice, 20 companies (21.1%) had a high level of disclosure, and 9 companies (9.5%) exhibited moderate disclosure. On the other hand, the lowest mean was in sub-practice 1.5, with a mean of 4.15 and a standard deviation of 0.899. In this sub-practice, 46 companies (48.4%) disclosed the highest information, 17 companies (17.9%) had a high level of disclosure, and 32 companies (33.7%) exhibited moderate disclosure.

Table 4.5 Descriptive statistics for independent, (CG Code), Principle 2: Define objectives that promote sustainable value creation

Principle 2: Define Objectives that Promote Sustainable Value Creation	**Practical Level**							
	5	**4**	**3**	**2**	**1**	**N**	$\bar{x}$	***SD***
Principle 2.1	24 (25.3)	52 (54.7)	19 (20.0)	-	-	95 (100)	4.05	0.674
Principle 2.2	25 (26.3)	54 (56.8)	16 (16.8)	-	-	95 (100)	4.09	0.654
Principle 2.3	19 (20.0)	55 (57.9)	21 (22.1)	-	-	95 (100)	3.98	0.652
Principle 2.4	22 (23.2)	54 (56.8)	19 (20.0)	-	-	95 (100)	4.03	0.660
Principle 2.5	23 (24.2)	55 (57.9)	17 (17.9)	-	-	95 (100)	4.06	0.649
Principle 2.6	25 (26.3)	41 (43.2)	29 (30.5)	-	-	95 (100)	3.96	0.757
Principle 2.7	19 (20.0)	33 (34.7)	39 (41.1)	4 (4.2)	-	95 (100)	3.71	0.836
Principle 2.8	17 (17.9)	24 (25.3)	49 (51.6)	5 (5.3)	-	95 (100)	3.56	0.847
Principle 2.9	18 (18.9)	22 (23.2)	50 (52.6)	5 (5.3)	-	95 (100)	3.56	0.859
Principle 2.10	35 (36.8)	34 (35.8)	26 (27.4)	-	-	95 (100)	4.09	0.800
Total Principle 2						95 (100)	3.91	0.504

Table 4.5, the study found that Principle 2: Define Objectives that Promote Sustainable Value Creation, had the high level of information disclosure. This indicates a high level of compliance with the requirements of good corporate governance (CG Code). The overall mean was 3.91, with a standard deviation of 0.504. When examining each item individually, it was found that the highest mean was in sub-practice 2.2, with a mean of

4.09 and a standard deviation of 0.654. There were 25 companies (26.3%) that disclosed the highest information in this sub-practice, 54 companies (56.8%) had a high level of disclosure, and 16 companies (16.8%) exhibited moderate disclosure. On the other hand, the lowest mean was in sub-practice 2.9, with a mean of 3.56 and a standard deviation of 0.859. In this sub-practice, 18 companies (18.9%) disclosed the highest information, 22 companies (23.2%) had a high level of disclosure, 50 companies (52.6%) exhibited moderate disclosure, and 5 companies (5.3%) showed lowest disclosure.

Table 4.6 Descriptive statistics for independent, (CG Code), Principle 3: Strengthen Board Effectiveness

Principle 3: Strengthen Board Effectiveness	**Practical Level**							
	5	**4**	**3**	**2**	**1**	**N**	$\bar{x}$	***SD***
Principle 3.1	34 (35.8)	37 (38.9)	24 (25.3)	-	-	95 (100)	4.11	0.778
Principle 3.2	37 (38.9)	31 (32.6)	27 (28.4)	-	-	95 (100)	4.11	0.818
Principle 3.3	34 (35.8)	31 (32.6)	30 (31.6)	-	-	95 (100)	4.04	0.824
Principle 3.4	35 (36.8)	37 (38.9)	23 (24.2)	-	-	95 (100)	4.13	0.775
Principle 3.5	25 (26.3)	38 (40.0)	32 (33.7)	-	-	95 (100)	3.93	0.775
Principle 3.6	26 (27.4)	35 (36.8)	34 (35.8)	-	-	95 (100)	3.92	0.794
Principle 3.7	31 (32.6)	37 (38.9)	27 (28.4)	-	-	95 (100)	4.04	0.784
Principle 3.8	29 (30.5)	37 (38.9)	29 (30.5)	-	-	95 (100)	4.00	0.786
Principle 3.9	29 (30.5)	42 (44.2)	24 (25.3)	-	-	95 (100)	4.05	0.749
Principle 3.10	23 (24.2)	38 (40.0)	34 (35.8)	-	-	95 (100)	3.88	0.770
Principle 3.11	38 (40.0)	56 (58.9)	1 (1.1)	-	-	95 (100)	4.39	0.511
Principle 3.12	30 (31.6)	22 (23.2)	43 (45.3)	-	-	95 (100)	3.86	0.870
Principle 3.13	23 (24.2)	43 (45.3)	29 (30.5)	-	-	95 (100)	3.94	0.741
Principle 3.14	16 (16.8)	43 (45.3)	36 (37.9)	-	-	95 (100)	3.79	0.713
Principle 3.15	27 (28.4)	23 (24.2)	21 (22.1)	24 (25.3)	-	95 (100)	3.56	1.155

Table 4.6 Descriptive statistics for independent, (CG Code), Principle 3: Strengthen board effectiveness (Cont.)

Principle 3: Strengthen Board Effectiveness	**Practical Level**							
	5	**4**	**3**	**2**	**1**	**N**	$\bar{x}$	***SD***
Principle 3.16	27 (28.4)	13 (13.7)	30 (31.6)	25 (26.3)	-	95 (100)	3.44	1.164
Principle 3.17	20 (21.1)	56 (58.9)	10 (10.5)	9 (9.5)	-	95 (100)	3.92	0.834
Principle 3.18	22 (23.2)	45 (47.4)	19 (20.0)	9 (9.5)	-	95 (100)	3.84	0.891
Principle 3.19	23 (24.2)	45 (47.4)	18 (18.9)	9 (9.5)	-	95 (100)	3.86	0.895
Principle 3.20	22 (23.2)	43 (45.3)	21 (22.1)	9 (9.5)	-	95 (100)	3.82	0.899
Principle 3.21	32 (33.7)	34 (35.8)	9 (9.5)	20 (21.1)	-	95 (100)	3.82	1.120
Principle 3.22	19 (20.0)	38 (40.0)	17 (17.9)	21 (22.1)	-	95 (100)	3.58	1.048
Principle 3.23	26 (27.4)	37 (38.9)	13 (13.7)	19 (20.0)	-	95 (100)	3.74	1.074
Principle 3.24	18 (18.9)	40 (42.1)	17 (17.9)	20 (21.1)	-	95 (100)	3.59	1.026
Principle 3.25	27 (28.4)	35 (36.8)	16 (16.8)	17 (17.9)	-	95 (100)	3.76	1.059
Principle 3.26	13 (13.7)	48 (50.5)	14 (14.7)	20 (22.1)	-	95 (100)	3.57	0.975
Principle 3.27	13 (13.7)	49 (51.6)	12 (12.6)	21 (22.1)	-	95 (100)	3.57	0.986
Principle 3.28	37 (38.9)	22 (23.2)	16 (16.8)	20 (21.1)	-	95 (100)	3.80	1.172
Principle 3.29	10 (10.5)	38 (40.0)	38 (40.0)	9 (9.5)	-	95 (100)	3.52	0.810
Principle 3.30	18 (18.9)	35 (36.8)	32 (33.7)	10 (10.5)	-	95 (100)	3.64	0.910
Principle 3.31	18 (18.9)	36 (37.9)	34 (35.8)	7 (7.4)	-	95 (100)	3.68	0.866
Principle 3.32	15 (15.8)	39 (41.1)	33 (34.7)	8 (8.4)	-	95 (100)	3.64	0.849
Principle 3.33	12 (12.6)	40 (42.1)	34 (35.8)	9 (9.5)	-	95 (100)	3.58	0.833
Principle 3.34	14 (14.7)	37 (38.9)	35 (36.8)	9 (9.5)	-	95 (100)	3.59	0.857
Principle 3.35	23 (24.2)	33 (34.7)	30 (31.6)	9 (9.5)	-	95 (100)	3.74	0.936
Principle 3.36	27 (28.4)	31 (32.6)	29 (30.5)	8 (8.4)	-	95 (100)	3.81	0.949
Principle 3.37	24 (25.3)	34 (35.8)	30 (31.6)	7 (7.4)	-	95 (100)	3.79	0.910

Table 4.6 Descriptive statistics for independent, (CG Code), Principle 3: Strengthen board effectiveness (Cont.)

Principle 3: Strengthen Board Effectiveness	**Practical Level**							
	5	**4**	**3**	**2**	**1**	**N**	$\bar{x}$	***SD***
Principle 3.38	29 (30.5)	31 (32.6)	25 (26.3)	10 (10.5)	-	95 (100)	3.83	0.986
Principle 3.39	28 (29.5)	32 (33.7)	28 (29.5)	7 (7.4)	-	95 (100)	3.85	0.934
Principle 3.40	33 (34.7)	30 (31.6)	26 (27.4)	6 (6.3)	-	95 (100)	3.95	0.938
Principle 3.41	29 (30.5)	33 (34.7)	26 (27.4)	7 (7.4)	-	95 (100)	3.88	0.932
Principle 3.42	35 (36.8)	27 (28.4)	25 (26.3)	8 (8.4)	-	95 (100)	3.94	0.987
Principle 3.43	26 (27.4)	30 (31.6)	31 (32.6)	8 (8.4)	-	95 (100)	3.78	0.947
Principle 3.44	29 (30.5)	27 (28.4)	31 (32.6)	8 (8.4)	-	95 (100)	3.81	0.971
Total Principle 3						95 (100)	3.82	0.501

Table 4.6, the study found that Principle 3: Strengthen Board Effectiveness, had the high level of information disclosure. This indicates a high level of compliance with the requirements of good corporate governance (CG Code). The overall mean was 3.82, with a standard deviation of 0.501. When examining each item individually, it was found that the highest mean was in sub-practice 3.11, with a mean of 4.39 and a standard deviation of 0.511. There were 38 companies (40%) that disclosed the highest information in this sub-practice, 56 companies (58.9%) had a high level of disclosure, and 1 company (1.1%) exhibited moderate disclosure. On the other hand, the lowest mean was in sub-practice 3.16, with a mean of 3.44 and a standard deviation of 1.164. In this sub-practice, 27 companies (28.4%) disclosed the highest information, 13 companies (13.7%) had a high level of disclosure, 30 companies (31.6%) exhibited moderate disclosure, and 25 companies (26.3%) showed lowest disclosure.

Table 4.7 Descriptive statistics for independent, (CG Code), Principle 4: Ensure effective CEO and people management

Principle 4: Ensure Effective CEO and People Management	**Practical Level**							
	5	**4**	**3**	**2**	**1**	**N**	$\bar{x}$	***SD***
Principle 4.1	26 (27.4)	26 (27.4)	36 (37.9)	7 (7.4)	-	95 (100)	4.18	1.203
Principle 4.2	22 (23.2)	27 (28.4)	44 (46.3)	2 (2.1)	-	95 (100)	3.00	1.391
Principle 4.3	21 (22.2)	24 (25.3)	42 (44.2)	8 (8.4)	-	95 (100)	4.46	1.029
Principle 4.4	24 (25.3)	17 (17.9)	39 (41.1)	15 (15.8)	-	95 (100)	3.75	0.945
Principle 4.5	24 (25.3)	17 (17.9)	37 (38.9)	17 (17.9)	-	95 (100)	3.73	0.844
Principle 4.6	18 (18.9)	19 (20.0)	41 (43.2)	17 (17.9)	-	95 (100)	3.62	0.947
Principle 4.7	26 (27.4)	29 (30.5)	37 (38.9)	3 (3.2)	-	95 (100)	3.53	1.040
Principle 4.8	21 (22.1)	32 (33.7)	41 (43.2)	1 (1.1)	-	95 (100)	3.51	1.061
Principle 4.9	17 (17.9)	19 (20.0)	42 (44.2)	17 (17.9)	-	95 (100)	3.40	0.994
Principle 4.10	27 (28.4)	26 (27.4)	39 (41.1)	3 (3.2)	-	95 (100)	3.82	0.875
Principle 4.11	27 (28.4)	25 (26.3)	37 (38.9)	6 (6.3)	-	95 (100)	3.77	0.805
Principle 4.12	29 (30.5)	31 (32.6)	31 (32.6)	4 (4.2)	-	95 (100)	3.38	0.980
Principle 4.13	18 (18.9)	31 (32.6)	40 (42.1)	6 (6.3)	-	95 (100)	3.81	0.891
Principle 4.14	28 (29.5)	24 (25.3)	37 (38.9)	6 (6.3)	-	95 (100)	3.77	0.939
Total Principle 4						95 (100)	3.67	0.716

Table 4.7, the study found that Principle 4: Ensure Effective CEO and People Management, had the high level of information disclosure. This indicates a high level of compliance with the requirements of good corporate governance (CG Code). The overall mean was 3.62, with a standard deviation of 0.716. When examining each item individually, it was found that the highest mean was in sub-practice 4.3, with a mean of 4.46 and a standard deviation of 1.029. There were 21 companies (22.2%) that disclosed the highest information in this sub-practice, 24 companies (25.3%) had a high level of disclosure, 42 companies (44.2%) exhibited moderate disclosure and 8 companies (8.4%) were lowest

disclosure. On the other hand, the lowest mean was in sub-practice 4.2, with a mean of 3.00 and a standard deviation of 1.391. In this sub-practice, 22 companies (23.2%) disclosed the highest information, 27 companies (28.4%) had a high level of disclosure, 44 companies (46.3%) exhibited moderate disclosure, and 2 companies (2.1%) showed lowest disclosure.

Table 4.8 Descriptive statistics for independent, (CG Code), Principle 5: Nurture innovation and responsible business

Principle 5: Nurture Innovation and Responsible Business	**Practical Level**							
	5	**4**	**3**	**2**	**1**	**N**	$\bar{x}$	***SD***
Principle 5.1	19 (20.0)	33 (34.7)	40 (42.1)	3 (3.2)	-	95 (100)	3.72	0.821
Principle 5.2	19 (20.0)	35 (36.8)	35 (36.8)	6 (6.3)	-	95 (100)	3.71	0.861
Principle 5.3	21 (22.1)	29 (30.5)	42 (44.2)	3 (3.2)	-	95 (100)	3.72	0.846
Principle 5.4	23 (24.2)	35 (36.8)	34 (35.8)	3 (3.2)	-	95 (100)	3.82	0.838
Principle 5.5	19 (20.0)	37 (38.9)	36 (37.9)	3 (3.2)	-	95 (100)	3.76	0.808
Principle 5.6	24 (25.3)	34 (35.8)	34 (35.8)	3 (3.2)	-	95 (100)	3.83	0.846
Principle 5.7	23 (24.2)	30 (31.6)	37 (38.9)	5 (5.3)	-	95 (100)	3.75	0.887
Principle 5.8	21 (22.1)	29 (30.5)	38 (40.0)	7 (7.4)	-	95 (100)	3.67	0.904
Principle 5.9	22 (23.2)	33 (34.7)	36 (37.9)	4 (4.2)	-	95 (100)	3.77	0.856
Total Principle 5						95 (100)	3.75	0.650

Table 4.8, the study found that Principle 5: Nurture Innovation and Responsible Business, had the high level of information disclosure. This indicates a high level of compliance with the requirements of good corporate governance (CG Code). The overall mean was 3.75, with a standard deviation of 0.650. When examining each item individually, it was found that the highest mean was in sub-practice 5.6, with a mean of 3.83 and a standard deviation of 0.846. There were 24 companies (25.3%) that disclosed the highest information in this sub-practice, 34 companies (35.8%) had a high level of disclosure, 34 companies (35.8%) exhibited moderate disclosure and 3 companies (3.2%) lowest disclosure. On the other hand, the lowest mean was in sub-practice 5.2, with a mean of 3.71

and a standard deviation of 0.861. In this sub-practice, 19 companies (20%) disclosed the highest information, 35 companies (36.8%) had a high level of disclosure, 35 companies (36.8%) exhibited moderate disclosure, and 6 companies (6.3%) showed lowest disclosure.

Table 4.9 Descriptive statistics for independent, (CG Code), Principle 6: Strengthen effective risk management and internal control

Principle 6: Strengthen Effective Risk Management and Internal Control	**Practical Level**							
	5	**4**	**3**	**2**	**1**	**N**	$\bar{x}$	***SD***
Principle 6.1	20 (21.1)	31 (32.6)	36 (37.9)	8 (8.4)	-	95 (100)	3.66	0.906
Principle 6.2	23 (24.2)	32 (33.7)	34 (35.8)	6 (6.3)	-	95 (100)	3.76	0.896
Principle 6.3	24 (25.3)	31 (32.6)	33 (34.7)	7 (7.4)	-	95 (100)	3.76	0.919
Principle 6.4	16 (16.8)	33 (34.7)	37 (38.9)	9 (9.5)	-	95 (100)	3.59	0.881
Principle 6.5	24 (25.3)	32 (33.7)	34 (35.8)	5 (5.3)	-	95 (100)	3.79	0.886
Principle 6.6	20 (21.1)	42 (44.2)	26 (27.4)	7 (7.4)	-	95 (100)	3.79	0.862
Principle 6.7	19 (20.0)	31 (32.6)	37 (38.9)	8 (8.4)	-	95 (100)	3.64	0.898
Principle 6.8	15 (15.8)	34 (35.8)	38 (40.0)	8 (8.4)	-	95 (100)	3.59	0.857
Principle 6.9	19 (20.0)	29 (30.5)	41 (43.2)	6 (6.3)	-	95 (100)	3.64	0.874
Principle 6.10	25 (26.3)	24 (25.3)	38 (40.0)	8 (8.4)	-	95 (100)	3.69	0.957
Principle 6.11	14 (14.7)	32 (33.7)	41 (43.2)	8 (8.4)	-	95 (100)	3.55	0.848
Principle 6.12	26 (27.4)	25 (26.3)	37 (38.9)	7 (7.4)	-	95 (100)	3.74	0.948
Principle 6.13	25 (26.3)	25 (26.3)	36 (37.9)	9 (9.5)	-	95 (100)	3.69	0.968
Principle 6.14	32 (33.7)	26 (27.4)	34 (35.8)	3 (3.2)	-	95 (100)	3.92	0.907
Principle 6.15	29 (30.5)	26 (27.4)	36 (37.9)	4 (4.2)	-	95 (100)	3.84	0.915
Principle 6.16	22 (23.2)	24 (25.3)	42 (44.2)	7 (7.4)	-	95 (100)	3.64	0.922
Principle 6.17	26 (27.4)	27 (28.4)	35 (36.8)	7 (7.4)	-	95 (100)	3.76	0.942
Principle 6.18	30 (31.6)	22 (23.2)	41 (43.2)	2 (2.1)	-	95 (100)	3.84	0.903

Table 4.9 Descriptive statistics for independent, (CG Code), Principle 6: Strengthen effective risk management and internal control (Cont.)

Principle 6: Strengthen Effective Risk Management and Internal Control	**Practical Level**							
	5	**4**	**3**	**2**	**1**	**N**	$\bar{x}$	***SD***
Principle 6.19	30 (31.6)	21 (22.1)	44 (46.3)	-	-	95 (100)	3.85	0.875
Principle 6.20	32 (29.5)	35 (36.8)	28 (33.7)	-	-	95 (100)	4.04	0.798
Principle 6.21	28 (29.5)	36 (37.9)	31 (32.6)	-	-	95 (100)	3.97	0.792
Total Principle 6						95 (100)	3.75	0.674

Table 4.9, the study found that Principle 6: Strengthen Effective Risk Management and Internal Control, had the high level of information disclosure. This indicates a high level of compliance with the requirements of good corporate governance (CG Code). The overall mean was 3.75, with a standard deviation of 0.674. When examining each item individually, it was found that the highest mean was in sub-practice 6.20, with a mean of 4.04 and a standard deviation of 0.792. There were 32 companies (29.5%) that disclosed the highest information in this sub-practice, 35 companies (36.8%) had a high level of disclosure, and 28 companies (33.7%) exhibited moderate disclosure On the other hand, the lowest mean was in sub-practice 6.11, with a mean of 3.55 and a standard deviation of 0.848. In this sub-practice, 14 companies (14.7%) disclosed the highest information, 32 companies (33.7%) had a high level of disclosure, 41 companies (43.2%) exhibited moderate disclosure, and 8 companies (8.4%) showed lowest disclosure.

Table 4.10 Descriptive statistics for independent, (CG Code), Principle 7: Ensure Disclosure and financial integrity

Principle 7: Ensure Disclosure and Financial Integrity	Practical Level							
	5	4	3	2	1	N	$\bar{x}$	*SD*
Principle 7.1	26 (27.4)	35 (36.8)	29 (30.5)	5 (5.3)	-	95 (100)	3.86	0.883
Principle 7.2	31 (32.6)	34 (35.8)	25 (26.3)	5 (5.3)	-	95 (100)	3.96	0.898
Principle 7.3	31 (32.6)	31 (32.6)	26 (27.4)	7 (7.4)	-	95 (100)	3.91	0.946
Principle 7.4	26 (27.4)	33 (34.7)	27 (28.4)	9 (9.5)	-	95 (100)	3.80	0.952
Principle 7.5	22 (23.2)	35 (36.8)	32 (33.7)	6 (6.3)	-	95 (100)	3.77	0.881
Principle 7.6	28 (29.5)	33 (34.7)	27 (28.4)	7 (7.4)	-	95 (100)	3.86	0.930
Principle 7.7	21 (22.1)	34 (35.8)	29 (30.5)	11 (11.6)	-	95 (100)	3.68	0.948
Principle 7.8	32 (33.7)	30 (31.6)	27 (28.4)	6 (6.3)	-	95 (100)	3.93	0.937
Principle 7.9	32 (33.7)	32 (33.7)	23 (24.2)	8 (8.4)	-	95 (100)	3.93	0.959
Principle 7.10	30 (31.6)	29 (30.5)	28 (29.5)	8 (8.4)	-	95 (100)	3.85	0.967
Principle 7.11	27 (28.4)	32 (33.7)	28 (29.5)	8 (8.4)	-	95 (100)	3.82	0.945
Principle 7.12	28 (29.5)	36 (37.9)	23 (24.2)	8 (8.4)	-	95 (100)	3.88	0.932
Principle 7.13	28 (29.5)	38 (40.0)	23 (24.2)	6 (6.3)	-	95 (100)	3.93	0.890
Principle 7.14	38 (40.0)	31 (32.6)	23 (24.2)	3 (3.2)	-	95 (100)	4.09	0.876
Total Principle 7						95 (100)	3.88	0.712

Table 4.10, the study found that Principle 7: Ensure Disclosure and Financial Integrity, had the high level of information disclosure. This indicates a high level of compliance with the requirements of good corporate governance (CG Code). The overall mean was 3.88, with a standard deviation of 0.712. When examining each item individually, it was found that the highest mean was in sub-practice 7.14, with a mean of 4.09 and a standard deviation of 0.876. There were 38 companies (40%) that disclosed the highest information in this sub-practice, 31 companies (32.6%) had a high level of disclosure, 23 companies (24.2%) exhibited moderate disclosure and 3 companies (3.2%) lowest disclosure. On the other hand, the lowest mean was in sub-practice 7.5, with a mean of 3.77

and a standard deviation of 0.881. In this sub-practice, 22 companies (23.2%) disclosed the highest information, 35 companies (36.8%) had a high level of disclosure, 32 companies (33.7%) exhibited moderate disclosure, and 6 companies (6.3%) showed lowest disclosure.

Table 4.11 Descriptive statistics for independent, (CG Code), Principle 8: Ensure engagement communication with shareholders

Principle 8 Ensure Engagement Communication with Shareholders	Practical Level							
	5	4	3	2	1	N	$\bar{x}$	*SD*
Principle 8.1	20 (21.1)	38 (40.0)	27 (28.4)	10 (10.5)	-	95 (100)	3.72	0.919
Principle 8.2	23 (24.2)	35 (36.8)	27 (28.4)	10 (10.5)	-	95 (100)	3.75	0.945
Principle 8.3	22 (23.2)	40 (42.1)	25 (26.3)	8 (8.4)	-	95 (100)	3.80	0.894
Principle 8.4	22 (23.2)	43 (45.3)	23 (24.2)	7 (7.4)	-	95 (100)	3.84	0.867
Principle 8.5	25 (26.3)	37 (38.9)	26 (27.4)	7 (7.4)	-	95 (100)	3.84	0.903
Principle 8.6	24 (25.3)	39 (41.1)	26 (27.4)	6 (6.3)	-	95 (100)	3.85	0.875
Principle 8.7	24 (25.3)	36 (37.9)	17 (17.9)	18 (18.9)	-	95 (100)	3.69	1.053
Principle 8.8	33 (34.7)	30 (31.6)	15 (15.8)	17 (17.9)	-	95 (100)	3.83	1.098
Principle 8.9	32 (33.7)	30 (31.6)	15 (15.8)	18 (18.9)	-	95 (100)	3.80	1.107
Principle 8.10	35 (36.8)	31 (32.6)	15 (15.8)	14 (14.7)	-	95 (100)	3.92	1.059
Principle 8.11	21 (22.1)	41 (43.2)	26 (27.4)	7 (7.4)	-	95 (100)	3.80	0.870
Principle 8.12	12 (12.6)	48 (50.5)	29 (30.5)	6 (6.3)	-	95 (100)	3.69	0.773
Principle 8.13	28 (29.5)	38 (40.0)	22 (23.2)	7 (7.4)	-	95 (100)	3.92	0.907
Principle 8.14	14 (14.7)	47 (49.5)	28 (29.5)	6 (6.3)	-	95 (100)	3.73	0.791
Principle 8.15	14 (14.7)	45 (47.4)	29 (30.5)	7 (7.4)	-	95 (100)	3.69	0.813
Principle 8.16	15 (15.8)	46 (48.4)	29 (30.5)	5 (5.3)	-	95 (100)	3.75	0.785
Principle 8.17	16 (16.8)	46 (48.4)	28 (29.5)	5 (5.3)	-	95 (100)	3.77	0.792
Total Principle 8						95 (100)	3.79	0.622

Table 4.11, the study found that Principle 8: Ensure Engagement Communication with Shareholders, had the high level of information disclosure. This indicates a high level of compliance with the requirements of good corporate governance (CG Code). The overall mean was 3.79, with a standard deviation of 0.622. When examining each item individually, it was found that the highest mean was in sub-practice 8.10, with a mean of 3.92 and a standard deviation of 1.059. There were 35 companies (36.8%) that disclosed the highest information in this sub-practice, 31 companies (32.6%) had a high level of disclosure, 15 companies (15.8%) exhibited moderate disclosure and 14 companies (14.7%) lowest disclosure. On the other hand, the lowest mean was in sub-practice 8.12, with a mean of 3.69 and a standard deviation of 0.773. In this sub-practice, 12 companies (12.6%) disclosed the highest information, 48 companies (50.5%) had a high level of disclosure, 29 companies (30.5%) exhibited moderate disclosure, and 6 companies (6.3%) showed lowest disclosure.

4.2 Regression Analysis

The data were tested by using multiple regression analysis. It is necessary to verify the data to be tested satisfy the requirements of multiple regression analysis. The first is the adequacy of data. The result of examining the data from the variables used in the study found that, there is a sample of at least 50 companies where the tolerance is normally distributed (Test of Normality). Normality can have a serious effect on a small sample that less than 50 cases (Hair, Black, Babin, Anderson, &Tatham, 2006). According to this study, there were a total of 95 samples used in the study, which were considered sufficient and met the conditions that multivariate regression analysis is not recommended for small samples.

The second condition is that all variables in the dataset should be normally distributed. In order to deal with the normality of the dataset, Mahalanobis distance was applied to remove the outliers. As a result, the two companies of the dataset were evaluated and removed as the outliers. Then, this study verified the normality of the dataset by analyzing the skewness and kurtosis values as shown in Table 4.2, which indicated all variables in the dataset would be normally distributed. Thus, the final samples used in this study were 95 companies.

The third assumption is the independence of observations, that is, the occurrence of one tells nothing about the occurrence of the other. Autocorrelation is problematic when the lack of independence between values. The statistics that detect autocorrelation is the Durbin-Watson test. The Durbin-Watson statistics in Table 4.15 show that all models have Durbin-Watson statistics range is 1.5-2.5. This indicates the independence of the observations. Therefore, there is no autocorrelation problem.

The last important assumption is both the independent and control variables used in this study were not highly related or did not suffer from multicollinearity problems. These are tested based on a Tolerance statistic not close to zero and a Variance Inflation Factor (VIF) statistics less than 10. According to these tested results, it was found that the statistical value of Tolerance was in the range between 0.4171 and 0.9942, and the statistical of VIF has a value in the range 1.006 - 2.398, thus it was concluded that all predictors and control variables are not related to each other. Therefore, they are independent of each other and will not cause problems of multicollinearity (Bowerman & O'Connell, 2000). In addition, considering the correlation coefficient of each variable in Table 4.13, the independent variable with the highest correlation coefficient is AQ and LNSIZE (r = -0.701) which the independent variable should not have a correlation value greater than 0.70. In this study, AQ is Moderator and LNSIZE is control variable and the aim of this study was not to explore the relationship between these two variables, and used mean centering method to solve the multicollinearity problem of the interaction of variable of (AQ*CG Code) (Kromrey & Johnson, 1998). Therefore, this study does not have multicollinearity problem which is considered a condition for conducting regression analysis.

Table 4.12 Correlation among all variables

Variable	CG CODE	LNSIZE	FL	PROFIT	INVEST	AQ	TBQ
CG CODE	1						
LNSIZE	-0.011	1					
FL	0.024	.585**	1				
PROFIT	0.014	-.224*	-.425**	1			
INVEST	0.058	-0.107	-0.121	0.061	1		
AQ	0.034	-.701**	-.497**	0.154	-0.061	1	
TBQ	.234*	-.314**	-.357**	.439**	-0.168	.452**	1

*Note *, **Correlation is significant at the .05 and .01 level*
Notes: CG CODE: Corporate Governance Code, LNSIZE: Logarithm of Firm Size (FS), FL: Firm Leverage, PROFIT: Profitability, INVEST: Investment, AQ: Audit Quality (Audit fee divided total asset), TBQ: Tobin's Q

Table 4.12 and table 4.13 indicate the results of the Pearson correlation coefficient for the variables used in this study. This shows the linear association between variables. "+" and "-" signs show a positive and negative correlation between variables, respectively. Tobin's Q is dependent variables that shows the firm performance of sampled companies listed on SET in 2021. The correlation analysis according to both tables showed that there is no serious multicollinearity problem.

Table 4.13 Correlation among CG Code each principle with all variables

CG Code	principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	LNSIZE	FL	PROFIT	INVEST	TBQ	AQ
principle1	1													
principle2	.325**	1												
principle3	.248*	.342**	1											
principle4	.366**	.571**	.493**	1										
principle5	.408**	.308**	.234*	.370**	1									
principle6	.265**	.508**	.162	.393**	.421**	1								
principle7	.100	.154	.008	.277**	.370**	.238*	1							
principle8	.545**	.383**	.412**	.456**	.573**	.445**	.180	1						
LNSIZE	.254*	-.129	-.072	-.192	.326**	-.214*	.046	.289**	1					
FL	.051	-.142	.014	-.045	.209*	-.172	.182	.114	.585**	1				
PROFIT	-.054	.103	.017	.046	-.108	.031	-.050	.034	-.224*	-.425**	1			
INVEST	-.044	.112	-.121	.080	.000	.118	.277**	-.011	-.107	-.121	.061	1		
TBQ	-.020	.216*	.248*	.245*	-.001	.191	.012	.084	-.314**	-.357**	.439**	-.168	1	
AQ	-.230*	-.001	.085	.179	-.084	.229*	-.174	-.154	-.701**	-.497**	.154	-.061	.452**	1

*Note *, **Correlation is significant at the .05 and .01 level*

Notes: CG CODE: Corporate Governance Code, LNSIZE: Logarithm of Firm Size (FS), FL: Firm Leverage, PROFIT: Profitability, INVEST: Investment, AQ: Audit Quality (Audit fee divided total asset), TBQ: Tobin's Q

Table 4.14 Regression analysis examining the effects of CG Code each principle, audit quality and control variables with Tobin's Q

Variable	B	Std. Error	Beta	t	*p*-value	Tolerance	VIF
(Constant)	-4.274	2.062		-2.072	0.041**		
CG Code							
Principle 1	-2.773	18.338	-0.016	-0.151	0.880	0.600	1.668
Principle 2	22.131	16.418	0.154	1.348	0.181	0.505	1.980
Principle 3	5.891	3.708	0.161	1.589	0.116	0.645	1.550
Principle 4	1.829	9.102	0.025	0.201	0.841	0.429	2.331
Principle 5	-19.262	15.833	-0.147	-1.217	0.227	0.451	2.217
Principle 6	1.813	6.540	0.032	0.277	0.782	0.495	2.020
Principle 7	14.477	7.400	0.197	1.956	.054*	0.656	1.525
Principle 8	-0.262	9.346	-0.004	-0.028	0.978	0.403	2.478
AQ	0.905	0.249	0.489	3.630	.000***	0.366	2.735
LNSIZE	0.149	0.098	0.231	1.517	0.133	0.285	3.514
FL	-0.549	0.637	-0.101	-0.862	0.391	0.487	2.055
PROFIT	5.577	1.435	0.357	3.887	.000***	0.785	1.273
INVEST	-1.072	0.461	-0.207	-2.327	.022**	0.841	1.190
a. Dependent Variable: TBQ							

*Notes: t statistics in parentheses, * p < .10, ** p < .05, *** p < .01; n=95;*
CG CODE: Corporate Governance Code, LNSIZE: Logarithm of Firm Size (FS), FL: Firm Leverage, PROFIT: Profitability, INVEST: Investment, AQ: Audit Quality (Audit fee divided total asset), TBQ: Tobin's Q

In order to analyze whether each principle of CG Code voluntary disclosure affecting the firm performance, the results of the regression analysis are shown in Table 4.14. The findings reveal that among the eight principles of CG Code, only principle 7: Ensure Disclosure and Financial Integrity, has a positive effect on Tobin's Q at a statistically significant level of .10 while the other seven principles have no statistically significant effect on firm performance. The findings indicate that each principle of the CG Code does not affect the market firm performance as measured by Tobin's Q. Moreover, it was also found that audit quality has a statistically significant positive effect on firm performance at a level of .01. Thus, better audit quality (audit fee) leads to higher Tobin's Q. Along with the control variables, profitability has a positive effect while investment demonstrates negative effect on firm performance at a statistically significant level of .01 and .05, respectively. Therefore, this study confirms that an increase in profitability leads to better firm performance whereas greater investment in net fixed-assets, lower the fixed-asset efficiency ratio, thus firm performance decrease.

To assess the effect of CG Code on firm performance and the moderating effect of audit quality on the effect of CG Code on firm performance, four regression models are found and presented in Table 4.15.

The results in model 1 showed the effects of control variable on firm performance (Tobin’s Q) and indicated that control variables: profitability (PROFIT) and investment (INVEST) had a positive significant effect on Tobin’s Q. In contrast, firm size (FS) and firm leverage (FL) had insignificant effect on Tobin’s Q. Regardless of whether a company is large or small, and regardless of the debt-to-assets ratio being high or low, it does not significantly impact the operational performance measured by Tobin’s Q.

According to the results in the model 2, it demonstrated that the factors influencing the increase in firm performance was the CG Code, while profitability (PROFIT) have a positive significant impact on Tobin’s Q and investment (INVEST) have a negative significant impact on Tobin’s Q. In addition, the coefficient of CG Code related to Tobin’s Q is 0.244 ($p < .01$), and the coefficient of profitability (PROFIT) and investment (INVEST) related to Tobin’s Q is 0.351 ($p < .01$) and -0.240 ($p < .01$), respectively. Thus, compliance with corporate governance principles relates to the company market firm performance. The study revealed that companies that comply with good corporate governance practices could expect to achieve higher market firm performance.

Therefore, it was considered that the increase in CG Code significantly affected market firm performance as measured by Tobin’s Q. Specifically, CG Code increased by 1 score resulting in a 24.4% increase in Tobin's Q. This result indicates that better corporate governance and more transparency due to the role and responsibility of the board of directors will increase market firm performance. Hypothesis 1 proposed that corporate governance code (CG Code) has positive effect on firm performance (Tobin’s Q). Thus, H1 is supported.

4.3 Hypothesis Testing

Table 4.15 Results from a regression analysis examining the moderating effect of audit quality on the relationship between CG Code and Tobin's Q, controlling for firm size, firm leverage, profitability and investment

Variable	***Model 1***			***Model2***			***Model 3***			***Model 4***		
Dependent: Tobin's Q	***B(t)***	***Beta***	***p-value***	***B(t)***	***Beta***	***p-value***	***B(t)***	***Beta***	***p-value***	***B(t)***	***Beta***	***p-value***
(Constant)	3.850		.000***	3.828		.000***	1.051		0.413	0.654		0.601
	(3.691)			(3.815)			(0.822)			(0.525)		
Control variable												
FS	-0.120	-0.186	.091	-0.115	-0.178	.094	0.040	0.063	.615	0.067	0.103	.395
	(-1.707)			(-1.692)			(0.505)			(0.854)		
FL	-0.675	-0.124	.296	-0.761	-0.139	.222	-0.405	-0.074	.499	-0.511	-0.094	.380
	(-1.052)			(-1.230)			(-0.679)			(-0.882)		
PROFIT	5.592	0.358	.000***	5.476	0.351	.000***	5.775	0.370	.000***	5.536	0.355	.000***
	(3.667)			(3.731)			(4.133)			(4.088)		
INVEST	-1.168	-0.225	.013**	-1.245	-0.240	.006***	-0.951	-0.183	.031**	-0.850	-0.164	.046**
	(-2.527)				(-2.793)			(-2.197)			(-2.022)	
Main effect												
CG Code				3.525	0.244	.005***	3.299	0.229	.006***	4.330	0.300	.000***
				(2.864)			(2.817)			(3.618)		
Moderator effect												
AQ							0.709	0.383	.002***	0.767	0.414	.000***
							(3.260)			(3.626)		
Interaction terms												
CG Code × AQ										6.606	0.223	.009***
										(2.664)		
R Square		0.298			0.357			0.426			0.470	
Adj.R Square		0.266			0.321			0.387			0.427	
R Square Change					0.059			0.069			0.043	
VIF		1.017-1.770			1.006-1.774			1.009-2.359			1.076-2.398	
F-statistics		9.537***			9.881***			10.896***			11.000***	
Durbin-Watson		1.717			1.620			1.781			1.779	

*Notes: t statistics in parentheses, ** p < .05, *** p < .01; n=95 for all models;*

The result in model 3 found that audit quality (AQ) had a positive significant effect on firm performance (Tobin's Q). The coefficient of AQ that affected Tobin's Q is 0.383 ($p < .01$). Therefore, an increase of 1 unit of AQ would result in a 38.3% increase in Tobin's Q. The study indicates that higher audit fees indicate higher audit quality. This will increase in firm value. Hypothesis 2 proposed that audit quality (audit fee) has positive effect on firm performance (Tobin's Q). Thus, H2 is supported.

The result in model 4 showed the moderating effect of audit quality on the relationship between CG Code and firm performance. The coefficient of the moderating effect or the interaction effect between AQ and CG Code is 0.223 ($p < .01$). This indicated that audit quality positively and significantly affected the effect of CG Code on firm performance. More specifically, the positive effect of CG Code on firm performance is stronger when audit quality increases. Hypothesis 3 proposed that audit quality affects the effect of CG Code on firm performance, such that the effect of CG Code on firm performance is stronger when audit quality increases. Thus, H3 is supported.

```
    Focal predict: MCG1     (X)
          Mod var: MAQ      (W)

Conditional effects of the focal predictor at values of the moderator(s):

        MAQ     Effect         se          t          p       LLCI       ULCI
     -.6345      .1382     1.6400      .0843      .9330    -3.1215     3.3979
      .0000     4.3298     1.1967     3.6180      .0005     1.9511     6.7084
      .6384     8.5474     2.2723     3.7615      .0003     4.0309    13.0639

Data for visualizing the conditional effect of the focal predictor:
Paste text below into a SPSS syntax window and execute to produce plot.

DATA LIST FREE/
   MCG1       MAQ        TBQ        .
BEGIN DATA.
     -.0819     -.6345     1.1964
      .0000     -.6345     1.2077
      .0819     -.6345     1.2190
     -.0819      .0000     1.3395
      .0000      .0000     1.6942
      .0819      .0000     2.0489
     -.0819      .6384     1.4835
      .0000      .6384     2.1837
      .0819      .6384     2.8840
END DATA.
GRAPH/SCATTERPLOT=
 MCG1     WITH     TBQ      BY       MAQ      .

*********************** ANALYSIS NOTES AND ERRORS ************************

Level of confidence for all confidence intervals in output:
  95.0000

W values in conditional tables are the minimum, the mean, and 1 SD above the mean.

NOTE: One SD below the mean is below the minimum observed in the data for W,
      so the minimum measurement on W is used for conditioning instead.

------ END MATRIX -----
```

Figure 4.1 Conditional effects of CG Code on firm performance at different values of audit quality. Output from the PROCESS macro for SPSS.

The PROCESS macro for SPSS is employed to computing the interaction effect and interpreting the conditional effect of the CG Code at different level of audit quality. Figure 4.1 shows the conditional effect of CG Code on firm performance based on the 3 different values of audit quality: one standard deviation below the mean (MAQ = -.6345; AQ = .0035), mean (MAQ = 0; AQ = 0.638), and one standard deviation above the mean

(MAQ = .6384; AQ = 1.276). Interestingly, the interaction effects between CG Code and audit quality at the level of one standard deviation above the mean and at the mean value of audit quality are positively and statistically significant ($p < .01$) on firm value with a coefficient of 8.5474 and 4.3298, respectively. In contrast, the interaction effects between CG Code and audit quality at the level of one standard deviation below the mean is statistically insignificant ($p = 0.9330$) on firm value.

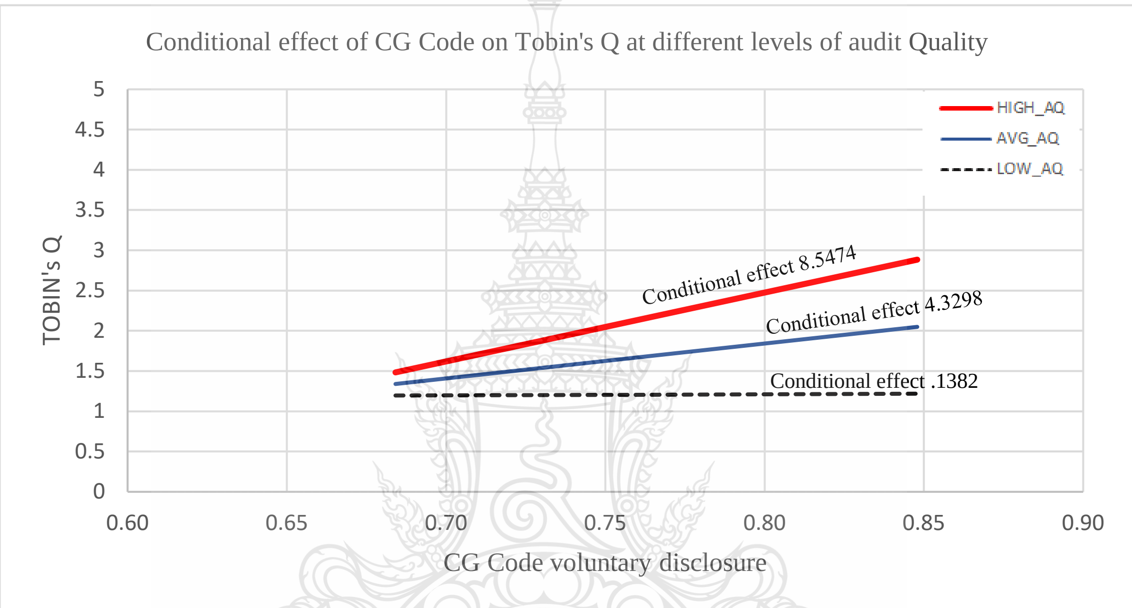


Figure 4.2 Presents the conditional effects of AQ on the relationship between CG Code and Tobin's Q

To demonstrate the nature of these interaction effects, the graph was plotted as shown in Figure 4.2. It shows that audit quality interacting with CG Code leads to an increase in firm performance. It is obvious that CG Code leads to a positive statistically significant increase in firm performance in high audit quality (MAQ = .6384 (one standard deviation above the mean); AQ = 1.276) and in moderate audit quality (MAQ = .000 (the mean value); AQ = 0.638) levels, and the effect of CG Code on firm performance is 8.5474, and 4.3298, respectively. Interestingly, when audit quality is at a low level (MAQ = -.6345 (one standard deviation below the mean); AQ = 0.0035), the effect of CG Code on firm performance is statistically positive insignificant at 0.1382. The finding indicates the two-way interaction effect of CG Code and audit quality on

Tobin's Q. The effect of CG Code on firm value is statistically significant stronger as audit quality is moderate or higher (AQ => 0.638), while there is no statistically significant interaction effect when audit quality is lower than 0.638.

4.4 Summary of Research Hypotheses

The hypothesis testing results of this study were summarized as follows.

Table 4.16 Summary of research hypotheses

Hypotheses	Result
H1: CG Code has a positive effect on firm performance.	The study result is consistent with H1.
H2: Audit quality has a positive on firm performance.	The study result is consistent with H2.
H3: Audit quality moderates the impact of CG Code on firm performance.	The study result is consistent with H3.

CHAPTER 5
CONCLUSION AND RECOMMENDATIONS

The final chapter of this dissertation addresses the conclusion and recommendations of the study. This includes the research questions and objectives, the research methodology, the main conclusions, the discussion of the research results, and the theoretical and practical contributions. In addition, the limitations and suggestions for further research are also presented in this chapter.

5.1 Conclusion

This dissertation examined, in the context of listed companies on the Stock Exchange of Thailand (SET), the impact of the informative value of corporate governance code (CG Code) voluntary disclosures on firm performance and whether audit quality moderates the effect of CG Code voluntary disclosures on firm performance. Explicitly, the impact of CG Code voluntary disclosures on firm value is stronger when audit quality increases.

5.1.1 Research Question and Research Purpose

This study aimed to answer the two research questions:

1) How does CG Code voluntary disclosure affect the firm performance of listed companies on the SET?

2) To what extent does the audit quality moderate the impact of CG Code voluntary disclosure on firm performance of listed companies on the SET?

In order to answer the above questions, the study employed three main objectives:

1) To explore the voluntarily CG Code disclosures of listed companies on the SET for testing the relationship between CG Code and firm performance.

2) To examine the audit quality of listed companies on the SET for testing the relationship between audit quality and firm performance.

3) To investigate the moderating effect of audit quality on the relationship between CG Code and firm performance.

According to the above research questions and objectives, three hypotheses were proposed as follows.

Hypothesis 1: CG Code has a positive effect on firm performance.

Hypothesis 2: Audit quality has a positive effect on firm performance.

Hypothesis 3: Audit quality moderates the impact of CG Code on firm performance.

5.1.2 Research Methodology

The CG Code voluntary disclosures in this study employed "Corporate Governance Code for listed companies 2017" that comprised 8 principles: 1) establish clear leadership role and responsibilities of the board, 2) define objectives that promote sustainable value creation, 3) strengthen board effectiveness, 4) ensure effective CEO and people management, 5) nurture innovation and responsible business, 6) strengthen effective risk management and internal control, 7) ensure disclosure and financial integrity, and 8) ensure engagement and communication with shareholders along with 137 guidelines and explanations. Implementation of the CG Code is based on an 'apply or explain' basis in that the board is encouraged to apply each principle and sub-principle by means that are suitable for the company's business in order to foster transparency and accountability of the board of directors to build investor confidence. Such confidence is essential for raising capital and being a publicly listed company. The audit quality was measured by the ratio of audit fees to total assets and Tobin's Q ratio was used to measure market-based firm performance.

The samples used in this study consisted of 95 listed companies on the Stock Exchange of Thailand (SET) that have fully implemented the CG Code and voluntarily disclosed their information in 2021. Data were collected from the annual reports, financial reporting and the SETSMART database. Content analysis was employed to analyze CG Code voluntary disclosures, along with statistical methods used to analyze the data, namely multiple linear regression to test the effect of CG Code on firm performance and the moderating effect of audit quality on the relationship between CG Code on firm performance, along with Hayes's regression-based analysis to test the interaction effects of audit quality and CG Code on firm performance.

5.2 Research Results and Discussion

The significant findings and discussion of this study are given as follows.

5.2.1 Overview of CG Code Voluntary Disclosure in Thailand

The study intended to develop CG Code checklists to evaluate the CG Code disclosures of the Thai listed companies that fully implemented the CG Code and voluntarily disclosed such information. The CG Code checklists were developed based on the content analysis and it was found that listed companies varied widely in their CG Code implementation. According to the 95 listed companies on SET that have fully implemented the CG Code and voluntarily disclosed their information in 2021, it was found that the overall score of the voluntary disclosure of the CG Code was at a quite high level with an average score of 3.88 out of 5 while the CG Code score ranged between 2.00 – 5.00. This means that even if the listed companies consider themselves as having fully implemented the CG Code and voluntarily disclosed some of those firms still needed to improve their disclosures to seriously comply with the principles. When considering the mean of each principle, it was found that the highest mean was in principle 1 (establish clear leadership role and responsibilities of the board) with a mean of 4.47, followed by principle 2 (define objectives that promote sustainable value creation) with a mean of 3.91, principle 7 (ensure disclosure and financial integrity) with a mean of 3.88, principle 3 (strengthen board effectiveness) with a mean of 3.82, principle 8 (ensure engagement communication with shareholders) with a mean of 3.79, principle 5 (nurture innovation and responsible business) with a mean of 3.75, principle 6 (strengthen effective risk management and internal control) with a mean of 3.75, and principle 4 (ensure effective CEO and people management) with a mean of 3.67, respectively. Establish clear leadership role and responsibilities of the board (principle 1) was implemented and clearly stated, followed by the defined objectives that promote sustainable value creation (principle 2), whereas principle 4 (ensuring effective CEO and people management) was somewhat vague and showed the lowest level of implementation and disclosure.

Even though the total score of the CG Code voluntary disclosure is at a quite high level of 3.88 out of 5 and the CG Code score is considerably acceptable, it is considered that the listed companies just focus on establishing clear leadership role and responsibilities of the board as well as setting objectives. A lower score is on implementation and monitoring. This might come from some practices involving complex details, requiring companies to study the information disclosure aligns with the CG Code principles and ensure the accuracy of the information disclosed. This research supports the policy of the Securities and Exchange Commission (SEC) that encourages listed companies on the SET to adopt the CG Code for the Board of Directors to apply since it would concretely reflect the good corporate structure and working system of the Board of Directors under various factors that cause economic, social and environmental changes (CG Thailand, 2017; Srimachand, 2017).

5.2.2 Effect of CG Code on Firm Performance

In order to investigate whether CG Code affects firm performance, which is the first objective corresponding to hypothesis 1: CG Code has a positive effect on firm performance, was proposed. The findings indicated that individual principles of the CG Code did not affect firm performance, but the overall CG Code voluntary disclosure of eight principles showed a positive and statistically significant effect on firm performance. Thus, hypothesis 1 was supported. The study indicated that for firms that have fully implemented the CG Code and voluntarily disclosed their information, firms with higher scores of the CG Code disclosure tend to have better firm performance, whereas firms with lower CG Code disclosure scores tend to have lower firm performance. Therefore, boards should encourage executives to apply the CG Code principles, study the practices, apply them, and disclose them in financial reports, company websites and other communication channels to build confidence among investors and shareholders, which will lead to greater market-based firm performance (Tobin's Q) and achieve the goal of doing business to maximize the value of the firm.

The finding that good corporate governance enhances firm performance is supported the research of Mirela and Marius (2021) which found that corporate governance practices on performance has a significant and positive relationship to Tobin's Q; of Pankaj (2017) who found that good corporate governance not only helps promote the company's activities, increasing its ability to access external financial resources, but also encourages the company to create business value and control systems in responding to risk events; and Outa and Waweru (2016) who found that compliance with corporate governance principles related to company financial performance and added value. Moreover, the results of this study also support the findings of Limpaphayom and Connelly (2004) that a good corporate governance score could lead to an organization performing better (Tobin's Q) and the study of Chancharat and Kumpamool (2022) that found corporate governance and working capital had a positive effect on firm performance and also increased Tobin's Q. This is consistent with the researcher's aim of conducting a study to explore whether improvements of good corporate governance in accordance with the CG Code would also enhance firm performance measured by Tobin's Q. The results support the objectives of the Corporate Governance Code, as explained by SET as a guideline for the board of directors who is the leader or person in charge of the organization, to apply in their management of the business to realize good performance in the long term acceptable to stakeholders for the benefit of creating sustainable value for the business to meet the expectations of the business sector, investors, as well as the capital market and society as a whole. The board should supervise the business to lead to governance outcome as follows: 1) competitiveness and performance with long-term perspective, 2) ethical and responsible business, 3) good corporate citizenship, and 4) corporate resilience (Corporate governance code for listed companies, 2017).

Moreover, the board of directors should hold regular meetings, maintain control over the company, and have clearly defined roles as a result of good corporate governance. Also, a strong risk management system is required. Through procedures, regulations, and practices, corporate governance promotes sound decision-making. In addition, it serves as the first line of defense against any allegations of malpractice or dereliction of corporate duty. It will be seen that effective corporate governance is now more important than ever for managing a profitable business. Reporting on corporate governance can take many different forms, such as regulatory returns, meeting minutes, audit and accounting results, and investor reports. In all of the nations where the company operates, creating and keeping these reports is quite important (Young, 2022). It was shown that having a good corporate governance system would lead to an organization being able to create more value.

Likewise, this finding also supported agency theory that was proposed by Jensen and Meckling (1976). Agency theory rests on the assumption that the role of organizations is to maximize the wealth of their owners or shareholders (Blair, 1995). The theory explains that everyone in an organization is motivated by personal interest resulting in conflicts of interest. Good corporate governance is applied to maintain business interests and to reduce conflicts between management, shareholders and owners. The finding supports Ngatno et al., (2021) that the goal of corporate governance was to balance interests between shareholders and other stakeholders in the company. This is a management approach to reduce conflicts of divisions and increase investor trust, stable goodwill, shareholder wealth, and investment opportunities.

5.2.3 Impact of Audit Quality on Firm Performance

For the second objective: to examine the effect of audit quality on firm performance, hypothesis 2: audit quality (AQ) has a positive effect on firm performance, was proposed and analyzed. The study found that AQ, measured by audit fee, had positive significant impact on firm performance (Tobin's Q). Therefore, higher audit fees resulted in better audit quality that led to increased firm performance. Thus, executives should consider employing a high quality external audit firm for their companies. More reliable accounting audit firms would help reduce company risks, such as operational risk and financial risk, while maintaining good corporate governance.

The audit quality in this study was measured by the ratio of audit fees to total assets that reflect the efficiency, skills, advice and credibility of an auditor. The higher audit fees might affect the cost and increased expenses, but also reflect the quality of financial position including good risk management that was certified by the qualified accounting audit firm to assure shareholders and investors' confidence. Moreover, leadership experience, judgment technical ability, ethical values, proper customer relations, proper operation, effective quality control and verification process were all reflected in the audit fees. Thus, higher audit fees resulted in better audit quality.

This finding corresponds to that of David et al., (2018) who described that signaling theory is of the opinion that companies with good performance send signals to the market through financial disclosure. Financial statements audited by reliable auditors' signal to the market that financial statements are more reliable than those audited by unreliable auditors. In addition, this finding was also consistent with those of Xin Ye (2020); Shipman and Ryan (2021) in explaining that the more audit fees charged, the better a reputation an accounting firm has. The information offered regarding their customers' financial statements is more trustworthy due to the greater quality of their audit services. Listed companies are more likely to choose accounting audit firms with a reliable reputation even if they need to pay audit fees greater than the industry average. From different perspectives, reputable companies will inevitably increase investment in audits. It also increases audit expenses while avoiding the risk of material misstatement that negatively impacts the reputation of the company. Thus, increasing audit premiums is accompanied by an improvement in audit quality that leads to increased investors' confidence, which in turn results in increased market-based firm performance.

Shubita (2021) suggested that the company management should recognize the importance of contracting with audit offices of large size and good reputation because these audit firms are more capable of increasing their efficiency, qualifying their employees, and thus being fully prepared for the audit process efficiently and effectively. Conferring to Auditors' Inspired Confidence Theory proposed that the auditor's duties and responsibilities are derived from the public confidence and trust in the audit success and the auditor assurance.

5.2.4 Moderating Role of Audit Quality on the Effect of CG Code on Firm Performance

For the last objective, that is to analyze the moderating effect of audit quality on the effect of CG Code voluntary disclosure on firm performance, hypothesis 3 was proposed that audit quality affects the impact of CG Code on firm performance, such that the impact of CG Code on firm performance is stronger when audit quality increases. The study found that audit quality positively moderates the impact of CG Code on firm performance. The positive effect of CG Code on firm performance is stronger when audit quality increases. Specifically, the positive impact of CG Code on firm performance increases only when the audit quality is reflected in average and above-average audit fees. In contrast, CG Code has no significant effect on firm performance when audit quality is below average. This study contributes to the literature by finding that CG Code voluntary disclosure tends to increase the market-based firm performance only when the business uses an accounting audit firm that charges average or the above-average audit fees. The effect of CG Code on firm performance was strengthened as the firms employed higher audit quality accounting firms to be external auditors for their business operational and financial reports. In particular, higher voluntary disclosure of the CG Code results in better market-based firm performance for firms as measured by Tobin’s Q. However, this effect is higher as the auditing quality of accounting firms increase.

This study also found that firm size and firm leverage did not have any influence on firm performance which was supported by the study Meiryani, Olivia, Jajat and Zaidi (2020) who indicated that firm size has no effect on both accounting-based and market-based firm performance. These findings are considered that regardless of whether a company is small or large, or whether it has a high or low leverage ratio, if there is effective governance, it can lead to an increase in firm performance measured by Tobin's Q. This is a result of the synthesis of financial statement users or investors. Effective governance can serve as a representative of stable growth and is related to resource management capabilities and the ability to raise capital for the company. These factors can reflect future operational performance. Therefore, companies do not necessarily need to compromise the quality of their corporate governance based on firm size or firm leverage, but rather should practice and disclose comprehensive information. Therefore, this study conducted tests to examine the relationship between each principle of the CG Code and firm performance. The results showed that one specific principle of the CG Code alone cannot significantly impact firm performance. However, it is deemed necessary to implement and combine all principles together, which will be more beneficial for firm performance.

Investment has an inverse effect on Tobin's Q. This means that when a business invests more in property, plant, and equipment (PPE) compared to total assets, it leads to a decrease in market-based firm performance or Tobin's Q. The investment is measured by the ratio of PPE to total assets, which reflects the proportion of long-term asset investments compared to total assets. If a business has a high proportion of investments in long-term assets, it indicates a less liquid position because these long-term assets have lower liquidity. As a result, the business becomes riskier. Simultaneously, the business could not generate significant income from the PPE investments due to the period studied in 2021, which was during the Covid-19 pandemic. The business experienced a decrease in sales, resulting in a decline in the efficiency of utilizing long-term assets and the ability to generate income from them. Consequently, the market value of stocks decreased, the market capitalization of shareholders declined, and the market firm performance, as measured by Tobin's Q, decreased. The result was supported by Boyle and Murphy (2022) who found that companies investing in PPE are a good sign for investors. Fixed assets are significant investments for the long-term success of many companies, but they require high capital investment. During the Covid 19 epidemic, such investment led to reduction in sales or revenue resulting in a decreased efficiency of fixed asset utilization. Since the investment in fixed assets has exceeded the appropriate level, the business cannot reduce investment in time with changing economic conditions, resulting in a decrease in firm performance.

5.3 Contributions of the Study

5.3.1 Theoretical Contributions

This study investigated the effect of CG Code voluntary disclosure on market-based firm performance and the moderating role of audit quality by accounting audit firms. The results indicated that the effect of CG Code voluntary disclosure on firm performance was positively significant. In examining the moderating role of audit quality, the findings show that audit quality has a positive and significant moderating role on the effect of CG Code voluntary disclosure on firm performance.

This study contributes theoretical implications to the present literature as follows. Theoretically, the impact of corporate governance and audit quality on firm performance is a topic of academic interest. However, these findings are inconclusive and have contradictory results. This study expands the scope of current research on corporate governance, accounting, and finance. First, it enriches the current limited research on the impact of corporate governance and audit quality on firm performance by focusing on listed companies in emerging markets where there is a high degree of discrepancy in corporate governance practices with that of developed markets. The finding of the study highlights the audit quality that moderates the effect of CG Code on firm performance. In firms that employ higher audit quality accounting firms, the effect of CG Code is more likely to contribute to higher firm performance. Audit quality affects the impact of CG Code on firm performance, such that the impact of CG Code on firm performance is stronger when the firm employs a higher quality accounting audit firm. For firms that employ high audit quality accounting firms, the CG Code affects their performance to a greater extent than the firms that employ moderate audit quality accounting firms; whereas for accounting audit firms where audit quality is below average, audit quality does not help CG Code to enhance the firm performance. The positive effect of CG Code on firm performance is stronger when audit quality increases. In particular, the positive impact of CG Code on firm performance will be increased only when the business employs accounting audit firms that have average and above-average audit fees. In contrast, better CG Code voluntary disclosure could not enhance firm performance when business employs accounting audit firms that charge the below-average audit fees. This study contributes to the literature by finding that CG Code voluntary disclosure tends to increase market-based firm performance only when the business used an accounting audit firm that charges the firm average or the above-average audit fees. The effect of CG Code on firm performance was strengthened as the firms employed higher audit quality accounting firms to audit their business operational and financial reports. In particular, higher voluntary disclosure of the CG Code results in better market-based firm performance for firms as measured by Tobin's Q. However, this effect is higher as the auditing quality of accounting firms increase. Interestingly, the interactional effect of CG Code voluntary disclosure and the average or above average quality of external audits enhances market-based firm performance, but the interactional effect of CG Code voluntary disclosure with below-average quality of external audits do not lead to increased firm performance. For companies that employ below-average quality of external audits, an improved CG Code voluntary disclosure could not increase their firm performance.

5.3.2 Practical Implications

The CG Code, which is based on the CG principles of the Organization for Economic Co-operation and Development (OECD), supports the boards of listed companies in creating good corporate governance mechanisms. Good CG benefits the company itself, and the application of the CG Code benefits shareholders, customers and all related parties. The issue of CG code has grown exponentially abroad, and Thailand has become aware of the application of CG code to reflect responsible business practices so that investors can trust Thai investment institutions. Therefore, this study investigated the application of the CG Code for listed companies in Thailand. The results show that good application of the CG Code enhances corporate performance. However, the results showed that individual principles of the CG Code had no effect on corporate performance, but voluntary disclosure of the eight principles of the CG Code had an overall positive and statistically significant effect on corporate performance. Thus, the implementation of the CG Code is beneficial to all stakeholders, including the board of directors and senior management, shareholders and investors, and regulators such as the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). In addition, the study also found that higher audit quality of the appointed auditor improves corporate performance. The positive effect of the CG code on firm performance is stronger when audit quality increases. Specifically, the positive effect of the CG Code on firm performance increases only when audit quality is reflected in average and above-average audit fees. In contrast, the CG code has no significant impact on firm performance when audit quality is below average. These findings result in the following implications for practice.

(1) The board of directors and management should focus on the principles, guidelines and practices and promote the application of the CG Code in their companies to achieve the business goal of maximizing firm value and maintain their companies in a competitive market to enhance the confidence of their investors, shareholders and society as a whole. Since the voluntary disclosure of the overall CG Code of the eight principles affects corporate performance, while the individual principles of the CG Code have no effect on corporate performance, the board and management should promote the eight principles in a balanced manner to effectively enhance firm performance.

(2) Management should consider engaging an external audit firm with appropriate audit quality as the Company's auditor. Higher audit quality improves corporate performance. A more reliable audit firm would help reduce related operational and financial risks while maintaining good corporate governance that will lead to increased firm performance.

(3) In order to raise their firm’s performance, management of a company should both promote good corporate governance and employ an external audit firm with auditing

quality reflected in an audit fee equal to or greater than the average audit fee. Management should not employ an external audit firm with below average auditing quality or an audit firm that charges lower than average audit fees. If the firm decides to employ audit firms whose quality of auditing is lower than the average, along with an increase in CG Code voluntary disclosure to reflect better corporate governance, the firm performance does not increase in accordance with the increase in good corporate governance. Thus, managers should be motivated to voluntarily disclose the CG Code and also engage with high-quality auditors in general.

(4) According to the finding that audit quality moderates the influence of the CG Code on firm performance; firms with higher audit quality are more likely to realize the impact of the CG Code contributing to higher firm performance. Audit quality influences the effect of the CG Code on firm performance, such that the effect of the CG Code on firm performance is stronger for firms with higher audit quality. In particular, for companies with high audit quality, the CG Code has a stronger effect on company performance than for companies with moderate audit quality, while for companies with low audit quality, audit quality does not contribute to the CG Code improving company performance. Therefore, investors should consider high corporate governance firms together with high audit quality as indicators of potentially high firm performance.

5.4 Limitation and Future Research

This study still has some limitations that will require further investigation

5.4.1 Limitations

First, in the study of the performance of companies under the aspect of CG Code, companies that do not disclose their governance practices according to the guidelines of CG Code or that do not provide sufficient information according to the research objectives were excluded. The reason is that they may not comply with the data collection model.

Second, the study did not examine the performance of companies under the CG Code that are listed on the Market for Alternatives Investment (mai), companies undergoing restructuring, and fund and trust groups. This is due to the differences in business operations and details compared to general business groups.

Third, data collection was limited to fiscal year 2021. Data were obtained from company annual reports, financial reporting, and the SETSMART database, which has limited reliability because it is a collection based on disclosure regulations. The various methods used to evaluate clarity are only a model created by the researcher. It has not been used to demonstrate the actual performance of all reports. Compliance with the Code CG does not evaluate other business factors, including the inability to recognize the true potential of future business operations. In addition, there may be restrictions on the disclosure of inside information by each company. In a situation where each company discloses information and gives importance to information that is less different, the results of the study on relationships may go both ways, i.e., positive and negative, which is due to differences in the company's business context, and the results of the study cannot predict past or future company performance.

Finally, this study focuses on audit quality, which is measured by the ratio of audit fees to total assets. The study does not specifically analyze other aspects of audit quality, which may be due to the type of audit firm, such as Big4 and non-Big4, as well as auditor characteristics, such as audit skills, knowledge, experience, relationships between the auditor and the auditing company, the number of affiliates, and the number of companies to be audited that are assigned to the auditor. These details found in previous research or related studies could affect audit fees.

5.4.2 Future Research

First, future research should focus on developing research tools to measure the degree of compliance with the principles and guidelines of the CG Code that are concrete and can be used to measure corporate governance scores for all types of companies, as well as methods to interpret their meaning. In addition, the weighting of the corporate governance score for each principle should be considered, e.g., scoring based on the number of related activities, etc.

Second, in-depth interviews should be conducted in the future to confirm and generalize the findings of the present study. Qualitative analyzes are recommended because they better confirm and generalize the CG code. In addition, future research should examine the performance of the CG Code using other criteria, such as the Corporate Governance Report (CGR), a survey program to monitor and evaluate the development of corporate governance or corporate governance of companies registered in Thailand. The assessment results of the CGR are useful for investors in conducting securities analysis and making investment decisions.

Third, future studies should extend the study period to achieve greater coverage or add other regulatory variables that may affect corporate performance, such as the proportion of major shareholders, auditor independence, and the relationship between the auditor and the client company. In addition, the study should examine the relationship between the code CG and other dependent variables such as other aspects of firm performance, e.g., economic value added, which is a performance indicator from an economic perspective, firm value, stock price, and stock returns.

Finally, the study should further examine audit quality in terms of audit risk, auditor independence, length of service, and other factors that might affect audit quality in practice, such as audit firm type (Big4 and non-Big4) and auditor characteristics, such as audit skills, knowledge, experience, quality monitoring practices, auditor-audit firm relationships, client relationships, number of affiliates, and number of companies the auditor is required to audit. It should also examine additional variables that may affect performance, such as the shareholder structure of management and institutional investors, which serve as proxies for good corporate governance mechanisms.

List of Bibliography

Adam, R and Mehran. (2003). Is Corporate Governance Different for Bank Holding Companies Federal Reserve Bank of New York. ***Economic Policy Review, 9***, 123-141.

Alchian, A.A. and Demsetz, H. (1972) “Production, Information Costs and Economic Organization”. ***American Economic Review***, ***62***(5), 777-795.

Alvarez, Anson & Mendez. (2013). ***The Effect of Board Size and Composition on Corporate Performance. Corporate Governance***, ***Financial Markets and Global Convergence***. Financial and Monetary Policy Studies book series (FMPS, 33,1-14).

Al-Najjar, B. and Kilincarslan, E. (2016). The effect of ownership structure on dividend policy: evidence from Turkey. ***Corporate Governance, 16***(1), 135-161. https://doi.org/10.1108/CG-09-2015-0129

Anthony Young. (2022). The importance of good corporate governance. ***Article from Vistra. Online.*** https://www.vistra.com/insights/importance-good-corporate-governance.

Antonio Lopo Martinez, et al. (2014). Association Between Independent Auditor Fees and Firm Value: A Study of Brazilian Public Companies. ***Journal of Modern Accounting and Auditing***, ***10***(4), 442-450.

Anvarkhatibi, S., Safashur, M., & Mohammadi, J. (2012). The effect of auditors’ opinions on shares prices and returns in Tehran Stock Exchange. ***Research Journal of Management Sciences***, ***1***(1), 23-27.

Armstrong, C.S., Blouin, J.L., Jagolinzer, A.D. and Larcker, D.F. (2015). Corporate governance, incentives and tax avoidance. ***Journal of Accounting and Economics***, ***60***(2), 1-17.

Amal Aguir, Nadia Lakhal and Adnane Malek. (2015). Do Women on Boards And In Top Management Reduce Earnings Management? Evidence In France. ***The Journal of Applied Business Research***, ***31***(3), 1107-1118.

Augustine O. Okolie. (2014). Audit Firm Size and Market Price Per Share of Quoted Companies in Nigeria. ***International Journal of Business and Social Research, 4***(5), 100-117.

Al-Thuneibat, A., A bedalqader, A., Baker, R. T. I. and Ata, R. A. (2011). Do Audit Tenure and Firm Size Contribute to Audit Quality: Empirical Evidence from Jordan. ***Managerial Auditing Journal, 26***(4), 317-334.

Armitage. (2005). The cost of capital: intermediate theory. ***Cambridge, UK.***

Baker A. Aledwan, Ahmad A. Bani Yaseen & Abdulsttar Alkubisi. (2015). The Role of Audit Quality on the Relationship between Auditor's and Financial Performance Quality of Selected Cement Firm in Jordan. ***International Journal of Business and Social Science, 6***(12), 138-146.

Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. ***Journal of Personality and Social Psychology, 51***(6),1173–1182. https://doi.org/10.1037/0022-3514.51.6.1173

Bayelign Abebe Zelalem. (2022). Corporate governance and financial performance in the emerging economy: The case of Ethiopian insurance companies. ***Cogent Economics & Finance, 10***(1), ttps://doi.org/10.1080/23322039.2022.2117117

Beiner et al. (2006). An integrated framework of corporate governance and firm valuation. ***European Financial Management, 12***(2), 249-283.

Beasley, M. S., & Petroni, K. R. (2011). Board Independence and Audit-Firm Type. ***Social Science Electronic Publishing***, ***20***, 97-114. https://doi.org/10.2139/ssrn.137582

Blair, M. M. 1995. Ownership and control: Rethinking corporate governance for the twenty-first century. ***Washington, DC: Brookings Institution Press***.

Brown, T. A. (2006). ***Confirmatory factor analysis for applied research***. Guilford Press.

Borlea, Sorin Nicolae. (2013). Theories of Corporate Governance. ***Seria stiinte economice, 23***(1), 117-128.

Carter, D.A., Simpkins, B.I., & Simpson, W.G. (2003). Corporate governance, board diversity and firm value. ***The Financial Review, 38***, 33-53.

Chancharat, N., & Kumpamool, C. (2022). Working capital management, board structure and Tobin's q ratio of Thai listed firms. ***Managerial Finance, 48***(4), 541–556.

Carcello et al., J.V. Carcello, D.R. Hermanson, T.L. Neal, R.A. Riley Jr. (2002). Board characteristics and audit fees. ***Contemporary Accounting Research**, **19***(3), 365-384

CG Thailand. (2017). ***Corporate Governance Code for Listed Companies***. http://www.cgthailand. org/TH/FAQ/cgcode/Pages/CGCodeFAQs.aspx.

Chester I. Barnard. (1983). ***Functions of the Executive.*** CI Barnard - 2009 - library.du.ac.in

Chi Pham, Thu Minh Thi Vu, L. H. Nguyen and D. Nguyen. (2020). Audit Quality and Stock Return Co-Movement: Evidence from Vietnam.The Journal of Asian Finance. ***Economics and Business, 7***(7), 139-147.

Clarkson, P. M. (2000). Auditor quality and the accuracy of managing earnings forecasts. ***Contemporary Accounting Research, 17***(4), 595-622.

Chen, C. J. P., Srindhi, B. and Su, Xijia. (2014). Effect of Auditing: Evidence from Variability of Stock Returns and Trading Volume. ***China Journal of Accounting Research, 7***(4), 223-245.

Chi Bich Thi PHAM, Thu Minh Thi VU, Linh Ha NGUYEN and Dung Duc NGUYEN. (2020). Audit Quality and Stock Return Co-Movement: Evidence from Vietnam. ***Journal of Asian Finance, Economics and Business, 7***(7), 139-147.

Colbert, G. and Murray, D. (1998). The association between audit quality and auditor size: an analysis of small CPA firms. ***Journal of Accounting, Auditing and Finance, 13***(2), 135-150.

Daily, C.M., Dalton, D.R., Canella, A.A. (2003). Corporate Governance: Decades of Dialogue and Data. ***Academy of Management Review, 28***(3), 371-382.

David Okelue Ugwunta, Boniface Uche Ugwuanyi and Christian Ugonna Ngwa, (2018). Effect of audit quality on market price of firms listed on the Nigerian stock market. ***Journal of Accounting and Taxation, 10***(6),61-70.

Davidson, R. A., and D. Neu. (1993). A note on the association between audit firm size and audit quality. ***Contemporary Accounting Research, 9***(2), 479-88.

Dehkordi, H. F., & Makarem, N. (2011). The effect of size and type of auditor on audit quality. ***International Research Journal of Finance and Economics***, ***80***, 121-137.

DeAngelo, H. and Masulis, R. (1980). Optimal capital structure under corporate and personal taxation. ***Journal of Financial Economics, 8***(1), 3-29.

The Moderating Effect of Corporate Governance on Relationship between CEO Power and Firm Performance. ***WMS Journal of ManagementWalailak University, 8***(2), 72-84.

Demerjian, Lev, Lewis, and McVay. (2013). Managerial Ability and Earnings Quality. ***American Accounting Association, 88***(2), 463-498.

Ebrahim Mohammed Al-Matari, Sulaiman Abdullah Saif &Yahya Ali Al-Matari. (2016). The Moderating Effect of Audit Quality on the Relationship between Ownership Structure and Firm Performance:A conceptual study. ***e-Proceeding of the Social Sciences Research,*** 95-102.

Ecaterina Volosin. (2007). The theories of audit expectations and the expectations gap. ***Munich***, ***GRIN Verlag***, https://www.grin.com/document/116911.

Eshitemi,B.P., & Omwenga, J. (2016). Effect of Audit Quality on the Financial Performance of Listed Parastatals in Nairobi Security Exchange. ***Social Science and Humanity Journal***, ***1***(2), 186-199

Farooq, M., Noor, A. and Ali, S. (2022). "Corporate governance and firm performance: empirical evidence from Pakistan". ***Corporate Governance, 22***(1), 42-66.

Ferchichi Jihene and Dabboussi Moez. (2019). The Moderating Effect of Audit Quality on CEO Compensation and Tax Avoidance: Evidence from Tunisian Context. ***International Journal of Economics and Financial, 9***(1), 131-139.

Friedman, M. (1970). A theoretical framework for monetary analysis. ***Journal of Political Economy***, ***78***(2), 193-238.

Frazier, P. A., Tix, A. P., & Barron, K. E. (2004). Testing Moderator and Mediator Effects in Counseling Psychology Research. ***Journal of Counseling Psychology, 51***(1), 115-134. https://doi.org/10.1037/0022-0167.51.1.115

Fremond O., and Capaul, M. (2002). The State of Corporate Governance: Experience from Country Assessments. ***Policy Research working paper.*** https://doi.org/10.1596/1813-9450-2858

Geoffrey C. Kiel and Gavin J. Nicholson. (2005). Evaluating Boards and Directors. ***Corporate Governance: An International Review, 13***(5), 613-631.

Gray R. H., Owen D. L. and Adams C. (1996). ***Accounting and accountability, changes and challenges in corporate social and environmental reporting***. Prentice Hall, Hemel Hempstead.

Gompers, P., Ishii, J., Metrick, (2003). Corporate governance and Equity price**.** ***National bureau economic research, 18***(1), 107-155.

Hallak, R. T. P., & Silva, A. L. C. (2012). Determinantes das despesas com serviços de auditoria e consultoria prestados pelo auditor independente no Brasil. ***Revista Contabilidade & Finanças, 23***(60), 223-231.

Hair JF, Black WC, Babin BJ, Anderson RE, Tatham RL. (2006). ***Multivariate data analysis***,***6***. Pearson Prentice Hall, Upper Saddle River.

Hamid Ghorbani. (2019). Mahalanobis Distance and Its Application for Detecting Multivariate Outliers. ***Ser. Math. Inform, 34***(3), 583-595.

Hardjo Koerniadi, Chandrasekhar Krishnamurti and Alireza Tourani-Rad.(2014). Corporate governance and risk-taking in New Zealand. ***Australian Journal of Management***, ***39***(2). https://doi.org/10.1177/0312896213478333

Hua, C.S Hla, T.D & Isa, H.A. (2016). Malaysia Financial Reporting Practices and Audit Quality Promote Financial Success: The Case of Malaysian Construction sector,UNIMAS. ***Review of Accounting and Finance, 1***(1), 36-50.

Hua, Hla, and Isa. (2016). Practicing FRS and Audit Quality support Financial Success of Construction firms in Malaysia. ***UNIMAS Review of Accounting and Finance***.

Hoti, A. H., Ismajli, H., Ahmeti, S. and Dermaku, A. (2012). Effect of Audit Opinion on Stock Prices: The Case of Croatia and Slovenia***. Euroconomica, 2***(31), 75-87.

Hussein Mohammad Salameh,et al; (2011). The Impact of Direct Investment and Other Control Variables on Corporate Governance in ASE. ***European Journal of Economics***, ***Finance and Administrative Sciences***, 32.

Hussainey, K. (2009). The Impact of Audit Quality on Earnings Predictability. ***Managerial Auditing Journal, 24***(4), 340-351.

Jai Prakash Sharma. (2010). Corporate Governance Failure: A Case Study of Satyam. ***Indian Journal of Corporate Governance, 3***, 136-175**.**

Jensen & Meckling. (1976).Theory of the firm: Managerial behavior, agency costs and ownership structure. ***Journal of Financial Economics**, **3,*** 305-360.

Jiang, C. H., & Zheng, J. X. (2012). Correlation Test between Corporate Governance and Audit Fees: Data from Shanghai and Shenzhen A-Share Stock Market in 2010. ***Research of Finance and Education***, ***25***, 44-50.

J.P. Singh, Naveen Srivastav and Shigufta hena Uzma. (2010). Satyam Fiasco: Corporate Governance Failure and Lessons Therefrom. ***The IUP Journal of Corporate Governance, 9***(4), 30-39.

Jun Chen, Wang Dong, Shuo Li & Yu (Tony) Zhang. (2018). Perceived audit quality, state ownership, and stock price delay: evidence from China. ***Asia-Pacific Journal of Accounting & Economics***, ***25***(1-2), 253-275.

John Ayoor Ivungu, Kenneth Gbaior Anande and Austine Ujah Ogirah. (2019). Effect of audit quality on firm performance: a review of literature. ***International Journal of Advanced Academic Research, 5***(6), 1-13.

Joseph Legoria, Kenneth J. Reichelt and Jared S. Soileau. (2018). Auditors and Disclosure Quality: The Case of Major Customer Disclosures. ***AUDITING: A Journal of Practice & Theory, 37***(3), 163–189.

Joshua L. Gunn, Brett S. Kawada and Paul N. Michas. (2019). Audit market concentration, audit fees, and audit quality: A cross-country analysis of complex audit clients. ***Journal of Accounting and Public Policy***, 1-21.

Khalil, S. K., Magnan, M., & Cohen, J. R. (2011). Dual-Class Shares and Audit Pricing: Evidence from the Canadian Markets. ***Social Science Electronic Publishing***, ***27***, 199-216.

Kayed Abdullah Al-Attar. (2017). The Impact of Auditing on Stock Prices of Amman Stock Market's Listed Companies. ***International Journal of Academic Research in Business and Social Sciences, 7***(6), 210-220.

Knechel, W. R. (2009). ***Audit lessons from the economic crisis: rethinking audit quality***. inaugural lecture delivered at Maastricht University on Friday, September 11.

Khan, K., Nemati, A. R., & Iftikhar, M. (2011). Impact of corporate governance on firm performance evidence from the Tobacco Industry of Pakistan. ***International Research Journal of Finance and Economics***, ***61***, 7-14.

K.J. Martijn Cremers & Simone M. Sepe. (2016). Staggered Boards and Long-Term Firm Value, Revisited***. Journal of Financial Economics (JFE), 126***(2), 422-444 https://doi.org/10.1016/j.jfineco.2017.08.003

Kline, R. B. (2011). ***Principles and practice of structural equation modeling (3rd ed.).*** Guilford Press.

Kromrey & Foster-Johnson. (1998). ***Mean-centering in Moderated Regression***: Much Ado About Nothing.

Kouwenberg, Roy R. P. (2006). ***Does Voluntary Corporate Governance Code Adoption Increase Firm Value in Emerging Markets? Evidence from Thailand***. SSRN Electronic Journal, DOI:10.2139/ssrn.958580

Kouwenberg, R., Salomons, R. and Thontirawong, P. (2014). Corporate governance and stock returns in Asia. ***Quantitative Finance***, ***14***(6), 965-976.

L. E. DeAngelo. (1981) Auditor size and audit quality. ***Journal of Accounting and Economics***, ***3***(3), 183-199.

Levitt, A. (1998). ***The numbers game: speech delivered at the New York University center for law and business***, New York.

Limperg, T., Flint, D., & Bak, G. G. M. (1985). ***The Social Responsibility of the Auditor: A Basic Theory on the Auditor's Function***. Limperg Institute.

Li, Y., Wang, F. F., & Yin, T. X. (2017). CEO Power, Audit Committee Professionalism and Audit Fees. ***Auditing Research, 6***, 91-98.

M. Awais Gulzar, Zongjun Wang. (2010). Corporate Governance and Non-Listed Family Owned Businesses: An Evidence from Pakistan. ***International Journal of Innovation***, ***Management and Technology***, ***1***(2),124-129.

Meiryani, Olivia, Jajat Sudrajat & Zaidi Mat Daud. (2020). The Effect of Firm's Size on Corporate Performance. ***International Journal of Advanced Computer Science and Applications***, ***11***(5), 272-277 DOI: 10.14569/IJACSA.2020.0110536

Mirela Oana Pintea and Marius Dan Gavriletea. (2021). Corporate governance and financial performance: evidence from Romania. ***Journal of Economic Studies, 48***(8), 1573-1590.

Michael J Boyle,and Chris B. Murphy.(2022). Property, Plant, and Equipment (PP&E) Definition in Accounting. ***Investopedia Article***.

Mohammad Abdallah Almomani. (2015). The Impact of Audit Quality Features on Enhancing Earnings Quality: The Evidence of Listed Manufacturing Firms at Amman Stock Exchange. ***Asian Journal of Finance & Accounting, 7***(2), 255-280

Mohammad Fawzi Shubita. (2021). The Impact of Audit Quality on Tobin's Q: Evidence from Jordan. ***Journal of Asian Finance, Economics and Business***, ***8***(7), 517-523

Moradi, M., Salehi, M., Rigi, M. and Moeinizade, M. (2011). The Effect of qualified Audit Report on Share Prices and Returns: Evidence of Iran. ***African Journal of Business Management, 5***(8), 3354-3360.

Morck, Randall, Andrei Shleifer and Robert Vishny. (1998). Management Ownership and market valuation: an empirical analysis. ***Jouranl of Financial Economics 20***, 293-315.

Moutinho, V., Cerqueira, A., & Brandao, E. (2012). ***Audit fees and firm performance***. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract id=2180020

Nam, Sang-Woo and Nam II Chong. (2004). Corporate Governance in Asia: Recent Evidence from Indonesia, Republic of Korea, Thailand and Malaysia. ***Working Paper***, Asian Development Bank Institute, 1-154.

Navita Mahajan. (2016). Strategies that Led to Failure - Case Study of Corporate Governance. ***Global Journal of Management and Business Research: G Interdisciplinary***, ***16***, 30-34.

Niyati Chaudhary, Kamlesh Gakhar. (2018). Corporate Governance and Financial Performance with a Perspective on Board Size and Frequency of Board Meetings: Empirical Evidence from India. ***A Management Journal, 9***(1), 37-64.

Ngatno, Apriatni, E.P. and Youlianto, A. (2021), “Moderating effects of corporate governance mechanism on the relation between capital structure and firm performance”, ***Cogent Business and Management, 8***(1), 1-21.

Nurlan Orazalin, Monowar Mahmood and Keunjung Lee. (2016). Corporate governance, financial crises and bank performance: lessons from top Russian banks. ***The inter Journal of Business in Society***, ***16***(5), 798-814 https://doi.org/10.1108/CG-10-2015-0145

Outa, E. R., & Waweru, N. M. (2016). Corporate governance guidelines compliance and firm financial performance: Kenya listed companies. ***Managerial Auditing Journal***, ***31***(8/9), 891-914.

Palmrose, Z. (1986). Audit fees and auditor size: Further evidence. ***Journal of Accounting Research, 24***(1), 97-110

Panayiotis C. Andreou, Christodoulos Louca and Photis M Panayides. (2014). Corporate governance, financial management decisions and firm performance: Evidence from the maritime industry. ***Transportation Research Part E Logistics and Transportation Review 63***, 59-78.

Pankaj M Madhani. (2017). Diverse Roles of Corporate Board: A Review of Various Corporate Governance Theories. ***IUP Journal of Corporate Governance***; ***Hyderabad, 2,*** 7-28.

Pooja Gupta, Aarti Mehta Sharma. (2014). A Study of the Impact of Corporate Governance Practices on Firm Performance in Indian and South Korean Companies. ***Procedia - Social and Behavioral Sciences, 133,*** 4-14.

Post, J. E., Preston, L. E., & Sachs, S. (2002). Managing the extended enterprise: The new stakeholder view. ***California Management Review, 45***, 6-28.

R. Edward Freeman et al., (1984). Strategic Management: A Stakeholder Approach. ***Cambridge University Press.***

Dibra, R. (2016). Corporate Governance Failure: The Case of Enron and Parmalat. European Scientific Journal, ESJ, 12(16), 283. https://doi.org/10.19044/esj.2016.v12n16p283

Ryan Decker. (2021). Is It Worth It? The Relationship Between Audit Fees and Audit Quality. ***Article from Sam M. Walton College of Business***.

Salterio, Steven E. and Luo, Yan. (2014). Governance Quality in a 'Comply or Explain' Governance Disclosure Regime. ***Corporate Governance: An International Review***, 22(6), 460-481

Saif Ullah Malik. (2012). Relationship between Corporate Governance Score and Stock Prices: Evidence from KSE- 30 Index Companies. ***International Journal of Business and Social Science***, ***3***(4), 239-247.

Sayyar, basiruddin, Rasid and Elhabib. (2015). The Impact of Audit Quality on Firm Performance: Evidence from Malaysia. ***Journal of Advanced Review on Scientific Research***, ***10***(1), 1-19.

Shuling Chiang, Gary Kleinman, Picheng Lee. (2017). "Do non-staggered board elections matter to earnings quality and the value relevance of earnings and book value?", ***Review of Accounting and Finance, 16***(1), 46-66.

Silvia Dewiyanti, S.E., M.Si., Ak., CA., CSRA, Cert.DA. (2021). Signaling Theory. ***Article from Binus University***.

Simunic, D. A. (1980). The pricing of audit services: Theory and evidence. ***Journal of Accounting Research, 18***(1), 161-190.

Srimachand, W. (2017). ***New CG Code and Sustainable Value Creation***. www.sec.or.th/TH/Documents/ seminar/100160/seminar_100160_waratchya .pdf

Suhadak S., Kurniaty K. Handayani S.R. and Rahayu S.M. (2019). Stock return and financial performance as moderation variable in influence of good corporate governance towards corporate value. ***Asian Journal of Accounting Research***, ***4***(1),18-34.

Souha Bouaziz Siala and Anis Jarboui.(2018). ***The moderating effect of audit quality on the relation between shareholder activism and earnings management: Evidence from France***. https://ideas.repec.org/a/wyz/journl/id562.html.

Syamsul Bahri Surbakti, et al;(2020). Review of some Financial Ratios and the Effect on Changes in Income in Registered Food and Beverage companies in Indonesia Stock Exchange. ***International Journal of Research-GRANTHAALAYAH***, ***8***(11), 76-88.

Talat Afza and Mian Sajid Nazir. (2014). Audit Quality and Firm Value: A Case of Pakistan. ***Journal of Applied Sciences, Engineering and Technology, 7***(9), 1803-1810.

Triole, J. (2001). Corporate Governance. ***Economertica,*** 69(1), 1-35.

Thanjunpong, S. (2015). Good corporate governance effects on performance through mediation of tax planning of listed companies in the Stock Exchange of Thailand. ***Journal of the Association of Researchers***, ***20***(2), 105-113.

Uwuigbe, Olubukunola Ranti. (2013). Corporate Governance and Share Price: Evidencefrom listed Firms in Nigeria. ***An International Multidisciplinary Journal***, ***Ethiopia***, ***7***(2), 129-143.

Wafaa Salah Mohamed and May M. Elewa. (2016).The Impact of Corporate Governance on Stock Price and Trade Volume. ***International Journal of Accounting and Financial Reporting***, ***6***(2), 27-44

Wanda Wallace. (1980). ***The Economic Role of the Audit in Free and Regulated Markets.***

Wallace, W.A. (1987). The economic role of the auditor in free and regulated markets: ***a review Research in Accounting Regulation***, ***1***, 7-34.

Watts, R. & Zimmermann, J. L. (1986). Positive accounting theory. ***Prentice Hall, Inc. Englewood Cliff***.

Ye, X. (2020) Literature Review on Influencing Factors of Audit Fees. ***Modern Economy, 11***, 249-260. doi: 10.4236/me.2020.112022.

Yang, H. (2015). Corporate Governance, Political Connection and Audit Fees: Empirical Evidence from Listed Companies in China’s A-Share Chemical Industry from 2011 to 2013. ***Public Finance Research, 8***, 107-112.

Yasser, Q.R., Entebang, H. & Mansor, S.A. (2011). Corporate governance and firm performance in Pakistan: The case of Karachi Stock Exchange (KSE)-30. ***Journal of Economics and International Financ, 3***(8), 482-491.

Yasser,Q. R.(2011).Corporate Governance and Performance: A Case Study for Pakistani Communication Sector. ***International Journal of Trade, Economics and Finance***, ***2***(3), 204-211.

APPENDICES

APPENDIX A

Population and Sample

Population and Sample

Sample	Companies population
Total population	658
Companies undergoing rehabilitation or revocation	15
Property funds and trust groups & MAI	76
Balance	567
CG Code Principle	470
Disclosure CG Principle	97

APPENDIX B

Mahalanobis Distance Technique to Remove Outliers

Mahalanobis distance technique to remove outliers

IBM® SPSS® Statistics
Version 25

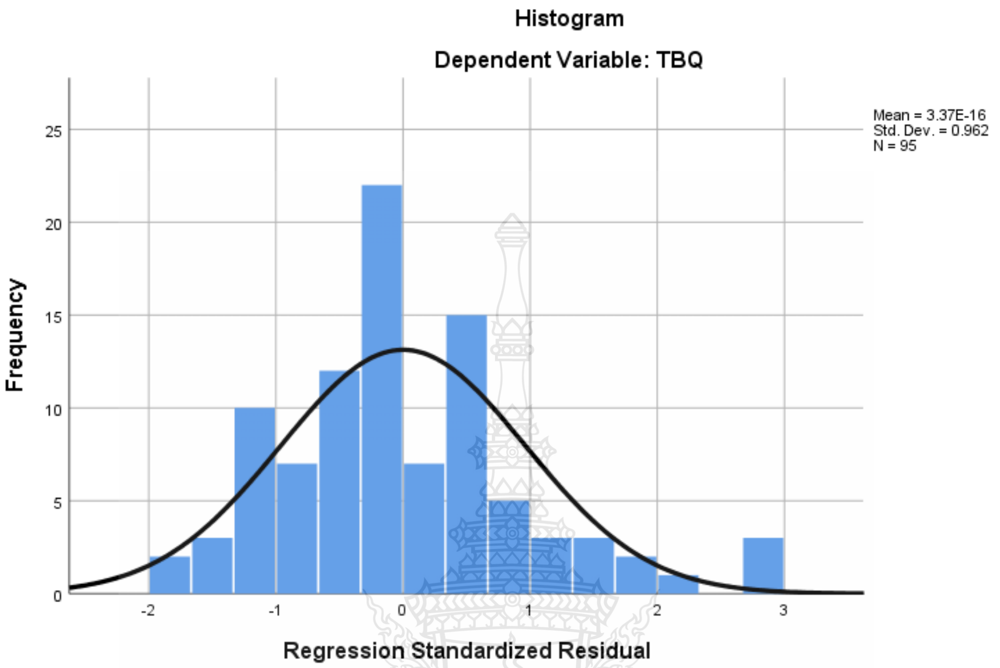
MAHA1	MAHA1	MAHA1	MAHA1
.6197040	.9123924	.1346104	.6792412
.6227058	.7965857	.8624010	.8717459
.0032567	.6260422	.2768566	.6712734
.0048965	.2618447	.3974115	.7014466
.9783336	.2091897	.3452829	.5171163
.7281042	.8548430	.9409116	.5370753
.6501229	.4234229	.1904975	.9411660
.1209359	.6636868	.9035297	.7419162
.2139638	.8642315	.0585854	.9526491
.7004829	.7747055	.3072032	.4631145
.5807256	.8429241	.7945092	.2701104
.5556991	.6651627	.2077563	.9271253
.8003235	.7917943	.2301016	.6639038
.3121551	.9048305	.8808290	.2689278
.3570500	.7474965	.5300546	.0419134
.0800732	.4530976	.9856855	.2296126
.1372114	.8952655	.9041822	.7771114
.9176007	.6450209	.7657702	.3001204
.5202220	.6637157	.3624979	.0068117
.6847755	.3286669	.7021941	.6167502
.1931852	.9328724	.5357898	.6022982
.5422237	.8525722	.9642737	.2202349
.1981301	.4319916	.9839102	.2226480
			.0333807
			.0153827
			.0059692
			.0000000
			.0000018

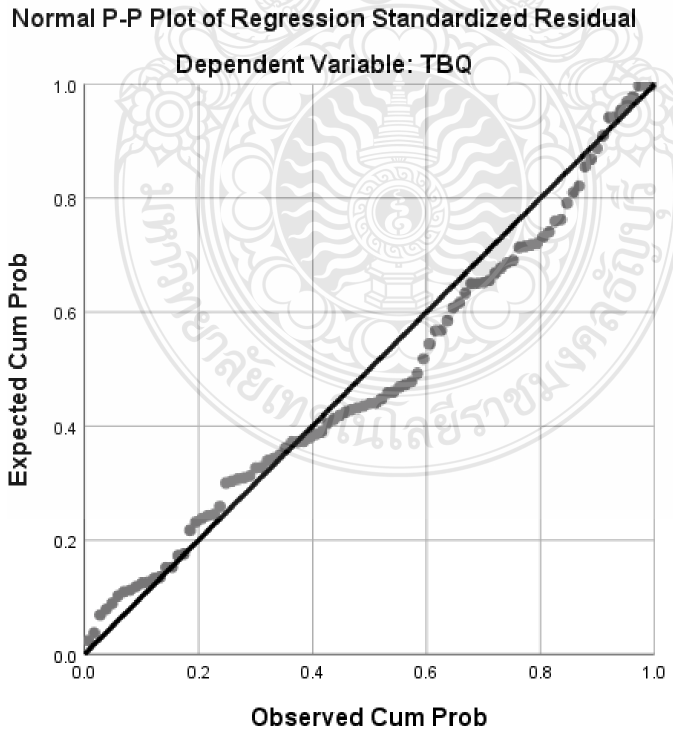
APPENDIX C

Residual Normality Graphs

Residual Normality Graphs

IBM® SPSS® Statistics
Version 25

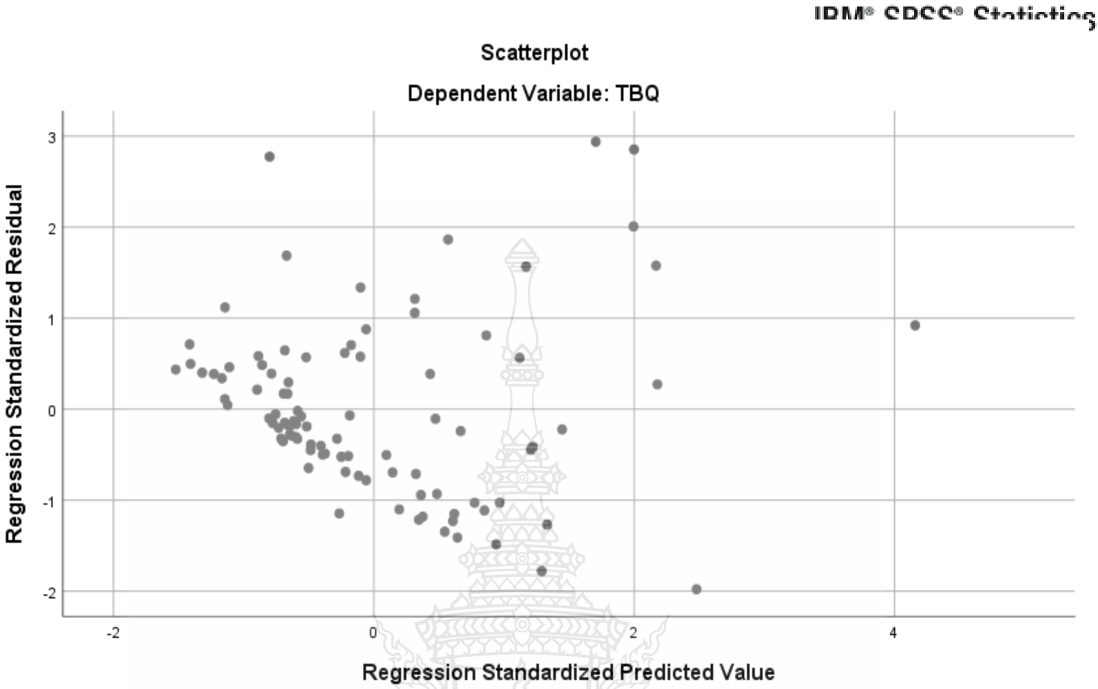




APPENDIX D

Equal Variances by Plotting Standardized Residuals Against Predicted Value

Equal Variances by Plotting Standardized Residuals Against Predicted Value



APPENDIX E

Autocorrelation Assumption

Autocorrelation Assumption

Model Summary[d]										
				Std. Error of	Change Statistics					
Model	R	R Square	Adjusted R Square	the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.597[a]	0.3570	0.3208	0.97461117	0.3570	9.8810	5	89	0.000	
2	.653[b]	0.4262	0.3871	0.92583041	0.0693	10.6257	1	88	0.002	
3	.685[c]	0.4695	0.4268	0.89532833	0.0433	7.0981	1	87	0.009	1.779

a. Predictors: (Constant), INVEST, MCG1, PROFIT, LNSIZE, FL

b. Predictors: (Constant), INVEST, MCG1, PROFIT, LNSIZE, FL, MAQ

c. Predictors: (Constant), INVEST, MCG1, PROFIT, LNSIZE, FL, MAQ, CG1_AQ

d. Dependent Variable: TBQ

APPENDIX F

Tolerance and VIF

Tolerance and VIF

IBM® SPSS® Statistics
Version 25

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	3.828	1.004		3.815	0.000		
	MCG1	3.525	1.231	0.244	2.864	0.005	0.994	1.006
	LNSIZE	-0.115	0.068	-0.178	-1.692	0.094	0.655	1.526
	FL	-0.761	0.618	-0.139	-1.230	0.222	0.564	1.774
	PROFIT	5.476	1.468	0.351	3.731	0.000	0.818	1.222
	INVEST	-1.245	0.446	-0.240	-2.793	0.006	0.980	1.021
2	(Constant)	1.051	1.279		0.822	0.413		
	MCG1	3.299	1.171	0.229	2.817	0.006	0.991	1.009
	LNSIZE	0.040	0.080	0.063	0.505	0.615	0.424	2.359
	FL	-0.405	0.597	-0.074	-0.679	0.499	0.545	1.836
	PROFIT	5.775	1.397	0.370	4.133	0.000	0.815	1.228
	INVEST	-0.951	0.433	-0.183	-2.197	0.031	0.937	1.067
	MAQ	0.709	0.218	0.383	3.260	0.002	0.473	2.114
3	(Constant)	0.654	1.245		0.525	0.601		
	MCG1	4.330	1.197	0.300	3.618	0.000	0.887	1.127
	LNSIZE	0.067	0.078	0.103	0.854	0.395	0.417	2.398
	FL	-0.511	0.579	-0.094	-0.882	0.380	0.542	1.844
	PROFIT	5.536	1.354	0.355	4.088	0.000	0.811	1.233
	INVEST	-0.850	0.420	-0.164	-2.022	0.046	0.930	1.076
	MAQ	0.767	0.211	0.414	3.626	0.000	0.468	2.137
	CG1_AQ	6.606	2.480	0.223	2.664	0.009	0.870	1.149

a. Dependent Variable: TBQ

APPENDIX G

Regression testing of CG Code each principle to Tobin’s Q

Regression testing of CG Code each principle to Tobin's

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-4.274	2.062		-2.072	0.041		
	CG1_1	-2.773	18.338	-0.016	-0.151	0.880	0.600	1.668
	CG1_2	22.131	16.418	0.154	1.348	0.181	0.505	1.980
	CG1_3	5.891	3.708	0.161	1.589	0.116	0.645	1.550
	CG1_4	1.829	9.102	0.025	0.201	0.841	0.429	2.331
	CG1_5	-19.262	15.833	-0.147	-1.217	0.227	0.451	2.217
	CG1_6	1.813	6.540	0.032	0.277	0.782	0.495	2.020
	CG1_7	14.477	7.400	0.197	1.956	0.054	0.656	1.525
	CG1_8	-0.262	9.346	-0.004	-0.028	0.978	0.403	2.478
	AQ	0.905	0.249	0.489	3.630	0.000	0.366	2.735
	LNSIZE	0.149	0.098	0.231	1.517	0.133	0.285	3.514
	FL	-0.549	0.637	-0.101	-0.862	0.391	0.487	2.055
	PROFIT	5.577	1.435	0.357	3.887	0.000	0.785	1.273
	INVEST	-1.072	0.461	-0.207	-2.327	0.022	0.841	1.190

a. Dependent Variable: TBQ

APPENDIX H

CG CODE Measurement

CG CODE Measurement

Assessment issues	Keywords	Criteria for scoring (practical level)				
Principle 1 Establish Clear Leadership Role and Responsibilities of the Board		5	4	3	2	1
Guidelines for practice						
1.1 In determining the success of business operations, the committee should consider ethics, social impact, and environmental factors as crucial. In addition to financial performance, the committee establishes objectives, goals, and clear strategies for operations, taking into account ethics and the impact on society and the environment beyond financial outcomes.	1.Define business success. 2.Establish objectives. 3.Set goals. 4.Have strategies for operations. 5.Consider ethics in operations. 6.Consider the impact on society and the environment.	Complete all issues.	4-5 issues	3 issues	2 issues	1 issues
1.2 The committee plays a crucial role in creating and fostering an organizational culture that upholds ethics. As leaders, the committee should serve as role models in guiding and overseeing business operations.	1.Establish organizational culture. 2.Drive organizational culture. 3.Uphold ethics. 4.Serve as a role model. 5.Act as leaders in guiding and overseeing business operations.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
Principle 1 Establish Clear Leadership Role and Responsibilities of the Board (Cont.)		5	4	3	2	1
Guidelines for practice						
1.3 The committee should establish policies for directors, executives, and employees that reflect the principles and guidelines for conducting operations. Examples of such policies include corporate governance policy and business ethics code.	1.Have a corporate governance policy for directors as a written guideline. 2.Have a corporate governance policy for executives as a written guideline. 3.Have a corporate governance policy for employees as a written guideline. 4.Uphold business ethics as a written guideline for directors. 5.Uphold business ethics as a written guideline for executives. 6.Uphold business ethics as a written guideline for employees.	Complete all issues.	4-5 issues	3 issues	2 issues	1 issues
1.4 The committee should oversee communication to ensure that directors, executives, and employees all understand the policies and have sufficient mechanisms in place to facilitate actual implementation. They should monitor the implementation results, and regularly review and evaluate both the policies and practices.	1.Have oversight in communication for directors. 2.Have oversight in communication for executives. 3.Have oversight in communication for employees. 4.Have mechanisms to oversee communication for directors. 5.Have mechanisms to oversee communication for executives. 6.Have mechanisms to oversee communication for employees. 7.Monitor the results of the aforementioned. 8.Review the policies.	Complete all issues.	6-7 issues	4-5 issues	3-2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
Principle 1 Establish Clear Leadership Role and Responsibilities of the Board (Cont.)						
Guidelines for practice						
1.5 When evaluating whether directors and executives have fulfilled their duties with responsibility, diligence, and integrity towards the organization, at least a consideration should be made in accordance with relevant laws, regulations, and guidelines.	1.Have criteria for directors' legal duties concerning responsibility. 2.Have criteria for directors' legal duties concerning diligence. 3.Have criteria for directors' legal duties concerning integrity. 4.Have criteria for executives' legal duties concerning responsibility. 5.Have criteria for executives' legal duties concerning diligence. 6.Have criteria for executives' legal duties concerning integrity.	Complete all issues.	4-5 issues	3 issues	2 issues	1 issues
1.6 The committee must ensure that the company has sufficient systems or mechanisms in place to ensure that its operations comply with laws, regulations, shareholder resolutions, as well as policies or guidelines that have been established. This includes having a process for approving significant operations (such as investments or transactions that have significant implications for the business).	1.Have systems or mechanisms in accordance with the law for conducting operations. 2.Have regulations for conducting operations. 3.Have shareholder resolutions for conducting operations. 4.Have policies for conducting operations. 5.Have processes for approving significant operations.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
Principle 1 Establish Clear Leadership Role and Responsibilities of the Board (Cont.)		5	4	3	2	1
Guidelines for practice						
1.7 The committee should develop a board charter or governance policy that outlines the roles and responsibilities of the committee members, serving as a reference for their duties. It is also advisable to regularly review the charter at least once a year. Additionally, there should be regular reviews of the division of roles and responsibilities between the committee, the CEO, and the management team to ensure alignment with the organization's direction.	1. There is a board charter. 2. There is a governance policy for the board's oversight of the company. 3.The roles and responsibilities of the committee members are clearly defined. 4.There is a process for reviewing the board charter. 5.There is a regular review of the division of roles and responsibilities among the committee, board members, and management team.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
1.8 The committee should understand its scope of responsibilities and delegate the authority for managing the business to the management team, which should be documented in writing. However, such delegation does not absolve the committee of its duty and responsibility. The committee should still monitor and oversee the performance of the management team according to the assigned responsibilities. It is important to note that the scope of responsibilities applies to the committee, the executive management, and the management team	1.Establishing and reviewing strategies, objectives, and annual plans. 2. Ensuring adequate suitability of the internal risk management and control systems. 3.Defining authority levels appropriate to the responsibilities of the management team. 4.Setting frameworks for resource allocation, development, and budgeting. 5.Monitoring and evaluating the performance of operations. 6.Ensuring reliable and credible financial and non-financial information disclosure."	Complete all issues.	4-5 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 2 Define Objectives that Promote Sustainable Value Creation						
Guidelines for practice						
2.1 The board should be responsible for ensuring that the organization has clear, appropriate, and well-defined objectives (objectives) that can be used as the fundamental concept for shaping the business model and aligning communication throughout the organization. This may be done through the development of a vision and shared values (vision and values) or common goals and principles (principles and purposes), or other similar approaches.	1.Why was the business established? 2.Which main customer group does the business aim to serve? 3.How can the business generate profit or compete by creating value for the business and customers in which aspect (value proposition)? 4.How can the business sustain itself in the long term considering both opportunities and risks that impact the business and stakeholders? 5.How does the organization communicate to establish a shared vision and values?	Complete all issues.	4 issues	3 issues	2 issues	1 issues
2.2 To achieve the main objectives or goals, the board should establish a business model that can create value for both the business, stakeholders, and society as a whole, in a mutually beneficial manner.	1.How can the business adapt to the changing environmental factors and utilize innovation and technology appropriately? 2.How to identify the needs of customers and stakeholders? 3.What are the readiness, expertise, and competitive capabilities of the business? 4.How to create value for the business? 5.How to create value for society?	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
principle 2 Define Objectives that Promote Sustainable Value Creation (Cont.)		5	4	3	2	1
Guidelines for practice						
2.3 It is important for the organization's values to reflect aspects of good corporate governance, such as accountability, integrity, transparency, and consideration of social and environmental responsibilities.	1.The organization's values reflect how it governs and oversees its operations. 2.It emphasizes accountability for actions and their outcomes. 3.There is a commitment to integrity. 4.Transparency is emphasized. 5.There is a focus on being considerate and responsible.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
2.4 The board should promote communication and foster alignment of the organization's objectives and main goals in decision-making and operations at all levels of personnel, ultimately creating an organizational culture.	1. Promoting communication within the organization. 2. Strengthening the organization's objectives. 3. Enhancing the organization's main goals. 4. Reflecting decision-making. 5. Reflecting the operations of personnel at all levels. 6. Organizational culture.	Complete all issues.	4-5 issues	3 issues	2 issues	1 issues
2.5 The committee should oversee the development and implementation of strategies and annual plans that align with the objectives and main goals of the organization, taking into account the business environment factors at that time, as well as acceptable opportunities and risks. It is advisable to support the creation or review of objectives, goals, and strategies for the medium-term (3-5 years) to ensure that the strategies and annual plans consider long-term impacts and can be reasonably anticipated.	1.There is a process of developing strategies and annual plans. 2.Considering the environmental factors of the business at that time. 3.Taking into account acceptable opportunities and risks. 4.Supporting the creation or review of objectives, goals, and strategies. 5.The strategies and annual plans consider long-term impacts and can be reasonably anticipated.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 2 Define Objectives that Promote Sustainable Value Creation (Cont.)						
Guidelines for practice						
2.6 When formulating strategies and annual plans, the committee should ensure that there is an analysis of the environmental conditions, various factors, and risks that may impact stakeholders throughout the value chain, as well as factors that may affect the achievement of the organization's main objectives. It is important to have mechanisms in place that truly understand the needs of the stakeholders.	1.Clear identification of methods, processes, and communication channels for the active involvement and communication between stakeholders and the business. 2.The business is able to access and receive accurate information regarding the issues and needs of each stakeholder group as closely as possible. 3.Identification of relevant stakeholders related to the business, both internal and external, including individuals, groups, organizational units, such as employees, investors, customers, partners, communities, society, environment, government agencies, regulatory bodies, etc. 4.Identification of issues and expectations of stakeholders to analyze and prioritize these issues based on their importance and impact on both the business and stakeholders. 5.Selection of key issues to create shared value with stakeholders and implementation of actions to achieve results.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
2.7 In setting the strategy, the governing body should ensure the promotion of innovation and the utilization of innovation and technology to enhance competitiveness and meet the needs of stakeholders. This should be done while maintaining a foundation of social and environmental responsibility.	1.Promote innovation. 2.Utilize technology. 3.Compete effectively. 4.Respond to the needs of stakeholders. 5.Take responsibility for society and the environment.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
principle 2 Define Objectives that Promote Sustainable Value Creation (Cont.)		5	4	3	2	1
Guidelines for practice						
2.8 The set goals should be appropriate to the business environment and the potential of the organization. The committee should establish goals that are both financial and non-financial in nature. Additionally, they should be mindful of the risks associated with setting goals that could lead to illegal or unethical conduct.	1.Goals suitable for the business environment. 2.Goals appropriate for the capabilities of the organization. 3.Setting financial goals. 4.Setting non-financial goals. 5.Awareness of the risks of legal and ethical violations.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
2.9 The committee should ensure that the organizational objectives and goals are effectively communicated throughout the entire organization through strategies and action plans.	1.There is a dissemination of objectives throughout the organization. 2.There is a dissemination of goals throughout the organization. 3.There are action plans. 4.There are strategies. 5.How are the objectives and goals effectively communicated throughout the organization through strategies and action plans?	Complete all issues.	4 issues	3 issues	2 issues	1 issues
2.10 The committee should oversee the appropriate allocation of resources and control the operations, as well as monitor the implementation of strategies and annual plans. This may involve assigning responsibilities to individuals who are responsible for managing and monitoring the progress of the operations.	1.How are resources allocated? 2.How is the appropriate control of operations ensured? 3.How is the implementation of strategies and annual plans monitored? 4.How are responsible individuals identified? 5.How is the management and monitoring of operational outcomes carried out?	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
principle 3 Strengthen Board Effectiveness		5	4	3	2	1
Guidelines for practice						
3.1 The committee should be composed of diverse members who possess various qualifications, including skills, experience, abilities, specific characteristics, as well as gender and age, which are necessary for achieving the organization's objectives and main goals. A skills matrix should be developed to ensure that the committee as a whole has appropriate qualifications, understanding, and responsiveness to the needs of stakeholders. Additionally, there must be at least one committee member who is not an executive and has experience in the company's core business or industry in which the company operates.	1.The committee has diverse qualifications. 2.Skills and experience are specified. 3.Specific abilities are identified. 4.A knowledge and expertise matrix is developed. 5.There is at least one committee member who is not an executive. 6.How does the committee meet the needs of stakeholders based on the above?	Complete all issues.	4-5 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.) **Guidelines for practice** 3.2 The committee should consider the appropriate number of members who can effectively perform their duties. The number of committee members should not be fewer than 5 and should not exceed 12. However, this depends on the size, type, and complexity of the business.	1.How to determine the appropriate number of committee members? 2.The number of committee members should be no fewer than 5 and no more than 12. 3.Explain the appropriate number of committee members based on the complexity of the business. 4.Disclose the details of the total number of committee members. 5.Disclose the details of the positions and qualifications held by the committee members.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.3 The committee should have a proportional representation between executive and non-executive members that reflects a balanced distribution of power appropriately.	1.Non-executive directors are able to express their opinions independently. 2.Non-executive directors can provide input on the operations of the management team. 3.Disclose the proportion of executive and non-executive directors. 4.Disclose the number of independent directors based on the criteria of the stock exchange Thailand. 5.Disclose the details of the work performed by independent directors collaborating with other committee members.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.4 The committee should disclose the policy for determining the composition of a diverse committee and provide information about the directors, such as age, gender, educational background, experience, shareholding proportion, years of serving as a director, and directorships held in other registered companies. This information should be included in the annual report and on the company's website.	1.Disclose the policy for determining the composition of the committee. 2.Disclose the proportion of shareholding held by the committee members. 3.Disclose the number of years the committee members have served in their positions. 4.Disclose the directorships held by the committee members in other companies. 5.Disclose the information from points 1-4 in the annual report and on the company's website.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
principle 3 Strengthen Board Effectiveness(Cont.)		5	4	3	2	1
Guidelines for practice						
3.5 The chairman of the committee should be an independent director.	1.Explain that being an independent director requires independence from management control. 2.Explain independence from control by major shareholders. 3.Explain the absence of involvement or conflicts of interest in financial and managerial aspects of the business. 4.Disclose that a sufficient number of independent directors should be present to ensure a balanced decision-making process among the committee. 5.Possess qualifications and not have characteristics that are prohibited under Section 68 of the Public Limited Companies Act, B.E. 2535.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.6 The chairman of the committee and the CEO have distinct responsibilities. The committee should clearly define the roles and responsibilities of the chairman and the CEO to prevent any individual from having unlimited power. It is recommended to separate the position of the chairman of the committee from that of the CEO.	1.Clearly separate the roles between the chairman of the committee and the CEO. 2.The chairman of the committee and the CEO should be different individuals. 3.Specify the scope of their respective duties to avoid concentration of power. 4.Disclose the qualifications and positions held by each individual. 5.Provide this information in the annual report and on the company's website.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness(Cont.)						
Guidelines for practice						
3.7 The chairman of the committee has a leadership role within the committee.	1.They oversee, monitor, and supervise the committee's operations. 2.They ensure that every committee member actively contributes to promoting innovation and overseeing business operations. 3.They collaborate with the CEO to determine meeting agendas and ensure important matters are included in the agenda. 4.They allocate sufficient time for discussing important issues during committee deliberations, promoting independent decision-making by committee members. 5.They establish positive relationships among committee members, executives, non-executive directors, and management teams.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.8 In cases where the chairman of the committee and the CEO are not clearly separated, such as when the chairman of the committee is the same person as the CEO, when the chairman of the committee is not an independent director, when the chairman of the committee and the CEO are family members, or when the chairman of the committee is a member of the management board or working team, or has been assigned managerial responsibilities, the committee should promote a balance of power between the committee and the management team.	1.Disclose the composition of the committee, specifying that it consists of more independent directors than non-independent directors. 2.Specify the appointment of at least one independent director to participate in the determination of committee meeting agendas, including their name, position, qualifications, and roles. 3.Provide an explanation of the power balance in cases where the chairman of the committee and the CEO are not clearly separated. 4.Describe the power balance between the committee and the management team. 5.Disclose detailed information about the chairman of the committee and the CEO, including their names, positions, qualifications, and roles.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.) **Guidelines for practice** 3.9 The committee should establish a policy that ensures independent directors serve for a maximum of 9 consecutive years, starting from the date of their initial appointment as independent directors. In cases where the reappointment of independent directors is considered, the committee should carefully assess the necessity of such reappointment based on reasonable justifications	1.There is a policy in place for independent directors to serve for a maximum of 9 years consecutively, starting from the date of their initial appointment as independent directors. 2.There is an explanation provided for the reasons behind the reappointment of independent directors for continued service. 3.The qualifications of independent directors are disclosed. 4.The scope of responsibilities for independent directors who are to continue their positions is defined. 5.Information is disclosed in the annual reports and on the company's website.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.10 To ensure thorough consideration of important matters in detail, the board should consider appointing subcommittees to specifically address particular issues, analyze data, and propose recommendations before presenting them for the board's approval.	1.There should be details regarding the appointment of subcommittees. 2.Specific guidelines should be provided for addressing particular issues. 3.Explain the process of establishing guidelines before presenting them to the board. 4.Information regarding the guidelines for addressing specific issues should be disclosed organization-wide. 5.Disclose information in the annual reports.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.11 The committee should ensure transparency by disclosing the roles and responsibilities of the main committee and subcommittees, including the number of meetings held and the attendance of each committee member in the past year. Additionally, reports on the performance of all subcommittees should be provided.	1.There is a disclosure of the roles and responsibilities of the committee. 2.There is a disclosure of the roles and responsibilities of the subcommittees. 3.The number of meetings attended by committee members is disclosed. 4.Reports on the performance of each subcommittee are provided. 5.Information is disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.)						
Guidelines for practice		Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.12 The committee should establish a nominating committee, with the majority of its members and the chairperson being independent directors.	1. Consider criteria and processes for selecting individuals who possess suitable qualifications for the position. 2. The nominating committee should consist of at least three members, with the chairperson preferably being an experienced individual with knowledge and expertise. 3.The company's chairman should not be a member of the nominating committee to ensure independent oversight and balance in the committee's duties. 4.The tenure of the nominating committee should align with the tenure of the company's board members. 5.Disclose information in the annual report.					
3.13 The nominating committee should conduct meetings to consider criteria and methods for selecting individuals to ensure the appointment of board members who possess suitable qualifications and expertise, and to ensure the committee's knowledge and expertise are appropriately represented. The committee should also review the background of the candidates and provide recommendations to the board before presenting them for appointment at the shareholders' meeting. Additionally, shareholders should receive sufficient information about the proposed candidates to make informed decisions.	1.Specify the meetings of the nominating committee. 2.Disclose the criteria and methods for selecting board members. 3.Outline the process for evaluating the backgrounds and qualifications of potential candidates for the committee. 4.Present the methods for nominating committee members. 5.Provide presentations at the shareholders' meeting.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
3.14 The nominating committee should review the criteria and methods for selecting board members in order to provide recommendations to the committee before the completion of board member terms. In cases where the nominating committee proposes the reappointment of current board members, the committee should consider their performance in fulfilling their duties.	1. There are guidelines for reviewing the criteria and methods for selecting board members. 2. There is a process for presenting the review guidelines to the committee prior to the selection process. 3.If there is a proposal to reappoint current board members, their performance in fulfilling their responsibilities should be taken into consideration. 4.The qualifications of individuals to serve as independent directors should be suitable for the specific nature of the company. 5.The independence criteria established by the SET must be met to a minimum extent.					
3.15 In the event that the nominating committee appoints an individual as a consultant, it is advisable to disclose information about that consultant in the annual report, including their independence status and absence of conflicts of interest.	1.There is a consultant appointed by the nominating committee. 2.Disclosure of information regarding the consultant appointed by the nominating committee. 3.Disclosure of the independence status of the consultant appointed by the nominating committee. 4.Disclosure of the absence of conflicts of interest affecting the consultant. 5.The aforementioned information should be disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.16 The committee should establish a remuneration committee, with a majority of independent directors, to be responsible for considering compensation policies and criteria.	1.There is a committee established to form the remuneration committee. 2.Members, including the chairperson, should be independent directors. 3.Disclosure of information about the members and chairperson of the remuneration committee. 4.There should be policies and criteria for determining compensation. 5.These should be disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
3.17 The compensation of directors should align with the company's long-term strategy and objectives, experience, the scope of their roles and responsibilities, as well as the expected benefits they bring. Directors who are assigned additional duties and responsibilities, such as serving on subcommittees, should receive appropriate additional compensation. This should be benchmarked against industry standards.	1. How does compensation align with the company's strategy and objectives? 2. Describe appropriate compensation based on experience, responsibilities, and expected benefits for directors. 3.Director compensation should be commensurate with the company's size and the directors' level of responsibility. 4.Director compensation should be aligned with the long-term benefits to the company's shareholders. 5.Compensation proposals will be presented and approved by the company's board of directors and subsequently presented to the annual general meeting of shareholders for approval.					
3.18 Shareholders must approve the structure and remuneration rates of directors, both monetary and non-monetary. The board of directors should consider each form of compensation to be appropriate, including fixed compensation (such as regular remuneration and meeting fees) and performance-based compensation (such as bonuses and incentives). It should be linked to the value created by the company for shareholders but should not be excessively high, leading to a short-term focus on financial performance.	1.The structure of director compensation should be straightforward, transparent, and easily understandable for shareholders. 2.Once approved by the board of directors, it must be presented to the annual general meeting of shareholders for approval. 3.Performance-based compensation should be linked to the value created by the company for shareholders. 4.Compensation should be in the form of monetary rewards and clearly specified. 5.Disclosure of information should be included in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.) **Guidelines for practice** 3.19 The board of directors should disclose the policy and criteria for determining director compensation that reflects the responsibilities and accountability of each individual, including the format and amount of compensation. In this regard, the disclosed amount of compensation should include the compensation received by each director for serving on subsidiary company boards as well.	1. Director compensation should be reasonable and commensurate with the size of the company and the responsibilities of the directors. 2. Disclose the policy and criteria for determining director compensation that reflects the duties and responsibilities of each individual. 3.Disclose the format and amount of compensation. 4.Disclose the compensation received by each director for serving on subsidiary company boards. Specify compensation in monetary and non-monetary terms.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.20 In the event that the board appoints any individuals as consultants to the compensation committee, it is advisable to disclose information about these consultants in the annual report, including their independence or any potential conflicts of interest.	1.If there are consultants appointed to the compensation committee, the information regarding these consultants should be disclosed in the annual report. 2.Qualifications of the consultants. 3.Tenure of the consultants. 4.Independence of the consultants. 5.Absence of conflicts of interest.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
3.21 The board should ensure that there are mechanisms in place to support the directors in understanding their roles and responsibilities	1. There is a shared understanding of the scope, roles, responsibilities, and duties, clearly explained in written form. 2. Clear delineation of roles, responsibilities, and duties between the board and management. 3.The board performs its duties and expresses independent opinions based on quality information that is sufficient for decision-making. 4.The board ensures that the relationship between the board and management is positive and built on a mutual understanding, fostering smooth workflow. 5.Detailed disclosure of the roles, responsibilities, and objectives of positions in the annual report.					
3.22 The board should establish criteria for serving on the boards of other companies, taking into account the board members' effectiveness in multiple positions and ensuring confidence that they can dedicate sufficient time to fulfill their duties in each company. The number of registered companies where each board member can serve should be appropriately aligned with the nature or business conditions of the company, but generally not exceed five registered companies. This is because the effectiveness of board members in their roles may decrease if they serve on an excessive number of companies. Additionally, it is advisable to disclose these criteria.	1. Criteria are established for board members serving in other companies. 2. Criteria are used to assess the effectiveness of board members serving in multiple positions. 3.Each board member serves in a maximum of five companies. 4.Disclosure of information and reporting on the details of board members' positions in each company. 5.Specify the number of registered companies where board members can serve.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.) **Guidelines for practice** 3.23 The board should establish a reporting system for board members' positions in other companies and ensure transparency and awareness.	1.Measures are in place to oversee board members' positions in other companies. 2.There is a reporting system for board members' positions in other companies. 3.Information about board members' positions in other companies is disclosed and made known. 4.Ensure that board members' positions in other companies are conducted smoothly and in alignment with the company's objectives. 5.Provide guidance and ensure that each board member has knowledge and understanding of their roles, responsibilities, and relevant laws.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.24 In the event that a board member or executive holds a position or has a direct or indirect interest in another business that creates a conflict of interest, or if they can utilize company opportunities or information for personal gain, the board must ensure that the company has sufficient safeguards in place and appropriately notifies shareholders.	1. Ensure that holding positions in other companies by board members is conducted with integrity and does not conflict with the company's objectives. 2. Provide guidance and ensure that each board member has knowledge and understanding of their roles, responsibilities, and relevant laws. 3.Implement measures to prevent and manage conflicts of interest related to holding positions in other companies. 4.Establish measures and criteria to oversee the benefits derived from holding positions in other companies. 5.Notify shareholders about the board members' positions held in other companies.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.) **Guidelines for practice** 3.25 Each board member should attend meetings with a minimum participation rate of 75% of the total number of board meetings scheduled throughout the year.	1.Each board member must attend meetings with a minimum participation rate of 75%. 2.Disclose the meeting details of each board member. 3.For company board meetings, send formal invitations along with meeting agendas as written correspondence. 4.Publicize the meeting agendas or topics for discussion. 5.Include the aforementioned information in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.26 The board should consider establishing policies for overseeing subsidiary companies.	When appointing individuals as board members, executives, or persons with controlling authority, their appointments should be formalized in written correspondence. Define the roles and responsibilities of individuals acting as representatives as mentioned in point 1. Representatives of the company, as defined in point 2, shall ensure compliance with the company's policies. Implement an appropriate and sufficient internal control system for subsidiary companies. Disclose financial status and relevant operational information.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.27 If there is a significant investment in other businesses, such as holding a voting stake ranging from 20% to less than 50%, or if additional investments are deemed significant to the company, the board should ensure the development of a shareholders' agreement or other agreements. This is to provide clarity regarding the authority in management and decision-making involvement in important matters. Monitoring the performance results is necessary to utilize the information for the preparation of the company's financial statements according to standards and within the specified timeframe.	1. Disclose information regarding significant investments in other businesses. 2. Explain the shareholders' agreement. 3.Establish criteria for participating in investments with other companies, which are deemed significant. 4.Hold a voting stake ranging from 20% to less than 50%. 5.Include provisions for decision-making involvement in important matters by the board.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.) **Guidelines for practice** 3.28 The board of directors and subcommittees should evaluate their performance at least once a year to enable collective consideration of achievements and issues for continuous improvement. It is advisable to establish benchmarks to compare performance against well-defined criteria.	1.Conduct an annual evaluation of the board of directors and subcommittees. 2.Provide disclosure of the performance evaluation of the board of directors and subcommittees. 3.Disclose the criteria and benchmarks used for comparing the performance of the board of directors and subcommittees. 4.Consider the outcomes of the evaluation and identify methods for enhancing and addressing performance results. 5.Include the aforementioned information in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.29 When evaluating performance, it is important to assess both collective and individual performance. Self-evaluation should be conducted as a minimum requirement, and the board of directors may consider using a peer evaluation method (cross-evaluation) in addition. It is also necessary to disclose the criteria, process, and overall evaluation results in the annual report.	1. There is an evaluation of the performance of both the board of directors collectively and individuals. 2. There are criteria for evaluating the performance of both the board of directors collectively and individuals. 3.The results of the collective and individual performance evaluations are disclosed. 4.There is a disclosure of the self-evaluation methods used by the board of directors and subcommittees. 5.The criteria, process, and overall evaluation results are disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.30 The board of directors may consider appointing external consultants to assist in setting guidelines and advising on matters related to the evaluation of the board's performance at least every 3 years. The actions taken in this regard should be disclosed in the annual report.	1.In the case of involving external consultants in setting guidelines and evaluation matters, the qualifications, roles, and objectives of the consultants should be clearly specified. 2.In the case of external consultants being involved in determining evaluation guidelines, both collective and individual, the guidelines and evaluation issues should be disclosed. 3.The results of the evaluation, both collective and individual, should be disclosed. 4.Recommendations for improving the evaluation process should be presented every 3 years. 5.The aforementioned issues should be disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.) **Guidelines for practice** 3.31 The results of the board's evaluation should be used to assess the suitability of the board's components.	1.The results of the evaluation, both collective and individual, should be disclosed. 2.A summary of the board's performance should indicate the level and status of their performance. 3.Does the evaluation results align with the qualifications of the board or the organization? 4.How are the evaluation results utilized to determine the suitability of the board's components? 5.The aforementioned information should be included in the annual report.	Complete all issues.	4 issues	3 issues	2 issu es	1 issues
3.32 The board should ensure that newly appointed directors receive guidance and useful information to fulfill their duties, including an understanding of the organization's purpose, primary objectives, vision, mission, organizational values, as well as the nature of the business and the company's business strategies.	1. The board should ensure that individuals newly appointed as directors understand the organization's objectives. 2. The board should ensure that individuals newly appointed as directors understand the primary goals. 3.The board should ensure that individuals newly appointed as directors understand the vision, mission, and values of the organization. 4.The board should ensure that individuals newly appointed as directors understand the nature of the business and the company's business strategies. 5.The information should be disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issu es	1 issues
3.33 The board should ensure that directors receive continuous training and development in necessary knowledge.	1.There should be a plan to promote training and development for directors. 2.Directors should participate in training programs related to enhancing their knowledge and abilities in fulfilling their roles. 3.Directors should receive development and training in knowledge that aligns with the business operations. 4.There should be a consistent effort to encourage directors' participation in ongoing training and knowledge development activities to align with their roles and responsibilities. 5.The results of training and knowledge development for directors should be reported either in written form or included in the annual report.	Complete all issues.	4 issues	3 issues	2 issu es	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.)						
Guidelines for practice						
3.34 The board should have an understanding of laws, regulations, standards, risks, and environmental factors relevant to business operations. Additionally, they should regularly receive up-to-date information.	1.To support the board in understanding their roles and responsibilities, the following mechanisms are in place: 2.Providing knowledge and understanding of laws, regulations, and standards relevant to the board's roles and business operations. 3.Ensuring comprehension of organizational risks and risk management. 4.Enhancing understanding of the business-related environmental factors. 5.Regularly receiving and comprehending up-to-date information. Including a reporting mechanism for knowledge and understanding in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.35 The board should disclose information on the continuous training and development of knowledge for the board members in the annual report (in line with item 3.33)	1.There is a plan to promote board training and development. 2.Board members participate in training programs related to enhancing knowledge and capabilities in performing board duties. 3.Board members receive development and training in knowledge relevant to business operations. 4.There is consistent effort to encourage board members' participation in training and knowledge development to align with their roles and responsibilities. 5.The results of training and knowledge development for board members are reported prominently, either as a separate section or included in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.36 The committee should schedule and plan meetings of the board in advance, allowing board members to allocate time and participate.	1.How are the meeting schedule and agenda explained in advance? 2.How is the appropriateness of the frequency of meetings determined based on the committee's responsibilities and duties? 3.What criteria are used to establish the meeting agenda and attendance? 4.Ensure that relevant individuals take care of meeting schedules in accordance with the regulations. 5.Disclose the aforementioned information in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.) **Guidelines for practice** 3.37 The frequency of committee meetings should be considered appropriate based on the committee's responsibilities, duties, and the nature of the company's business. However, it should not be fewer than 6 times per year in cases where the committee does not meet every month. The committee should instruct the management team to provide progress reports in months without meetings, allowing the committee to continuously supervise and oversee the management's operations and stay up-to-date.	1.Disclose the number of meetings per year in the annual report. 2.Meetings must be appropriate for the committee's responsibilities and duties. 3.Keep records of meeting reports in writing. 4.The disclosed meetings in the annual report should not be fewer than 6 times per year. 5.Establish criteria for preparing progress reports to inform the committee in months without meetings.	Complet e all issues.	4 issues	3 issues	2 issues	1 issues
3.38 The committee should ensure that there is a mechanism for each committee member, as well as the management team, to have the freedom to propose topics that are beneficial to the company for discussion in the meetings.	1.Establish meeting procedures in accordance with the responsibilities of the participants, including the chairman, executive officers, and top management committee members. 2.Be responsible for monitoring and assisting the chairman during committee meetings and shareholder meetings efficiently. 3.Support active participation of all committee members in the meetings. 4.The committee should ensure that there is a mechanism for each committee member to actively participate. 5.Play a significant role in promoting and ensuring that the meetings are beneficial to the company and relevant stakeholders.	Complet e all issues.	4 issues	3 issues	2 issues	1 issues
3.39 Meeting supporting documents should be provided to the committee in advance, at least 5 business days before the meeting.	1.Carry out responsibilities and oversee the company's operations in compliance with laws, objectives, regulations, and resolutions adopted at shareholder meetings. 2.Be responsible for monitoring and assisting the chairman during committee meetings and shareholder meetings efficiently. 3.Monitor and follow up on meeting agendas and participant invitations. 4.Provide meeting supporting documents to the committee in advance, at least 5 business days before the meeting. 5.Include meeting outcomes in the annual report.	Complet e all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
3.40 The committee should support the Chief Executive Officer (CEO) in inviting senior executives to participate in committee meetings to provide additional detailed information relevant to directly addressing the issues and to give them an opportunity to familiarize themselves with senior executives for succession planning considerations.	1.The committee provides support and ensures that the CEO invites senior executives to participate in meetings. 2.The committee considers the appropriateness of the frequency of meetings and the meeting agenda in a systematic manner. 3.The committee oversees that the relevant parties receive comprehensive information related to the issues. 4.The committee supports and facilitates the CEO's acquaintance with senior executives for succession planning purposes. 5.The above information is included in the annual report.					
3.41 The committee should have access to necessary additional information from the CEO, company secretary, or other designated executives within the policy framework, and, if necessary, the committee may seek independent opinions from external consultants or professionals at the expense of the company.	6.The committee has mechanisms to access additional information from the CEO. How? 7.The committee has mechanisms to access additional information from the company secretary or other executives. How? 8.The committee supports the engagement of external professional advisors. 9.The committee has mechanisms to seek independent opinions from external professional advisors. How? 10.The committee supports the expenses associated with external professional advisors as a cost of the company.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.42 The committee should establish a policy to allow non-executive directors to convene meetings among themselves as necessary to discuss management matters of interest without the presence of executive management. The committee should also inform the CEO of the outcomes of such meetings.	1.There are mechanisms to support the participation of non-executive directors in meetings. 2.There are mechanisms to separate management from non-executive directors in cases of discussing various issues. 3.There are mechanisms to report the outcomes of meetings to the CEO. 4.The committee monitors and adheres to the policies outlined in points 1-3 as meeting criteria. 5.The disclosed information is included in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 3 Strengthen Board Effectiveness (Cont.) **Guidelines for practice** 3.43 The committee should establish the qualifications and experience required for the company secretary who is suitable to provide advice on legal and regulatory matters that the committee needs to be aware of. They should oversee the management of committee meeting documents, important documents, and committee activities, as well as ensure coordination for the implementation of committee resolutions. Additionally, the committee should disclose the qualifications and experience of the company secretary in the annual report and on the company's website.	The committee has a mechanism to support the disclosure of the following information in the annual report: 1.Establishing the appropriate qualifications for the company secretary. 2.Defining the experience of the company secretary that aligns with the business objectives. 3.Ensuring the committee is aware of and overseeing the management of committee meeting documents and important documents. 4.Implementing a coordination mechanism for the committee to follow committee resolutions. 5.Disclosing the qualifications and experience of the company secretary in the annual report and on the company's website.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
3.44 The company secretary should receive continuous training and development to enhance their knowledge and skills for effective performance of their duties. In the case of certified programs, the company secretary should participate in the training for such certified programs.	1.Implement a mechanism for continuous knowledge development of the company secretary. 2.Develop the company secretary through training programs that are supported and endorsed. 3.Provide clear support and training plans for the continuous development of the company secretary. 4.Regularly disclose information on the training and development of the company secretary in the annual report. 5.Establish indicators to demonstrate the company secretary's role in overseeing and ensuring compliance with relevant laws and regulations.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 4 Ensure Effective CEO and People Management		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
4.1 The committee should consider or delegate the task to a selection committee to consider criteria and methods for selecting individuals who are qualified to hold the position of CEO.	1.The support committee advises the selection committee to consider criteria and methods for selecting individuals who are qualified to hold the position of CEO. 2.How does the committee monitor the work of the selection committee? 3.The company's committee has criteria for determining the qualifications of individuals to be appointed as CEO. How? 4.How does the company's committee evaluate and consider the work of the selection committee? 5.Disclose this information in the annual report.					
4.2 The committee should monitor and ensure that the CEO oversees the appointment of suitable senior executives. At a minimum, the selection committee or the committee should collaborate with the CEO in considering criteria and methods for selection and appointment of individuals, and approve the individuals proposed by the CEO to be appointed as senior executives.	1.The committee has a policy to ensure that the CEO oversees the appointment of suitable senior executives. 2.There is a collaborative working method between the committee, the selection committee, and the CEO. 3.There is a method that demonstrates approval of the criteria and methods for selection and appointment of individuals proposed by the CEO to be senior executives. 4.Explain the methods outlined in points 1-3 in detail. 5.Disclose this information in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
4.3 In order to ensure continuous business operations, the committee should provide guidance and oversight to have a succession plan in place to prepare for the succession of the CEO and senior executives. The CEO should report the progress of the succession plan to the committee at least once a year.	1.The company's board of directors oversees the implementation of a succession plan. 2.The mechanisms and processes for preparing the succession of the CEO and senior executives are disclosed. 3.The company's board of directors has a policy of disclosing the qualifications of succession candidates. 4.The board of directors ensures that the CEO reports on the results of succession planning at least once a year. 5.Information is disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 4 Ensure Effective CEO and People Management		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
4.4 The committee should promote and support the training and development of the CEO and senior executives to enhance their knowledge and beneficial experiences for their work.	1.Explain the methods for promoting and supporting the training and development of the board of directors. 2.Disclose information on training and development initiatives to enhance the knowledge of the CEO. 3.Disclose information on beneficial experiences that contribute to the performance of the CEO's duties. 4.Disclose information on training and development initiatives to enhance the knowledge of senior executives. 5.Disclose information on beneficial experiences that contribute to the performance of senior executives' duties.					
4.5 The committee should establish clear policies and practices regarding the appointment of directors to positions in other companies as CEOs or senior executives. This includes specifying the types of positions and the number of companies that directors are allowed to hold positions in.	1.The committee establishes policies and procedures for directors to hold positions in other companies as CEOs. 2.The committee establishes policies and procedures for senior executives to hold positions in other companies as directors. 3.The committee determines the types of positions that are allowed. 4.The committee determines the number of companies that directors can hold positions in based on certain criteria. 5.The committee discloses the aforementioned practices.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
4.6 The committee should establish a compensation structure that serves as a motivation for the CEO, senior executives, and all personnel at all levels to align their work with the organization's objectives and main goals. This structure should also align with the long-term benefits of the company.	1.How is the compensation structure determined? 2.How is the compensation structure aligned with the organization's objectives and main goals? 3.How are short-term incentives, such as bonuses, and long-term performance, such as Employee Stock Ownership Plans, determined? 4.When establishing compensation policies, what factors are considered, such as industry benchmarking and company performance? 5.How are performance evaluation criteria and communication strategies established and communicated?	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 4 Ensure Effective CEO and People Management (Cont.) **Guidelines for practice**		Complete all issues.	6-7 issues	4-5 issues	3-2 issues	1 issues
4.7 The committee, excluding executive directors, should have a role in compensation and performance evaluation of the CEO. This includes: 1.Approving the performance evaluation criteria for the CEO, which should motivate the CEO to manage the company in line with its objectives, main goals, strategies, and long-term benefits. The committee should communicate the evaluation criteria to the CEO in advance. 2.Conducting regular performance evaluations of the CEO, either annually or by assigning the responsibility to a subcommittee. The chairman or senior director should communicate the evaluation results and discuss development opportunities with the CEO. 3.Approving the annual compensation of the CEO and considering the performance evaluation results, as well as other factors.	1.The committee, excluding executive directors, has a role in compensation and performance evaluation of the CEO. How? 2.How should the performance evaluation criteria motivate the CEO to align their management with the organization's objectives, main goals, strategies, and long-term benefits? 3.Should the committee communicate the evaluation criteria to the CEO in advance? How? 4.Is there an annual report on the evaluation results of the CEO's performance? 5.Is the committee assigned to evaluate the compensation, and is the chairman or a senior director responsible for communicating the evaluation results? 6.Should the senior director be the communicator of the evaluation results and development issues for the CEO? How? 7.Explain or report the approved annual compensation of the CEO. 8.How is the performance evaluation of the CEO and other factors considered in approving the compensation?					
4.8 The committee should approve the evaluation criteria, factors, and the compensation structure for senior executives. Additionally, the committee should ensure that the CEO evaluates senior executives based on the approved criteria.	1.What criteria and factors does the committee approve for evaluating performance? Explain. 2.Does the committee have a mechanism to approve the compensation structure for senior executives? 3.Disclose the mechanisms and criteria for approving the compensation structure for senior executives in the annual report. 4.How is the follow-up mechanism established for the CEO to evaluate senior executives? 5.Disclose the tracking mechanism and evaluation methods. Report the evaluation findings in writing.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 4 Ensure Effective CEO and People Management (Cont.) **Guidelines for practice** 4.9 The committee should oversee the establishment of criteria and factors for evaluating performance throughout the organization.	1.The committee has oversight to establish criteria for evaluating organizational performance. 2.The committee has a mechanism to disclose the criteria for evaluating organizational performance in written form. 3.The committee should oversee the establishment of factors for evaluating organizational performance. 4.The committee has a mechanism to disclose the factors for evaluating organizational performance in written form. 5.There is support for the organization to use these criteria and factors universally, and communication is done in written form to inform everyone in the organization.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
4.10 The committee should understand the structure and relationships of shareholders, which may be in the form of internal family agreements, whether written or unwritten, shareholder agreements, or policies of the parent company group, which impact the authority in managing business operations.	1.The committee has methods to support understanding the structure and relationships of shareholders. 2.The committee discloses these methods as part of the organization-wide plan in written form. 3.The committee oversees the complex mechanisms of relationships between shareholders that do not adversely affect other stakeholders. 4.There are policies and agreements for different shareholder scenarios. 5.The committee monitors and ensures that no single shareholder has excessive control over management.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
4.11 The committee should ensure that the agreements stated in 4.10 do not hinder the performance of the committee's duties, such as having suitable individuals to succeed in positions.	1.The committee has methods to support understanding the structure and relationships of shareholders. 2.The committee discloses these methods as an organization-wide plan in written form. 3.The committee oversees the complex mechanisms of relationships among shareholders that do not impact the interests of other stakeholders. 4.There are policies regarding agreements with shareholders in different scenarios. 5.The committee monitors and ensures that no single shareholder or party has excessive control over management. 6.The committee should ensure that the agreements stated in 4.10 do not hinder the committee's responsibilities, such as having appropriate individuals to succeed in positions.	Complete all issues.	4-5 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 4 Ensure Effective CEO and People Management (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
4.12 The committee should oversee the disclosure of information according to various agreements that affect corporate governance.	1.The supporting committee discloses information about the relationships of shareholders in various formats. 2.The supporting committee supports the disclosure of agreements with shareholders, both in written and non-written forms. 3.The supporting committee supports the disclosure of succession plans. 4.The supporting committee supports the disclosure of policies of the parent company or subsidiary. 5.The supporting committee supports the disclosure of information that may impact the control of the business, allowing other shareholders and stakeholders to be aware.					
4.13 The committee should ensure effective human resource management aligned with the organization's direction and strategies. Employees at all levels should possess knowledge, skills, appropriate motivation, and receive fair treatment to retain the organization's capable personnel.	The committee oversees the management and development of personnel to ensure an appropriate number of staff in various areas, as follows: 1.The committee should ensure human resource management that aligns with the organization's direction and strategies in terms of knowledge. 2.The committee should ensure human resource management that aligns with the organization's direction and strategies in terms of skills and experience. 3.The committee should ensure human resource management that aligns with the organization's direction and strategies in terms of motivation. 4.The committee should ensure human resource management that aligns with the organization's direction and strategies in terms of ethical practices, aiming to retain capable personnel. 5.There should be mechanisms supporting the above-mentioned points, documented and implemented organization-wide.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 4 Ensure Effective CEO and People Management (Cont.) **Guidelines for practice** 4.14 The committee should oversee the establishment of reserve funds or other mechanisms to ensure that employees have sufficient savings for retirement. Additionally, support should be provided to enhance employees' financial management knowledge and understanding, including selecting investment policies that align with their age, risk levels, or implementing life path investment strategies.	1.The committee supports the establishment of a retirement fund. 2.The committee supports other savings mechanisms beyond the retirement fund. 3.Support is provided to train employees in financial management and life path investment strategies. 4.Support should be implemented as a policy throughout the organization. 5.Details of employee care should be disclosed in writing.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
5.1 The committee should emphasize the importance of building an organizational culture that fosters innovation and ensures that the management team is actively involved in strategy review, development planning, operational improvements, and performance monitoring.	1.How to emphasize the importance of creating organizational culture and innovation? 2.How to create an organizational culture that promotes innovation? 3.How to ensure that the management team is involved in strategy review? 4.How to plan and develop operational improvements? 5.How to monitor the progress of operations?	Complete all issues.	4 issues	3 issues	2 issues	1 issues
5.2 The committee should promote the creation of innovations to increase the value of the business in response to ever-changing environmental factors. This may encompass shaping the business model, adopting different perspectives in designing and developing products and services, conducting research, improving production processes and workflows, as well as collaborating with partners.	1.How can innovation be promoted to enhance value for the business in response to environmental factors? 2.How to create innovation that aligns with the business model? 3.How to foster innovation in the design, development, or research of products and services? 4.How to create innovation that aligns with process improvement and workflow optimization? 5.How to generate innovative ideas that create value through collaboration with business partners?	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 5 Nurture Innovation and Responsible Business (Cont.) **Guidelines for practice** 5.3 The committee should ensure the presence of mechanisms that provide confidence in the ethical conduct and social and environmental responsibility of the business, while respecting the rights of stakeholders. This serves as a guideline for all parts of the organization to achieve sustainable objectives and primary goals. It is advisable to establish policies or practices that at least cover the following aspects: 1.Responsibility towards employees and workers. 2.Responsibility towards customers. 3.Responsibility towards business partners. 4.Responsibility towards the community. 5.Responsibility towards the environment. 6.Fair competition by conducting business openly, transparently, and without creating unfair advantages in competition. 7.Combating corruption and collusion.	1.How can mechanisms be established to ensure that the business conducts itself ethically? 2.How can social and environmental responsibility be upheld without violating the rights of stakeholders? 3.Provide guidelines for all parts of the organization to achieve sustainable objectives and primary goals. 4.Develop policies or practices regarding responsibility towards employees and workers. 5.Define the responsibility towards customers. 6.Specify the responsibility towards business partners. 7.Outline the responsibility towards the community. 8.Describe the responsibility towards the environment. 9.Promote fair competition by conducting business openly, transparently, and without creating unfair advantages in competition. 10.Encourage measures to combat corruption and collusion.	Complete all issues.	7-9 issues	5-6 issues	3-4 issues	1-2 issues
5.4 The committee should be aware of the necessity of resources and acknowledge that the use of each resource type has interconnected and mutual impacts.	1.Identify the necessary resources for the business. 2.Have methods for utilizing each type of business resource distinctively. 3.Clearly define and classify the types of resources as distinctive characteristics. 4.Explain the process of knowledge creation in utilizing each type of resource. 5.Specify the impacts of resource utilization.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 5 Nurture Innovation and Responsible Business (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
5.5 The committee should be aware that different business models have varying impacts on different resources. Therefore, when making decisions to choose a business model, consideration should be given to the resulting impacts and value generated for the resources, while maintaining a foundation of ethics, responsibility, and sustainable value creation for the business.	1.Being aware of how essential resources need to be utilized. 2.How different business models impact resources differently. 3.Considering the resulting impact and value on resources. 4.Establishing the ethical foundation for resource utilization in business operations. 5.Sustaining responsibility and creating value for the business.					
5.6 The committee should ensure that the management department thoroughly reviews, develops, and oversees the efficient and effective utilization of resources to achieve the objectives and main goals of the business. This should take into account the constant changes in both internal and external factors.	1.The management department conducts reviews on how to achieve objectives and main goals of the business. 2.The management department develops and oversees the efficient and effective utilization of resources. 3.Resource utilization takes into account internal factors of change. 4.Resource utilization considers external factors of change. 5.The committee is responsible for overseeing and delegating management to handle all matters. Please elaborate.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
5.7 The committee should establish policies regarding allocation and management of information technology resources, which encompass ensuring adequate resource allocation for business operations and defining guidelines to accommodate situations where resource allocation cannot meet the specified requirements.	1.The committee ensures the establishment of governance frameworks and management practices for information technology that align with the business. 2.The committee has policies in place to leverage information technology for increasing business opportunities and facilitating operational development. 3.The committee has policies in place to use information technology for risk management. 4.The committee has policies in place to utilize information technology to achieve the business objectives and core goals. 5.There is adequate and appropriate management and allocation of resources and technology to support the business.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 5 Nurture Innovation and Responsible Business (Cont.)						
Guidelines for practice						
5.8 The committee should oversee the organization's risk management, including the management and handling of technology-related risks.	1.There is support and care provided to establish risk management mechanisms within the organization. 2.Risks, both internal and external, are identified and managed. 3.Support is given to ensure the monitoring of risks related to technology and information. 4.Support is provided to implement risk management mechanisms throughout the organization and make it an integral part of operations. 5.Risk management and mitigation efforts are disclosed in the annual reports.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
5.9 The committee should establish policies and measures to ensure the security and integrity of information systems.	1.The business complies with relevant laws, regulations, and standards regarding the use of information technology. 2.The business has data security systems in place to maintain confidentiality and trustworthiness. 3.The business considers risks related to technology and has measures in place for risk management. 4.The business allocates resources to technology, considering criteria, factors, and the importance of technology plans. 5.Measures are taken to prevent unauthorized use of data.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 6 Strengthen Effective Risk Management and Internal Control		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
6.1 The committee should understand the significant risks of the business and approve acceptable risks.	1.The committee understands the risks. 2.The committee is able to identify business risk events. 3.Explain the importance of risk. 4.Identify events that could occur and pose risks to the business. 5.Understand the principles of risk approval (explain).					
6.2 The committee should consider and approve risk management policies that align with the objectives, main goals, strategies, and acceptable risks of the organization, as a framework for everyone in the organization to follow in the risk management process. In addition, the committee should prioritize early warning signals and ensure regular reviews of risk management policies, such as once a year.	1.Explain the understanding of important risks in the business. 2.Describe the method for approving acceptable risks. 3.Consider and approve risk management policies that align with the objectives, main goals, strategies, and acceptable risks. How? 4.Give importance to early warning signals. How? 5.Ensure regular reviews of risk management policies, such as once a year.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
6.3 The committee should oversee the identification of risks by considering both external and internal factors that may prevent the company from achieving its defined objectives.	1.There is support and care to establish a risk management mechanism for the organization. 2.Internal and external risk factors are identified. 3.The committee understands the risks of the business and develops risk mitigation plans. 4.Risks, both internal and external, which may prevent the company from achieving its objectives, are identified. How? 5.Information about risks that may hinder the company from achieving its objectives is disclosed, along with risk management strategies.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 6 Strengthen Effective Risk Management and Internal Control		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
6.4 The committee should ensure that the company has evaluated the impacts and opportunities of the identified risks in order to prioritize risks and have appropriate risk management methods.	1.Evaluate and align the risk management policy with the objectives, primary goals, strategies, and acceptable risks. 2.Implement mechanisms to assess risks, including both opportunities and potential impacts. 3.Identify risks, considering both internal and external factors that may hinder the company from achieving its predetermined objectives. 4.Prioritize the occurrence of risks. 5.Specify risk management methods and strategies.					
6.5 The committee may assign the Risk Management Committee or the Audit Committee to review and filter items 6.1-6.4 before presenting them to the committee for consideration, as deemed appropriate for the business.	1.The committee is assigned the responsibility of risk management. 2.The risk management committee and the audit review committee handle the tasks outlined in points 6.1-6.4. 3.Prepare a resolution report for data filtering. 4.Preent the risk filtering information for the committee's consideration. 5.Disclose the impact of risk assessment on the business and the risk management methods.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
6.6 The committee should monitor and regularly assess the effectiveness of risk management practices.	1.The committee acknowledges internal and external risk factors of the organization. 2.The committee actively participates in filtering risk-related information. 3.The committee has mechanisms to support risk monitoring. 4.The committee has mechanisms to support effective risk management. 5.The committee should regularly monitor and evaluate the effectiveness of risk management and report to the shareholders.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 6 Strengthen Effective Risk Management and Internal Control (Cont.) **Guidelines for practice** 6.7 The committee is responsible for ensuring that the business operates in compliance with relevant laws and standards, both domestically and internationally.	1.The committee monitors and oversees the operations of the business throughout the organization. 2.The committee has mechanisms to support reporting and accountability responsibilities of personnel from all departments. 3.The committee oversees and ensures that business operations comply with relevant laws and standards. 4.The committee has mechanisms to support the prevention of conducting business activities that may have legal implications affecting the company. 5.The committee has control measures and supervision in place to ensure that personnel perform their duties in accordance with objectives and in compliance with laws, both domestically and internationally.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
6.8 In cases where the company has significant subsidiaries or other invested ventures (such as holding a voting stake of at least 20% but not exceeding 50%), the committee should incorporate the assessment results of internal control systems and risk management as part of the considerations outlined in points 6.1-6.7.	1.The committee has a policy to ensure compliance with laws when investing in other companies. 2.The committee has mechanisms to support significant and non-impacting investments in other companies. 3.The committee monitors and oversees internal controls when investing in other companies. 4.The committee considers risks from 6.1-6.7 when evaluating investments in other companies. 5.There are resolutions and measures in place to disclose information to relevant stakeholders.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
6.9 The committee must establish an audit committee consisting of at least three independent members who possess the qualifications and responsibilities according to the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand.	1.The committee must establish an audit committee. 2.It must consist of at least three independent directors. 3.Each member must be an independent director. 4.They should possess the qualifications and fulfill the duties according to the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand. 5.Detailed information should be disclosed in accordance with the prescribed practices in the report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 6 Strengthen Effective Risk Management and Internal Control (Cont.) **Guidelines for practice** 6.10 The committee should define the responsibilities of the audit committee to ensure accurate and complete financial reporting. It should verify that the company has appropriate and effective internal control and internal audit systems. It should also assess compliance with relevant laws and standards, evaluate the independence of the internal audit unit, and provide approval for the appointment, transfer, termination, or dismissal of the head of the internal audit unit or any other unit responsible for internal auditing. It should consider, select, and propose independent individuals to serve as auditors and determine their remuneration. Additionally, it should hold meetings with auditors at least once a year without the presence of management. It should review related transactions or potentially conflicting transactions to ensure compliance with applicable laws, and ensure that such transactions are reasonable and beneficial to the company. It should also verify the accuracy of reference documents and self-assessment forms related to measures against corporate corruption under the Thai Private Sector Collective Action against Corruption Initiative.	1.Verify that the company has accurate and complete financial reporting. 2.Verify that the company has appropriate and effective internal control and internal audit systems. 3.Verify that the company complies with relevant laws and standards. 4.Assess the independence of the internal audit unit and provide approval for the appointment, transfer, termination, or dismissal of the head of the internal audit unit or any other unit responsible for internal auditing. 5.Consider and select independent individuals to serve as auditors. 6.Consider and propose the remuneration of the aforementioned individuals. 7.Hold meetings with auditors at least once a year without the presence of management (report). 8.Evaluate related transactions or potentially conflicting transactions to ensure compliance with relevant laws and provide assurance that they are in line with the company's interests (express opinions and report in the financial statements). 9.Report on the accuracy of reference documents and self-assessment forms related to measures against corporate corruption under the Thai Private Sector Collective Action against Corruption Initiative.	Complete all issues.	7-8 issues	5-6 issues	3-4 issues	1-2 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 6 Strengthen Effective Risk Management and Internal Control (Cont.) **Guidelines for practice** 6.11 The committee should ensure that the company establishes mechanisms or tools that enable the audit committee to access necessary information to perform its assigned duties. For example, facilitating the audit committee's ability to request relevant information from involved parties, engage in discussions with auditors, or seek independent opinions from other professional consultants to support the audit committee's deliberations.	The committee should have tools or mechanisms in place to allow the audit committee to access necessary information, as follows: 1.Implement measures to facilitate the audit committee in requesting information from relevant parties, with transparent procedures. 2.Establish measures for the audit committee to engage in discussions with auditors. 3.The audit committee should be able to seek independent opinions from professional consultants. 4.The audit committee receives support from the company's committee in accessing necessary information, including information related to information technology. 5.The company's committee supports the inclusion of the audit committee's opinions in the annual reports.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
6.12 The committee should arrange for individuals or internal audit units that are independent to be responsible for the development and assessment of the effectiveness of risk management and internal control systems.	1.The committee monitors and oversees the implementation of an effective audit and risk management system. 2.The company's committee supports the presence of independent individuals or internal audit units. 3.The company's committee has mechanisms to monitor and oversee the performance of individuals or units responsible for internal audits. 4.The company's committee supports independent individuals or internal audit units in accessing internal control and risk management information. 5.The company's committee has mechanisms to support the work of the audit committee in developing internal control and risk management.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 6 Strengthen Effective Risk Management and Internal Control (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
6.13 The audit committee should conduct audits and disclose audit findings in the annual report.	1.Roles and responsibilities of the audit committee are defined. 2.Qualifications of the audit committee members are specified. 3.Mechanisms and scope of the audit plan are identified. 4.The audit committee's opinions are disclosed. 5.The audit activities of the audit committee are disclosed.					
6.14 The audit committee must provide opinions on the adequacy of the risk management and internal control systems and disclose them in the annual report.	1.The audit committee discloses the results of the financial audit. 2.The audit committee discloses the results of the internal control audit. 3.Complete disclosure of related party transactions is provided. 4.The audit committee provides recommendations consistent with the objectives of the audit. 5.The opinions of the audit committee and the results of the audit are disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
6.15 The audit committee should oversee the establishment of a data security system, which includes the formulation of policies and procedures for maintaining confidentiality, ensuring integrity, and promoting data availability. This also includes managing market-sensitive information that may impact securities prices. Additionally, the audit committee should ensure that board members, senior executives, employees, and relevant external parties such as legal advisors and financial consultants comply with the data security system.	1.How is the data security system maintained, including the establishment of policies and procedures for confidentiality? 2.How is integrity ensured in the data security system? 3.How is data availability maintained? 4.Are measures taken to manage market-sensitive information that may impact securities prices? Please explain. 5.How are board members, senior executives, employees, and relevant external parties such as legal advisors and financial consultants supervised to ensure compliance with the data security system?	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 6 Strengthen Effective Risk Management and Internal Control (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
6.16 The board should oversee the management and monitoring of transactions that may involve conflicts of interest, ensuring the presence of guidelines and practices to ensure compliance with operational processes and disclosure requirements as mandated by law. This is essential for the overall benefits of the company and shareholders, where parties with vested interests should not participate in decision-making.	1.How are transactions with potential conflicts of interest managed and overseen? 2.How are transactions with potential conflicts of interest monitored? 3.How are guidelines and practices implemented to ensure compliance with transactional processes? 4.How are operations and disclosure carried out in accordance with legal requirements and for the benefit of the company and shareholders? 5.How are individuals with vested interests excluded from decision-making processes?					
6.17 The board should have provisions for directors to disclose their interests prior to considering agenda items, and these disclosures should be recorded in the board meeting minutes. The board should ensure that directors with significant interests that may compromise their independence are excluded from providing their opinions and abstain from participating in the deliberations on those agenda items.	1.There are provisions for directors to report their interests prior to considering board meeting agenda items. How are these provisions implemented? 2.Are these disclosures recorded in the board meeting minutes? (Report) 3.How does the board ensure that directors with such interests cannot provide independent opinions? 4.Is there a practice of excluding directors with interests from participating in the deliberations on those agenda items? 5.Explain the significant interests that are relevant in this context.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
6.18 The board should establish projects or guidelines to combat corruption and collusion, as well as support activities that promote compliance with relevant laws and regulations, ensuring that all employees adhere to them.	1.Are there projects or guidelines in place to combat corruption and collusion? 2.How is support provided for activities that promote compliance with laws and regulations for all employees? 3.How are employees encouraged and trained to comply with relevant rules and regulations? 4.Explain the guidelines for combating corruption and collusion. 5.Explain the activities that promote and instill compliance in employees.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 6 Strengthen Effective Risk Management and Internal Control (Cont.) **Guidelines for practice** 6.19 The board should oversee the establishment of mechanisms and processes (record-keeping, progress monitoring, issue resolution, reporting) to address complaints from stakeholders and ensure the availability of convenient and multiple channels for lodging complaints. Additionally, the board should disclose these complaint channels on the company's website or in the annual report.	1.Ensure the presence of mechanisms and processes for management and handling (recording, monitoring progress, resolving issues, reporting). 2.How are complaints from stakeholders being addressed? 3.Are there channels available to conveniently receive complaints, with more than one option? (Report) 4.Disclose the complaint channels on the website. 5.Disclose the complaint channels in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
6.20 The board should have clear policies and guidelines in place to address whistleblowing cases. These policies should include channels for reporting whistleblowing incidents through the company's website or to independent directors/audit committee members, who are designated to handle such matters. Furthermore, there should be processes for investigating the reported information, taking appropriate actions, and reporting to the board.	1.Establish mechanisms and processes for managing (recording, monitoring progress, resolving issues, reporting). 2.How are complaints from stakeholders being managed? 3.Are there convenient channels for lodging complaints, with multiple options available? (Report) 4.Provide avenues for lodging complaints on the website. 5.Provide avenues for lodging complaints in the annual or periodic reports.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
6.21 The board should ensure the implementation of adequate protection measures for whistleblowers who report with good faith intentions.	1.Ensure the presence of mechanisms and processes for management and handling (recording, monitoring progress, resolving issues, reporting). 2.How are complaints from affected stakeholders taken care of? 3.Are there convenient and multiple channels available for receiving complaints? How? (Report) 4.Make the complaint channels accessible on the website. 5.Make the complaint channels accessible in the annual or periodic reports.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 7 Ensure Disclosure and Financial Integrity		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
7.1 The committee should ensure that personnel involved in the preparation and disclosure of information have the appropriate knowledge, skills, and experience for their responsibilities, and an adequate number of personnel. This includes personnel at the highest management level, accounting and finance personnel, internal auditors, company secretaries, and investor relations officers.	1.Personnel involved in the preparation and disclosure of information should have knowledge, 2.Skills, 3.And experience that are appropriate for their responsibilities. 4.They should be suitable for their roles and responsibilities and there should be an adequate number of personnel. 5.This includes top management, accounting and finance personnel, internal auditors, company secretaries, and investor relations officers (*disclosure of knowledge, skills, and experience of all these positions).					
7.2 When approving the disclosure of information, the committee should consider the relevant factors. In the case of financial reports, at least the following factors should be taken into account: 1. Adequacy of the internal control system assessment results, 2. Opinion of the auditor on the financial reports, and observations made by the auditor regarding the internal control system, including any other communication channels (if available), 3. Opinion of the audit committee, and 4. Consistency with the company's main objectives, strategies, and policies.	1.The committee considers the relevant factors for information disclosure, 2.Discloses the assessment of the adequacy of the internal control system, 3.Discloses the opinion of the auditor on the financial reports, 4.Discloses observations made by the auditor regarding the internal control system, 5.Discloses any other communication channels used for auditor's observations (if available), discloses the opinion of the audit committee that aligns with the company's objectives, main goals, strategies, and policies.	Complete all issues.	4-5 issues	3 issues	2 issues	1 issues
7.3 The committee should oversee the disclosure of information, including financial statements and the annual report (Form 56-1), to adequately reflect the financial position and performance. Additionally, the committee should support the company in preparing the management discussion and analysis (MD&A) to complement the financial disclosure on a quarterly basis. This ensures that investors receive information and understanding of the changes in the financial position and performance of the company in each quarter. Apart from numerical data in the financial statements alone.	1.There is disclosure of financial statements and annual reports that reflect the financial position of the company. 2.There is a management analysis provided by the management team. 3.The disclosure of information is accurate and complete according to the business objectives. 4.There is disclosure of explanatory notes accompanying the financial statements. 5.The company's committee supports the implementation of a comprehensive disclosure mechanism for operational information.					

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 7 Ensure Disclosure and Financial Integrity (Cont.) **Guidelines for practice** 7.4 In cases where the disclosure of specific items is related to a particular committee member, that member should ensure that their disclosure is complete and accurate. For example, the disclosure of shareholding information within their group or the disclosure related to their shareholders' agreement.	1.The company committee ensures full disclosure of financial information, such as accounting policies, significant items included in the profit and loss statement, and changes in retained earnings during the period. 2.If the accounting items are specifically related to a particular committee member, detailed disclosure should be provided regarding their involvement. 3.In addition to financial information, disclosure of shareholder information within the group mentioned in item 2 should be provided. 4.Disclosure of information related to shareholders' agreements within the group. 5.Full details, along with the committee's opinion on the impact or lack of impact on the business, should be disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
7.5 The committee should ensure that the management department monitors and evaluates the financial position of the company and regularly reports to the committee. The committee and the management department should work together to promptly address any early signs indicating financial difficulties and debt repayment capabilities.	1.The management department tracks and assesses the financial position of the company by [specify the methods or criteria used]. 2.Regular reporting is conducted to the committee by [describe the frequency, format, and content of the reports]. 3.The disclosure of the approach for collaborative problem-solving between the committee and the management department should be made promptly when early indicators of financial difficulties arise. 4.The disclosure of the approach for collaborative problem-solving between the committee and the management department should be made promptly when early indicators of debt repayment capabilities arise. 5.The opinions of the committee and the monitoring mechanism for improvement should be disclosed in the annual report.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 7 Ensure Disclosure and Financial Integrity (Cont.) **Guidelines for practice** 7.6 When approving any transactions or presenting opinions for approval at shareholder meetings, the committee should ensure that such transactions will not have a negative impact on the continuity of business operations, financial stability, or debt repayment capabilities.	1.The committee has a mechanism to approve various transactions in writing. 2.The mechanism for approving various transactions is disclosed to shareholders and relevant committee members. 3.The committee conducts monitoring to ensure confidence in the approval of transactions without causing any negative impacts on the business. 4.The results of the approval of various transactions are reported to the meeting participants. 5.The information regarding approved transactions is disclosed in writing, allowing stakeholders to be informed and included in the financial statements.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
7.7 In the event that the business is trending towards an inability to repay debts or experiencing financial difficulties, the committee should closely monitor and ensure that the business operates with caution and complies with disclosure requirements. The committee should oversee the business in developing plans to address financial issues, considering fairness to stakeholders, including creditors, and regularly tracking the progress of issue resolution through management reporting.	1.The committee has a mechanism to closely monitor the performance of the business. 2.The committee specifies the responsibilities of the monitoring department regarding the business's performance. 3.In the event that the business is trending towards an inability to repay debts or experiencing financial difficulties, the committee should closely monitor by specifying the methods of problem resolution. 4.The committee should oversee the business in developing consistent plans to address financial issues, clearly documented. 5.Track the progress of issue resolution by having the management department regularly report on the operational status of the business.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 7 Ensure Disclosure and Financial Integrity (Cont.) **Guidelines for practice** 7.8 The committee should ensure that any decision made in resolving financial issues of the company, regardless of the method used, is logical and reasonable.	1.How does the committee monitor the performance of the business? 2.The committee should oversee the business in establishing consistent financial issue resolution plans as a standard practice. 3.The committee has a team to assist in evaluating various situations. 4.The committee has reliable methods to ensure that any decision made is reasonable and justifiable. 5.Resolving financial issues of the company, regardless of the method used, must be done accurately and in compliance with legal principles.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
7.9 The committee should consider the appropriateness of disclosing information regarding compliance with laws, ethical practices, anti-corruption policies, treatment of employees and stakeholders, including fair practices and respect for human rights, as well as social and environmental responsibilities. This should be done while taking into account the reporting framework accepted nationally or internationally. Such information may be disclosed in the annual report or in a separate volume, depending on the suitability of the company.	1.The committee considers the appropriateness of disclosing information regarding compliance with laws and ethical practices. 2.There is a policy in place to combat corruption, which is clearly defined. 3.The treatment of employees and stakeholders is conducted in a fair and ethical manner, following established principles. 4.Mechanisms are in place to support operations with social responsibility as a priority. 5.The disclosed information may be included in the annual report or compiled separately, depending on the suitability of the company.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
7.10 The committee should ensure that disclosed information is a significant and reflective element of sustainable value creation for the company.	1.The committee tracks the accuracy and completeness of disclosed information. 2.The committee establishes responsibility for managing beneficial disclosure of information. 3.The company's committee oversees and requires relevant departments to present information reports prior to disclosure. 4.The committee supports the verification of information before dissemination. 5.The committee supports the disclosure of operational information in accordance with legal requirements, caution, accuracy, and reliability.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 7 Ensure Disclosure and Financial Integrity (Cont.) **Guidelines for practice** 7.11 The committee should establish a communication policy and a disclosure policy to ensure that communication and disclosure to external parties are appropriate, equitable, timely, conducted through suitable channels, protect confidential information and price-sensitive information, and promote consistent understanding within the organization in adhering to these policies.	1.There is a communication policy (communication policy). 2.There is a disclosure policy (disclosure policy). 3.Communication and disclosure to external parties are conducted appropriately (explain the methods). 4.Confidential and price-sensitive information is protected (how?). 5.There is effective communication within the organization in adhering to these policies (methods).	Complete all issues.	4 issues	3 issues	2 issues	1 issues
7.12 The committee should designate individuals responsible for providing information to external parties, who should be suitable for the role, understand the company's business, objectives, core values, and be capable of effectively communicating with the capital market. Examples of such individuals include the CEO, CFO, and Investor Relations Manager.	1.The committee ensures that individuals responsible for providing information to external parties are designated. How is this done? 2.The committee provides support to ensure that those responsible for providing information understand their roles and responsibilities. 3.The committee provides support to ensure that those responsible for providing information understand the company's business. How is this done? 4.The committee provides support to ensure that those responsible for providing information understand the core values and objectives. How is this done? 5.The committee provides support to ensure that those responsible for providing information understand how to communicate with the capital market. How is this done?	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 7 Ensure Disclosure and Financial Integrity (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
7.13 The committee should oversee and support the investor relations function in setting directions and providing assistance. This includes establishing best practices for information disclosure, implementing policies for managing information that affects securities prices, as well as defining clear roles and responsibilities for investor relations. This ensures effective communication and disclosure of information.	1.The committee supports the presence of investor relations in the company. 2.The company's committee clearly defines the roles and responsibilities of investor relations as a distinctive identity. 3.The committee supports the management team in setting directions and providing support for investor relations activities. 4.Investor relations provide information and policies for managing data that affects securities prices. 5.Stakeholders can contact investor relations through the company's website.					
7.14 In addition to disseminating information according to the prescribed criteria and through the channels of the Stock Exchange of Thailand, the committee should consider disclosing information in both Thai and English through other channels, such as the company's website. This should be done consistently and accompanied by presenting up-to-date information.	1.The company's committee supports the disclosure of business operations information. 2.Information is disclosed in both Thai and English through other channels, such as the company's website. 3.There is regular disclosure of information, accompanied by presenting up-to-date data. 4.Stakeholders can access information reported in the annual reports on the website. 5.The company's committee has mechanisms to ensure information disclosure complies with the law and includes comprehensive details that should be disclosed.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 8 Ensure Engagement and Communication with Shareholders						
Guidelines for practice						
8.1 The committee should oversee important matters, both those specified in the law and issues that may affect the direction of business operations, through consideration and/or approval by shareholders. The aforementioned important matters should be included as agenda items in shareholder meetings.	1.The company's committee acknowledges and respects the rights of shareholders, and there shall be no actions that violate or undermine the rights of shareholders. 2. The company's committee determines that the agenda of ordinary shareholder meetings shall comply with the company's regulations and relevant laws. 3.The company's committee has mechanisms to include matters that may impact the business operations as agenda items in meetings. 4.The committee supports important matters to be considered and approved by shareholders. 5.The company's committee treats each shareholder fairly and equally, where shareholders of the same class have equal voting rights.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
8.2 The committee should support shareholder participation, such as: (1) establishing criteria for minority shareholders to propose agenda items in advance of shareholder meetings. The committee should consider including the proposed items as agenda items, and if the committee rejects any proposed item, they must provide reasons to the shareholders at the meeting. (2) establishing criteria for minority shareholders to nominate individuals for director positions. Additionally, the committee should ensure that the aforementioned criteria are disclosed to shareholders in advance.	1. The company's committee acknowledges and respects the rights of shareholders as owners. 2. The company's committee determines that the agenda of ordinary shareholder meetings shall comply with the company's regulations and relevant laws. 3.The company's committee provides an opportunity for minority shareholders to propose agenda items for inclusion in the meetings and/or nominate individuals to be considered for appointment as company directors at the annual ordinary shareholder meetings. 4.The company's committee allows shareholders to submit questions relevant to the meeting in advance before the shareholder meetings. 5.Establishing criteria for minority shareholders to nominate individuals for director positions, the committee should ensure that the aforementioned criteria are disclosed to shareholders in advance.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 8 Ensure Engagement and Communication with Shareholders (Cont.) **Guidelines for practice** 8.3 The committee should ensure that the notice of shareholder meetings contains accurate, complete, and sufficient information for shareholders to exercise their rights.	1. The company's committee should ensure that shareholder meetings are conducted in an orderly and transparent manner. 2. The committee should ensure that the notice of shareholder meetings contains accurate, complete, and sufficient information for shareholders to exercise their rights. 3.The committee should determine the date, time, and location of the shareholder meetings, taking into account the convenience of shareholders. 4.The committee should prevent any actions that restrict the opportunity for shareholders to attend the meetings. 5.The committee should encourage the use of technology in conducting shareholder meetings.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
8.4 The committee should ensure that the notice of shareholder meetings, along with relevant documents, is sent and published on the company's website at least 28 days prior to the meeting.	1.The committee should ensure that the notice of shareholder meetings, along with relevant documents, is sent and published on the company's website at least 28 days prior to the meeting. 2.The dates, times, and locations of the shareholder meetings should be specified. 3.The agenda of the meetings should be provided, clearly specifying the topics to be informed and approved. 4.The committee should establish and provide reasons and opinions for each agenda item. 5.The company's committee should support shareholders who are unable to attend the meetings in person.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 8 Ensure Engagement and Communication with Shareholders (Cont.) **Guidelines for practice** 8.5 The committee should provide an opportunity for shareholders to submit questions in advance of the meeting, by establishing criteria for submitting advance questions and publishing these criteria on the company's website.	1. The company's committee provides an opportunity for shareholders to submit questions related to the meeting in advance before the shareholder meeting. 2. The committee establishes criteria for submitting advance questions in writing. 3.The criteria mentioned above are published on the company's website. 4.Criteria for submitting advance questions are prepared in both Thai and English languages. 5.The company's committee supports all shareholders in exercising their rights as shareholders.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
8.6 The notice of shareholder meetings and related documents should be prepared in both English and Thai languages and published together.	1.The company's committee ensures that the notice of ordinary shareholder meetings contains accurate and complete information, along with relevant documents prepared in both Thai and English languages. 2.It is published on the company's website at least 28-30 days before the meeting. 3.The company sends the notice of shareholder meetings and accompanying documents for advance consideration, in both Thai and English languages. 4.The committee specifies that the agenda for ordinary shareholder meetings follows the company's bylaws and relevant laws, and provides explanations and justifications for each agenda item in the notice of meeting. 5.The company's committee is aware of and respects the rights of shareholders as owners, and refrains from any actions that violate or undermine shareholders' rights.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 8 Ensure Engagement and Communication with Shareholders (Cont.) **Guidelines for practice** 8.7 The committee should determine the date, time, and location of the meeting, taking into account the convenience of shareholders in attending the meeting, such as choosing a suitable meeting time for discussion and a location that facilitates travel.	1. The company committee determines the date and time, taking into account the shareholders. 2. The meeting venue considers the convenience of shareholders' travel. 3.The company committee ensures that no actions are taken to restrict the opportunity for shareholders to attend the meeting. 4.The company committee promotes the use of technology in shareholder meetings. 5.The committee has mechanisms to support the advance disclosure of the mentioned information.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
8.8 The committee should ensure that no actions are taken to restrict the opportunity for shareholders to attend the meeting or impose unnecessary burdens on them. For example, shareholders or proxies should not be required to present more documents or evidence than what is specified in the guidelines of the relevant regulatory authorities.	1.The company committee ensures that no actions are taken to restrict the opportunity for shareholders to attend the meeting. 2.Shareholders or their proxies should not be required to provide documents or evidence beyond what is specified in the relevant guidelines of the supervising authority. 3.No additional agenda items are added without prior notification. 4.The company committee supports shareholders who are unable to attend the meeting in person. 5.The company committee provides an opportunity for minority shareholders to propose agenda items and/or nominate individuals for consideration and election as company committee members in the annual ordinary shareholders' meeting.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 8 Ensure Engagement and Communication with Shareholders (Cont.) **Guidelines for practice** 8.9 The committee should promote the use of technology in shareholder meetings, including shareholder registration, vote counting, and result presentation, to ensure efficient, accurate, and precise meeting proceedings.	1.The company committee provides opportunities for shareholders to participate in important decision-making processes of the company. 2.The company committee oversees the organization of shareholder meetings, including recording the procedural explanations and voting processes. 3.The committee should promote the use of technology in shareholder meetings. 4.Utilizing technology for shareholder registration, vote counting, and result presentation to ensure accuracy. 5.The company committee ensures that shareholder meetings are conducted in an orderly, transparent, efficient manner, and shareholders are able to exercise their rights.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
8.10 The chairman of the committee presides over the shareholder meeting and is responsible for ensuring that the meeting complies with laws, relevant regulations, and company policies. The chairman allocates appropriate time for each agenda item as specified in the meeting notice and provides shareholders with the opportunity to express their opinions and ask questions regarding matters relevant to the company.	1.Is there a chairman of the committee who presides over shareholder meetings? 2.Does the committee ensure that the meetings comply with relevant laws, regulations, and company bylaws? How? 3.Is appropriate time allocated for each agenda item as specified in the meeting notice? 4.Are shareholders given the opportunity to express their opinions and ask questions related to the company during the meetings? How? 5.Is information 1-5 disclosed in the annual report?	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 8 Ensure Engagement and Communication with Shareholders (Cont.) **Guidelines for practice** 8.11 In order for shareholders to participate in important decision-making, committee members, both as participants and as shareholders, should not support the addition of agenda items without prior notification, especially for significant matters that require shareholders to have sufficient time to study the information before making decisions.	1.The company's committee ensures that shareholder meetings are conducted in a professional, transparent, and efficient manner, allowing shareholders to exercise their rights. 2.The chairman of the company's committee serves as the chairman during shareholder meetings. 3.No additional meeting agenda items are added without prior notification. 4.The company's committee ensures that no actions are taken to restrict shareholders' opportunities to participate in the meetings. 5.No additional significant agenda items are introduced that require shareholders to spend time studying information before making decisions.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
8.12 All committee members and relevant executives should attend the meetings so that shareholders can inquire about various relevant issues.	1.The company's committee ensures that shareholder meetings are conducted with professionalism, transparency, efficiency, and allows shareholders to exercise their rights. 2.The chairman of the company's committee serves as the chairman during shareholder meetings. 3.All committee members and relevant executives should participate in the meetings. 4.Shareholders have the right to question all committee members and relevant executives on relevant issues. 5.The company's committee, chairman of the subcommittee, top management in accounting and finance, and relevant executives should attend the meetings.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 8 Ensure Engagement and Communication with Shareholders (Cont.)	1.The company's board of directors provides opportunities for shareholders to participate in decision-making on important matters of the company. 2.The company's board of directors acknowledges and respects the rights of shareholders as owners and does not take any actions that violate or undermine the rights of shareholders. 3.The company's board of directors establishes the agenda for ordinary shareholders' meetings in accordance with the company's regulations and relevant laws. Each agenda item is accompanied by explanations and justifications in the meeting notice. 4.Prior to the commencement of the meeting, the number and proportion of shareholders present in person and by proxy, as well as the voting procedures and vote counting methods, are announced. 5.The company's board of directors treats all shareholders fairly and equally, and each share of the same class has equal voting rights, with one share equaling one vote.	Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
8.13 Before commencing the meeting, shareholders should be informed of the number and proportion of shareholders present in person and by proxy. The procedures for conducting the meeting, voting, and vote counting should also be disclosed.						

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 8 Ensure Engagement and Communication with Shareholders (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
8.14 In the case where an agenda consists of multiple items, the chairperson presiding over the meeting should ensure separate voting for each item. For example, shareholders exercise their rights to individually appoint directors in the appointment agenda.	1.The chairman of the company serves as the chairperson of the shareholder meeting. 2.There is an explanation of the agenda for each item of the meeting. 3.In the case of multiple agenda items, the chairperson should arrange for separate voting for each item. For example, 4.The agenda item for the election of company directors should be voted on individually. 5.The agenda item regarding director remuneration should grant approval rights to the shareholders.					
8.15 The board of directors should support the use of voting cards for important agenda items and encourage the appointment of independent individuals to act as vote counters or inspectors at the meeting. The results of the voting, indicating in favor, against, and abstentions for each agenda item, should be disclosed and recorded in the meeting minutes.	1.Support the use of voting cards for important agenda items. 2.Have independent individuals act as vote counters or inspectors at the meeting. 3.Disclose the voting results indicating in favor, against, and abstentions for each agenda item to the attendees. 4.Record the results in the meeting minutes. 5.Disclose information 1-4 in the annual report and provide a comprehensive explanation for each item.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Assessment issues	Keywords	Criteria for scoring (practical level)				
		5	4	3	2	1
principle 8 Ensure Engagement and Communication with Shareholders (Cont.)		Complete all issues.	4 issues	3 issues	2 issues	1 issues
Guidelines for practice						
8.16 The board of directors should ensure that the company discloses the resolutions of the shareholder meeting along with the voting results within the next business day through the news system of the Stock Exchange of Thailand and on the company's website. The board of directors should also ensure that a copy of the shareholder meeting report is delivered to the Stock Exchange of Thailand within 14 days from the meeting date.	1.Ensure that the company discloses the resolutions of the shareholder meeting. 2.Disclose the voting results within the next business day through the news system of the Stock Exchange of Thailand. 3.Also disclose the voting results on the company's website. 4.Deliver a copy of the shareholder meeting report to the Stock Exchange of Thailand within 14 days from the meeting date. 5.Disclose the information stated in points 1-4 in the annual report and provide a comprehensive explanation of each agenda item.					
8.17 The board of directors should ensure that the shareholder meeting report includes at least the following recorded information: (1) a list of attending directors and executives, and the proportion of directors' attendance; (2) the voting method, counting of votes, and voting results (in favor, against, abstentions) for each agenda item; (3) the questions raised and answers given during the meeting, including the names of the questioners and respondents.	The board of directors should ensure that the shareholder meeting report includes at least the following recorded information: 1.List of attending directors and executives. 2.Proportion of directors' attendance. 3.Voting method and vote counting. 4.Voting results (in favor, against, abstentions) for each agenda item. 5.Questions raised and answers given during the meeting, including the names of the questioners and respondents.	Complete all issues.	4 issues	3 issues	2 issues	1 issues

Biography

Name – Surname	Ms. Walaiporn Nuansa-ard
Date of Birth	20 April 1987
Address	42 Moo. 4 Khuannongkwa Subdistrict, Chulabhon District, Nakhon Si Thammarat Province, 80130
Education	Master of Accounting, Rajamangala University of Technology Thanyaburi.(2013)
Experiences Work	Lecturer, Accounting and Financial Department, Faculty of Management Technology, Rajamangala University of Technology Srivijaya (2019 - present)
Telephone Number	(+66)819563554
Email Address	walaiporn.n@rmutsv.ac.th