



# Audit Committee Priorities 2025

## “Enhance Audit Committee Effectiveness”

Tuesday, 18 March 2025

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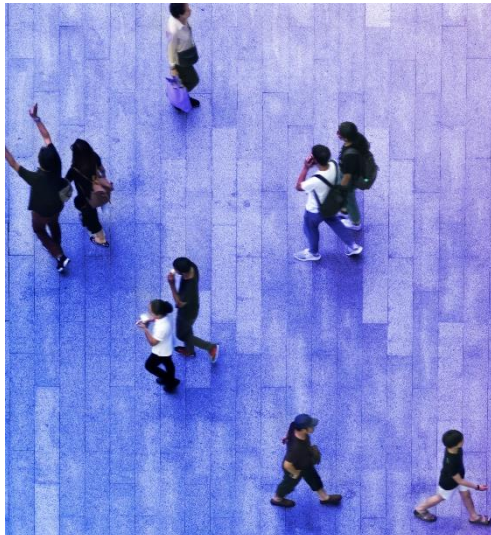
KPMG in Thailand



# Contents

01

## Global Risks



02

## 2025 Audit Committee Agenda



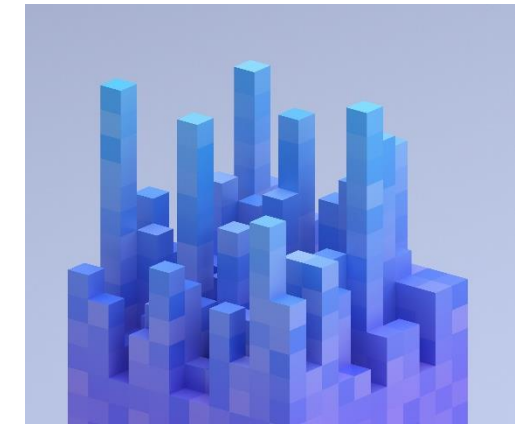
03

## Shareholder Questions



04

## Spotlight on Key Risks



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# Poll Question

## Which of these threats you've faced over the recent years?



Cyber Security

Emerging/Disruptive Technology



Geopolitics/Political Uncertainty

Environmental/Climate Change



Regulatory Concerns



Operational Issues

Supply Chain



Strategic Risks



Reputational/Brand





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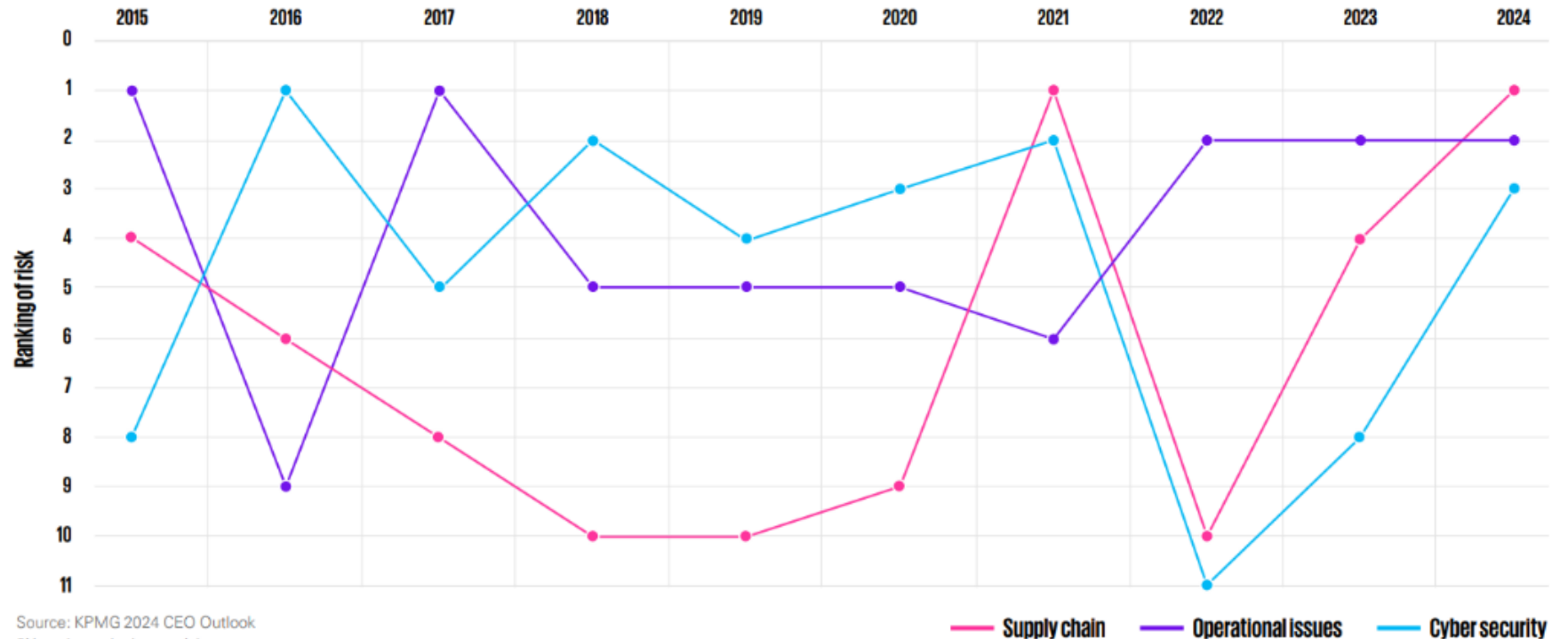
**Mentimeter**

# Top threats over last ten years



- 1 Cyber security
- 2 Operational issues
- 3 Emerging/disruptive technology
- 4 Geopolitics/political uncertainty
- 5 Environmental/climate change
- 6 Supply chain
- 7 Regulatory concerns
- 8 Strategic risk
- 9 Reputational/brand

How 2024's top threats to growth have evolved over the last ten years



Source: [KPMG 2024 CEO Outlook](#)











# Global Risks



**Source:** World Economic Forum Global Risk Perception Survey 2024 – 2025  
[WEF Global Risks Report 2025.pdf](#)

# Geopolitical risks by sector

Geopolitical risks are multifaceted and their impact varies across industries. This visual tool allows you to quickly grasp the level of geopolitical risk across various sectors.

|  | KPMG sector FPI |  US election |  Middle East crisis |  No diplomatic solution in Ukraine |  Ungoverned AI |  Axis of rogue states |  China's slower growth** |  Fight for critical minerals |  Persistent global economic headwinds |  El Nino and extreme weather events |  Corporate culture wars |
|--|-----------------|---|--|--|---|--|---|---|--|--|--|
| <a href="#">Consumer &amp; Retail</a>          | 93.87           |   |  |  |   |  |   |   |  |  |  |
| <a href="#">Energy &amp; Natural Resources</a> | 84.39           |   |  |  |   |  |   |   |  |  |  |
| <a href="#">Financial Services</a>             | 89.97           |   |  |  |   |  |   |   |  |  |  |
| <a href="#">Government</a>                     | N/A             |   |  |  |   |  |   |   |  |  |  |
| <a href="#">Infrastructure</a>                 | 89.41           |   |  |  |   |  |   |   |  |  |  |
| <a href="#">Industrial Manufacturing</a>       | 94.26           |   |  |  |   |  |   |   |  |  |  |
| <a href="#">Technology, Media and Telecom</a>  | 92.88           |   |  |  |   |  |   |   |  |  |  |

KPMG FPI score\*

Limited impact

Moderate impact

High alert

Source: KPMG International | top-risks-forecast-2024  
[Top risks forecast](#)

# SET 100 Performance and Financial Implications

| SET 100 - Key Summary      |              |      |                  |       |                     |      |
|----------------------------|--------------|------|------------------|-------|---------------------|------|
|                            | Revenue (MB) |      | Net Profits (MB) |       | Loss Making Company |      |
| FY 2024                    | 14,206,217   | 101% | 747,238          | 95%   | 129,078             | 74%  |
| FY 2023                    | 13,815,316   | 98%  | 738,679          | 94%   | 204,692             | 117% |
| FY 2022                    | 14,054,596   | 100% | 784,629          | 100%  | 175,608             | 100% |
|                            |              |      |                  |       |                     |      |
| Transportation & Logistics |              |      |                  |       |                     |      |
|                            | Revenue      |      | Net Profits      |       |                     |      |
| FY 2024                    | 260,642      | 164% | 45,647           | 285%  |                     |      |
| FY 2023                    | 222,633      | 140% | 18,955           | 118%  |                     |      |
| FY 2022                    | 158,918      | 100% | 16,038           | 100%  |                     |      |
|                            |              |      |                  |       |                     |      |
| Property Development       |              |      |                  |       |                     |      |
|                            | Revenue      |      | Net Profits      |       |                     |      |
| FY 2024                    | 12,605       | 131% | 4,359            | 113%  |                     |      |
| FY 2023                    | 15,519       | 162% | 4,426            | 115%  |                     |      |
| FY 2022                    | 9,603        | 100% | 3,854            | 100%  |                     |      |
|                            |              |      |                  |       |                     |      |
| Media & Publishing         |              |      |                  |       |                     |      |
|                            | Revenue      |      | Net Profits      |       |                     |      |
| FY 2024                    | 14,738       | 119% | 1,550            | 182%  |                     |      |
| FY 2023                    | 14,016       | 113% | (2,889)          | -339% |                     |      |
| FY 2022                    | 12,427       | 100% | 853              | 100%  |                     |      |

The Financial and Energy Sectors (32 companies) have contributed 50% of our revenue and 62% of our profits within the SET 100 index.

**Revenue** – Significant recovery in the hotel and international transportation sectors post-COVID-19 but some sectors are under pressures due to oversupply and weak demands, with GDP growth projected at a low 3%.

**Profitability** is stagnant due to slow growth and rising costs (Implication – cost saving, delaying lower priority spending)

**Investment valuation** is under pressure of slow economy and missing target from original projection. (Implication – considering non-core divestment, business turnaround plan)

**Liquidity** – need bigger cash reserve to handle unforeseen challenges.



# 2025 Audit Committee Agenda

We've highlighted nine issues to keep in mind as audit committees consider and carry out 2025 agendas:

**\*Make sure** internal audit is focused on the company's critical risks—beyond financial reporting and compliance—and is a valuable resource for the audit committee.

**Clarify the role** of the audit committee in the oversight of Generative AI (GenAI), cybersecurity, and data governance.

**Understand** how technology is affecting the finance organization's talent, efficiency, and value-add.

**\*Reinforce audit quality** and stay abreast of the 'assurance challenge'.

**\*Stay focused on financial reporting and related internal control risks**

**Monitor management's preparations** for climate reporting frameworks/standards and oversee the quality and reliability of the underlying data and reported metrics.

**Probe** whether management has reassured the company's compliance and whistle-blower programs.

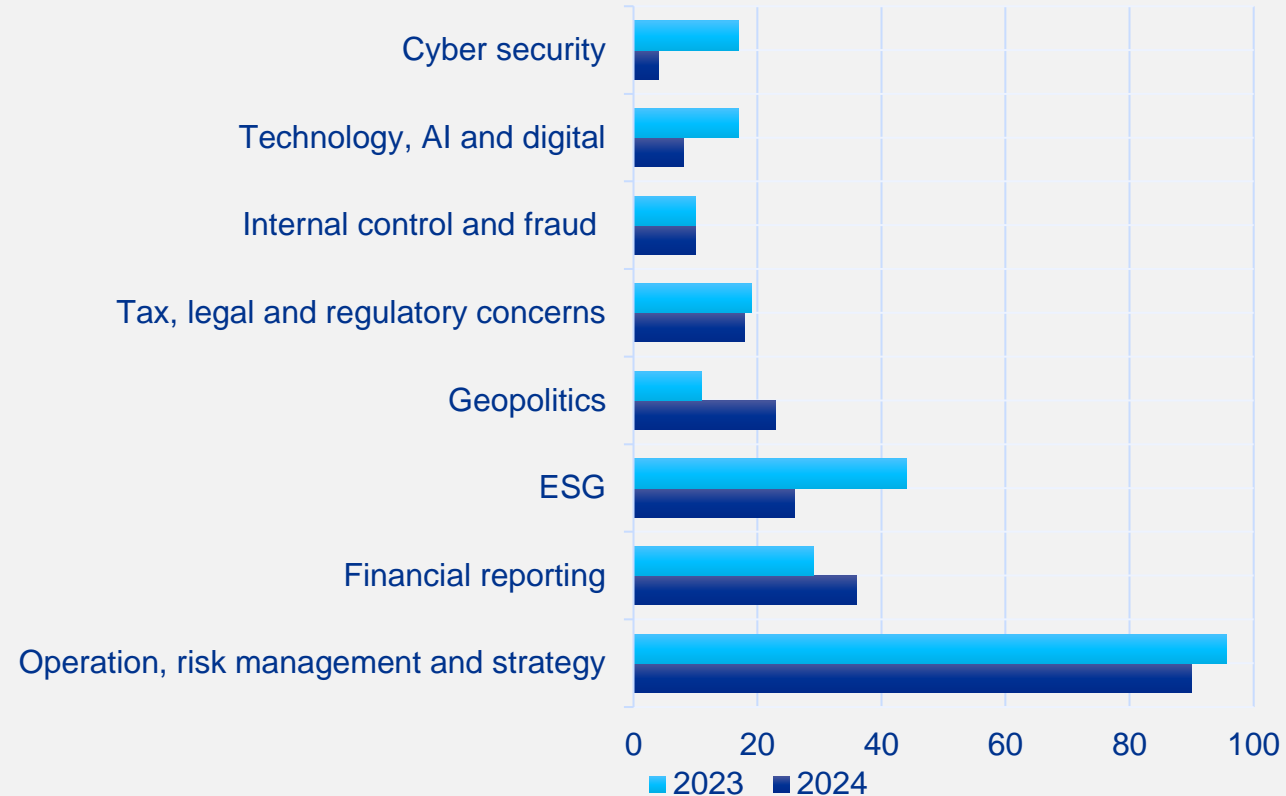
**Take a fresh look** at the audit committee's composition and skill sets.

**Stay apprised** of tax legislative developments and the potential impact on the company and its operations.

**9 ISSUES**  
**To keep in mind**

# Shareholder Questions

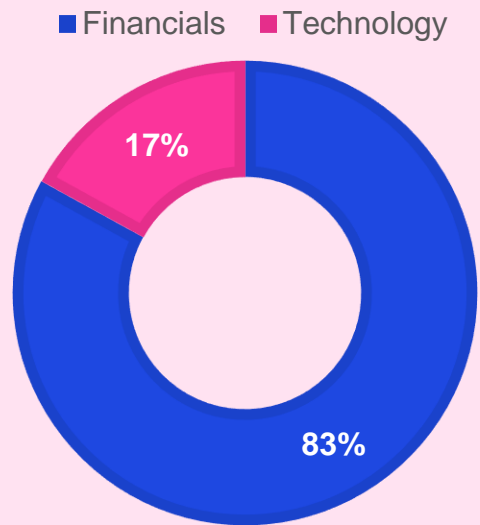
## Shareholder Questions Trend from SET100



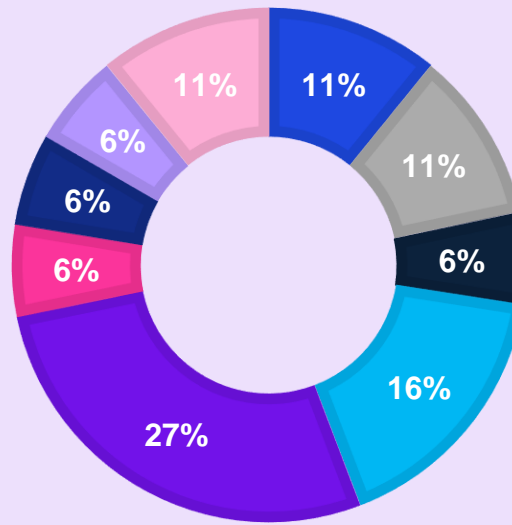
Source: SET100 AGM 2023-2024

# 2024 Shareholder Questions – By industry

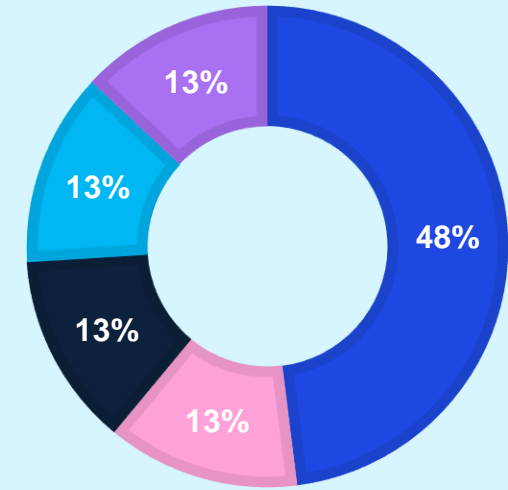
## TECHNOLOGY, AI AND DIGITAL



## GEOPOLITICS



## INTERNAL CONTROL AND FRAUD



Source: SET100 AGM 2024

# Spotlight on Key Risk to consider in 2025



Of the risks posed by the company's data/digital activities, which elements are particularly concerning or challenging from the audit committee's oversight perspective?

**78%** on Cybersecurity—including ransomware and IP risk

**56%** on Vulnerabilities posed by third-parties or vendors

Source: *Audit committee survey insights*



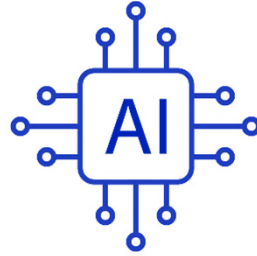
# Audit Committees and Cybersecurity: Adapting to Change



Why should the organization focus on cybersecurity?



The increasing sophistication of **cyber threats**.



The adoption of new technology platforms.

- **AI-Driven Attacks:**  
Cybercriminals are leveraging artificial intelligence to create sophisticated attacks, including deepfakes and advanced phishing schemes.
- **Applying AI to cyber defense:**  
AI can sift through massive data sets in real time, derive actionable insights and be trained to take automatic defensive actions.



The ever-growing **volume of sensitive data** constantly moving across interconnected and integrated networks.



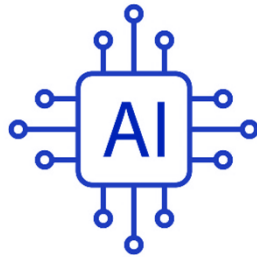
# Audit Committees and Cybersecurity: Adapting to Change



## The Role of Audit Committee



**Oversight** of compliance with evolving AI and privacy laws and regulations. Ensure the organization are using **AI safely and securely**.



Question management on **how they're dealing with the unauthorized and ungoverned use of AI**. Ensure management has appropriately evaluated AI security.



Ensure the **cybersecurity basic practices** are firmly in place and effectively managed



Encourage management to implement **cybersecurity exercises** between offensive and defensive cybersecurity teams..

# Third-Party Risk Management Outlook

KPMG conducted an online survey of 1,263 senior TPRM professionals across six sectors and 16 countries, territories and jurisdictions worldwide - reveal that TPRM is a strategic priority for 85% of business, up from 77% before outbreak of the pandemic. These are five themes stand out from the research :

**73% of respondents experienced major third-party disruption, damaging business trust and reputation.**

**59%**

The existing technology cannot fulfil or support TPRM.



**61% believe TPRM is undervalued**

Businesses underestimate the need for a sound TPRM program, resulting in insufficient budgets.

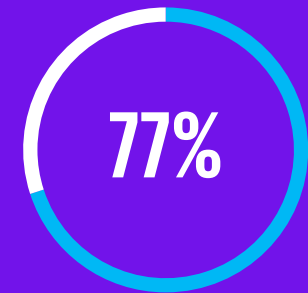
**The challenge of limited resources**

TPRM challenges expanding across all risks, domains, and types of third parties. e.g. ESG, etc

**Overhauling TPRM is overdue**

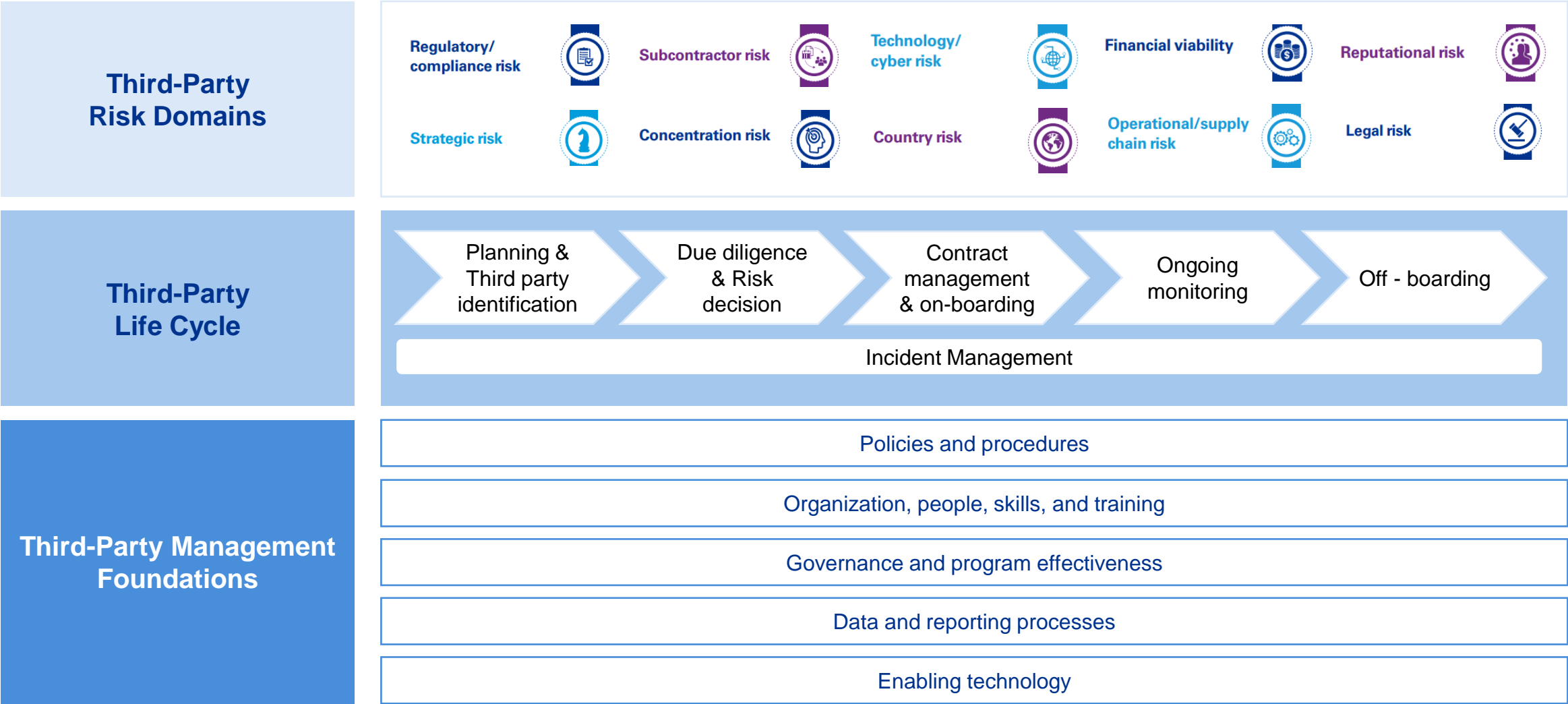
Most businesses struggle to maintain a fit-for-purpose TPRM operating model.

**77%**



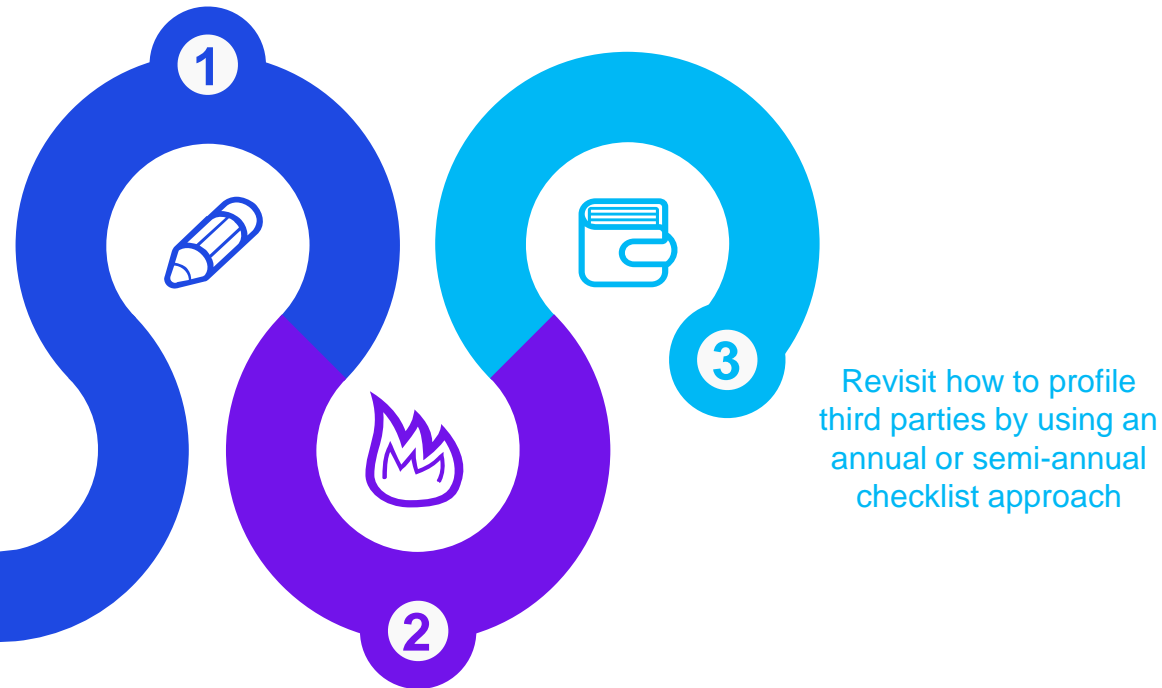
**Source:** *Third-Party Risk Management Outlook*

# Third-Party Risk Management



# Audit Committee oversight of Third-party risk management

Management should be developing a comprehensive **map of the organization's supply chain** to identify where critical data and systems components intersect with suppliers.



Identify areas where the organization is too dependent on suppliers and diversify vendors where required.



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## Audit Committee oversight

- ✓ Audit committees should ensure that **management develops comprehensive maps of the organization's supply chain**.
- ✓ Audit committees should encourage **management to adopt continuous and thorough evaluation processes** to verify that third-party controls are both implemented and meet the organization's standards.
- ✓ Audit committees should **evaluate whether the organization is taking sufficient steps** to prevent, identify, and mitigate risks associated with third-party relationships.

# Spotlight Regulations and Guidance

01



## **BOT – Third Party Risk Management**

To provide a framework to effectively manage risks associated with external parties. This ensures that outsourcing services, system integrations, or data access involving third parties are conducted securely and align with business strategies.

Mitigate risks from Third Party, maintain operational integrity, and uphold customer trust.

02



## **NCSA - Cybersecurity**

To provide a standardized framework for organizations to effectively manage cyber threats, thereby enhancing the overall cybersecurity posture particularly for Critical Information Infrastructure (CII) organizations.

Strengthen the cybersecurity posture, reduce operational risks, and protect Thailand's critical information infrastructure.

03



## **SEC & OIC Cybersecurity and Third party Management**

To strengthen cyber resilience and mitigate third-party risks for financial institutions by enforcing robust IT governance, risk-based security controls, and incident response measures.

Enhance cybersecurity resilience, protect sensitive data, and mitigate risks associated with third-party service providers.

04



## **ISO 42001 AI Management system**

ISO 42001 is an international standard designed to manage the risks and security measures in AI and machine learning processes.

It helps organizations establish a structured approach to AI governance and accountability.

Build trust in AI by implementing comprehensive risk management protocols.

05



## **Thailand Generative AI Governance Guideline for Organizations**

This guideline emphasizes responsible adoption and governance of Generative AI, balancing its benefits with proper governance, ethical considerations, and legal compliance.

Implement a robust governance framework for responsible Generative AI adoption and use.



# Questions audit committees should be asking:

Is our use of AI secure and does it meet privacy standards?

Is our cyber security reporting thorough and timely enough?

Do we have the skillset in the organization to implement and manage AI solutions, and does the audit committee have sufficient knowledge or access to outside experts to evaluate them?

Are we thoroughly evaluating third-party risk?

Does management have a complete risk-ranked inventory of critical services provided third-parties?

Where should board oversight of third-party risk be housed – full board, risk committee, or another committee? Does the audit committee have responsibility for supply chain risks by design or by default?

**Source:** *Audit committees and cyber security: New threats, new tools and the fundamentals and Board oversight of third-party risk management.*

# Key Takeaway

1



**Audit Committee Agenda for 2025:** Key issues include reinforcing audit quality, focusing on critical risks beyond financial reporting, monitoring climate reporting frameworks, and overseeing the role of Generative AI, cybersecurity, and data governance.

2



**Understand Global Risks and Expanded Geopolitical Challenges:** In 2025, there are additional geopolitical challenges. It is important to understand these situations and their potential impacts on the company.

3



**Data Governance and Cybersecurity:** Cybersecurity remains a critical focus for audit committees, emphasizing the importance of robust governance frameworks, AI security, and proactive measures against sophisticated cyber threats.

4



**Preparation and Communication:** Prepare and communications with the board in advance.

5



**Training and Skill Development:** Provide training and skill development to ensure the organization is well-prepared to handle new challenges.

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# Q&A

Please give us the feedback to  
improve our services.





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