REPORT ANALYSIS

State of the auditing and reporting industry 2026

In short – In this publication, the AFM feeds back various insights to the industry. These insights are derived from data reported by audit firms, signals, notifications and the results of our supervision of reporting by issuers. They concern quality management, such as root cause analyses, internal quality reviews, the use of engagement-oriented quality assessments and experts, and consultations, as well as topics related to the audit approach and execution, including independence threats, fraud risks and substantive versus controls-oriented audit. Training, education, overtime and turnover at audit firms are discussed in the chapter on knowledge and capacity in the audit practice. Finally, we report on signals and notifications and reporting by issuers.

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AFM

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1. Introduction

1.1 State of the auditing and reporting industry 2026

In this publication, the AFM provides the industry with a number of insights. These insights have been gained from data reported by audit firms, signals, notifications and our supervision of reporting by issuers. The topics in this publication are relevant to our supervision and similar to the topics covered in State of the auditing and reporting industry 2025. State of the auditing and reporting industry is not an annual overview and does not claim to be complete.

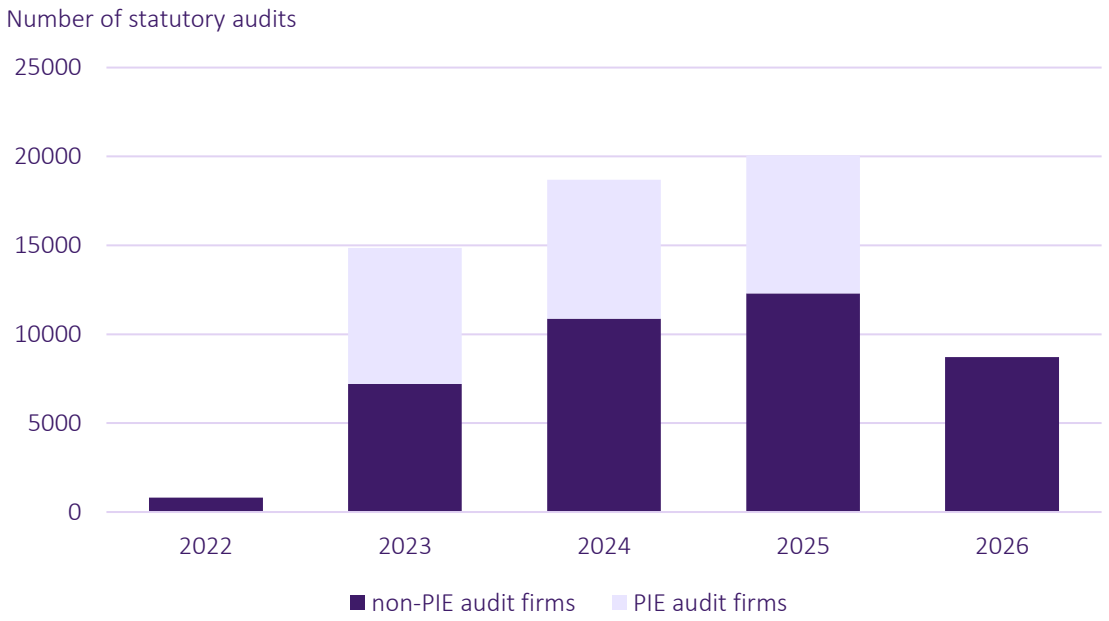
State of the auditing and reporting industry 2026 is an important supplement to Trend Monitor 2027. On 10 November 2026, the AFM published Trend Monitor 2027, in which we provide insight into various trends and developments which may potentially boost audit quality but also entail risks. State of the auditing and reporting industry supplements Trend Monitor, providing additional insights and in-depth analyses based on data. This gives the industry 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. The AFM currently supervises six audit firms with a licence that also extends to the performance of statutory audits of public-interest entities (PIE audit firms) and 225 audit firms with a regular licence to perform statutory audits (non-PIE audit firms). We use a risk-based and data-driven supervisory approach. To this end, the AFM, in consultation with representatives of audit firms, has selected data points for each statutory audit. In addition, audit firms share information annually about their organisation through a questionnaire. Audit firms share these data with the AFM for the purpose of identifying, understanding and addressing risks in supervision.

The volume of data on statutory audits is still increasing; we now have a fairly complete picture of the industry. In the course of 2022, non-PIE audit firms started submitting questionnaires for each statutory audit. They do this on a continuous basis, within 60 days after issuing the auditor's report. PIE audit firms followed suit in 2024, submitting questionnaires at the end of their financial year. Figure 1 shows the development of the number of statutory audit questionnaires submitted over time. Since 2022, the number of submitted questionnaires has been increasing. We now receive almost the same number of questionnaires per year as the total number of statutory audits. This gives us a fairly complete picture of the sector. As of mid-September, the AFM has data on approximately 63,200 statutory audits over a period of approximately four years. We expect this number to increase further in 2026.

Figure 1: The volume of data on statutory audits is still increasing



Source: Data on statutory audits of non-PIE audit firms based on the date of issue of the auditor's report and data on statutory audits of PIE audit firms based on the year of request.

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

1.3 Reading guide

Chapter 2 of this publication shares insights related to quality management, including root cause analyses, internal quality reviews (IQRs) and the use of quality assurance such as engagement quality reviews (EQRs), experts and consultations. Chapter 3 describes insights related to the audit approach and execution, including independence threats, fraud risks and substantive versus controls-oriented audits. Chapter 4 deals with insights into knowledge and capacity in the audit practice, such as training and education, turnover and overtime. Chapter 5 shares insights into signals and notifications and our supervision of reporting by issuers, including the results of desktop reviews. The appendix contains a justification of the analyses in this publication.

2. Quality management

The quality management system helps audit firms to ensure the quality of statutory audits. It is in the public interest that audit firms deliver statutory audits of sufficient quality. In this chapter, the AFM provides insights into the voluntary application of SQM1, root cause analyses, IQRs, EQRs, the use of experts, professional practice support and compliance, and the use of service organisations.

2.1 Standard on Quality Management 1 (SQM1)

Approximately 20% of non-PIE audit firms applied SQM1 voluntarily before it became mandatory. PIE and non-PIE audit firms must apply SQM1 when setting up, implementing and maintaining a quality management system. This standard came into effect for PIE audit firms on 1 January 2025 and for non-PIE audit firms on 1 January 2026. In 2025, non-PIE audit firms could choose to apply SQM1 voluntarily. Our data on non-PIE audit firms shows that 9% of non-PIE audit firms voluntarily applied the full SQM1 in 2025 and another 11% of non-PIE audit firms applied a portion of SQM1.

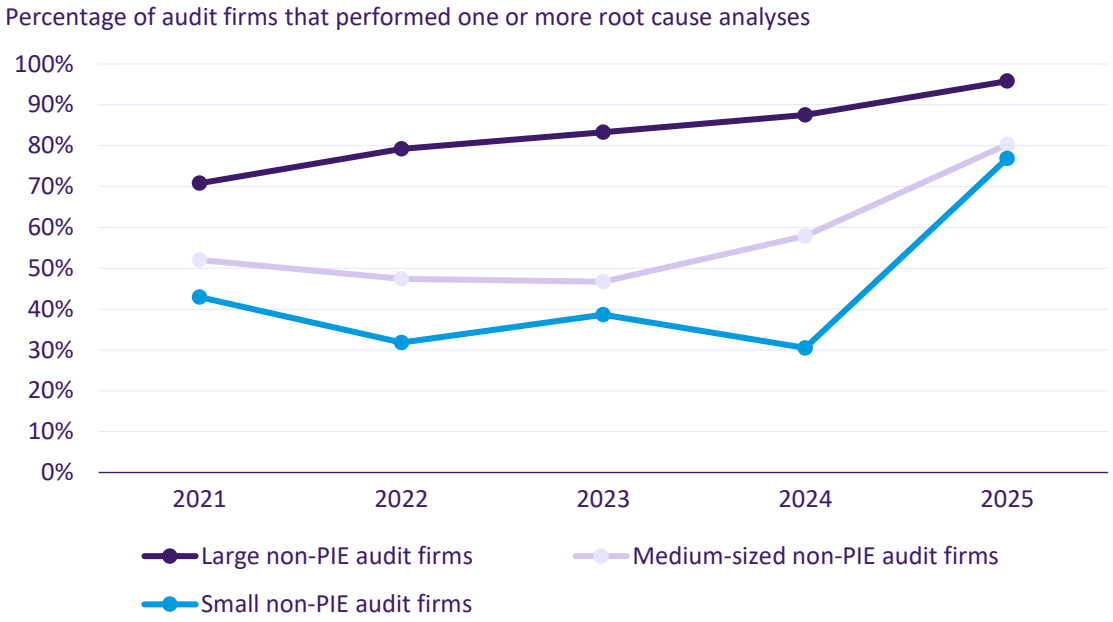
Root cause analyses and IQRs are part of SQM1. SQM1 is based on a risk-based approach to setting up, implementing and maintaining the quality management system. If the audit firm identifies deficiencies in this system, it must perform a root cause analysis to understand the root causes of the identified deficiencies in the quality management system.[1] There are also other cases in which audit firms can use root cause analyses in line with SQM1, including analysing positive results.[2] An IQR provides insight into the quality of completed statutory audits. In addition, an IQR is an important monitoring tool within SQM1 because it supports the identification of deficiencies. The IQR can also be used to identify and analyse good examples.[3] It also contributes to the structural improvement of quality within the organisation.

2.2 Root cause analyses

The percentage of non-PIE audit firms that perform at least one root cause analysis increased in 2025. Figure 2 shows the percentage of audit firms that performed at least one root cause analysis over the period 2021 to 2025. The percentage of non-PIE audit firms that performed one or more root cause analyses has increased. In the case of large non-PIE audit firms, the percentage rose from 71% in 2021 to 96% in 2025. In the case of medium-sized non-PIE audit firms, it rose from 52% in 2021 to 80% in 2025 and among small non-PIE audit firms, it rose from 43% in 2021 to 77% in 2025. On average, large non-PIE audit firms performed 4.7 root cause analyses in 2025. Medium-sized and small non-PIE audit firms performed an average of 2.2 and 1.8 root cause analyses in 2025, respectively.

[1] Standard for Quality Management 1, Article 41 and A165.
[2] Standard for Quality Management 1, Article A169.
[3] Standard for Quality Management 1, Article 38 and A169.

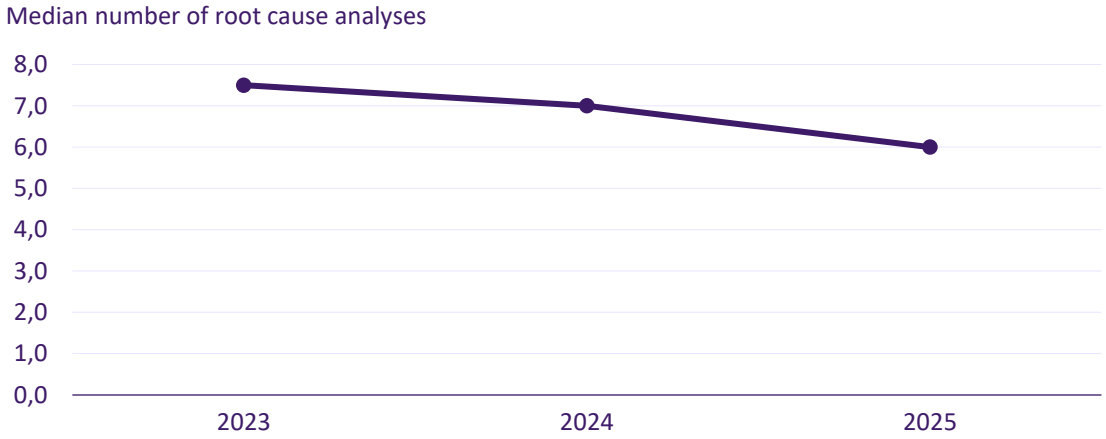
Figure 2: The percentage of non-PIE audit firms that perform one or more root cause analyses has increased



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

The number of root cause analyses at PIE audit firms decreased slightly. Figure 3 shows the median number of root cause analyses performed by PIE audit firms over the period 2023 to 2025. The median decreased slightly from about eight root cause analyses in 2023 to six in 2025.

Figure 3: The number of root cause analyses at PIE audit firms decreased slightly



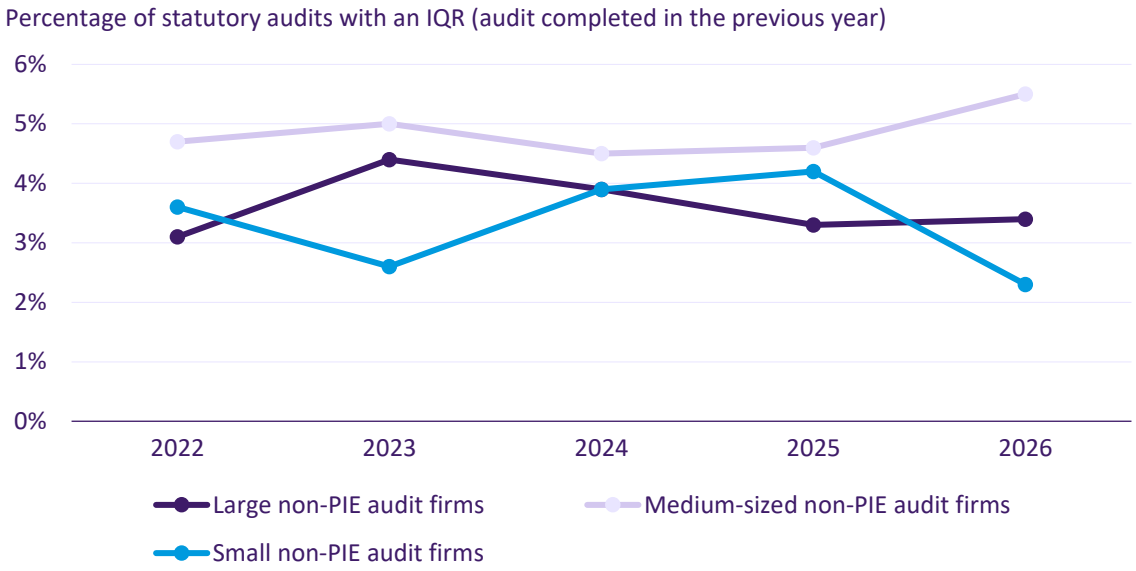
Source: Data on PIE audit firms based on financial year.

2.3 IQR

Non-PIE audit firms select between 3% and 6% of statutory audit engagements for an IQR, and PIE audit firms between 1% and 2%. Figure 4 shows the percentage of statutory audit engagements of non-PIE audit firms with an IQR between 2022 and 2026. These are the years in which the IQR was carried out. The statutory audit was completed in the year before the IQR. The figure shows variation in the annual percentage of audit engagements selected for an IQR at large, medium-sized and small non-PIE audit firms. In the case of small non-PIE audit firms, the percentage varies between 2% (2026) and 4% (2025). Medium-sized non-PIE audit firms select between 5% (2024) and 6% (2026) and large non-PIE audit firms

between 3% (2022) and 4% (2024). PIE audit firms select between 1% and 2% of all audit engagements for an IQR.[4]

Figure 4: Non-PIE audit firms perform IQRs on 3% to 6% of statutory audit engagements



Source: Data on statutory audits of non-PIE audit firms based on the year in which the IQR was carried out. The statutory audit was completed in the year prior to the IQR. The data have been updated to September 2026.

2.4 EQR

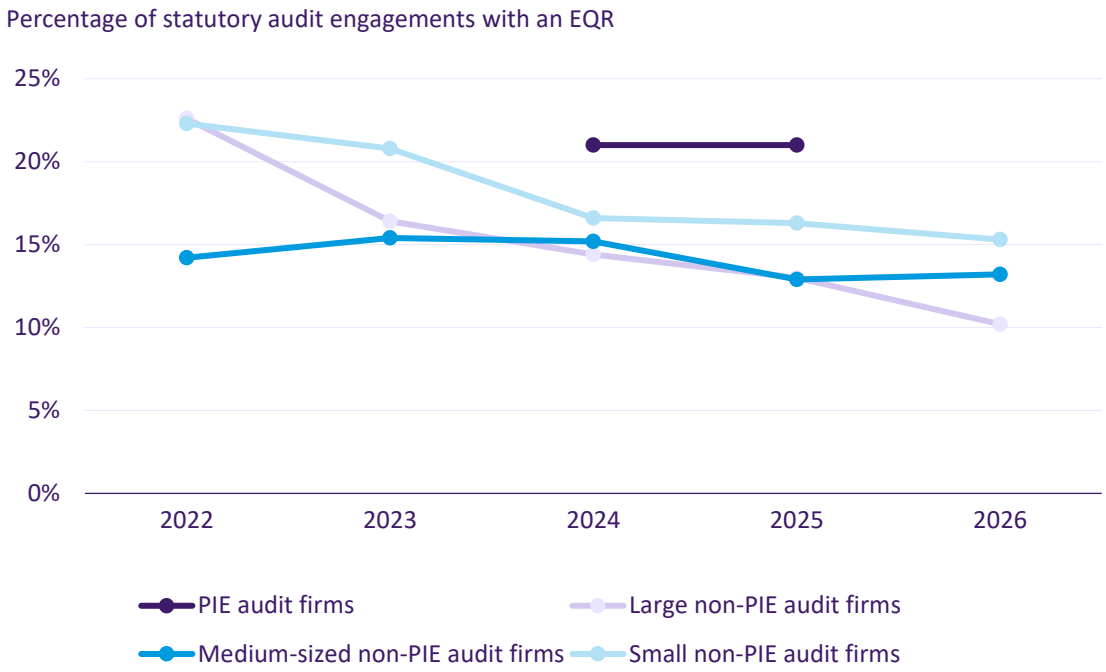
Audit firms that systematically use and monitor their quality assurance are better able to control the quality of their statutory audits.[5] This quality assurance may include EQRs, the use of an expert and consultations. Audit firms must also ensure that, where necessary, their external auditors seek advice from competent persons for the purpose of performing a statutory audit and record such advice in the audit file. Seeking advice is also called consulting.

Audit firms use the same number of EQRs or fewer. Figure 5 shows the percentage of statutory audit engagements in which audit firms have used an EQR. Since 2022, the percentage of statutory audit engagements with EQRs at large non-PIE audit firms has decreased, from 23% to 10% in 2025. The share of statutory audits with EQRs has also decreased at small non-PIE audit firms, from 23% in 2022 to 15% in 2025. Among medium-sized non-PIE audit firms, the share of statutory audits with EQRs remained fairly stable over the period 2022 to 2025 (change from 14% to 13%). In both 2024 and 2025, PIE audit firms used an EQR for approximately 21% of statutory audits.

[4] AFM (2026). IKO: een scherp instrument levert een scherp beeld

[5] AFM (2019). Trendanalyse kwaliteitswaarborgen bij niet-OOB-accountantsorganisaties

Figure 5: Audit firms use the same number of EQRs or fewer.

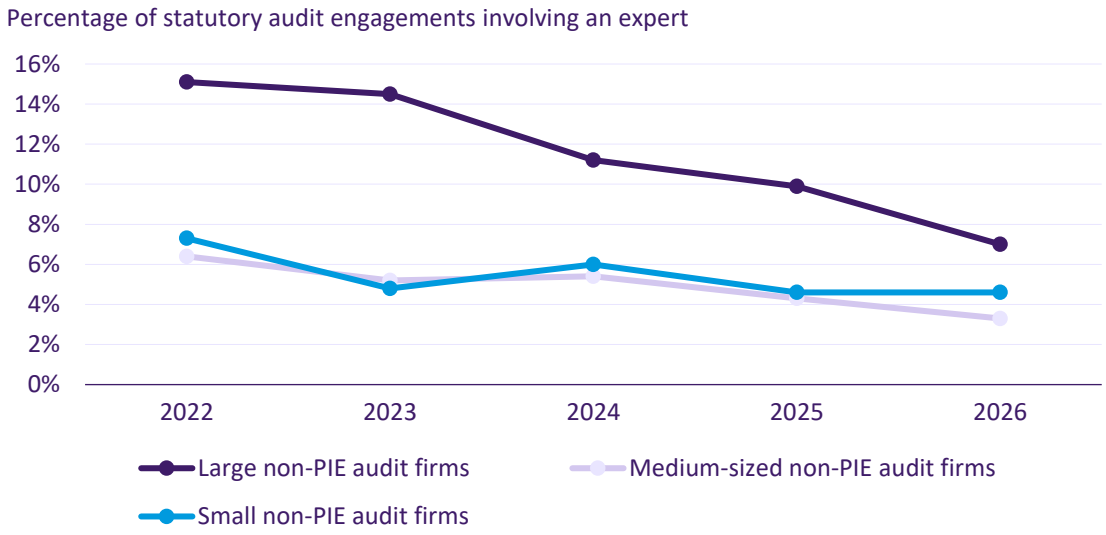


Source: Data on statutory audits of PIE audit firms based on the 2024 and 2025 survey years; data on statutory audits of non-PIE audit firms based on the date of issue of the auditor's report for 2022 to 2026 (updated to September).

2.5 Use of experts

Non-PIE audit firms are less likely to use additional expertise in statutory audits than in previous years, and PIE audit firms are just as likely. Audit firms can use additional expertise for complex audit issues, such as IT, tax and valuation issues. Figure 6 shows the percentage of statutory audit engagements in which non-PIE audit firms used additional expertise between 2022 and 2026. All non-PIE audit firms saw a decrease in the use of additional expertise. PIE audit firms used additional expertise in 67% of statutory audits in both 2024 and 2025.

Figure 6: Non-PIE audit firms are less likely to use additional expertise in statutory audit engagements

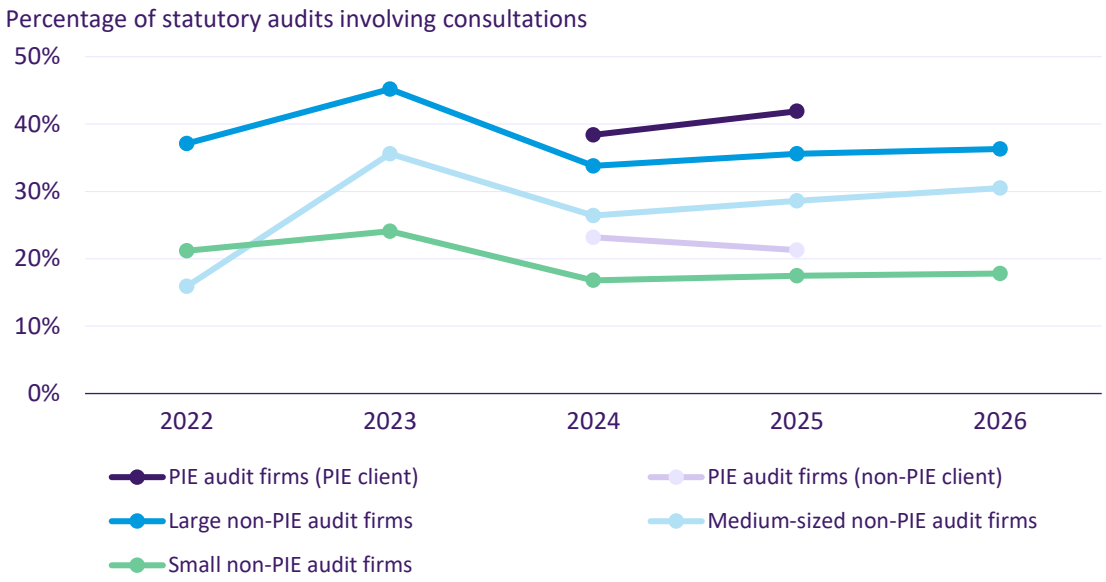


Source: Data on statutory audits by non-PIE audit firms based on the date of issue of the auditor's report for 2022 to 2026 (updated to September).

2.6 Consultations

Since 2024, audit firms have maintained almost the same frequency of consultations in statutory audits. Figure 7 shows the percentage of statutory audits involving consultations in the case of non-PIE and PIE audit firms. A distinction was made between large, medium-sized and small non-PIE audit firms, and between statutory audits of PIE clients and non-PIE clients in the case of PIE audit firms. The percentage of statutory audits of PIE clients involving consultations increased from 38% in 2024 to 42% in 2025. In the case of non-PIE clients, PIE audit firms consulted slightly less often in 2025 than in 2024 (down from 23% to 21%). In 2026, all non-PIE audit firms consulted just as often as in 2024 and 2025. Large non-PIE audit firms consulted on 36% of statutory audits in 2025, which is more often than medium-sized non-PIE audit firms (29%) and small non-PIE audit firms (18%). In many cases, these percentages are lower than in 2022 and 2023.

Figure 7: Almost unchanged frequency of consultations by audit firms in 2025 and 2026



Source: Data on statutory audits of PIE audit firms based on the year of request; data on statutory audits of non-PIE audit firms based on the date of issue of the auditor's report for 2022 to 2026 (updated to September).

PIE and non-PIE audit firms often consult on the same topics. Table 1 shows the top five consultation topics for PIE and non-PIE audit firms in 2025. Although the top five topics are the same for PIE and non-PIE audit firms, there are differences within the top five. For example, non-PIE audit firms consult most about independence and the auditor's report, while PIE audit firms consult most about the auditor's report.

Table 1: Top five consultation topics among audit firms

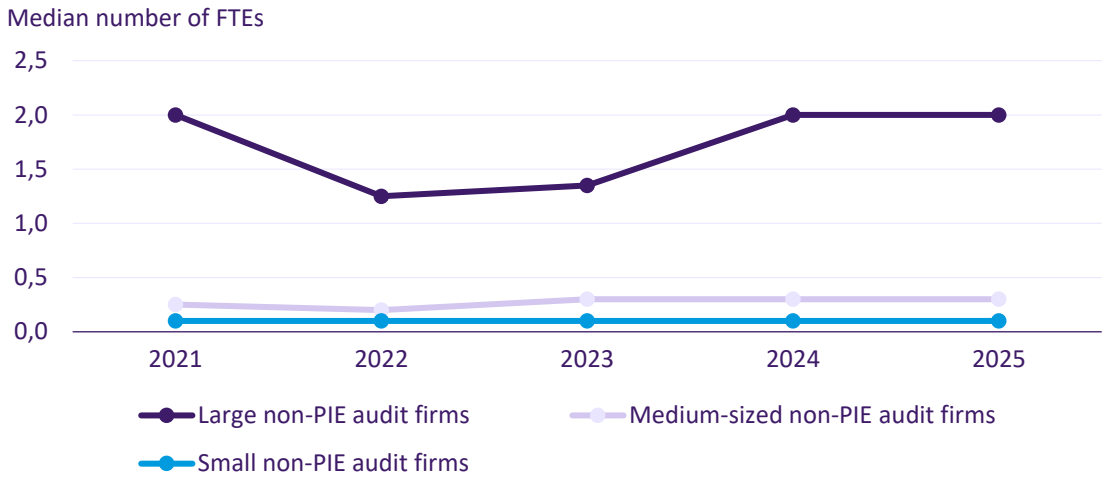
	PIE audit firms		Non-PIE audit firms
1	Auditor's report	1	Independence
2	Reporting issues	2	Auditor's report
3	Continuity	3	Continuity
4	Fraud and corruption	4	Fraud and corruption
5	Independence	5	Reporting issues

Source: Data on statutory audits of PIE and non-PIE audit firms for 2025. 2025 is the request year for PIE audit firms and the audit report issue year for non-PIE audit firms.

2.7 Professional practice support

In 2025, non-PIE audit firms devoted about the same number of FTEs to professional practice support as the year before. Figure 8 shows the median number of FTEs that non-PIE audit firms devote to professional practice support. In the case of non-PIE audit firms, we show the median FTE, because the dataset contains outliers, which means that the average gives a distorted picture. Large non-PIE audit firms devoted a median of two FTEs to technical support in 2025, medium-sized non-PIE audit firms 0.3 FTE and small non-PIE audit firms 0.1 FTE. This was unchanged compared to the previous year.

Figure 8: Non-PIE audit firms devoted about the same number of FTEs to professional practice support in 2024 and 2025.



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

2.8 Use of service organisations

A large proportion of non-PIE audit firms use one or more service organisations to provide them with professional or expert support. In 2025, 63% of non-PIE audit firms called on the services of professionals in service organisations. In the same year, 30% of non-PIE audit firms used external experts in service organisations. In addition to technical or expert support, non-PIE audit firms may also use service organisations, for example for an EQR or for IT applications. In 2025, 85% of non-PIE audit firms used one or more service organisations. This was less than in 2023 and 2024, in which 93% and 92% of non-PIE audit firms used a service organisation, respectively.

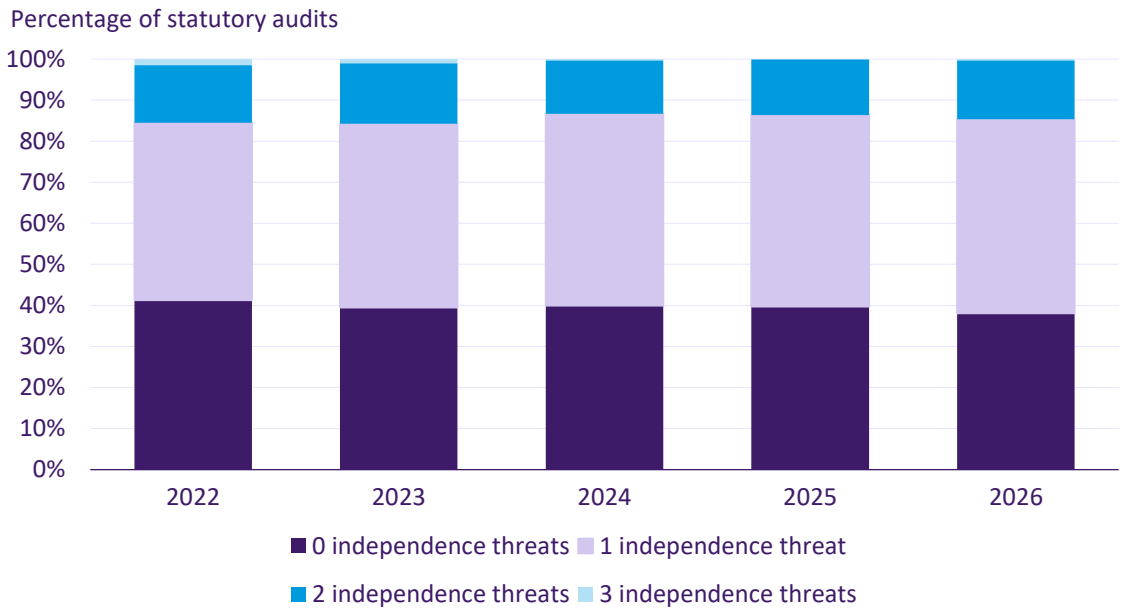
3. Audit approach and execution

An appropriate audit approach and execution contribute to the quality of the statutory audit. In this chapter, we share insights into three components of the audit approach and execution. First, we share insights into the identification of independence threats, which is an important basis for taking measures to ensure the independent execution of statutory audits. In addition, we share insights into the identification of fraud risks. This is an important basis for the nature and scope of audit work. We also share insights into the extent to which statutory audits are carried out in a substantive versus controls-oriented manner.

3.1 Independence threats

The percentage of statutory audits in which non-PIE audit firms identify one or more independence threats has remained stable at around 60% over the past five years. In performing statutory audits, the auditor must be independent of the audit client. The statutory auditor has the responsibility to identify potential threats to independence and assess whether measures are needed to mitigate those threats.[6] Figure 9 shows the percentage of statutory audits of non-PIE audit firms with zero, one, two, or three identified independence threats over the period 2022 to 2026. This shows that the proportion of statutory audits with zero, one, or two identified independence threats is stable over time. In most statutory audits, about 47%, one independence threat is identified.

Figure 9: The percentage of statutory audits with one or more independence threats is stable



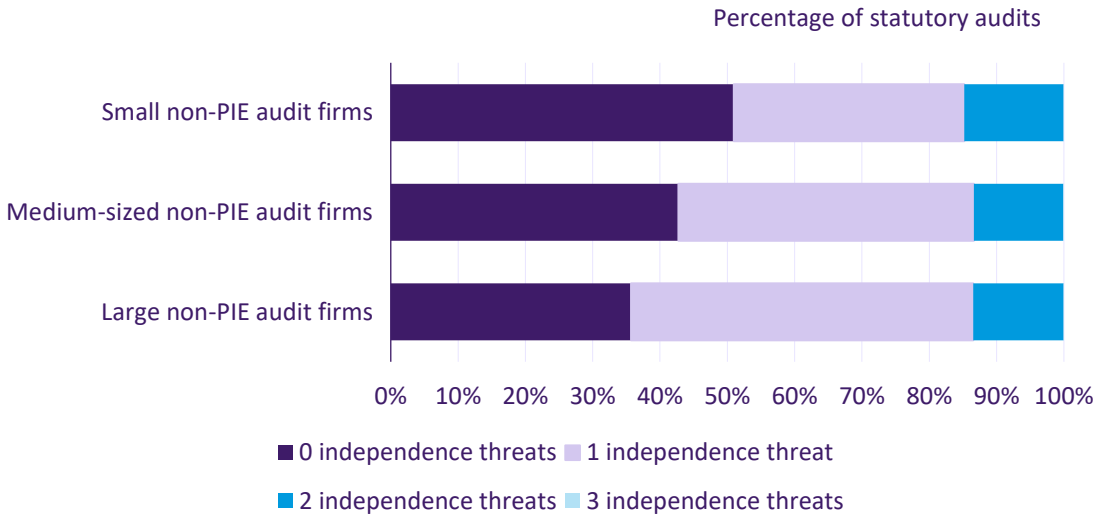
Source: Data on statutory audits of non-PIE audit firms based on the date of issue of the auditor's report for 2022 to 2026 (updated to September).

Large non-PIE audit firms have the highest percentage of statutory audits with identified independence threats. Figure 10 shows the percentage of statutory audits with zero, one, two, or three identified independence threats in the case of large, medium and small non-PIE audit firms in 2025. This shows that large non-PIE audit firms identify independence threats most often, namely in 64% of statutory audits.

[6] Regulation on the independence of auditors in assurance engagements, Article 6.

Medium-sized and small non-PIE audit firms identify at least one independence threat in 57% and 49% of statutory audits, respectively.

Figure 10: Large and medium-sized non-PIE audit firms have the highest percentage of statutory audits with identified independence threats



Source: Data on statutory audits of non-PIE audit firms based on the date of issue of the 2025 auditor's report.

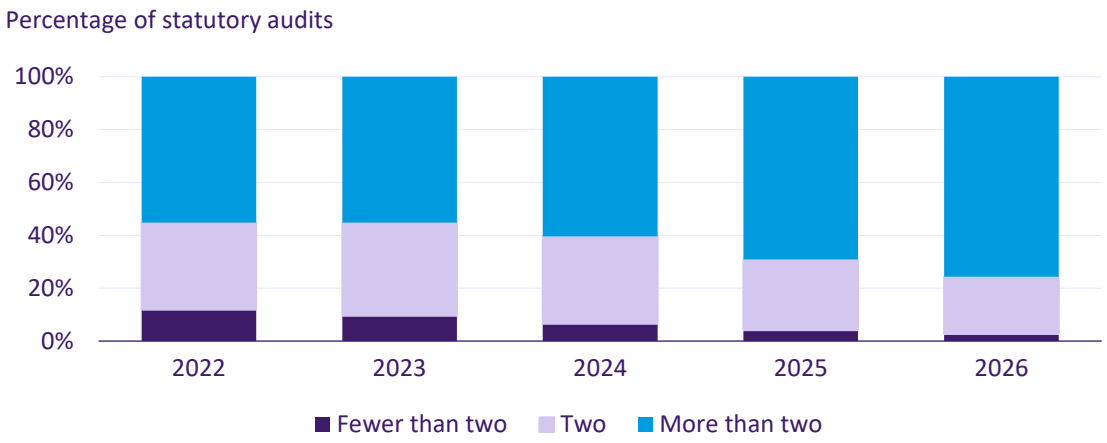
The two independence threats most often identified by non-PIE audit firms are concurrent service provision and long-term involvement. In 91% of the statutory audits in 2025 with at least one independence threat, non-PIE audit firms indicate that there was concurrent service provision. In 29% of cases, they indicate that there was long-term involvement. All other independence threats are identified in up to 1% of these statutory audits.

3.2 Fraud risks

The percentage of statutory audits with more than two identified fraud risks has increased again in 2026 at non-PIE audit firms. In recent years, the AFM has drawn attention to the audit approach for fraud.[7] Figure 11 shows the percentage of statutory audits performed by non-PIE audit firms with fewer than two, two, and more than two identified fraud risks. This breakdown into categories follows from two fraud risks: the mandatory fraud risk of management override of internal controls (NV COS 240.32) and the presumed fraud risk of material misstatement in revenue recognition (NV COS 240.27). Figure 12 shows that the share of statutory audits with more than two fraud risks has increased since 2022. In 2022, 55% of statutory audits had identified two or more fraud risks; in 2026, the figure is 76% of statutory audits. The share of statutory audits with fewer than two identified fraud risks is decreasing, from 12% in 2022 to 3% in 2026.

[7] AFM (2023). More attention for fraud risks!; AFM (2025). Insufficient audit procedures in response to fraud risks; AFM (2025). Op weg naar een betere frauderisicoanalyse

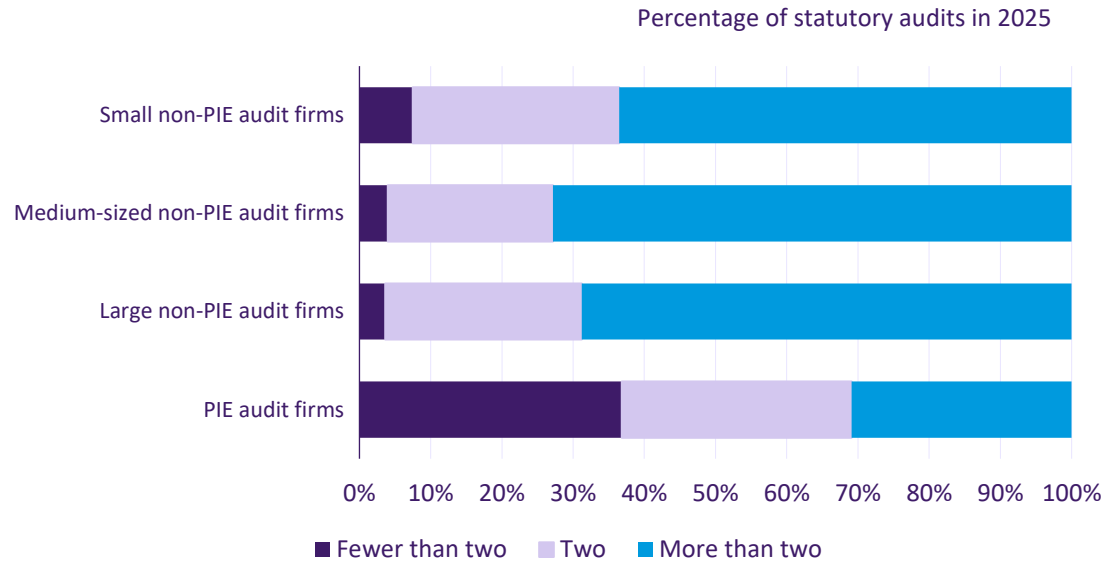
Figure 11: The percentage of statutory audits with more than two identified fraud risks is increasing at non-PIE audit firms



Source: Data on statutory audits of non-PIE audit firms based on the date of issue of the auditor's report for 2022 to 2026 (updated to September).

PIE audit firms have a lower percentage of statutory audits with more than two identified fraud risks than non-PIE audit firms in 2025. Figure 12 shows the percentage of statutory audits performed by PIE audit firms and by large, medium-sized and small non-PIE audit firms with fewer than two, two, and more than two fraud risks in 2025. This shows that the percentage of statutory audits with more than two fraud risks at PIE audit firms is 31% and that fewer than two fraud risks are identified in 37% of statutory audits. It should be noted that these figures relate to four of the six PIE audit firms due to growth pathways. This percentage is higher at large, medium-sized and small non-PIE audit firms. More than two fraud risks were identified in 69%, 73% and 60% of the statutory audits, respectively.

Figure 12: PIE audit firms had a lower percentage of statutory audits with more than two identified fraud risks in 2025 than non-PIE audit firms

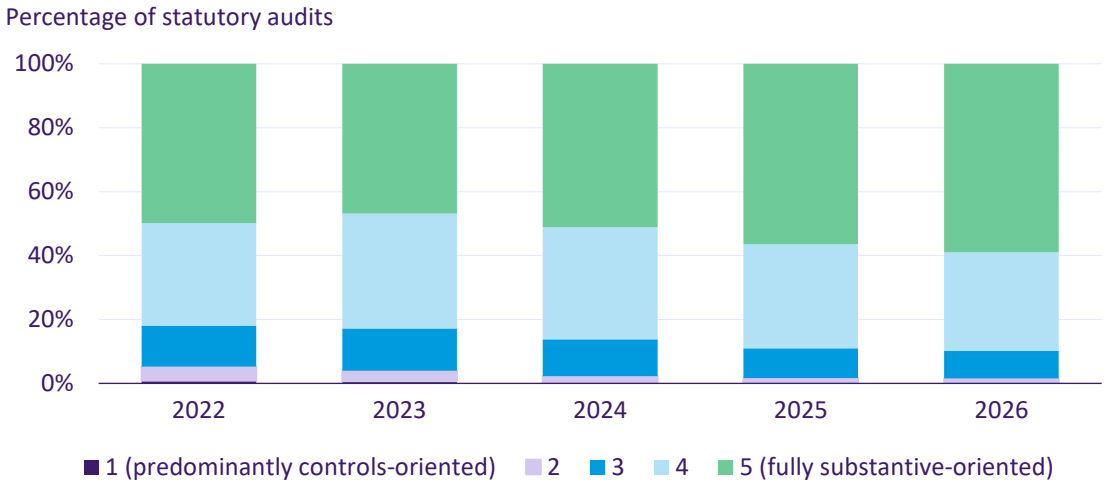


Source: Data on statutory audits of PIE and non-PIE audit firms for 2025. 2025 is the request year for PIE audit firms and the audit report issue year for non-PIE audit firms.

3.3 Substantive versus controls-oriented audit

The percentage of fully substantive statutory audits performed by non-PIE audit firms increased again in 2026.[8] Figure 13 shows the percentage of statutory audits by non-PIE audit firms that were predominantly controls-oriented (1) to fully substantive-oriented (5) over the period 2022 to 2026. The share of statutory audits performed in a fully substantive manner has increased from 50% in 2022 to 59% in 2026.

Figure 13: Percentage of fully substantive audits by non-PIE audit firms is increasing

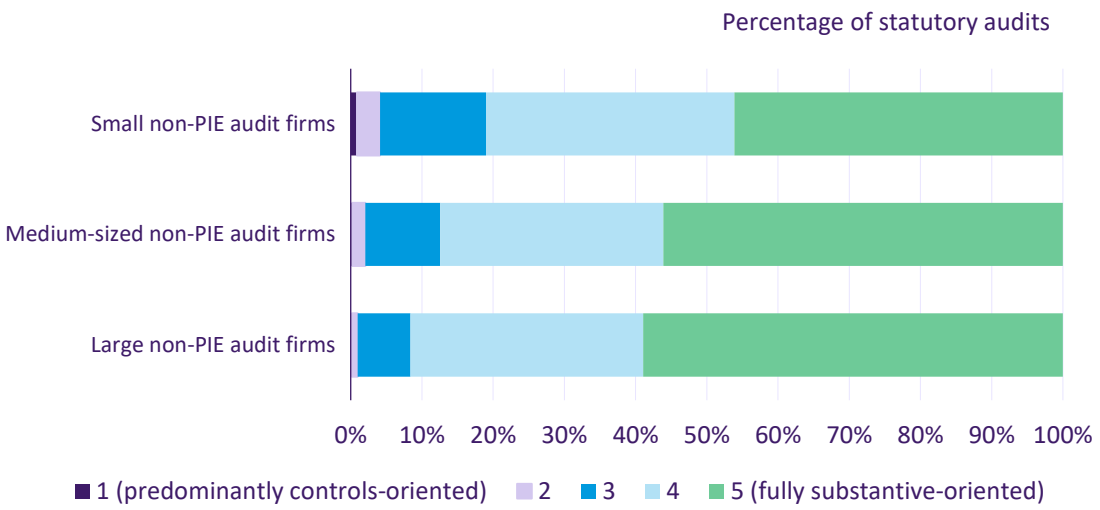


Source: Data on statutory audits of non-PIE audit firms based on the date of issue of the auditor's report. Note: the extent to which the audit is performed in a substantive manner was scored by audit firms themselves on a scale of 1 (predominantly controls-oriented) to 5 (fully substantive-oriented).

In 2025, large and medium-sized non-PIE audit firms performed the most fully substantive audits. Figure 14 shows that large and medium-sized non-PIE audit firms performed 59% and 56% respectively of all statutory audits in 2025 in a fully substantive-oriented manner. Small non-PIE audit firms performed 46% of all statutory audits in 2025 in a fully substantive manner.

[8] AFM (2025). 12 Building blocks for controlled use of auditing tools

Figure 14: Large and medium-sized non-PIE audit firms perform the most fully substantive audits



Source: Data on statutory audits of non-PIE audit firms based on the date of issue of the 2025 auditor's report.
Note: the extent to which the audit is performed in a substantive-oriented manner was scored by audit firms themselves on a scale of 1 (predominantly controls-oriented) to 5 (fully substantive-oriented).

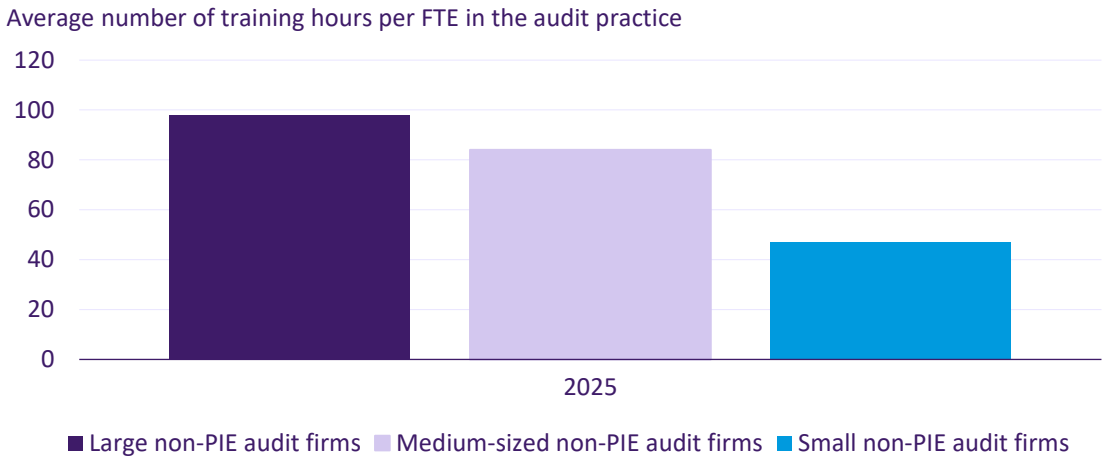
4. Knowledge and capacity in the audit practice

Knowledge and capacity in statutory audits are important for stimulating a quality-oriented culture for the performance of statutory audits. This chapter shares insights into training and education, overtime and staff turnover at audit firms. Training and education can help auditors to further develop their knowledge. Insufficient capacity can cause staff to have to work overtime, which can be at the expense of quality. High employee turnover at audit firms can affect the attractiveness and culture of the audit profession.

4.1 Training and education

The average number of training hours in the audit practice is the highest in the case of large non-PIE audit firms. Figure 15 shows the average number of training hours per FTE in the audit practice in 2025 in large, medium-sized and small non-PIE audit firms. The average number of training hours is highest in large non-PIE audit firms (98) and lowest in small non-PIE audit firms (47). Medium-sized non-PIE audit firms spend an average of 84 training hours per FTE in the audit practice.[9]

Figure 15: The average number of training hours per FTE is highest in the case of large non-PIE audit firms



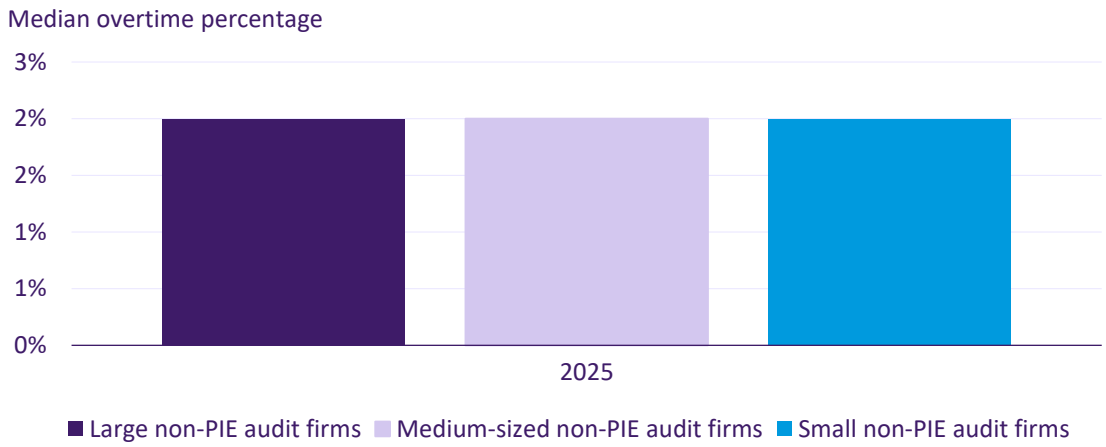
Source: Data on non-PIE audit firms based on the 2025 financial year. The average number of training hours is calculated as: (total hours of training RA + total hours of training AA)/(number of FTE RA + AA).

4.2 Overtime

All segments of non-PIE audit firms have the same median overtime percentage in the audit practice. The overtime percentage indicates the percentage that audit staff worked more than the contractual hours. Figure 16 shows the median overtime percentage for large, medium and small non-PIE audit firms. The median overtime percentage is 2% in all segments.

[9] Due to a change in the questionnaire for non-PIE audit firms, it is not possible to make a comparison with previous years.

Figure 16: Median overtime percentage is the same across all segments of non-PIE audit firms

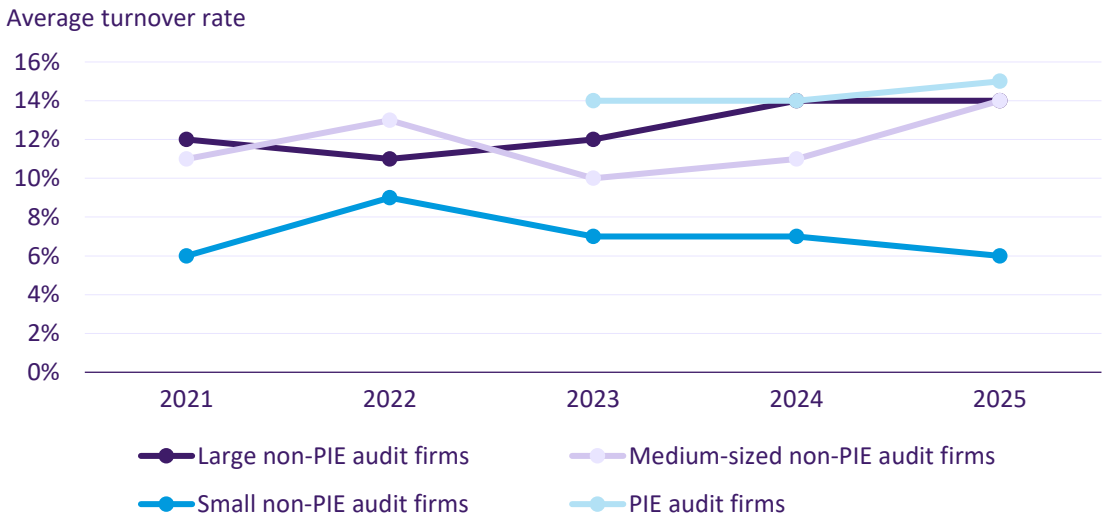


Source: Data on non-PIE audit firms based on the 2025 financial year. The overtime rate is calculated as: ((total hours worked – contractual number of hours)/(contractual number of hours)) * 100%.

4.3 Turnover

The average turnover rate at large audit firms is higher than at small audit firms. The turnover rate indicates the percentage of staff who have left the audit firm in a year. Figure 17 shows the average turnover rate at non-PIE and PIE audit firms from 2021 to 2025. This shows that the turnover rate at large and medium-sized non-PIE audit firms increased in the period 2021 to 2025, from approximately 12% to 15%. In 2025, the turnover rate at these audit firms was at a similar level to the turnover rate of PIE audit firms, where it has remained stable at around 15% over the years. Small non-PIE audit firms show a different movement: the turnover rate has decreased in recent years, from about 9% in 2022 to 6% in 2025.

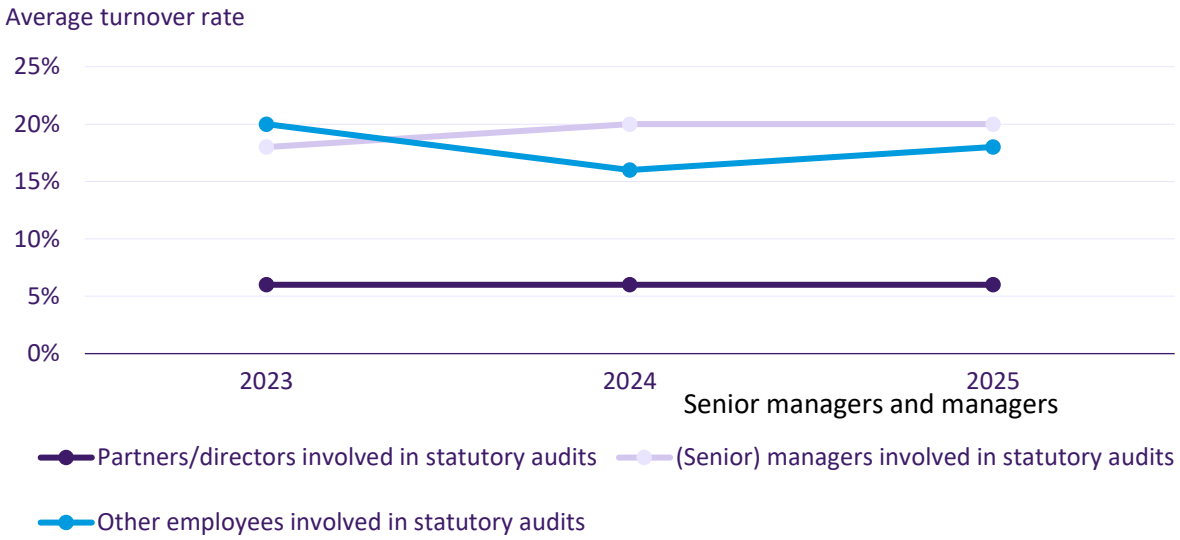
Figure 17: The average turnover rate is higher in large non-PIE audit firms than in small non-PIE audit firms



Source: Data on PIE audit firms based on the year of request; data on non-PIE audit firms based on the financial year. Note: The turnover rate is calculated as: (number of FTEs that left the organisation during the financial year/number of FTEs employed at the beginning of the financial year) * 100%.

At PIE audit firms, the turnover rate in the audit practice is lowest among partners and directors. Figure 18 shows the average turnover rate at PIE audit firms over the period 2023 to 2025, by type of employees. The turnover rate among partners and directors is stable during this period, at around 6%. This means that on average about six out of 100 partners leave their employer. Among senior managers, managers and other employees in the audit practice, turnover is higher and varies over time. Among senior managers and managers, the turnover rate is 18% in 2023 and 20% in 2024 and 2025. The turnover rate among other staff in the audit practice decreased, from 20% in 2023 to 16% in 2024. In 2025, the turnover rate among other staff in the audit practice was 18%.

Figure 18: The average turnover rate is highest among senior managers, managers and team members



Source: Data on PIE audit firms based on the financial year.

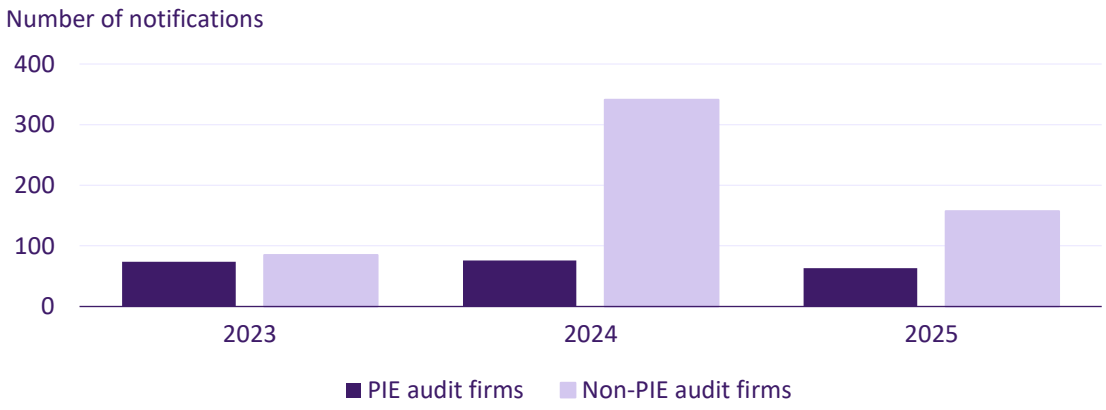
5. Supervision of audit firms and issuers

In this chapter, the AFM shares insights it has gained from signals and notifications about audit firms and from desktop reviews conducted at issuers. These insights are based on AFM records resulting from our supervision of audit firms and issuers. Some of these data points follow from legal obligations, such as incident reports, while others are the result of our own activities, such as results from desktop reviews.

5.1 Signals and reports about audit firms

The number of notifications of audit engagements terminated early is heading back towards 2023 levels. 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.[10] The AFM records both situations as a notification of early termination. Figure 19 shows the number of received notifications of early termination of audit engagements by PIE and non-PIE audit firms over the period 2023 to 2025. The figure shows that in 2025 the AFM received 63 notifications of early termination from PIE audit firms and 157 from non-PIE audit firms. This means that the number of reports from non-PIE audit firms has fallen sharply compared to the previous year and is heading back towards 2023 levels. These figures seem to confirm that the change in the size criteria for a statutory audit (as of 13 March 2024) led to a temporary increase in the number of early terminations.[11]

Figure 19: Number of notifications of early audit engagement terminations is back at 2023 levels



Source: AFM internal data.

The numbers of incident reports by PIE and non-PIE audit firms are lower in 2025 than in 2024. Audit firms must report to the AFM immediately if incidents occur with serious consequences for the ethical conduct of their business.[12] Table 2 shows the number of incident reports over the period 2023 to 2025 by PIE and non-PIE audit firms. The number of reports decreased again after an increase in 2024 in the case of both PIE and non-PIE audit firms. In 2025, the AFM received eight incident reports from PIE audit firms and 30 from non-PIE audit firms.

[10] Article 393(1) of Book 2 of the Dutch Civil Code.

[11] The obligation to commission a statutory audit depends on size criteria (Section 396(1) of Book 2 of the Dutch Civil Code). As of 13 March 2024, the size criteria have been increased to €7.5 million in assets (from €6 million), €15 million in net revenues for the financial year (from €12 million) and an average of 50 employees for the financial year (unchanged). Companies have to undergo a statutory audit if they meet at least two of the three size criteria for two consecutive balance sheet dates.

[12] 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.

Table 2: The number of incident reports in 2025 was lower than in 2024

Incident reports	PIE audit firms	Non-PIE audit firms
2023	21	27
2024	18	38
2025	8	30

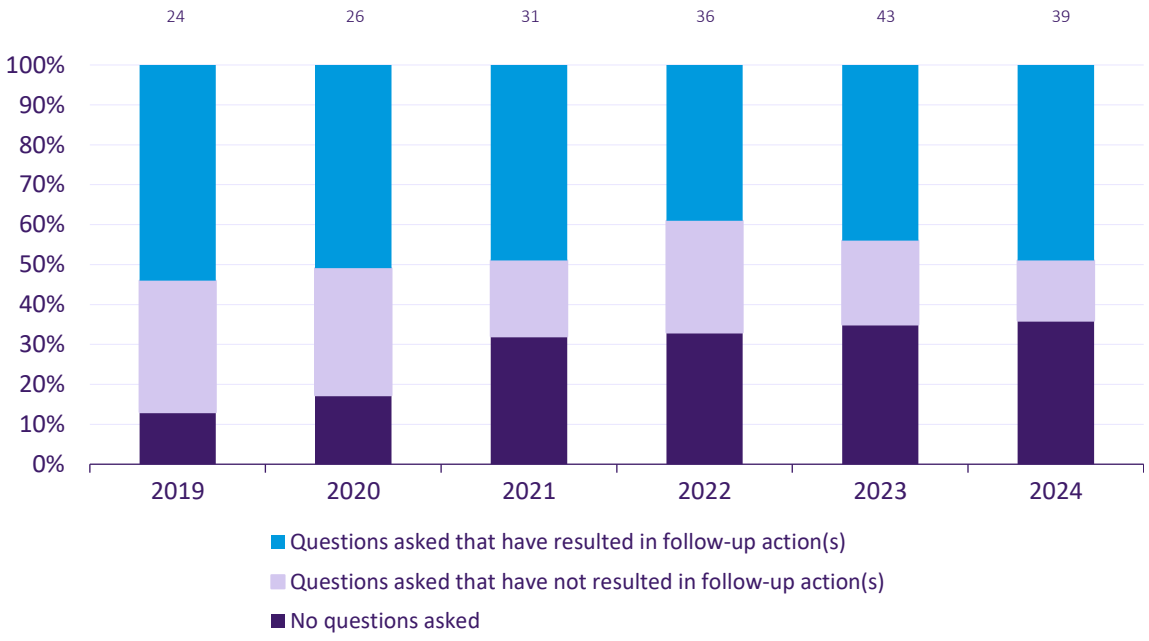
Source: AFM internal data.

5.2 Reporting by issuers

On 1 January 2026, the population of issuers under our supervision consisted of 189 institutions. Of these, 157 (83%) issued shares. These institutions had a combined market value of approximately €2,011 billion on 1 January 2026. The remaining 32 issuers under our supervision only issued bonds.

The percentage of desktop reviews with questions about reporting is constant over time. The AFM conducts annual desktop reviews, in which parts of issuers' reporting are evaluated against legislation and regulations. Over the period 2020-2024 (financial years 2019-2023), there was an increase in the number of desktop reviews conducted. Despite the slight decrease in 2025, the number of desktop reviews is still higher than in 2023 and before. As shown in Figure 20, the percentage of desktop reviews with questions directed to the issuer for the 2024 financial year remained virtually the same compared to the 2023 financial year. The same applies to the ratio between questions asked that resulted in further actions and those that did not. The percentage of desktop reviews that did not lead to questions about the reporting was marginally higher in 2025 than in 2024. At 36%, it was the highest since 2020 (fiscal year 2019).

Figure 20: The percentage of desktop reviews with questions about reporting is constant



Source: AFM internal data based on the reporting date of issuers. Note: the numbers above the bars indicate 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 notifications to notifications with recommendations. An agreement is the lightest action and means a non-material error, which the issuer indicates that it will correct in the next financial statements. An informal notification constitutes a material error, which the issuer indicates that it will correct in the next financial statements. A notification indicates a material error that the issuer must correct in the next financial statements. A notification with a recommendation means 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.

The AFM asks questions about both financial and sustainability reporting. Companies receive questions on various topics. For the 2024 financial year, the AFM asked a total of 57 questions about financial reporting and 16 questions about sustainability reporting. Specifically with regard to questions about financial reporting, there are several recurring topics. These are included in Table 3. After asking questions and analysing the issuers' answers, the AFM entered into agreements with a total of 13 companies for the 2024 financial year, imposed informal announcements on three companies and imposed formal announcements on three companies. The AFM found 11 material errors at six companies. These material errors were spread across several topics, including those in Table 3.

Table 3: The AFM asks questions about various financial reporting topics

Ranking	Subject	Number of companies with questions on this topic
1	Impairment of assets (IAS 36)	5
2	Income taxes (IAS 12)	4
3	ESEF tags	4
4	Revenue (IFRS 15)	3
4	Alternative performance measures	3

Source: AFM internal data. Note: Material errors have been found on this topic.

Appendix: Justification of analyses

A number of analyses in this publication are limited to non-PIE audit firms. This is because the AFM has more data points concerning these audit firms and their statutory audits. The data for PIE audit firms are becoming more complete, but on some topics they are not (yet) comparable with the data for non-PIE audit firms. This is due in part to the later start of data provision and questions that differ from those for non-PIE audit firms. The emphasis of this publication is therefore on non-PIE audit firms.

Percentages from previous years may differ slightly from State of the Audit and Reporting Industry 2025. On the one hand, this is because we have received more data in the meantime, for example from September 2025 to December 2025. On the other hand, this is because we continuously perform quality checks and make improvements to data quality. The composition of segments also changes over the years.