



IFIAR

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS

Survey of Inspection Findings

2025

This report, released on April 1, 2026, presents information collected by IFIAR through its fourteenth annual survey of the results of its member regulators' inspections of the six Global Public Policy Committee networks.

Auditors play a critical role in the capital markets by providing assurance over the financial statements of market participants. Similar to other important capital market functions, audits of public interest entities are subject to regulatory oversight in many jurisdictions. A central element of independent audit regulators' oversight activities is the conducting of inspections of selected audit firms' system of quality management and individual audit engagements.

This report on IFIAR's 2025 Survey of Inspection Findings ("survey") provides an overview of the annual survey findings and highlights results. The 2025 survey reflects a realignment between the quality control elements of International Auditing and Assurance Standards Board's (IAASB) International Standard on Quality Control 1 (ISQC 1) and quality management components of International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (ISQM 1) (collectively, "quality management"). A complete description of the survey's methodology and details of the 2025 and prior survey results are included in the appendices.

1 Overview

IFIAR, a membership organization of 56 independent audit regulators ("Members"), conducted its fourteenth annual survey of Members' inspection results and programs during 2025. The survey collects data about inspection findings arising from its Members' individual inspections of audit firms ("member firms") affiliated with the six global audit networks that comprise the Global Public Policy Committee ("GPPC networks").¹ IFIAR Members from 52 jurisdictions participated in the survey, providing data on inspection reports issued to the GPPC networks' member firms generally during the twelve months ended June 30, 2025. Members also conduct inspections of other audit firms outside of the GPPC networks which are not reflected in this survey, and accordingly the results of this survey may not necessarily be representative of overall audit quality in their respective jurisdictions.

With the shared goal of consistently high-quality audits globally, IFIAR publishes the results of its annual survey of inspection findings to provide transparency about the results of Members' inspection programs for stakeholders. The annual survey of inspection findings is an important component of IFIAR's dialogue among regulators about oversight experiences, challenges, and approaches. It also features in IFIAR's ongoing engagement with international audit and ethics standard setters, and with the GPPC networks about their efforts to strengthen their member

¹ Each of the GPPC networks is comprised of a group of legally separate member firms operating locally in countries or regions around the world. The GPPC networks participate in the Global Public Policy Committee (GPPC), represented by the following entities: BDO International Limited, Deloitte Touche Tohmatsu Limited, Ernst & Young Global Limited, Grant Thornton International Limited, KPMG International Cooperative, and PricewaterhouseCoopers International Limited.

firms' systems of quality management and to drive consistent execution of high-quality audits throughout the world.

The percentage of audits with findings has declined from 47% (since IFIAR began tracking this statistic in 2014) to 26% in 2022, before increasing each subsequent year and reaching 35% in 2025.

The recurrence and level of findings reflected in the survey continues to raise concerns among IFIAR members regarding the consistency of audit quality and the need for sustained improvement. IFIAR acknowledges the efforts made by the GPPC networks and their member firms to strengthen audit quality and welcomes their commitment to continuous enhancement. IFIAR reinforces its message to the GPPC networks and their member firms to further advance quality management practices by focusing on the following priorities:

- Conduct thorough root cause analyses and take responsive, effective actions based on the outcomes;
- Implement targeted remediation for areas identified as needing improvement within systems of quality management that support audit practices; and
- Monitor and measure impact to ensure corrective actions deliver meaningful results.

Such activities are important in driving a cycle of continuous improvement, which has been – and will remain – a prominent aspect of IFIAR's dialogue with the GPPC networks. IFIAR looks forward to continued collaboration and shared commitment to achieving consistently high-quality audits worldwide.

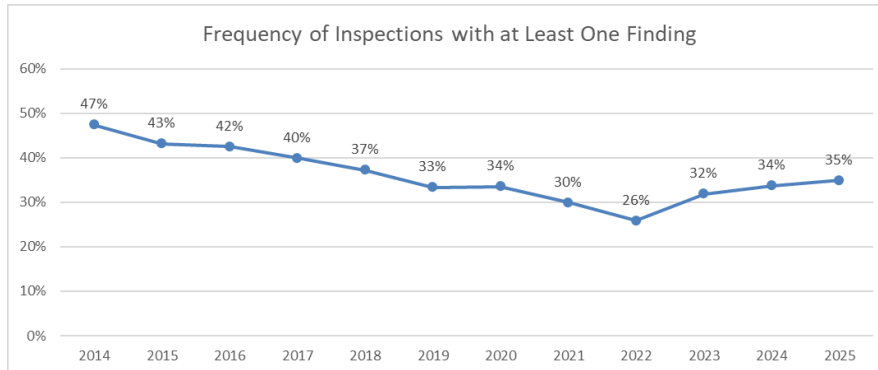
The survey is not designed to – and does not – provide a complete measure of member firms' progress in managing audit quality. Inspection results should not be the sole measure of progress in audit quality as they do not serve as “balanced score cards” or overall rating tools and may not be aggregated into deficiencies in the system of quality management. Inspection results identified and reported over the course of an inspection are nevertheless an important metric provided by independent audit regulators, forming one of the many indicators used to assess audit quality. Other quantitative and qualitative indicators also should be considered in conjunction with inspection results.

Historical, quantitative information about inspection results is one means to identify general trends. The survey's information neither empirically measures changes in audit quality nor assesses the degree of severity of individual significant deficiencies that meet IFIAR's definition of a finding². **It is important to note that a finding from an inspection of an audit engagement does not necessarily indicate that the audited financial statements are misstated.**

² For purposes of this survey, a finding is a significant deficiency in satisfying the requirements of auditing standards. For further detail on the definition of a finding for engagement and quality management purposes, please see Appendix C.

2 2025 Survey Results

As with prior years' surveys, IFIAR collected information about two categories of inspection activities: those that relate to firm-wide systems of quality management, and those that relate to individual audit engagements. Systems of quality management are an area of focus for many audit regulators and audit firms, as these systems serve as the foundation for executing and monitoring quality audits. For insight into the effectiveness of audit firms' systems of quality management in supporting audit quality, IFIAR tracks the percentage of listed public interest entity (PIE) audits inspected with at least one finding.



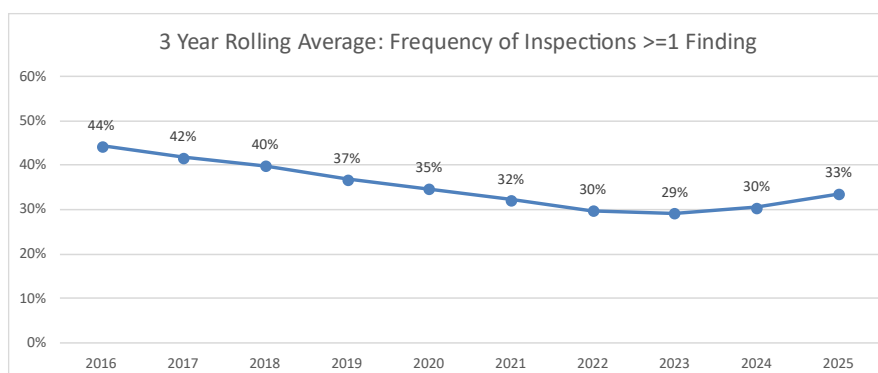
While the number of findings reported in this survey have generally shown a decrease since tracking began in 2014, the results since 2022 reveal an increase in the number of listed PIE audits inspected with at least one finding.

IFIAR observes that efforts have been made to reduce the level of audits with one or more findings (see section 3). However, 2025 resulted in another year with an increase in findings (one percent over 2024) and continues a troubling trend in contrast to the gradual reduction achieved previously. IFIAR calls on the GPPC networks and their member firms to conduct monitoring activities to understand the reasons for this continued trend. This must be followed by the implementation of all necessary actions to address the issues in order to drive an immediate improvement in audit quality.

Trends

IFIAR monitors general trends in survey findings over time, rather than seeking to evaluate year-over-year changes in aggregate results. The three-year rolling average in 2025 further reveals an increase in the number of listed PIE audits inspected with at least one finding.

The survey data may not reflect the most current state of audit quality, in part due to the time necessary to finalize an inspection and issue a report. As a result of this reporting time lag, actions undertaken to improve audit quality may not be reflected immediately in the survey results.



Appendix B provides more details on this time lag. The longer-term trend in results can be seen using the three-year rolling average chart.

Some Members' results do show an improvement in audit quality over this time. In addition, changes in Members' inspection programs may lead to variability in reporting results to the survey. IFIAR monitors the impact of changes to ensure that findings are consistently reflected in the survey. To date, no reporting changes have significantly influenced the findings or results being reported. Given the year over year variations explained above, IFIAR examines longer term trends over a three-year rolling average, which had indicated improvements in results over time, but continued increase in findings in 2025 had a negative impact on the trend.³

Quality Control and Quality Management Standards

The inspection activity included in this survey has historically been undertaken largely under ISQC 1. The current inspection activity reflects most Members' transition to ISQM 1 over the last few years. Since the transition to ISQM 1, many Members have increased their inspection procedures around the member firms' systems of quality management, which may have contributed to the increase in findings in this area. The transition to ISQM 1 led the GPPC networks and their member firms to revisit their quality management systems with the goal of identifying the applicable risks that affect audit quality and designing and implementing controls that best address those risks. As expected, an individual member firm's system of quality management may vary based on firm size, complexity, audit portfolio, and business strategies.

While not all Members jurisdictions will mandate the use of ISQM 1 (Members reported that 48 out of 52 jurisdictions are required to adopt ISQM 1), it provides a common language when other standards with similar goals apply. These standards all typically require a firm to perform an annual evaluation of their quality management system.

Beginning in 2023, the GPPC networks and their member firms began their evaluation and reporting under the quality management system. Many Members pivoted their inspection programs to include a focus on ISQM 1. However, this transition from ISQC 1 to ISQM 1 will be based on the effective dates in each jurisdiction. The majority (44 of 48) Members that are required to adopt ISQM 1 began reporting some inspection results against the requirements of ISQM 1 in their 2024 inspections as reflected in the survey results. In 2025, the survey aligned its collection of quality management results with the required components of ISQM 1. In addition, IFIAR also began to collect information about Members results of inspections under ISQM 2, *Engagement Quality Reviews*.

The sections below briefly highlight the 2025 survey's data on inspections of firm-wide systems of quality management and on engagement-specific audit inspections. See Appendices A and B for additional survey data on inspection results.

³ The composition of Members responding to the survey, though largely consistent across recent survey years, can impact survey trends. To better understand the impact of changes in reporting Members, IFIAR determined that 30 Members had reported inspection findings on listed PIE audits for each of the past three survey years (2023-2025). Responses from these 30 Members account for 92% of the listed PIE audits inspected and reported on in the 2025 survey.

Inspections of Firm-wide Systems of Quality Management

Inspections performed on firm-wide systems of quality management address a member firm’s numerous processes and procedures that underpin audit quality and that seek to ensure that every audit is conducted to the required standard. These processes and procedures are the basis of a firm’s system of quality management and include monitoring audits for compliance with

Inspection Theme	2025
Engagement Performance	37%
Monitoring and Remediation Process [Monitoring]	32%
Relevant Ethical Requirements [Independence and Ethical Requirements]	30%
Resources - Human Resources	24%
Engagement Quality Reviews (ISQM 2)	20%
Acceptance and Continuance of Client Relationships [Client Risk Assessment, Acceptance and Continuance]	18%
Governance and Leadership [Leadership Responsibilities for Quality within the Firm]	18%
Risk Assessment Process	16%
Resources - Technological, Intellectual, Service Providers	9%
Information and Communication	9%

independence requirements. The chart summarizes the percentage of member firms inspected with at least one finding in the indicated areas of systems of quality management. Appendix A of this report includes the comprehensive set of data on inspections of firm-wide systems of quality management collected through IFIAR’s 2025 and prior surveys.

A strong system of quality management is a critical element in improving audit quality; accordingly, quality management systems are a primary focus of many inspection programs. IFIAR continues its dialogue with the GPPC networks about each network’s plans to improve audit quality across the network and its member firms’ operations and culture.

Inspections of Individual Audit Engagements

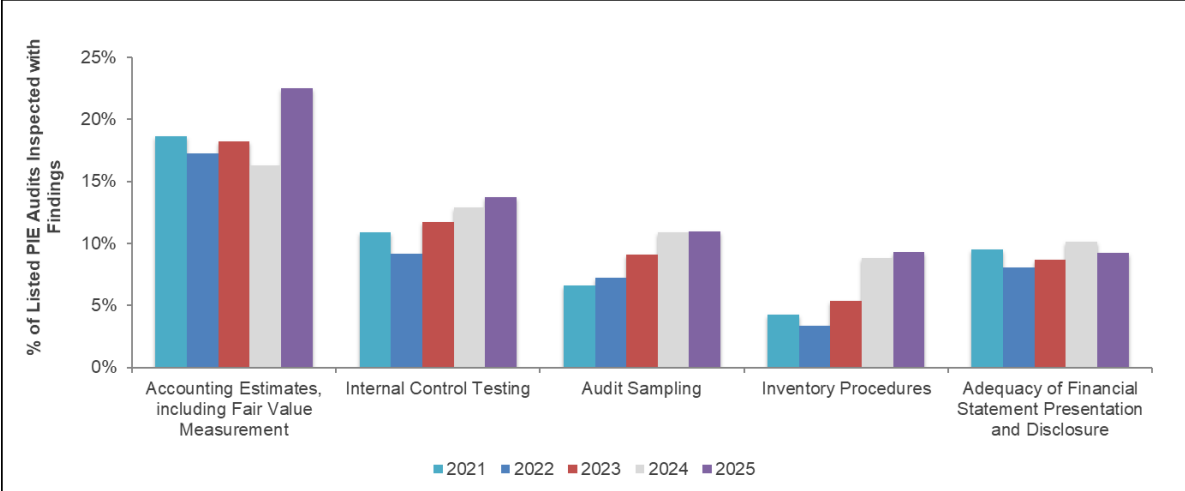
Inspections of individual audit engagements assess an audit firm’s execution of auditing standards on a selected audit (as mentioned, a finding is not necessarily indicative of a financial statement misstatement) and may provide additional information related to the effectiveness of a firm’s quality management system. IFIAR’s survey collects data on inspections of listed PIE audits and audits of systemically important financial institutions (SIFIs).

IFIAR tracks, as illustrated below, the percentage of listed PIE audits inspected with at least one finding, as one metric to understand the collective effect on engagement-level performance of member firms’ initiatives related to systems of quality management. Although IFIAR follows the trend of survey findings over time as a measure of audit quality, for the reasons indicated at page two of this report, year-over-year changes are not necessarily indicative of improvements or deterioration of audit quality. However, the current year rate is concerning.

2021	2022	2023	2024	2025
30%	26%	32%	34%	35%

The chart below summarizes historical survey results for the 2025 survey’s five inspection areas related to financial statement audits with the highest frequency of inspection findings for listed PIE audits. Four out of the five inspection areas continue to have the highest level of inspection findings when compared to prior surveys. IFIAR requests member firms to focus remediation efforts on the inspection areas with the highest frequency of findings noted below. Appendix B of

this report provides the comprehensive set of data on inspections of listed PIE and SIFI audit engagements collected through IFIAR’s 2025 and prior surveys.



Approximately 91% of the results of inspections submitted in the 2025 survey are in relation to audits with year-ends in 2023 or 2024.

Beginning in 2024, the survey collected the average number of findings per inspection with findings across listed PIEs , which is 3.3 in 2025 and 3.2 for 2024.

Members’ Reporting and Follow Up of Inspection Outcomes

In addition to data on inspection findings, the 2025 survey gathered information about IFIAR Members’ inspection reporting and follow up practices.

Reporting inspection results: Local laws, regulations, and practices determine the extent to which inspection results can be disclosed (for example, reported publicly or to audit committees). The following summarizes the number of surveyed Members that report inspection results to various stakeholders.

Quality Management Inspection Findings:

- 49 Members report to firm leadership
- 45 Members issue public reports, of which 10 Members identify results by individual audit firm and 35 Members do not
- 5 Members report results to audit committees and/or those charged with governance

Engagement Inspection Findings:

- 41 Members report on engagement inspections publicly. Of the 41 Members:
- 33 Members do not identify results by individual audit firm
 - 7 Members identify individual audit firms
 - 1 Member identifies the audit firm and the audited entity

Ratings:

- 10 Members report assigning an overall firm rating based on inspections outcomes (2 publicly)
- 10 Members report rating quality management systems (1 publicly)
- 16 Members report rating audit engagement files (2 publicly)

Follow up practices: Most Members (46) indicated that they require audit firms to report back on the actions taken to address inspection findings, and 35 Members track whether inspection findings result in a material misstatement in the financial statements. Thirty-four (34) Members indicated that audit firms conduct root cause analysis, on which the audit firms report back to the Member. Most Members (44) have a process to determine whether they should reinspect the firm with similar focus areas at the audit firm in subsequent years. All Members have the ability to refer inspection findings for investigation or enforcement.

3 Enhancement of Audit Quality

IFIAR provides a forum for its Members to collaborate, share knowledge and learn about independent audit regulatory practices, experiences, challenges and developments - helping to advance their oversight capabilities and thereby enhancing global audit quality. IFIAR leverages the collective expertise, experience and perspectives of its Members to inform and influence key stakeholders with an interest in high audit quality. For example, while responsibility for improving audit quality rests with the GPPC networks and their member firms, IFIAR regularly engages with and encourages the GPPC networks to achieve high quality audits. Similarly, IFIAR uses the information gathered through the survey to inform our discussions with the international audit and ethics standard setters in order to advance high quality standards. IFIAR's Annual Reports provide details on IFIAR's various initiatives aimed at achieving sustainable improvement in audit quality.

As part of its engagement, IFIAR's Global Audit Quality (GAQ) Working Group uses the results of the annual inspection findings surveys to monitor efforts of the GPPC networks to improve audit quality over time. In 2024, the GAQ Working Group renewed an initiative challenging the GPPC networks to reduce the percentage of listed PIE audits inspected with one or more findings over a four-year period between 2023 and 2027 (the "initiative").

The GAQ Working Group and the GPPC networks agreed that the aim for the initiative is for the GPPC member firms' collective performance to result in a reduction of at least 25% in the percentage of inspected audits with findings, from 32% in 2023 to 24% by the end of the measurement period in 2027. Past initiatives were based on the findings of a subset of Members whereas the current initiative includes all Members participating in the survey.

During 2025, the GAQ Working Group continued dialogue with the networks on improving audit quality through a better understanding of repeat findings, learning from root cause analysis, and actions and initiatives taken to reduce findings. Whilst the actions discussed and implemented are not reported in this survey, they represent a collective and ongoing effort to enhance audit quality globally. Not all GPPC networks are in the same place as it relates to audit quality, and a

focus collectively and by each individual network and member firm remains an ongoing imperative.

The GAQ Working Group will continue to engage with the GPPC networks both collectively and on an individual basis to understand their efforts to improve audit quality. The GAQ Working Group will focus in particular on the impact of the ongoing transition to a risk-based system of quality management and the related processes and controls the GPPC network and member firms have implemented to enhance audit quality.

APPENDICES

The attached appendices offer a complete description of the 2025 survey methodology along with survey results from prior years. The appendices are organized into three sections:

- A Firm-wide Systems of Quality Management Inspection Results
- B Engagement-level Inspection Results
- C About IFIAR and the Survey of Inspection Findings

Appendix A:

Firm-wide Systems of Quality Management Inspection Results

This appendix provides information on results of the current survey, and selected data from the 2021-2025 surveys, regarding inspections of firm-wide systems of quality management. For additional information, including prior reports and related press releases, please visit ifiar.org.

An audit firm's system of quality management serves as a foundation for executing quality audits. Under international standards on quality management, as well as many of the national standards in place in IFIAR Member jurisdictions, audit firms are required to establish a system of quality management. A system of quality management involves a firm's organizational structure and the policies and procedures in place to provide reasonable assurance that:

- the firm and its personnel comply with professional standards and applicable legal and regulatory requirements, and
- reports issued by the firm or engagement partners are appropriate in the circumstances.

For purposes of the survey, for jurisdictions who have not adopted ISQM 1 or similar, a deficiency or finding is a departure from standards on quality control and ethics and independence requirements that may or did have an effect on audit quality, either due to the significance or systemic nature of the departure. For jurisdictions that have adopted ISQM 1, a deficiency is when (i) a quality objective required to achieve the system of quality management is not met; (ii) a quality risk, or combination of quality risks, is not identified or properly assessed; (iii) a response, or combination of responses, does not reduce to an acceptable low level the likelihood of a related quality risk occurring because the response is not properly designed, implemented or operating effectively; or (iv) an other aspect of the system of quality management is absent, or not properly designed, implemented or operating effectively, such that a requirement of the standard has not been addressed.

Quality management deficiencies addressed in this appendix do not relate to specific audit engagements but instead address the policies and procedures in place at the member firm to provide for overall quality management. Quality management findings are more pervasive in nature; they are relevant in general to the firm's audit practice and therefore there is an interaction between engagement-level and quality management findings. While quality management findings are attributed to a firm in general, deficiencies in its quality control system may impact the firm's environment for individual audit engagements or for internal monitoring and oversight of audit engagements. Consequently, a deficient system of quality management would likely be manifested in engagement-level findings. In addition, issues observed in inspections of specific engagements determined to be pervasive in nature may also be considered deficiencies in the effectiveness of a firm's system of quality management.

Appendix A: Firm-wide Systems of Quality Management Inspection Results

Up until the 2025 survey, the categories or inspection themes for quality control findings were based on the different elements of ISQC 1. Beginning in 2025, the categories or inspection themes for quality management findings are aligned to components of ISQM1. Historical information has not been realigned.

Forty-four Members reported the results of their inspections of 161 member firms' systems of quality management in the 2025 survey, as illustrated in the table below.

Table A.1

IFIAR Members Reporting and Member Firms Inspected, 2021-2025 Surveys

	2021	2022	2023	2024	2025
IFIAR Members Submitting Findings	44	41	41	37	44
Member Firms Inspected	142	151	134	135	161

Table A.2 below provides information about the number and rates of member firms with findings by inspection theme. Tables A.3 and A.4 provide additional details about the number of findings by descriptive sub-categories for each theme.

Table A.2

2021-2025 Survey Results: Member Firms with at Least One Finding by Inspection Theme

Inspection Theme	2021		2022		2023		2024		2025	
	#	%	#	%	#	%	#	%	#	%
Engagement Performance	46	36%	52	39%	56	48%	40	35%	49	37%
Monitoring and Remediation Process [Monitoring]	33	28%	35	24%	21	19%	24	25%	42	32%
Relevant Ethical Requirements [Independence and Ethical Requirements]	45	35%	50	40%	36	30%	32	29%	43	30%
Resources - Human Resources	24	20%	31	27%	27	24%	8	7%	32	24%
Engagement Quality Reviews (ISQM 2)	*	*	*	*	*	*	*	*	26	20%
Acceptance and Continuance of Client Relationships [Client Risk Assessment, Acceptance and Continuance]	17	16%	19	18%	19	16%	20	18%	25	18%
Governance and Leadership [Leadership Responsibilities for Quality within the Firm]	11	9%	14	11%	10	9%	15	13%	22	18%
Risk Assessment Process	*	*	*	*	*	*	*	*	19	16%
Resources - Technological, Intellectual, Service Providers	*	*	*	*	*	*	*	*	11	9%
Information and Communication	*	*	*	*	*	*	*	*	9	9%

* Note: categories new for 2025

Appendix A: Firm-Wide Systems of Quality Management Inspection Results

Table A.3

2021-2025 Supplemental Details on Nature of Findings for Select Inspection Themes

Inspection Theme	Theme Sub Category	Number of Findings				
		2021	2022	2023	2024	2025
Engagement Performance	Failure to establish and/or implement policies and procedures for sufficient, timely engagement supervision and review	27	24	20	10	31
	Audit methodology and guidance	16	31	19	17	29
	Archiving / Assembly of final audit file	16	22	22	11	17
	Consultations	10	5	2	6	12
	Insufficient depth / extent of engagement quality control review (EQCR)	20	18	17	20	*
	Failure to establish policies and procedures for EQCR that provides an objective evaluation of the significant judgements made by the engagement team	4	10	6	1	*
	Failure to perform a timely EQCR , although required by firm or other applicable policies	8	3	2	0	*
Relevant Ethical Requirements [Independence and Ethical Requirements]	Failure to monitor effectively Firm staff and partner personal independence	21	27	18	18	22
	Failure to consider and evaluate non-audit and/or audit-related services provided to issuer	19	28	25	13	21
	Failure to implement a reliable system for tracking business relationships , audit firm financial interests, and corporate family trees, and/or failure to keep the related information up to date	6	17	3	8	11
	Failure to maintain independence due to existence of financial relationships including failure to appropriately address those circumstances as impairments of the Firm's independence	2	9	6	4	9
	Failure to appropriately consider applicable firm or partner rotation rules	15	17	9	4	6
	Failure to communicate to the audit committee certain relationships that, in the firm's professional judgment, bear on independence	7	2	1	4	6
	Failure to maintain independence due to a business relationship that existed during the professional engagement period	0	10	5	4	5
	Failure to maintain independence due to an individual on the audit engagement entering into an employment relationship with the former audit client	3	8	0	3	1
Resources - Human Resources	Assignment of engagement team	3	9	3	4	17
	Compliance with the firm training and learning plan	8	10	4	3	10
	Evaluation of audit quality as part of partner performance evaluations and admissions	6	6	6	2	4
	Impact of audit quality deficiencies in partner remuneration and assignments	2	4	6	0	4

* Note: categories realigned for 2025

Appendix A: Firm-Wide Systems of Quality Management Inspection Results

Table A.3 (continued)

2021-2025 Supplemental Details on Nature of Findings for Select Inspection Themes (continued)

Inspection Theme	Theme Sub Category	Number of Findings				
		2021	2022	2023	2024	2025
Monitoring and Remediation Process [Monitoring]	Failure to identify audit performance issues when performing internal inspections in order to effectively monitor audit quality and respond to possible systemic deficiencies concerning the performance of audits	7	19	16	6	21
	Failures in the area of root cause analysis / remedial actions	14	6	1	7	10
	Failure to effectively design and implement pre-issuance reviews to monitor the effectiveness of the remedial actions	3	4	4	5	6
Acceptance and Continuance of Client Relationships [Client Risk Assessment, Acceptance and Continuance]	Insufficient procedures were performed and/or reliable information obtained to objectively assess the integrity of a new client	5	4	8	6	11
	Risk assessment process was not completed before engagement letter issuance date and/or field work date	8	3	0	6	8
	Failure in the procedures and systems implemented to identify actual or perceived conflicts of interest or independence issue with an actual or prospective client (including failures in the reliability/up-dates of the databases used)	6	1	3	0	5
	Continuance assessment did not include consideration of significant matters that had arisen during the current or previous engagements	1	2	1	6	4
	Failure to assess the engagement risk associated with a new client, a new service or a service requested under specific circumstances	0	2	1	0	3
	Failure to address actual or perceived conflicts of interest or independence issue	0	0	1	0	3
	An engagement was accepted in an industry where the firm did not have sufficient personnel with the necessary experience and skills	0	0	0	0	2
	Failure to implement procedures to monitor personal and firm independence or business relationships	0	2	1	0	1
	Failure to consult with the risk management function or equivalent when the risk is assessed as being high	0	2	0	0	1
	Failure to assess at least on a yearly basis the acceptance of continuance of an engagement	2	1	0	0	0
Governance and Leadership [Leadership Responsibilities for Quality within the Firm]	Failure of firm leadership to demonstrate the values identified as key to the organization	1	1	5	4	7
	Failure of firm leadership to promote high audit quality as a non-negotiable/principal aim of the firm	6	6	3	5	5
	Failure of firm leadership to communicate on a regular basis examples and demonstrations of positive values and behavior	0	0	2	2	3
Engagement Quality Reviews (ISQM2)	Insufficient depth / extent of EQCR	*	*	*	*	20
	Failure to establish policies and procedures for engagement quality control review (EQCR) that provides an objective evaluation of the significant judgments made by the engagement team and conclusions reached	*	*	*	*	6
	Failure to perform a timely EQCR, although required by firm or other applicable policies	*	*	*	*	1

* Note: categories realigned for 2025

Appendix B: Engagement-level Inspection Results

This appendix provides information on results from the current survey, and selected data from the 2021-2025 surveys, regarding inspections of listed PIE and SIFI audit engagements. For additional information, including prior reports and related press releases, please visit [ifiar.org](https://www.ifiar.org). The first survey was conducted in 2012 (tracking the percentage of listed PIE audits with at least one finding began in 2014).

The survey collects data on inspections of audits of listed PIEs and SIFIs. As the global population of SIFIs is somewhat limited, the number of SIFI audits inspected annually and reported on in the IFIAR survey is significantly smaller than the number of listed PIE audits inspected.

IFIAR has consistently collected data on 17 inspection themes for listed PIE audit inspections and on 16 themes for SIFI audit inspections; six of the SIFI inspection themes differ from the listed PIE themes. This difference in themes allows IFIAR to gather more specific information about aspects of audits that typically are more prevalent in SIFI audit engagements. Survey responses provide data about the number of audits in which each theme was inspected; the number of inspected audits with at least one finding; and the total number of findings (as one inspected audit can have more than one finding per theme).

IFIAR has observed that the average rate of inspections with findings varies across IFIAR Members and between years. This may be due to a number of factors unrelated to the actual state of audit quality in Members' jurisdictions. For example, the member firms and the individual listed PIE audits inspected vary year to year. Most Members participating in the 2025 survey do not inspect each GPPC network firm annually. Some Members may choose to select certain engagements based on factors other than risk.

Appendix B: Engagement-level Inspection Results

Section 1: Listed PIE Audits Inspected

A. Data on Members Reporting and Audits Inspected

Table B.1

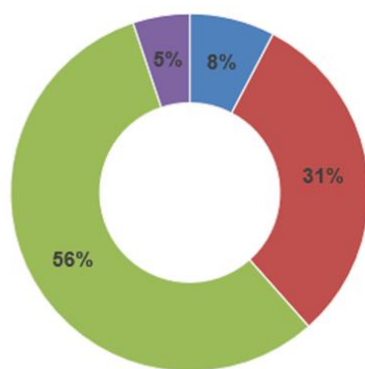
IFIAR Members Reporting and Listed PIE Audits Inspected, 2021-2025 Surveys

	2021	2022	2023	2024	2025
IFIAR Members Submitting Engagement Inspection Findings	42	42	45	42	39
Member Firms Inspected	128	152	159	135	140
Listed PIE Audits Inspected	893	905	886	763	836
Inspected Listed PIE Audits with at Least One Finding	267	234	282	257	292
Average Number of Findings for PIE Audits Inspected with Findings - New in 2024	--	--	--	3.2	3.3
Frequency of Inspections with at Least One Finding	30%	26%	32%	34%	35%

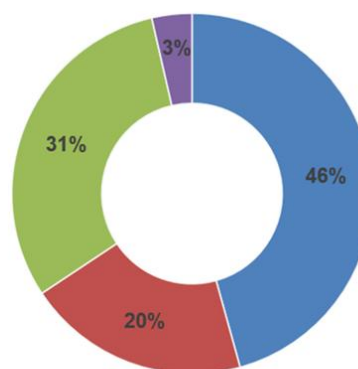
Figures B.1 and B.2

Geographic Distribution of Members and Listed PIE Audits Inspected, 2025 Survey

B.1: Members Providing Listed PIE Audit Inspections Data



B.2: Listed PIE Audits Inspected



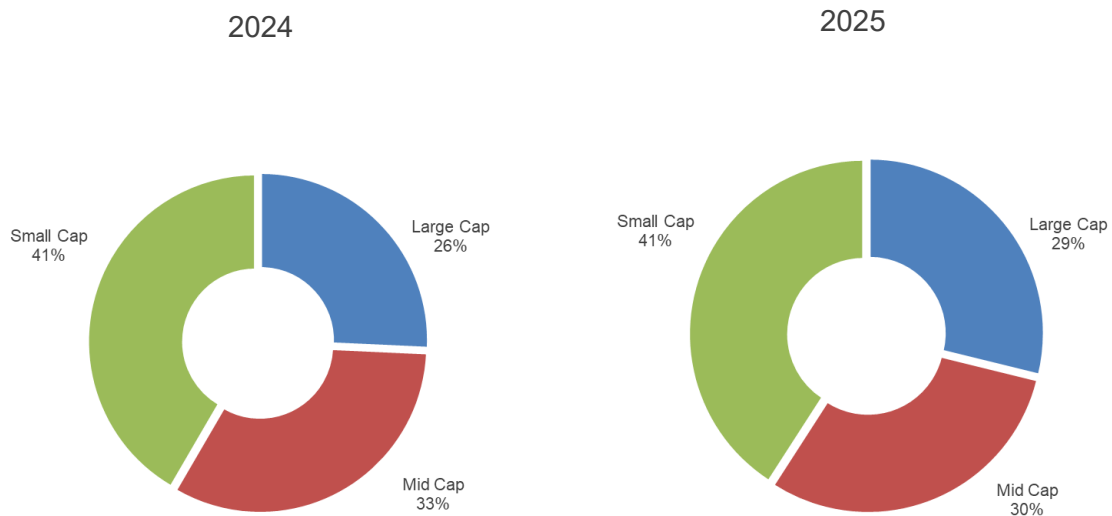
■ Americas ■ Asia Pacific ■ Europe ■ Middle East and Africa

In 2025, IFIAR collected information about the size and industries of the listed PIEs whose audits were inspected and reported on in the survey. Recognizing the wide disparity in the sizes of IFIAR Members' equity markets, IFIAR used three categories of market capitalization, determined by each IFIAR Member relative to its own market. Members provided information about relative market size for 98% of the listed PIE audits inspected, summarized in the two figures below.

Appendix B: Engagement-level Inspection Results

Figure B.3

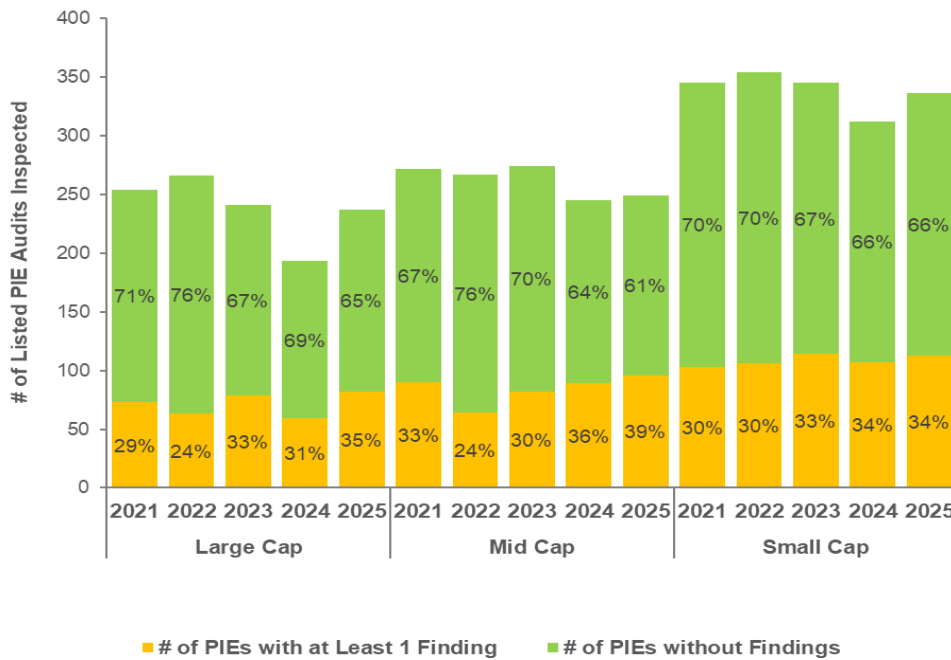
Listed PIE Audits Inspected by Market Capitalization, 2024 and 2025 Survey



Note: Market Capitalization is determined by each Member relative to their market.

Figure B.4

Percentage of Listed PIE Audits Inspected with and without Findings by Market Capitalization, 2021-2025 Survey

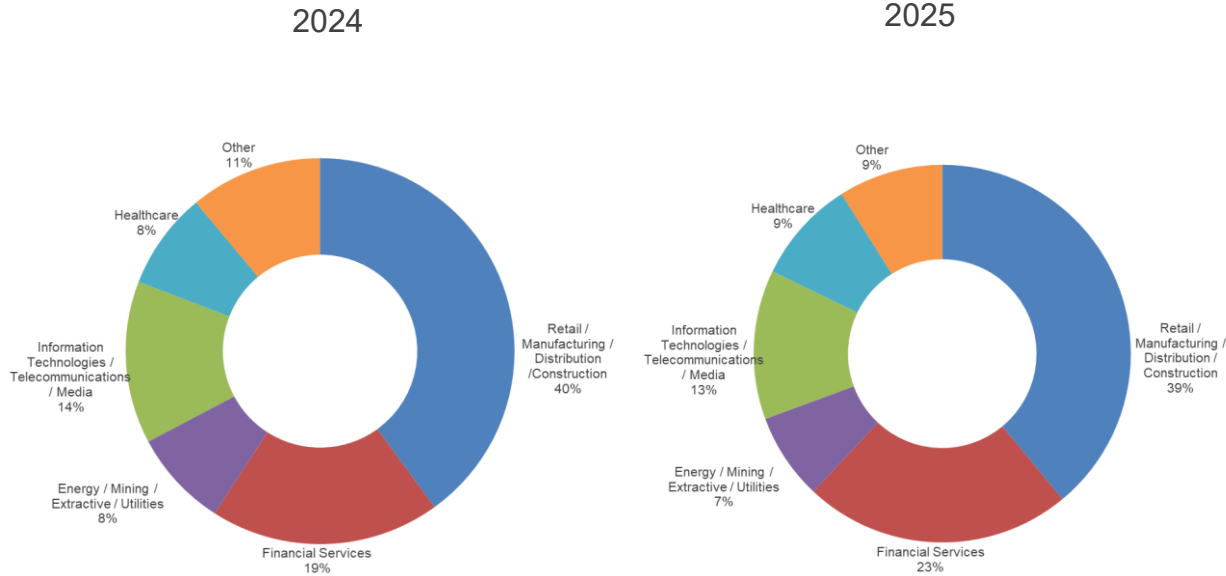


Note: Market Capitalization is determined by each Member relative to their market.

Appendix B: Engagement-level Inspection Results

Figure B.5

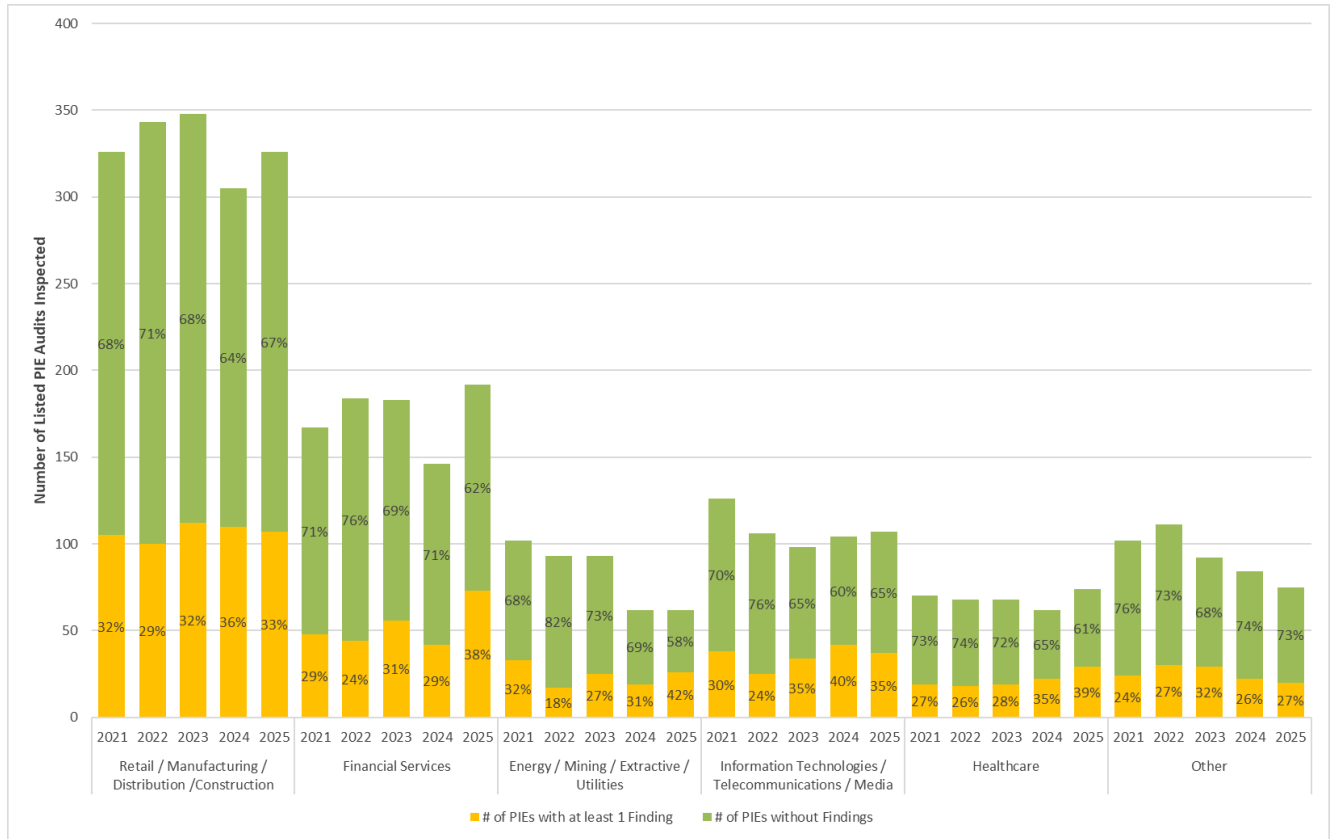
Listed PIE Audits Inspected by Industry, 2024 and 2025 Survey



Appendix B: Engagement-level Inspection Results

Figure B.6

Percentage of Listed PIE Audits Inspected with and without Findings by Industry, 2021 - 2025 Survey

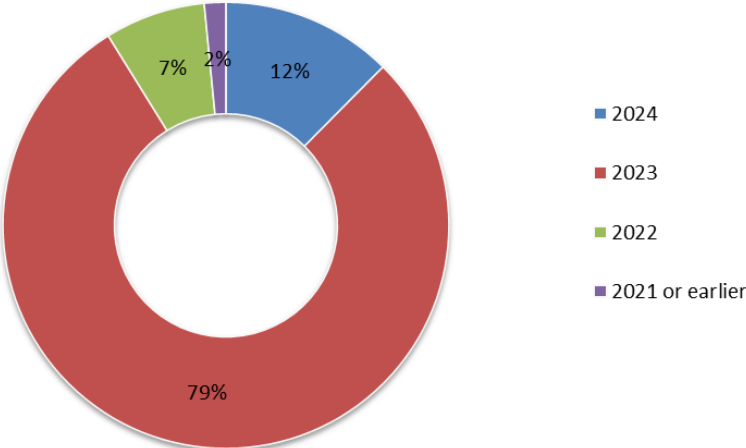


Appendix B: Engagement-level Inspection Results

The survey data may not reflect the most current state of audit performance. This is in part due to the time necessary, after completion of a financial statement audit, for the inspection to occur and for the inspected member firm and the audit regulator to complete any required processes that precede issuance of a final inspection report. As a result of this reporting time lag, actions undertaken to improve audit quality may not be reflected immediately in IFIAR’s published survey results. The chart below illustrates this time lag, allocating the inspected audits reported in the 2025 survey by the fiscal year end of the listed PIEs’ audited financial statements.

Figure B.7

Fiscal Year Ends of Listed PIE Audits Inspected, 2025 Survey



Appendix B: Engagement-level Inspection Results

B. Data on Inspection Results

Table B.2 Listed PIE Audits

2021-2025 Survey Results: Audits Inspected with at Least One Finding by Inspection Theme

Inspection Theme	2021			2022			2023			2024			2025		
	# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding		# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding		# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding		# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding		# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding	
		#	%		#	%		#	%		#	%		#	%
Accounting Estimates, including Fair Value Measurement	573	107	19%	562	97	17%	538	98	18%	472	77	16%	498	112	22%
Internal Control Testing	735	80	11%	633	58	9%	630	74	12%	581	75	13%	641	88	14%
Audit Sampling	546	36	7%	485	35	7%	461	42	9%	431	47	11%	420	46	11%
Audit Committee Communications	799	29	4%	739	26	4%	636	31	5%	593	24	4%	725	79	11%
Inventory Procedures	328	14	4%	270	9	3%	262	14	5%	227	20	9%	279	26	9%
Adequacy of Financial Statement Presentation and Disclosure	547	52	10%	531	43	8%	554	48	9%	455	46	10%	445	41	9%
Revenue Recognition	694	59	9%	651	53	8%	625	46	7%	609	55	9%	635	53	8%
Use of Experts and Specialists	501	17	3%	428	17	4%	454	25	6%	379	12	3%	395	23	6%
Risk Assessment	827	30	4%	817	22	3%	815	31	4%	696	39	6%	770	44	6%
Adequacy of Review and Supervision	522	15	3%	478	18	4%	482	16	3%	370	10	3%	420	23	5%
Group Audits	447	21	5%	351	25	7%	356	28	8%	275	18	7%	348	18	5%
Going Concern	374	13	3%	461	13	3%	301	8	3%	212	10	5%	232	11	5%
Substantive Analytical Procedures	392	18	5%	339	18	5%	369	22	6%	280	13	5%	331	15	5%
Fraud Procedures	531	19	4%	488	14	3%	571	24	4%	463	17	4%	714	25	4%
Related Party Transactions	266	11	4%	202	8	4%	292	14	5%	200	3	2%	523	18	3%
Audit Report	574	31	5%	719	43	6%	786	50	6%	699	58	8%	758	24	3%
Engagement Quality Control Review	434	7	2%	386	17	4%	379	13	3%	306	7	2%	341	10	3%

While the table above details the number of listed PIE audits with at least one finding, the table below provides the total number of findings by inspection theme. Note that an inspected listed PIE audit may have more than one finding under a single inspection theme. As a result, the total number of findings (per the table below) for most themes exceeds the number of listed PIE audits with at least one finding (per the table above) for that theme.

Appendix B: Engagement-level Inspection Results

Table B.3 Listed PIE Audits

2021-2025 Survey Results: Total Number of Findings by Inspection Theme

Inspection Theme	2021	2022	2023	2024	2025
Internal Control Testing	203	150	206	221	213
Accounting Estimates, including Fair Value Measurement	158	147	149	131	166
Audit Committee Communications	30	28	31	25	92
Revenue Recognition	78	71	58	81	72
Audit Sampling	43	60	58	71	57
Risk Assessment	37	33	39	49	53
Adequacy of Financial Statement Presentation and Disclosure	71	95	75	62	52
Use of Experts and Specialists	19	25	33	29	33
Related Party Transactions	11	12	14	3	31
Fraud Procedures	19	19	30	20	29
Inventory Procedures	16	13	19	20	29
Adequacy of Review and Supervision	19	24	18	12	28
Audit Report	47	52	54	66	25
Group Audits	22	37	37	22	19
Going Concern	14	22	8	13	17
Substantive Analytical Procedures	23	26	30	16	16
Engagement Quality Control Review	7	18	13	7	10

Appendix B: Engagement-level Inspection Results

In the 2021-2025 surveys, certain IFIAR Members provided additional details regarding findings. Not all Members reporting listed PIE audit inspection findings provided this supplemental information.

Table B.4 Listed PIE Audits

2021-2025 Supplemental Details on Nature of Findings for Select Inspection Themes

Inspection Theme	Theme Sub Category	Number of Findings				
		2021	2022	2023	2024	2025
Accounting Estimates, including Fair Value Measurement	Reasonableness of assumptions - When testing an accounting estimate, failure to assess the reasonableness of assumptions including consideration of contrary or inconsistent evidence where applicable	83	77	56	62	95
	Failure to sufficiently test the accuracy of the data	26	31	40	27	31
	Failure to perform sufficient risk assessment procedures	16	18	19	21	25
	Failure to adequately consider indicators of bias	13	5	9	4	10
	Failure to take relevant variables into account	11	7	13	9	4
	Failure to evaluate how management considered alternative assumptions	4	2	4	1	1
Internal Control Testing	Failure to obtain sufficient persuasive evidence to support reliance on manual internal controls	76	52	46	68	69
	Failure to sufficiently test controls over, or the accuracy and completeness of, data or reports produced by management	34	31	48	44	43
	Failure to sufficiently test information technology general and application controls	29	50	65	55	39
	Failure to sufficiently evaluate the severity of control deficiencies	14	3	10	14	11
	Failure to appropriately adjust testing as a result of ineffective controls	5	4	2	3	6
	Failure to adequately assess the appropriateness of placing reliance on the work of others	4	6	5	3	3
Revenue Recognition	Failure to sufficiently understand the terms and conditions of complex arrangements and the impact on the accounting	31	16	24	28	25
	Failure to appropriately assess and respond to the risk of fraud in revenue recognition	7	10	11	14	16
	Failure to perform procedures to determine whether revenue was recorded in the appropriate period	13	12	4	10	6
Adequacy of Financial Statement Presentation and Disclosures	Failure to sufficiently consider the adequacy of footnote disclosures (excluding segment data)	30	57	47	30	29
	Failure to identify or assess appropriateness of financial statement classification or presentation, including the Statement of Cash Flows	30	29	25	27	21
	Failure to evaluate and test segment data presentation	5	2	0	2	0
Audit Sampling	Insufficient sample to reduce sampling risk to an acceptable low level	29	28	31	34	24
	Failure to design appropriate procedures to achieve the test objective, and/or to perform suitable alternative procedures when necessary	2	7	5	17	16
	Sample selected for testing is biased and/or not representative of the population	7	13	15	12	11
	Failure to investigate the nature and cause of any deviations and project misstatement to the population	5	11	3	8	6
Group Audits	Failure to sufficiently consider the nature, timing and extent of involvement with the component auditor's work including evidence of reviews performed	7	16	13	11	12
	Failure to develop a group audit plan (e.g. scoping) and/or appropriately communicate instructions to the component auditor	10	8	4	3	3
	Failure to appropriately resolve issues identified by the component auditor	0	2	1	3	0
	Failure to appropriately calculate materiality for the group and the related component audits	4	5	1	0	0

Appendix B: Engagement-level Inspection Results

Section 2: SIFI Audits Inspected

The IFIAR survey collects inspection data specific to audits of SIFIs. These SIFIs include both banks and insurance companies. Some of these SIFIs are considered global SIFIs.⁴ Many are listed companies and, therefore, the findings from inspections of these SIFIs also are included in the survey's listed PIE inspection results.

The number of SIFI audits inspected is lower than listed PIE audits inspected due to the limited number of financial institutions deemed to be SIFIs. In addition, the focus of Members' inspection programs change year-over-year, leading to fluctuations in the number of SIFIs inspected in any given year. Trends in survey data for this limited population therefore provide limited information.

SIFI Audit Inspection Findings

Globally, the number of SIFIs is significantly smaller than the number of listed PIEs. The small number of SIFIs in certain jurisdictions may introduce confidentiality considerations that prevent a Member from reporting SIFI inspection results for purposes of the survey. Further, in some jurisdictions, the IFIAR Member responsible for audit oversight of listed PIE audits may not have authority for oversight of financial institution audits. For these reasons, the survey reports on a significantly lower number of inspected SIFI audits than of inspected listed PIE audits. While IFIAR's cautions on seeking to analyze trends in survey results apply to all areas of the survey, this is particularly important with the relatively small population of SIFIs.

	2021	2022	2023	2024	2025
Members reporting SIFI results	13	18	17	14	16
Number of SIFI audits inspected	28	39	46	22	39
Number of audits with at least one inspection finding	12	13	21	7	18
Percentage of SIFI audits with at least one inspection finding	43%	33%	46%	32%	46%

The table below provides details from the 2021-2025 surveys for the calculation by inspection theme of the percentage of SIFI audits with at least one inspection finding.

⁴ Based on data published by the Financial Stability Board regarding financial institutions that are considered systemically-important globally, or G-SIFIs (see the FSB press releases on [global systemically important banks](#) and [global systemically important insurers](#)).

Appendix B: Engagement-level Inspection Results

Table B.5 SIFI Audits

2021-2025 Survey Results: Audits Inspected with at Least One Finding by Inspection Theme

Inspection Theme	2021			2022			2023			2024			2025		
	Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding		Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding		Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding		Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding		Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding	
		#	%		#	%		#	%		#	%		#	%
Adequacy of Financial Statement Presentation and Disclosures	19	3	16%	23	2	9%	25	6	24%	11	0	0%	27	7	26%
Valuation of Investments and Securities	19	3	16%	17	0	0%	23	2	9%	12	0	0%	24	4	17%
Audit of Insurance Contract Liabilities	8	1	13%	7	0	0%	12	1	8%	3	0	0%	7	1	14%
Testing of Customer Deposits and Loans	15	0	0%	15	3	20%	22	4	18%	11	1	9%	22	3	14%
Risk Assessment	26	1	4%	28	5	18%	36	3	8%	21	0	0%	37	5	14%
Substantive Analytical Procedures	17	0	0%	18	4	22%	22	2	9%	9	1	11%	23	3	13%
Audit of Allowance for Loan Losses and Loan Impairments	26	4	15%	23	7	30%	32	6	19%	17	2	12%	26	3	12%
Use of Experts and Specialists	21	1	5%	20	2	10%	24	6	25%	13	0	0%	26	3	12%
Fraud Procedures	20	1	5%	20	4	20%	27	4	15%	14	0	0%	32	3	9%
Audit Methodology, including Programs and Tools	18	2	11%	16	5	31%	22	4	18%	8	1	13%	25	2	8%
Internal Control Testing	26	7	27%	30	2	7%	37	6	16%	19	2	11%	32	2	6%
Group Audits	16	1	6%	10	1	10%	20	3	15%	6	0	0%	18	1	6%
Insufficient Challenge and Testing of Management's Judgments and Assessments	20	3	15%	21	4	19%	20	1	5%	8	0	0%	26	1	4%
Audit Committee Communications	24	1	4%	28	1	4%	31	1	3%	18	0	0%	35	1	3%
Going Concern	11	0	0%	16	1	6%	15	2	13%	6	0	0%	19	0	0%
Audit Report	22	2	9%	25	2	8%	36	1	3%	19	0	0%	36	0	0%

While the table above details the number of SIFI audits with at least one finding, the table below provides the total number of findings by inspection theme for each year the survey was conducted. Note that an inspected SIFI audit may have more than one finding under a single inspection theme. Because of this, the total number of findings for some themes (per the table below) exceeds the number of SIFI audits with at least one finding (per the table above) for that theme.

Appendix B: Engagement-level Inspection Results

Table B.6 SIFI Audits

2021-2025 Survey Results: Total Number of Findings by Inspection Theme

Inspection Theme	2021	2022	2023	2024	2025
Risk Assessment	2	7	5	0	9
Adequacy of Financial Statement Presentation and Disclosures	3	2	10	0	8
Audit Methodology, including Programs and Tools	5	6	24	1	7
Valuation of Investments and Securities	3	0	2	0	7
Audit of Allowance for Loan Losses and Loan Impairments	4	7	7	2	6
Testing of Customer Deposits and Loans	0	4	6	1	5
Internal Control Testing	10	3	17	3	4
Substantive Analytical Procedures	0	4	2	1	3
Use of Experts and Specialists	1	2	6	0	3
Fraud Procedures	1	4	4	0	3
Group Audits	1	1	8	0	1
Audit of Insurance Contract Liabilities	1	0	2	0	1
Insufficient Challenge and Testing of Management's Judgments and Assessments	3	6	1	0	1
Audit Committee Communications	1	1	1	0	1
Going Concern	0	1	2	0	0
Audit Report	10	3	1	0	0

Appendix C:

About IFIAR and the Survey of Inspection Findings

About IFIAR

IFIAR is a membership organization of audit regulators that are independent from the audit profession.⁵ IFIAR's membership includes 56 audit regulators from jurisdictions from Africa, North America, South America, Asia, Oceania, and Europe. IFIAR focuses on the following activities:

- Sharing knowledge of the evolving audit environment and practical experience of independent audit regulatory activity,
- Promoting collaboration and consistency in regulatory activity, and
- Providing a platform for dialogue with other international organizations that have an interest in audit quality.

An audit firm network is composed of individual audit firms that are members of a global organization. Many audits today involve practitioners from network member firms in a number of countries. The audit of a multinational company may involve significant work performed by many, legally separate audit firms that operate as a network. The audit firms within the network often have a common name and common auditing, quality management, and ethics policies and requirements. The multinational aspects of audit, and the involvement of many local audit firms that are members of a global firm network, call for collaboration by regulators globally.

Through IFIAR, audit regulators seek to coordinate their understanding and assessments of trends in and challenges to audit quality. IFIAR's work positions its Members to evaluate the various issues discussed at the global level with the member firms in their own jurisdictions. Exchanges of perspectives and experiences with fellow IFIAR Members reinforces audit regulators' efforts to promote an audit function that provides the expected degree of confidence in financial reporting.

The Inspection Findings Survey

In 2012, IFIAR initiated an annual survey of findings resulting from its Members' inspections of audit firms affiliated with the six largest global audit firm networks.⁶ The aim of the survey is not to measure empirically, or for statistically significant, changes in audit quality; rather, the survey indicates areas of common audit shortcomings and their trends over time, and informs IFIAR's efforts to identify areas for discussion among regulators and with audit firm networks and other stakeholders in audit quality.

⁵ More information on IFIAR and its activities can be found at www.ifiar.org.

⁶ See [here](#) for past survey reports. Prior to the 2015 survey, Members also could choose to report inspection findings related to other firms considered significant in the reporting Members' jurisdictions (see footnote 10 of the 2015 survey report for information about the impact of this change).

Appendix C: About IFIAR and the Survey of Inspection Findings

The survey relates to two types of findings communicated in writing to an inspected member firm in a formal inspection report at the conclusion of an inspection: (1) those related to audit engagements and (2) those related to the member firms' firm-wide systems of quality management. With respect to **audit engagement findings** related to a financial statement balance or disclosure, a deficiency is either a matter with respect to which the member firm did not obtain sufficient audit evidence to support its opinion or a failure to identify or address a material, or likely potential material, error in the application of an accounting principle. With respect to all other themes, a deficiency is a departure from auditing standards or requirements. With respect to quality control/management, **for jurisdictions who have not adopted ISQM 1 or similar, a deficiency or finding** is a departure from standards on quality control and ethics and independence requirements that may or did have an effect on audit quality, either due to the significance or systemic nature of the departure. **For jurisdictions that have adopted ISQM 1, a deficiency** is when (i) a quality objective required to achieve the system of quality management is not met; (ii) a quality risk, or combination of quality risks, is not identified or properly assessed; (iii) a response, or combination of responses, does not reduce to an acceptable low level the likelihood of a related quality risk occurring because the response is not properly designed, implemented or operating effectively; or (iv) an other aspect of the system of quality management is absent, or not properly designed, implemented or operating effectively, such that a requirement of the standard has not been addressed.

An inspection finding related to an audit engagement does not necessarily indicate that the financial statements are misstated; the audited entity's accounting and disclosure may have been appropriate, whether or not the auditor satisfied the requirements of auditing standards. IFIAR has not sought to quantify misstatements associated with Member findings because 1) the transparency and manners of addressing errors in financial statements vary in Members' jurisdictions, including in some cases not restating, and 2) the regulatory mandates of many Members do not extend to the determination of whether or not financial statements are misstated.

There is a passage of time from when an audit is completed until an inspection is performed, a final report issued, and the inspections results are reported in IFIAR's survey. Due to this reporting time lag, actions already under way to improve audit quality may take time to be reflected in IFIAR's published survey results. Therefore, the survey is a lagging indicator and may not reflect the state of the auditing profession at the current time. (See Appendix B, Figure B.7 for information collected in the 2025 survey to understand the extent of the lag.)

IFIAR Members are instructed not to report findings from more than one annual inspection cycle, and to report only on findings related to member firms located in their jurisdiction. Therefore, the findings from no more than one inspection report per member firm are submitted for the survey.

All IFIAR Members are asked to respond to IFIAR's surveys of inspection findings.⁷ The survey collects data on Members' findings from inspections of:

⁷ IFIAR Members from the following jurisdictions participated in the 2025 survey: Albania, Australia, Austria, Belgium, Botswana, Brazil, Bulgaria, Canada, Cayman Islands, Chinese Taipei, Croatia, Cyprus, Czech Republic, Denmark, Dubai International Financial Centre, France, Georgia, Germany, Gibraltar, Greece, Hungary, India, Indonesia, Ireland, Italy, Japan, Lithuania, Luxembourg, Malaysia, Mauritius, Netherlands,

Appendix C: About IFIAR and the Survey of Inspection Findings

- member firms' firm-wide systems of **quality management**;
- audits of **listed PIEs**, including any listed SIFIs; and
- audits of **SIFIs**, whether or not a listed entity.⁸

In all years, information was collected on the total number of inspection findings by inspection theme. Respondents reported findings categorized into 17 inspection themes for audits of listed PIEs. Separately, the survey solicited data on findings from inspections of audits of G-SIFIs and other SIFIs, reported using 16 inspection themes relevant to audits of financial institutions. For each inspection theme, Members reported 1) the number of audits inspected, 2) the number of inspected audits with at least one finding, and 3) the total number of findings. The frequency of findings by theme is calculated as the number of inspected audits with at least one finding divided by the number of audits inspected for that theme. Findings from inspections of firm-wide systems of quality management were reported using ten themes. For each quality management inspection theme, Members reported 1) the number of member firms inspected, 2) the number of inspected member firms with at least one finding, and 3) the total number of findings. The frequency of findings by quality management theme is calculated as the number of inspected member firms with at least one finding divided by the number of member firms inspected for that quality management theme.

The approach taken for the 2025 survey was generally consistent with that used in prior surveys, except for the changes to realign the quality control elements of ISQC1 with those of ISQM1 and ISQM 2, and bifurcate the definition of a findings between engagements and quality management.

Individual Members' classification of findings may change over time, due in part to clarifications and additional instructions provided to assist Members in determining how to classify a finding that relates to multiple themes. For example, a finding about **risk assessment** related to **fraud procedures** in the area of **revenue recognition** could be placed under one of three themes (indicated in bold). To minimize differences in judgment between Members completing the survey, Members are periodically provided additional instructions to improve consistency of individual Members' approaches to reporting for purposes of the survey (in the example provided, under the "Revenue Recognition" theme).

Beginning with the 2016 survey, IFIAR provides additional guidance to Members to assist in their determination of which financial institutions are considered to be SIFIs in their jurisdiction. This effort is aimed at collecting data about this important category of reporting companies with aspects of financial reporting that require extensive judgment and estimates and, therefore, present particular audit considerations.

New Zealand, Norway, Philippines, Poland, Portugal, Romania, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Thailand, Türkiye, Ukraine, United Kingdom, and United States.

⁸ The survey also collected findings data on inspections of global SIFIs, or G-SIFIs. Due to national confidentiality limitations and the limited number of G-SIFIs, IFIAR does not publish the results of G-SIFI audit inspections but considers this information for internal purposes.

Appendix C: About IFIAR and the Survey of Inspection Findings

Beginning with the 2015 survey, reporting on findings is limited to inspections of a member firm of one of the six GPPC networks.⁹ Not all GPPC networks' audit practices are of significant size in all IFIAR Member jurisdictions, and other firms not covered by this survey may play a significant role in certain jurisdictions. However, the GPPC networks include the six audit firm networks that are most common across IFIAR Members' jurisdictions, and IFIAR's discussions with audit firms to date have focused on the GPPC networks. Through its GAQ Working Group, IFIAR has deepened its discussions with the GPPC networks on findings, root cause analysis, and the networks' plans to take responsive action to improve audit quality. Collecting data about findings only on the member firms that are part of the GPPC networks should assist IFIAR in a targeted discussion with the networks on trends in findings and audit quality.

⁹ IFIAR does not collect data by firm for the survey's inspection findings themes. Because of this, it has not adjusted prior survey information to remove findings related to audit firms that are not part of a GPPC network. To assess the general impact non-GPPC network audit firms had on survey results prior to 2015, IFIAR considered the total number of audit firms and listed PIE audits inspected, and the frequency at which those audits had at least one finding. The 2014 survey included findings from 62 listed PIE audits inspected at 18 non-GPPC network audit firms. Had these inspection results been excluded from the 2014 survey, the frequency of listed PIE audit files inspected and with at least one finding would have been 46%; this compares to 47% with these non-GPPC network audit firms included, as reported in the report on the 2014 survey. The exclusion of findings from inspections of non-GPPC network audit firms in the 2015 survey is not expected to have a significant impact on general trends or frequency of inspection themes.