

State of the Auditing and Reporting Industry 2025

In short – In this publication, the AFM feeds back various insights to the industry. These insights are derived from data reported by audit firms and from the results of our supervision of reporting by issuers. They concern general developments, such as audit firms' market share, a substantive versus controls-oriented audit and signals and notifications, but also topics related to quality controls, such as consultations, professional practice support, policy for root cause analyses, independence threats, and training and education. Finally, we discuss the themes of fraud and reporting by issuers.

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1. Introduction

1.1 State of the Auditing and Reporting Industry 2025

In this publication, the AFM provides the industry with a number of insights gained from data reported by audit firms and the results of the supervision of issuers. This publication is limited to a selection of topics that are relevant to supervision based on the AFM Strategy 2023-2026. The topics covered in this publication are general developments, quality controls, fraud and reporting by issuers. State of the Auditing and Reporting Industry is not an annual overview and does not claim to be complete.

State of the Auditing and Reporting Industry 2025 is an important supplement to Trend Monitor 2026.

Based on data, Trend Monitor provides insight into various general developments in the accountancy sector which may potentially boost quality but also entail risks. State of the Auditing and Reporting Industry supplements Trend Monitor, providing additional insights and in-depth analyses based on data that the AFM has received from audit firms. This gives the sector a broader insight into various relevant topics and developments and allows audit firms to mirror these developments in the sector. Unlike Trend Monitor, State of the Auditing and Reporting Industry does not provide an interpretation and/or risk assessment of the identified developments.

1.2 Data-driven supervision and data quality

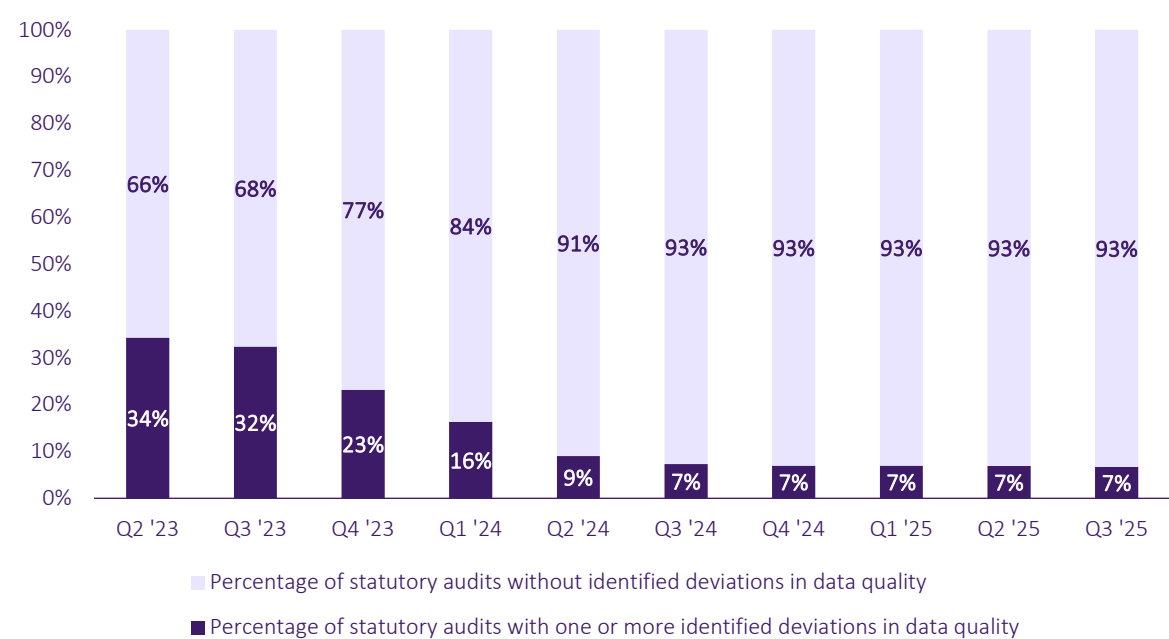
Due to the large number of supervised audit firms, the AFM uses a risk-based and data-driven supervisory approach. Until 2022, the AFM primarily supervised audit firms holding a licence that also extends to the performance of statutory audits of public interest entities (hereinafter: PIE audit firms). Since 2022, the AFM has also effectively supervised the more than 200 audit firms with a regular licence to perform statutory audits (hereinafter: non-PIE audit firms). This expansion of the supervisory mandate has led to the development of a more risk-based and data-driven supervisory approach due to the large increase in the number of supervised institutions. To this end, the AFM, in consultation with representatives of audit firms, has selected data points for each statutory audit. Audit firms share these data with the AFM for the purpose of identifying, understanding and addressing risks in supervision.

Both the volume and the quality of the data on statutory audits by non-PIE audit firms are increasing.

In 2023, non-PIE audit firms started completing questionnaires for each statutory audit. As of mid-September 2025, the AFM has data points from more than 31,000 statutory audits of non-PIE audit firms (over a period of approximately three years).¹ The AFM checks the quality of the data received. Figure 1 shows the percentage of statutory audits with one or more identified deviations in data quality over the period from the second quarter of 2023 to the third quarter of 2025. This shows that the identified deviations in data quality have decreased from 34% in the second quarter of 2023 to 7% in the third quarter of 2025. This percentage has remained stable since the third quarter of 2024, helping to maintain the reliability of the data and hence the analyses in this report.

¹ The data position is increasing every year. The analyses in this publication are based on 1,648 observations for 2022, 8,449 for 2023, 12,548 for 2024 and 8,334 for 2025. The data for 2025 have been updated to mid-September.

Figure 1: Percentage of statutory audits with identified deviations in data quality at non-PIE audit firms remains stable



Source: Data on statutory audits of non-PIE audit firms based on submission date. Note: Due to newly added data quality checks, there are small deviations from previous publications, but this does not affect the conclusion.

1.3 Reading guide

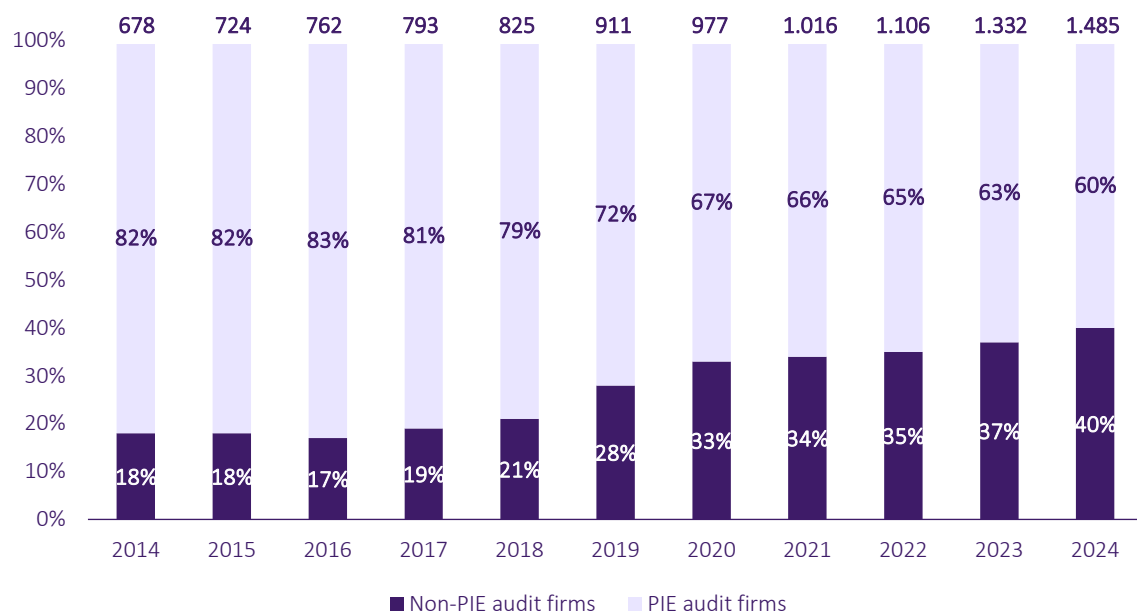
Chapter 2 of this publication describes some general developments, including the market share of non-PIE audit firms, a substantive versus a controls-oriented audit, and signals and notifications. Chapter 3 focuses on quality controls, devoting attention to consultations, the hiring of professional practice support, root cause analysis policy, threats to independence, and training and education. Chapter 4 concerns fraud. Finally, Chapter 5 discusses questions and actions in response to the supervision of reporting by issuers. The appendix contains a justification of the analyses in this publication.

2. General developments

2.1 Market share

The market share of non-PIE audit firms based on revenue from statutory audits of non-PIE audit clients continues to increase. In Trend Monitor 2026, the market share of non-PIE audit firms is reported based on the number of statutory audits. Figure 2 shows the market share based on the revenue ratio of non-PIE and PIE audit firms from statutory audits of non-PIE audit clients over the period from 2014 to 2024. This shows that the market share of non-PIE audit firms increased from 18% in 2014 to 40% in 2024. Over the same period, revenue from statutory audits of non-PIE audit clients increased from €678 million in 2014 to €1,485 million in 2024. This increase in the market share of non-PIE audit firms based on revenue from statutory audits is comparable to the development in market share based on the number of statutory audits as reported in Trend Monitor.

Figure 2: The market share of non-PIE audit firms based on revenue from statutory audits of non-PIE clients continues to rise



Sources: AFM Market Monitor 2014-2021; data on non-PIE and PIE audit firms 2022-2024. The numbers above the bars represent the revenue in € million.

In addition to the approximately 220 audit firms, there are now also four audit firms from other Member States that are authorised to perform statutory audits in the Netherlands on the basis of an AFM registration. Since 2017, based on the implementation of amendments to the European Audit Directive, it has been² possible for audit firms from other European countries to register in the Netherlands to perform statutory audits here. It was in 2023 that the AFM first registered such an audit firm from another Member State, in response to an application from the firm concerned. The four audit

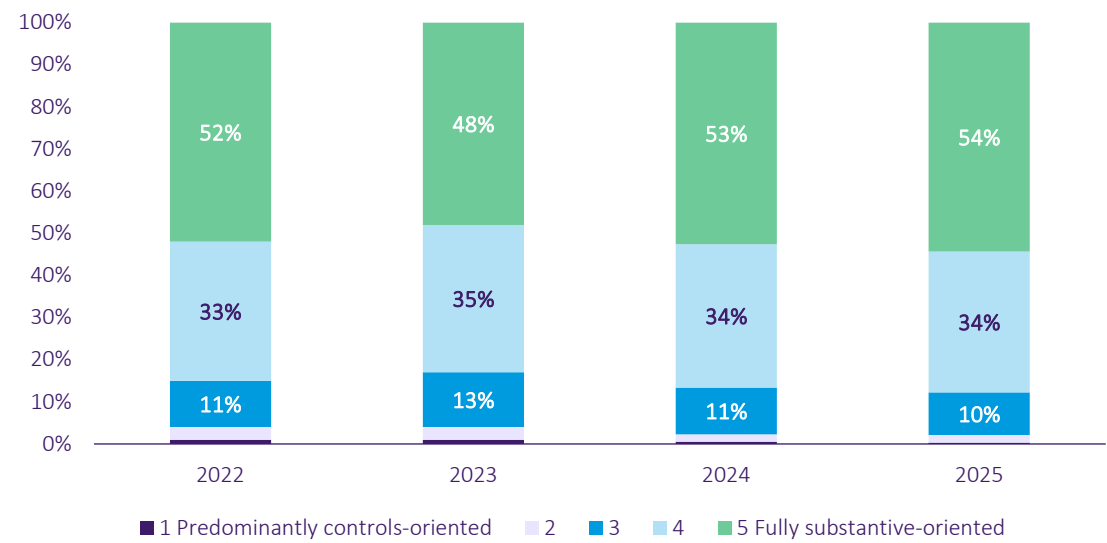
² Directive 2014/56/EU of the European Parliament and of the Council of the European Union of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts (OJEU 2014 L 158) and implementing Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public interest entities (OJEU 2014, L 158), implemented as of 1 January 2017 by means of the Implementation Act amending the Legislative Guidelines and Regulation on the Statutory Audits of Annual Accounts in the Audit Firms Supervision Act.

firms from other Member States that are now registered each conduct a limited number of statutory audits and are not included in Figure 2.

2.2 Substantive versus controls-oriented audit

The percentage of statutory audits performed by non-PIE audit firms in a fully substantive-oriented manner is increasing. Figure 3 shows the percentage of statutory audits of non-PIE audit firms with approaches ranging from predominantly controls-oriented (1) to fully substantive-oriented (5) over the period from 2022 to 2025. The share of fully substantive statutory audits by non-PIE audit firms decreases from 52% in 2022 to 48% in 2023 and then increases to 54% in 2025.

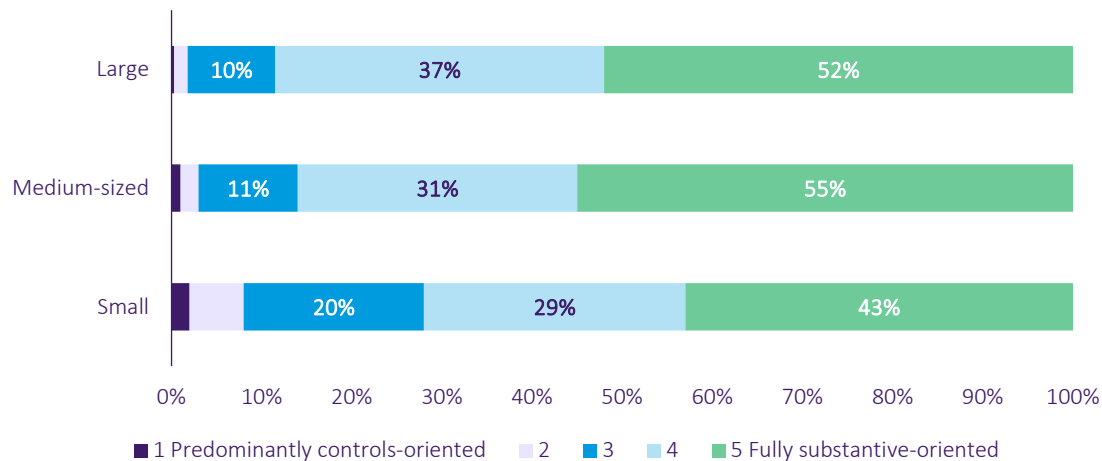
Figure 3: Percentage of fully substantive audits by non-PIE audit firms is increasing



Source: Data on statutory audits of non-PIE audit firms based on the date of issue of the auditor's report. Note: The extent to which the audit is conducted in a substantive-oriented manner has been scored by audit firms themselves on a scale of 1 (predominantly controls-oriented) to 5 (fully substantive-oriented). Note: The data for 2025 have been updated to mid-September.

Medium-sized non-PIE audit firms perform the largest share of statutory audits in a fully substantive-oriented manner. Figure 4 shows that medium-sized non-PIE audit firms perform 55% of their statutory audits in a fully substantive manner. The corresponding figure is 52% in the case of large non-PIE audit firms and 43% in the case of small non-PIE audit firms. In this report, non-PIE audit firms are divided into large, medium-sized and small on the basis of the revenue from statutory audits. See the justification in the appendix.

Figure 4: Percentage of fully substantive audits highest among medium-sized non-PIE audit firms



Source: Data on statutory audits of non-PIE audit firms (cumulative 2022-2025). Note: The data for 2025 have been updated to mid-September.

2.3 Signals and notifications

The number of notifications of audit engagements terminated early due to the amended size thresholds increased at non-PIE audit firms in 2024. The most common statutory audit is the audit that is mandatory for medium-sized and large companies under the Dutch Civil Code (BW).³ This obligation depends on the size criteria.⁴ As of 13 March 2024, the size criteria for companies subject to audit have been increased to €7.5 million of assets (from €6 million), €15 million of net turnover for the financial year (from €12 million) and an average of 50 employees for the financial year (unchanged).⁵ The audited firm and the audit firm must immediately notify the AFM of the withdrawal of the audit engagement by the audited firm or its early termination by the auditor or the audit firm.⁶ The AFM records both situations as a notification of early termination. Figure 5 shows the number of received notifications of early termination of audit engagements by PIE and non-PIE audit firms in 2023 and 2024. As a result of the increase in the size criteria, the number of notifications of early termination increased from 159 in 2023 to 417 in 2024. This increase only occurred at non-PIE audit firms.

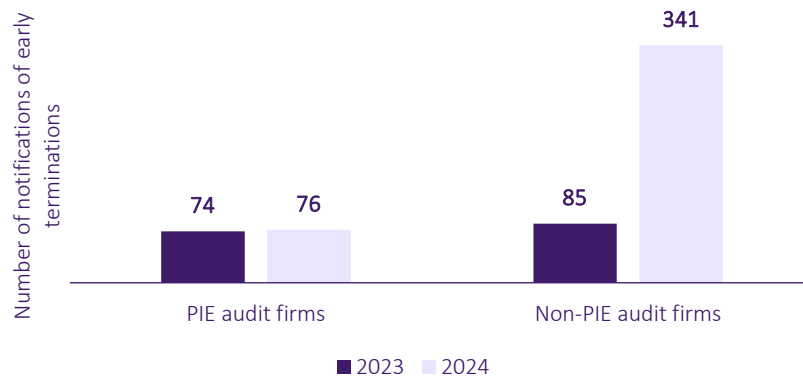
³ Article 393(1) of Book 2 of the Dutch Civil Code.

⁴ Article 396(1) of Book 2 of the Dutch Civil Code.

⁵ Companies are required to be audited if they meet at least two of the three criteria on two consecutive balance sheet dates.

⁶ Article 393(2) of Book 2 of the Dutch Civil Code.

Figure 5: Number of notifications of early terminated audit engagements is increasing at non-PIE audit firms



Source: AFM internal data.

The AFM received more incident notifications from non-PIE audit firms in 2024 than in 2023. Audit firms must immediately report incidents having serious consequences for the ethical conduct of their business to the AFM.⁷ The AFM has issued an interpretation clarifying what constitutes an incident.⁸ In 2023, the AFM received 48 incident notifications (PIE audit firms: 21; non-PIE audit firms: 27). This increased to 56 incident notifications in 2024 (PIE audit firms: 18; non-PIE audit firms: 38).

⁷ Section 21(1) and (2) of the Audit Firms Supervision Act in conjunction with Article 32(2) and (4) of the Audit Firms Supervision Decree.

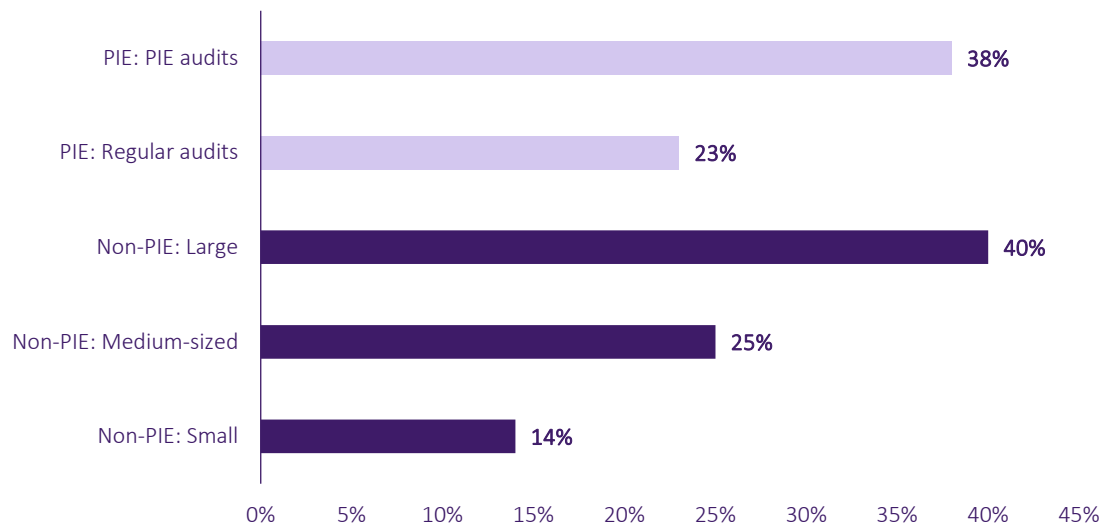
⁸ The interpretation is in Dutch only. See [Incident notifications](#) for a clarification and examples.

3. Quality controls

3.1 Consultations

In 2024, audit firms made use of professional practice support through consultations in about one-third of statutory audits. Audit firms must ensure that their statutory auditors seek advice from competent persons if necessary for the purpose of performing a statutory audit and record such advice in the audit file.⁹ This seeking of advice is often referred to as consulting. In 2024, an average of 32% of statutory audits of non-PIE audit firms included consultations. In the case of PIE audit firms, the figure is 25%. Figure 6 shows a further breakdown into large, medium-sized and small non-PIE audit firms, and into regular and PIE audits by PIE audit firms. Often, consultation takes place on more than one topic. In statutory audits with consultations, the average number of consultations per audit is 1.5 in the case of non-PIE audit firms and 1.9 in the case of PIE audit firms.

Figure 6: In 2024, the percentage of statutory audits with consultations varied between audit firms



Source: Data on statutory audits of non-PIE and PIE audit firms with the request year 2024 for PIE audit firms and the auditor's report issue year 2024 for non-PIE audit firms.

PIE and non-PIE audit firms often consult on the same topics. Table 1 shows the top five consultation topics in 2024. The percentages indicate what percentage of the total number of consultations took place on a particular topic. In the case of PIE audit firms, 16.1% of all consultations are about going concern; in the case of non-PIE audit firms, 26.7% of all consultations concern the auditor's report. This top five shows that audit firms consult most frequently with regard to the auditor's report, going concern, independence, fraud/corruption and (possibly complex) reporting issues.

⁹ Article 17 of the Audit Firms Supervision Decree.

Table 1: Top five consultation topics in 2024 are the same for PIE and non-PIE audit firms

PIE audit firms			Non-PIE audit firms	
1	Going concern	16.1%	Auditor's report	26.7%
2	Auditor's report	15.8%	Independence	22.6%
3	Reporting	13.3%	Going concern	9.0%
4	Fraud/corruption	11.3%	Fraud/corruption	8.0%
5	Independence	10.4%	Complex reporting issues	7.0%

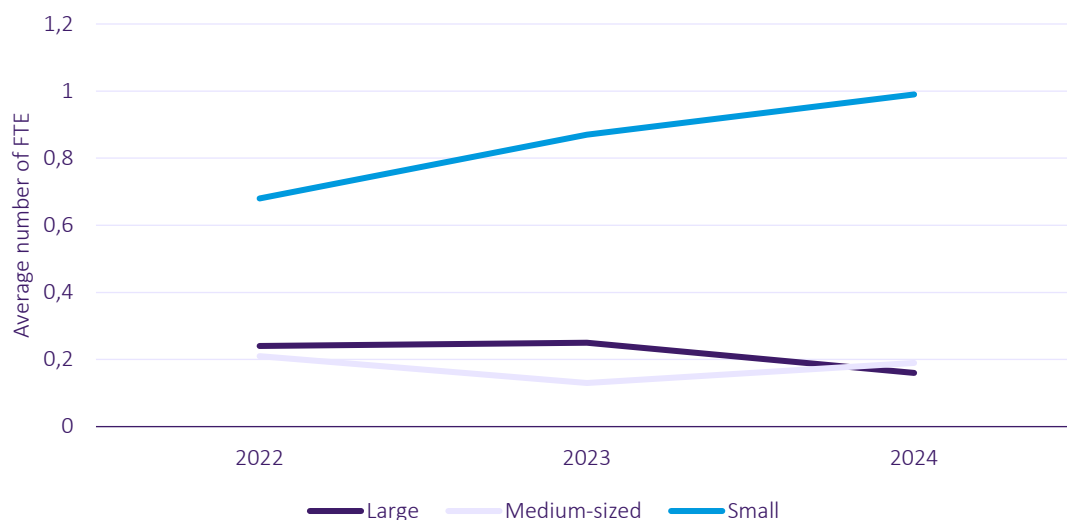
Source: Data on statutory audits of non-PIE and PIE audit firms with the request year 2024 for PIE audit firms and the auditor's report issue year 2024 for non-PIE audit firms.

3.2 Professional practice support

PIE audit firms deployed slightly more FTEs on professional practice and compliance on average in 2024 than in 2023. The average number of FTEs for professional practice increased from 56.7 in 2023 to 66.6 in 2024. The average number of FTEs for compliance increased from 13.4 in 2023 to 14.9 in 2024. It should be noted that the classification of FTEs may differ between audit firms and financial years due to choices they make in the classification.

Small non-PIE audit firms hire more professional practice support than large and medium-sized non-PIE audit firms. In addition to consultations, audit firms may also hire staff to provide professional practice support, including on a temporary basis. Figure 7 shows the average number of FTEs hired by non-PIE audit firms for professional practice support over the period from 2022 to 2024. On average, small non-PIE audit firms hired 1.0 FTE for professional practice support in 2024, compared to 0.7 FTE in 2022. Large and medium-sized non-PIE audit firms hired fewer professional practice staff, engaging an average of 0.2 FTE in the period from 2022 to 2024.

Figure 7: Small non-PIE audit firms are hiring more professional practice support



Source: Data on non-PIE audit firms based on financial year.

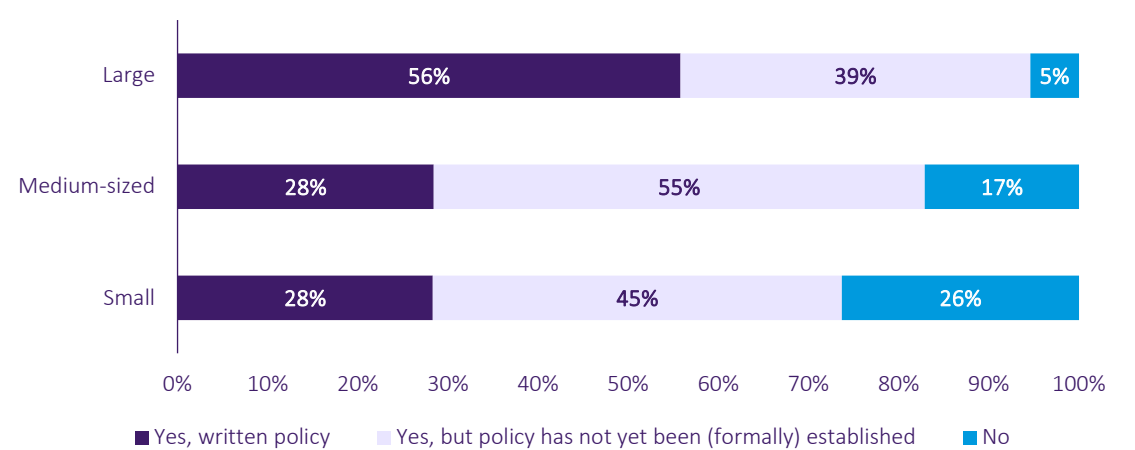
The number of non-PIE audit firms requesting professional practice support from NBA and SRA is increasing. In addition to hiring professional practice support, audit firms can also make use of the

services of the NBA and SRA. The percentage of non-PIE audit firms making use of professional practice support from the SRA increased from 45% in 2021 to 54% in 2024. The percentage of non-PIE audit firms making use of professional practice support from the NBA increased from 17% in 2021 to 20% in 2024.

3.3 Root cause analysis policy

The number of non-PIE audit firms having a written policy for the performance of root cause analyses is increasing slightly, and this share is highest in the case of large non-PIE audit firms. The data for 2021 to 2024 show that the percentage of non-PIE audit firms with a written root cause analysis policy increased slightly, from 29% in 2021 to 36% in 2024. Figure 8 shows the distribution of root cause analysis policies across non-PIE audit firms, broken down into written policies, policies not yet formally established and no policies yet. This shows that large non-PIE audit firms have the largest share with a written root cause analysis policy, namely 56%.

Figure 8: Large non-PIE audit firms have the largest share of written root cause analysis policies



Source: Data on non-PIE audit firms (cumulative 2021-2024).

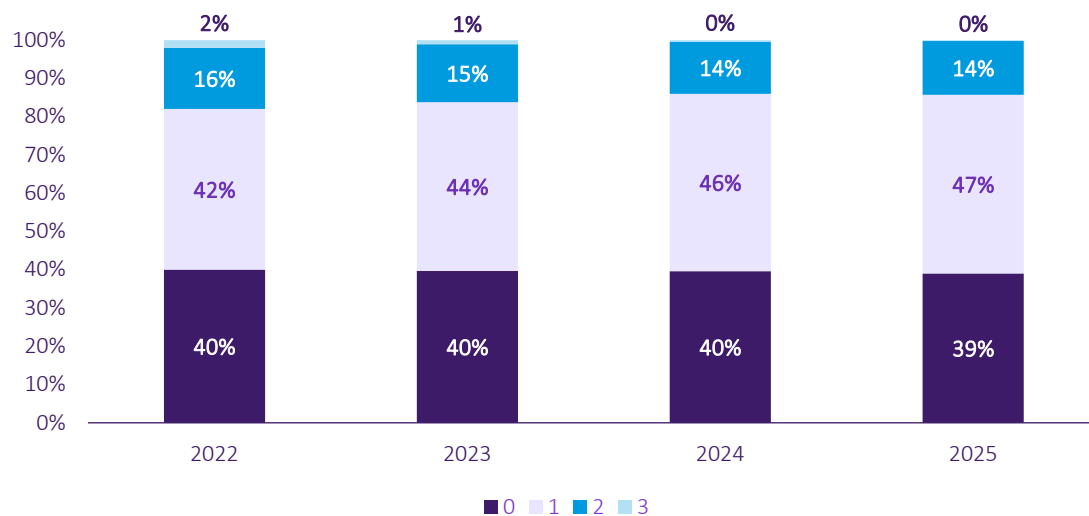
3.4 Threats to independence

The percentage of statutory audits in which non-PIE audit firms identify at least one threat to independence has remained stable at around 60% over the 2022-2025 period. The performance of statutory audits requires independence from the audit client, and the audit firm has a responsibility to take measures to ensure this independent performance.¹⁰ The statutory auditor identifies and assesses potential threats to independence and takes measures to mitigate these threats.¹¹ In many cases, these measures are sufficient to ensure that there are no obstacles to the performance of the statutory audit. In some situations, however, the threat to independence constitutes grounds to terminate or refuse the engagement. Figure 9 shows the percentage of statutory audits by non-PIE audit firms with zero, one, two or three identified threats to independence over the period from 2022 to 2025. This shows that the share of statutory audits with identified threats to independence is stable, and that the percentage of statutory audits with two or more identified threats to independence is decreasing, from 18% in 2022 to 14% in 2025.

¹⁰ Section 19 of the Audit Firms Supervision Act.

¹¹ Based on the Regulation on the Independence of Auditors in Assurance Engagements.

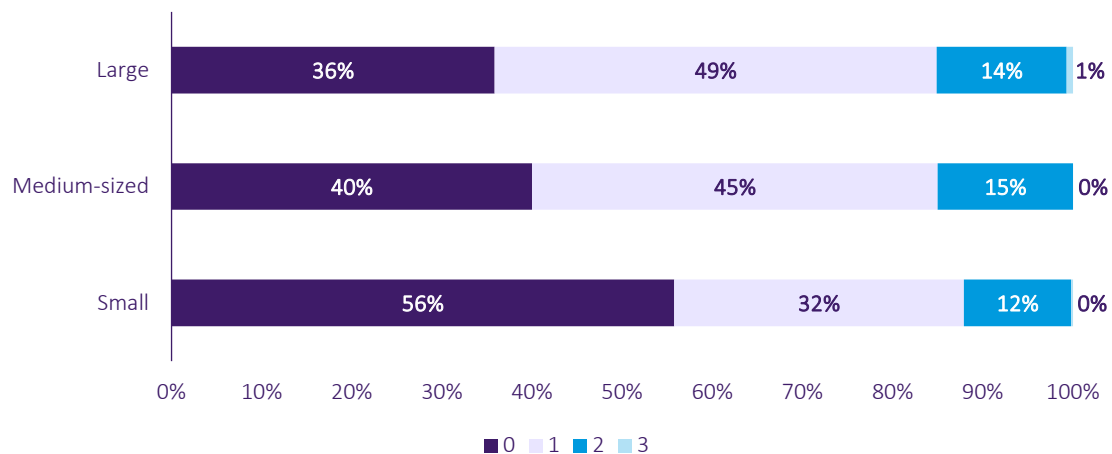
Figure 9: Percentage of statutory audits with identified threats to independence remains stable



Source: Data on statutory audits of non-PIE audit firms based on the date of issue of the auditor's report. Note: The data for 2025 have been updated to mid-September.

Large and medium-sized non-PIE audit firms have the largest percentage of statutory audits with identified threats to independence. Figure 10 shows the distribution of the number of identified threats to independence among large, medium-sized and small non-PIE audit firms. This shows that large and medium-sized non-PIE audit firms identify at least one threat to independence in 64% and 60% of statutory audits, respectively. In the case of small non-PIE audit firms, the figure is lower, at 44%.

Figure 10: Percentage of statutory audits with identified threats to independence highest among large and medium-sized non-PIE audit firms

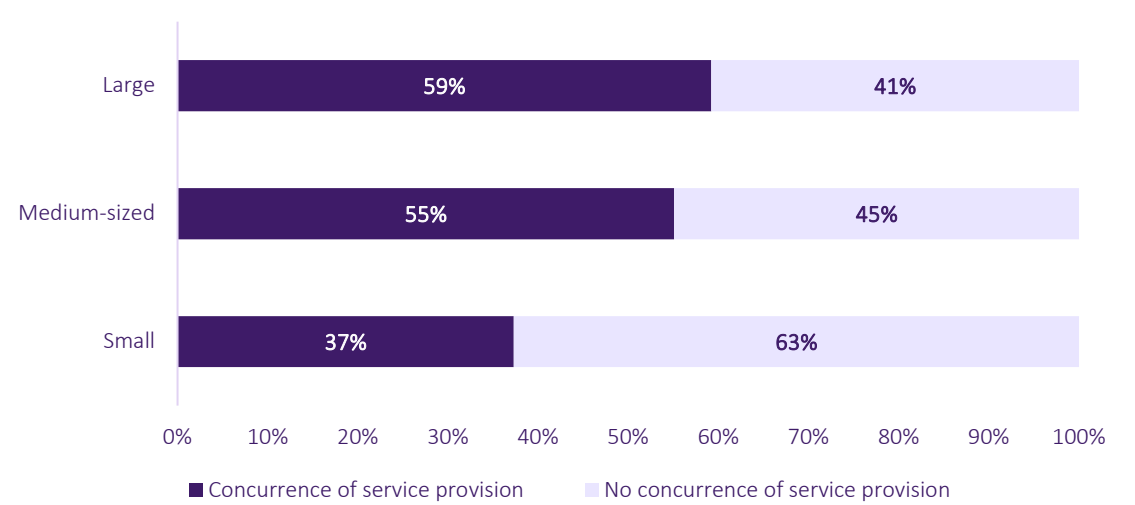


Source: Data on statutory audits of non-PIE audit firms (cumulative 2022-2025). Note: The data for 2025 have been updated to mid-September.

The two most common identified threats to independence in the case of non-PIE audit firms are concurrent service provision and long-term involvement. The data show that non-PIE audit firms identify concurrent service provision as a threat to independence in 55% of statutory audits, and long-term involvement in 18% of statutory audits. All other threats to independence are identified in only a maximum of 1% of statutory audits.

Large and medium-sized non-PIE audit firms most often identify concurrent service provision as a threat to independence, but there is no difference in the case of long-term involvement. Figure 11 shows the percentage of statutory audits having concurrent service provision as an identified threat to independence in the case of large, medium-sized and small non-PIE audit firms over the period from 2022 to 2025. This shows that large and medium-sized non-PIE audit firms identify concurrent service provision as a threat to independence in 59% and 55% of statutory audits, respectively. In the case of small non-PIE audit firms, the figure is 37% of statutory audits. The threat to independence from long-term involvement is evenly distributed in the reported data, ranging from 17% for small non-PIE audit firms to 18% for medium-sized non-PIE audit firms.

Figure 11: Concurrent service provision most often identified as a threat to independence among large and medium-sized non-PIE audit firms



Source: Data on statutory audits of non-PIE audit firms (cumulative 2022-2025). Note: The data for 2025 have been updated to mid-September.

3.5 Training and education

The average number of training hours for chartered accountants (RAs) and certified accountants (AAs) in the audit practice at non-PIE audit firms is increasing. Figure 12 shows the development of the average number of training hours of chartered accountants and certified accountants in audit practice for the period from 2021 to 2024. The differences between large, medium-sized and small non-PIE audit firms are small. The average number of training hours of chartered accountants and certified accountants in audit practice increased from about 62 in 2021 to about 79 in 2024.

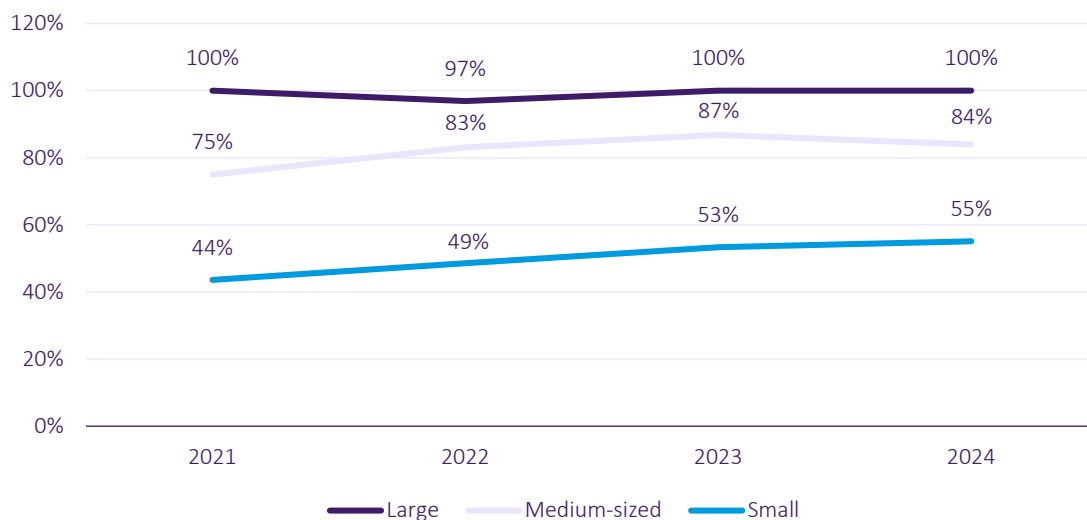
Figure 12: Average number of training hours for chartered accountants and certified accountants in the audit practice at non-PIE audit firms is increasing



Source: Data on non-PIE audit firms based on financial year.

The percentage of non-PIE audit firms having their own training programme focused on audit quality is increasing. Figure 13 shows the percentage of large, medium-sized and small non-PIE audit firms having their own training programme focused on audit quality over the period from 2021 to 2024. This shows that in 2024 all large non-PIE audit firms and 84% of medium-sized non-PIE audit firms had such an internal programme. The percentage is lower in the case of small non-PIE audit firms, but it nevertheless increased from 44% in 2021 to 55% in 2024.

Figure 13: Percentage of non-PIE audit firms having their own training programme focused on audit quality is increasing

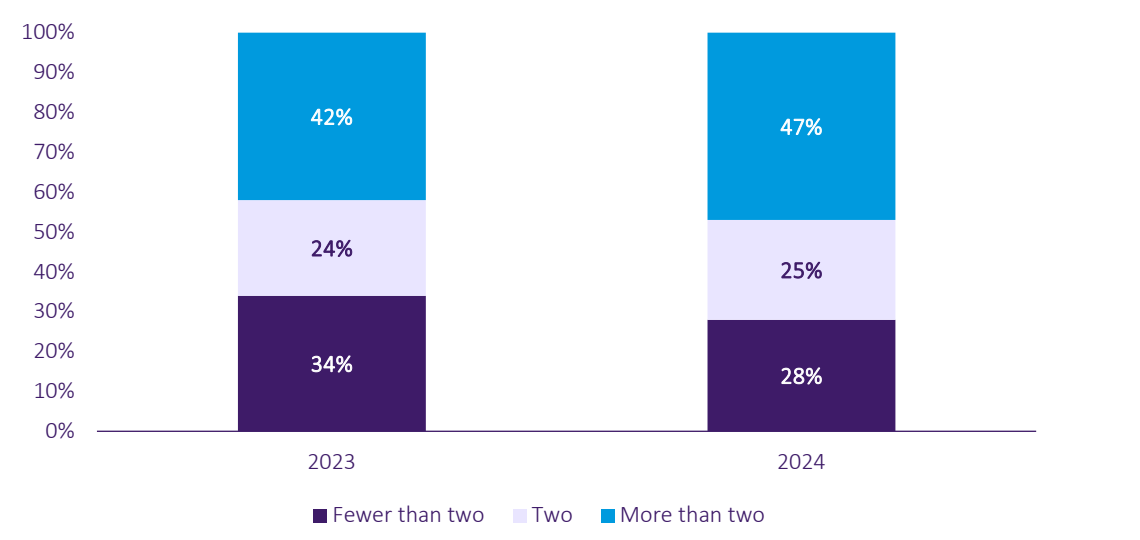


Source: Data on non-PIE audit firms based on financial year.

4. Fraud

In the case of PIE audit firms, the share of statutory audits with more than two identified fraud risks is **increasing**. Figure 14 shows the percentage of statutory audits at PIE audit firms with fewer than two, two and more than two fraud risks in 2023 and 2024. It should be noted that these data are not yet complete due to growth paths and relate to three PIE audit firms. The percentage of statutory audits with more than two identified fraud risks is increasing, from 42% in 2023 to 47% in 2024.

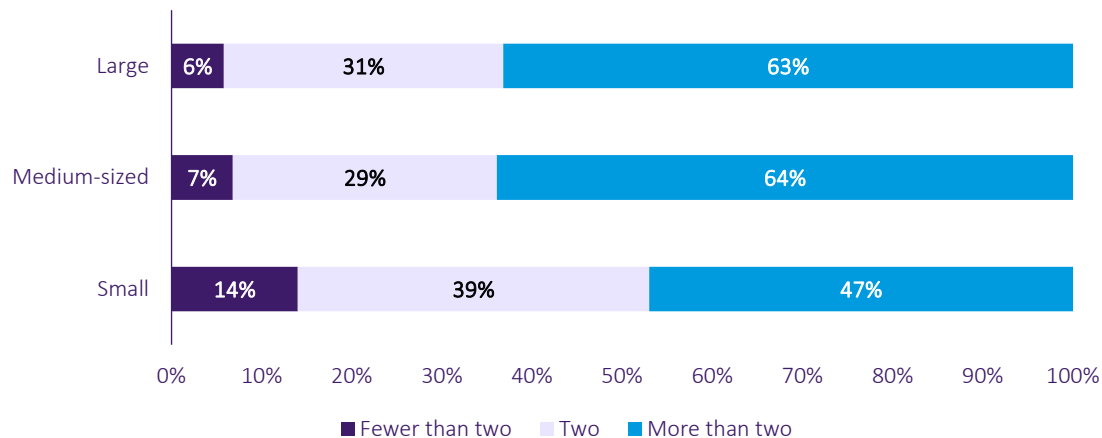
Figure 14: Percentage of statutory audits with more than two fraud risks is increasing at PIE audit firms



Source: Data on statutory audits of PIE audit firms based on the year of request.

Small non-PIE audit firms have the lowest percentage of statutory audits with more than two identified fraud risks. Figure 15 shows the percentage of statutory audits at large, medium-sized and small non-PIE audit firms with fewer than two, two and more than two identified fraud risks over the period from 2022 to 2025. This shows that in the case of large and medium-sized non-PIE audit firms more than two fraud risks were identified in 63% and 64% of statutory audits, respectively. In the case of small non-PIE audit firms, the figure is 47% of statutory audits.

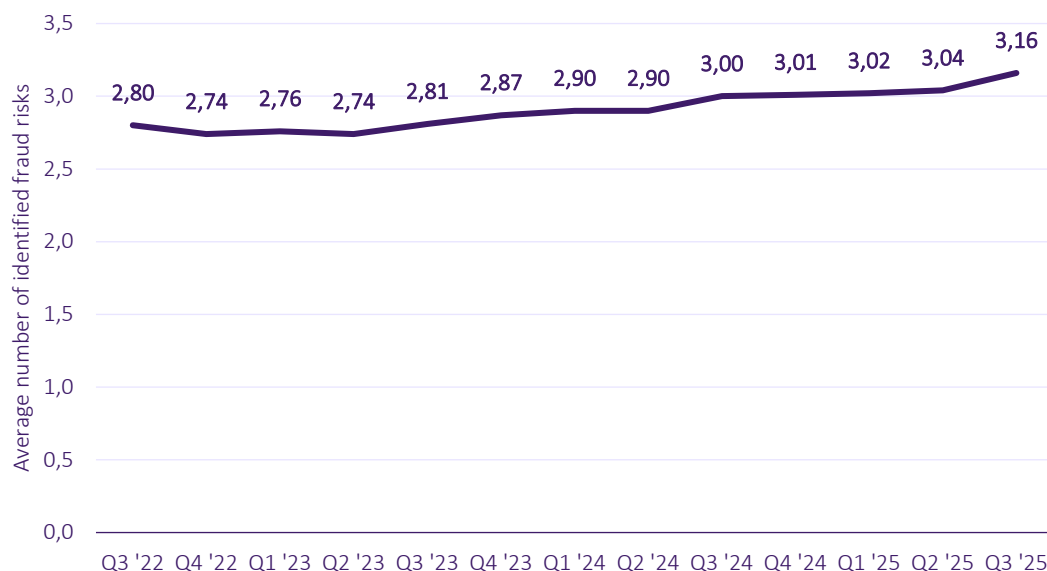
Figure 15: Percentage of statutory audits with more than two fraud risks lowest at small non-PIE audit firms



Source: Data on statutory audits by non-PIE audit firms (cumulative 2022-2025). Note: The data for 2025 have been updated to mid-September.

Over a longer period of time, the average number of identified fraud risks per statutory audit by non-PIE audit firms increases. Figure 16 shows the average number of fraud risks per statutory audit by non-PIE audit firms over the 2022-2025 period (based on the date of issue of the auditor's report). This shows that in the period from the third quarter of 2022 to the second quarter of 2023 statutory audits with an issued auditor's report showed a slight decrease in the average number of identified fraud risks from 2.8 to 2.7. Subsequently, the average number of fraud risks per statutory audit by non-PIE audit firms increases to 3.2 for statutory audits with an auditor's report issued in the third quarter of 2025.

Figure 16: Average number of identified fraud risks per statutory audit by non-PIE audit firms is increasing

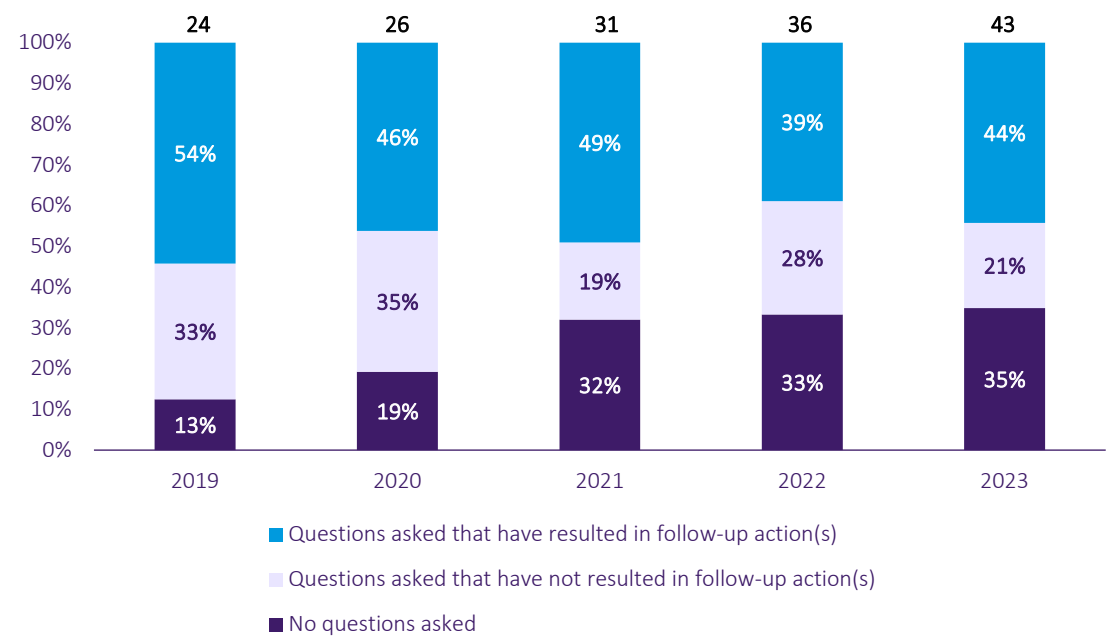


Source: Data on statutory audits of non-PIE audit firms based on the date of issue of the auditor's report. Note: The data for 2025 have been updated to mid-September.

5. Reporting by issuers

The percentage of desktop reviews with questions about reporting by issuers is decreasing. The AFM conducts annual desktop reviews, in which parts of the issuers’ reporting are evaluated against legislation and regulations. Figure 17 shows the development of the share of desktop reviews of reporting with questions and actions over the period from the 2019 financial year to the 2023 financial year (these reviews took place during the calendar years 2020 to 2024). This shows that the share of desktop reviews with questions decreased, from 87% in 2019 to 65% in 2023.

Figure 17: Percentage of desktop reviews with questions about reporting is decreasing



Source: AFM internal records based on the financial year of the issuers’ reporting. Note: The numbers above the bars represent the number of desktop reviews performed.

The nature of the follow-up actions from desktop reviews varies greatly from year to year. These actions range from agreements and informal announcements through announcements and announcements with recommendations. An agreement is the lightest action and indicates a non-material error which the issuer says it will correct in the next financial statements. An informal announcement constitutes a material error which the issuer says it will correct in the next financial statements. An announcement indicates a material error that the issuer must correct in the next financial statements. An announcement with recommendation indicates a material error in the financial statements that the issuer must correct in the next financial statements with the recommendation to publish a press release on the matter in the short term.

Appendix: justification of analyses

Most of the analyses in this publication are limited to non-PIE audit firms. The AFM has many data points from these audit firms. The data for PIE audit firms can be used for supervision but are not yet comparable to the data for non-PIE audit firms due to the provision of data having started later for statutory audits in this segment. That is why this report focuses on non-PIE audit firms.

We break down some of the analyses in this publication on the basis of the size of the non-PIE audit firms (large, medium-sized and small). The primary starting point for this breakdown by categories is the revenue from statutory audits, with the number of statutory audits also being taken into account for the 'large' category. Large non-PIE audit firms have more than €3 million of revenue from statutory audits or perform more than 150 statutory audits per year. Medium-sized non-PIE audit firms have revenue from statutory audits of between €750,000 and €3 million. Small non-PIE audit firms have revenue from statutory audits of less than €750,000.