

i/c/a/c/ Instituto de Contabilidad y
Auditoría de Cuentas

The state of auditing in Spain 2023

The state of auditing

in Spain 2023

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The state of Auditing in Spain 2023

Executive summary

The audit sector increases its turnover

The following conclusions can be drawn from the report about the state of auditing in Spain 2023:

The auditing sector has significantly increased the level of its turnover compared to the previous year. In 2023, the total turnover figure stood at 891,729,299 euros, significantly higher than the figure of 826,443,738 euros reached in 2022, which represents an increase of 7.90% in the turnover figure compared to the previous year.

The aforementioned turnover is distributed between 26,390,028 euros invoiced by sole practitioners, which represents a decrease of 3.61% compared to 2022, and 865,339,271 euros invoiced by audit firms, which represents a significant increase of 8.29%.

On 31 December 2023, the number of individuals registered in the Official Register of Auditors was 21,522, slightly lower than in December of the previous year (21,545). With regard to audit firms, as of 31 December 2023, there were 1,379 registered firms, 34 fewer than in the same month of the previous year, a reduction of 2.41%.

The number of professionals at the disposal of auditors increased in 2023 to 19,089 people, an increase of 655 people compared to 2022 (+3.55%), in line with the increase in turnover, although it is true that turnover has increased by a higher percentage, as mentioned above. All of this increase is due to the number of staff employed by audit firms, which stood at 18,034 from 16,872 in 2022, given that the number of staff employed by sole practitioner has considerably decreased by 507 (1,055 in 2023 and 1,562 in 2022).

As in previous years, there continues to be a high concentration of activity in audit firms, particularly in the larger firms. Of the sector's total turnover in 2023, 97.04% was generated by audit firms, while only 2.96% was generated by sole practitioners. In 2023, the weight of companies in the total turnover has increased compared to 2022, which stood at 96.69%.

Within audit firms, the eight firms with a turnover of more than 8 million euros account for only 0.60% of the total number of audit firms (same as in 2022) but had a turnover of 68.88% (68.77% in 2022) of the total turnover of all audit firms (596.08 million euros of the 865.34 million euros turnover of all firms).

As far as the sole practitioners are concerned, there is also a concentration of turnover among the statutory auditors with the highest turnover. The group of statutory auditors with a turnover of more than 30,000 euros accounted for 15.90% in 2023 (16.57% in 2022) of the total number of sole practitioners. However, their turnover accounted for 79.72% (79.55% in 2022) of the total turnover of all sole practitioners (€21.04 million of the total €26.39 million turnover of sole practitioners).

The total number of audit engagements and reports produced in 2023 amounted to 69,260, an increment of 1% compared to the figure for 2022. Furthermore, a significant concentration can be observed in the Public Interest Entities (hereinafter, PIEs) segment, as 78.10% (78.81% in 2022) of the audit engagements and reports are produced by the four largest audit firms. This concentration is lower in non-PIEs, where 29.89% (31.24% in 2022) of the engagements and reports are signed by the four largest audit firms.

In relation to the audit engagements and reports issued and declared, the majority have been carried out for small entities, 45.20% (50.19% in 2022), followed by those carried out for medium-sized entities, 38.39% (37.34% in 2022) and, to a lesser extent, for large entities with 16.41% (12.47% in 2022) of the audit engagements and reports. Therefore, about 2022's, it can be seen that small entities have lost relative weight compared to medium-sized and large entities, which have increased their weight in the sector from the point of view of engagements and reports issued and declared.

The average term of audit contracts is 6.86 years in 2023. Likewise, in 2023, the average contract term was 6 years for PIEs and 6.89 years for non-PIEs.

In 2023, the number of engagements and reports produced in the joint audit mode increased slightly to 107 compared to 101 in 2022, reversing the downward trend of the previous year, when the number of joint audit reports was significantly reduced.

The number of auditors, both individual and firms, auditing PIEs stands at 78 as of December 31, 2023, (74 in 2022), which is 4 more than in the previous year. Of the total number of auditors auditing PIEs, 72 are audit firms (6 less than in the previous period) and 6 are sole practitioners (2 more than in 2022).



Presentation of the report

1 Presentation of the report

Audit regulation in Spain is mainly set out in Law 22/2015, on Auditing (hereinafter, LAC), and in its implementing regulations approved by Royal Decree 2/2021 (hereinafter, RLAC).

The Spanish Accounting and Auditing Institute approved, by means of a Resolution, the models of information to be submitted by auditors and audit firms to comply with the provisions of article 89 of the aforementioned RLAC. This Resolution has been updated several times to adapt the information provided to the ICAC to the economic context and supervisory needs.

The data completed and sent to this Institute in accordance with these models, and which refer to the period from October 1, 2021, to September 30, 2022, have been the basis on which this report on auditing in Spain has been drawn up. However, in those cases where more up-to-date information is available, it has been collected with reference to 31 December 2023, as is the case, mainly, of the information referring to the Official Register of Auditors (hereinafter, ROAC). In general, comparative information is included for the two immediately preceding years, to allow a better monitoring of the evolution experienced.

Thus, section 2 of this report contains information on the statutory auditors registered with the ROAC as of December 31, 2022, relating to two sections of this register, one referring to sole practitioners and the other to audit firms. The section on sole practitioners shows the audit engagements to each of the situations established in the RLAC. As in previous years, information is included in accordance with article 20 of Organic Law 3/2007, of 22 March, for the effective equality of women and men.

This section also includes information on the membership, both of sole practitioners and auditing firms, of the professional associations representing auditors, currently the General Council of Economists of Spain-Register of Economist Auditors (CGEE-REA) and the Institute of Chartered Accountants of Spain (ICJCE). In those cases, in which an auditor or audit firm belonged to more than one professional body, only the one for which the first choice was made has been considered. The number of persons who, in addition to practising individually, are listed as appointed is also specified.

This section 2 also includes the auditor distribution by province, according to the notification of offices opened by audit firms and sole practitioners.

Section 3, concerning professionals at the disposal of statutory auditors, includes all natural persons registered with the ROAC who have provided services for the account of others, as well as persons who, without being registered with the ROAC, have carried out this activity on behalf of firms or sole practitioners. This section includes both the number and the average number of persons employed by them, as well as the distribution of sole practitioners and firms according to the number of persons employed.

Section 4 contains separate 2023 turnover data for sole practitioners and for firms, as well as their development over the last three financial years. Each section in turn refers to the number of statutory

auditors and firms that invoiced and the distribution for practising auditors and firms by invoicing range and by the professional body to which they belong as of 31 December 2023.

Section 5 lists the audit engagements and reports on accounts audited, classified according to the type of entity and according to the turnover of the audited entity. This section also includes a breakdown of the type of audit work performed, by type of entity audited, a classification of the number of reports issued to large, small and medium-sized entities has been added, taking into account the definition of small and medium-sized entities given in sections 9 and 10, respectively, of article 3 of the Law on Audit, as well as the voluntary or compulsory nature of audits declared by the auditors and audit firms, in accordance with the parameters established in article 263, paragraphs 2 and 3, of the revised text of the Law of Capital Companies (Royal Legislative Decree 1/2010, of 2 July).

In the 2022 report, several new features were included with the aim of providing more information on the sector. For example, it includes a sectoral concentration index of turnover and its evolution in recent years, distinguishing between PIE and non-PIE. Also, the distribution of audit reports by type of opinion is analysed. It is also worth highlighting the analysis of the evolution of the average duration of audit contracts over the last 3 years, as well as the analysis of the number of engagements and reports that have been prepared in joint audit mode.

Finally, section 6 includes information on the number of public interest entities (PIEs) audited in 2023, as well as the number of sole practitioners and audit firms that have produced engagements and reports for public interest entities.

The total number of reports, the number of reports by type of opinion and the number of reports by type (individual or joint audit) can also be found for public interest entities. Finally, this section also contains information on the average duration of audit contracts and on turnover.



2

**Audit firms registred
in the ROAC**

2 Audit firms registered in the ROAC

2.1 Sole practitioners registered with the ROAC

//// **TABLE 1** Sole practitioners registered with the ROAC according to their situation

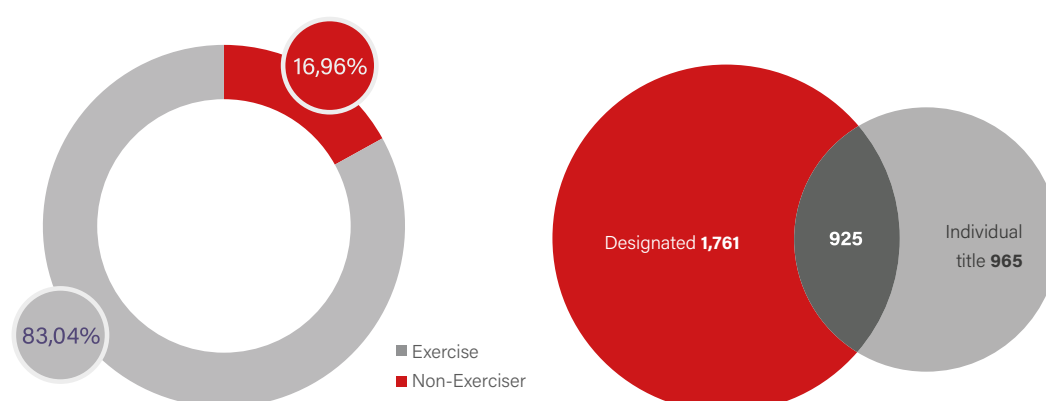
Situation	Male	Female	Total
Practising	2,836	815	3,651
Designated	2,082	604	2,686
Independent	1,527	363	1,890
Non-practising	13,034	4,837	17,871
Total	15,870	5,652	21,522

The number of sole practitioners registered with the ROAC is 21,522, of whom 15,870 are men (73.74%) and 5,652 women (26.26%).

Of the total number of registered persons, the majority, 83.04%, are non-practising auditors, while 3,651 persons (16.96%) are practising auditors.

Among the practising auditors, it should be noted that it is possible to find some who are practitioners in both modalities simultaneously: sole practitioners and those appointed in an audit firm (925).

//// **CHART 1** Distribution of natural persons registered with the ROAC according to their status



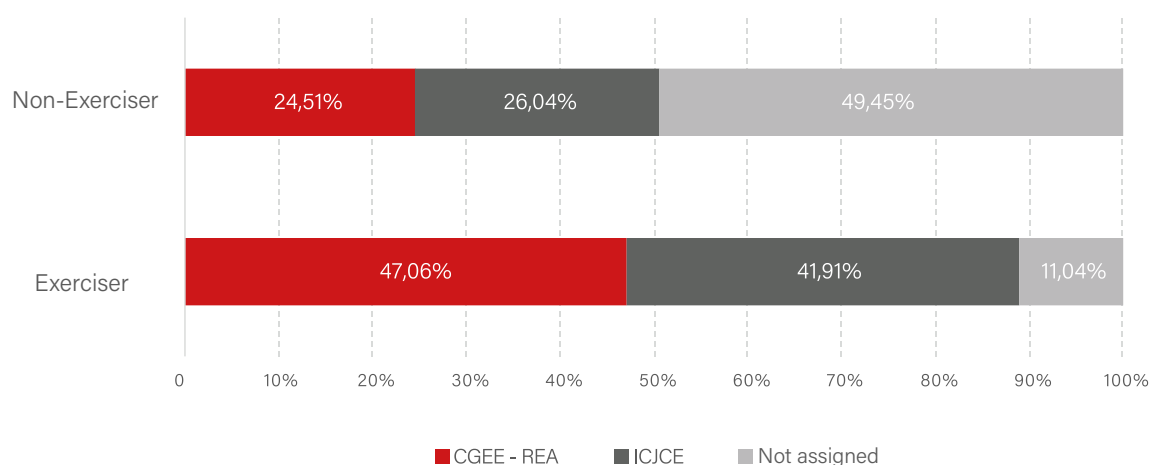
2.2 Membership of professional bodies

By affiliation to each professional body, of the total number of persons registered with the ROAC (21,522) in 2023, 6,183 declared themselves to be affiliated to the ICJCE, as the first professional association, and 6,099 to the CGEE-REA. It should be noted that, of the 9,240 persons who are not registered with any professional body, the vast majority (95.64%) are non-practising.

TABLE 2 Distribution of natural persons registered with the ROAC by membership of professional bodies and status

Professional bodies	Situation	Male	Female	Total
CGEE-REA	Total	4,774	1,325	6,099
	Practising	1,363	355	1,718
	Non-practising	3,411	970	4,381
ICJCE	Total	4,905	1,278	6,183
	Practising	1,197	333	1,530
	Non-practising	3,708	945	4,653
Non registered	Total	6,191	3,049	9,240
	Practising	276	127	403
	Non-practising	5,915	2,922	8,837
Total		15,870	5,652	21,522

CHART 2 Distribution of natural persons registered in the ROAC by membership of professional bodies and status



2.3 Annual evolution

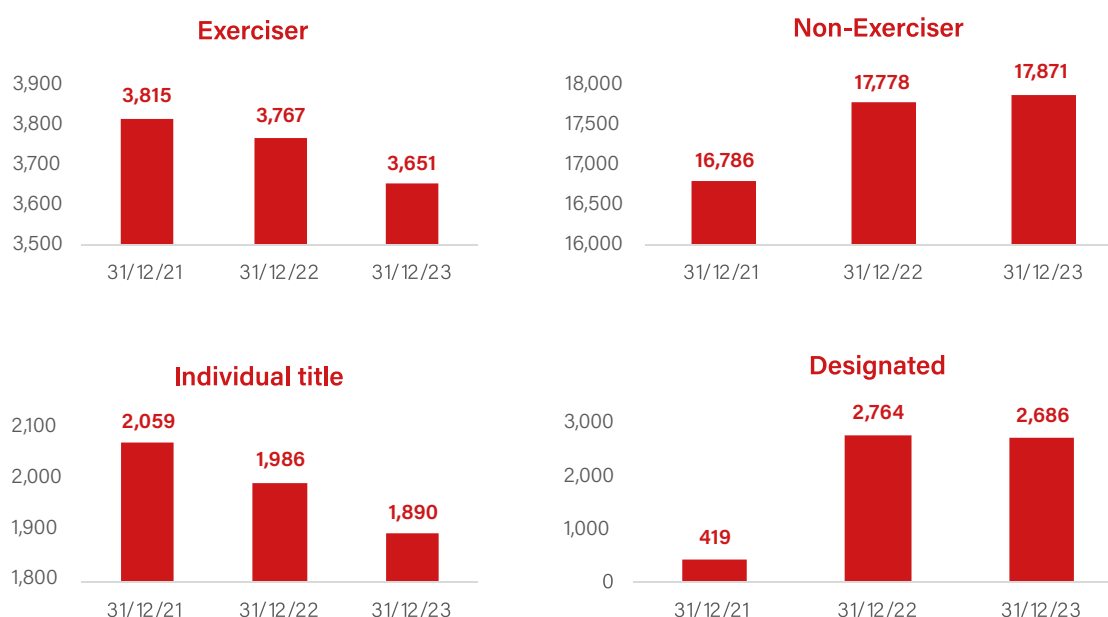
//// **TABLE 3** Annual evolution of natural persons registered with the ROAC according to their situation

Situation	31/12/2021	31/12/2022	31/12/2023
Practising	3,815	3,767	3,651
Designated	419	2,764	2,686
Partners	2,417	-	-
Independent	2,059	1,986	1,890
Non-practising	16,786	17,778	17,871
Non-practising employed person (NECA)	832	-	-
Total	21,433	21,545	21,522

In 2022 there was a substantial change in the different types of auditors registered in the ROAC, with the disappearance of the categories of "Partner" and "Non-practising auditor providing services for others".

The most relevant analyses that can be made are the variation in the total number of auditors registered with the ROAC and the variation in the number of practising auditors. With regard to the former, the total number of auditors registered with the ROAC has slightly decreased in 2023 by 0.11% to 21,522, compared to 21,545 in 2022. As regards the change in the number of practising auditors, the number of practising auditors continues to decrease. In 2022, their number fell by 1.26% compared to the previous year, and in 2023 there was a further fall (3.08%), significantly more than in 2022, from 3,767 in 2022 to 3,651 practising auditors in 2023. This gradual decrease in the number of practising auditors contrasts with the growth in turnover experienced by the sector.

//// **CHART 3** Annual evolution of natural persons registered in the ROAC according to their situation



2.4 Annual evolution of affiliation to professional bodies (natural persons)

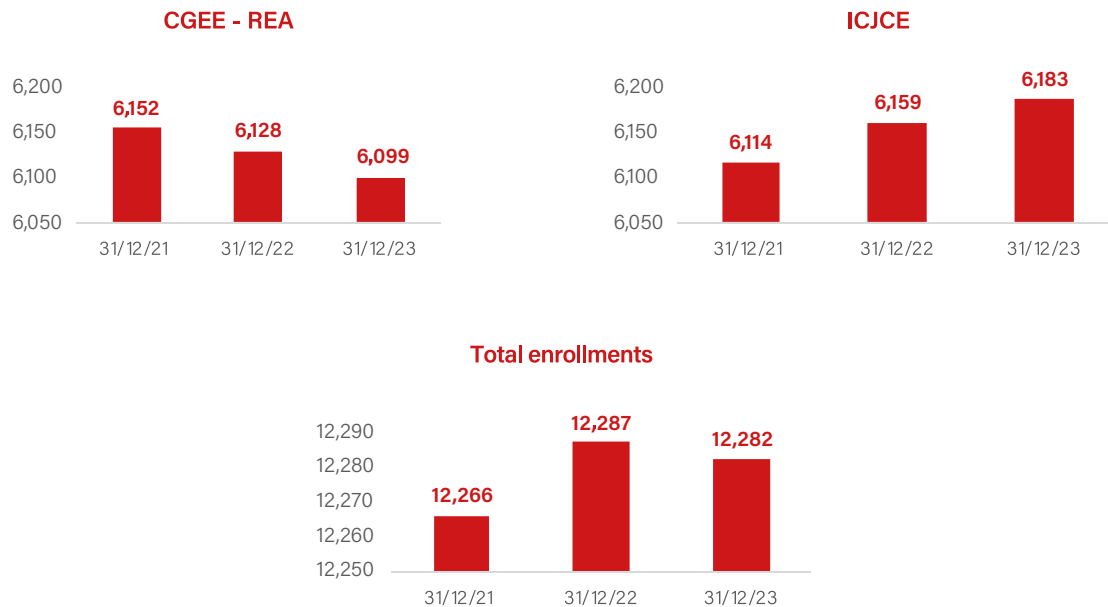
TABLE 4 Annual evolution in the number of sole practitioners registered in the ROAC by membership of a professional body and status

Professional bodies	31/12/2021	31/12/2022	31/12/2023
CGEE-REA	6,152	6,128	6,099
Practising	1,833	1,777	1,718
Non-practising	4,147	4,351	4,381
ICJCE	6,114	6,159	6,183
Practising	1,575	1,559	1,530
Non-practising	4,211	4,600	4,653
Total	12,266	12,287	12,282

In 2023, the number of auditors registered with corporations fell slightly from 12,287 in 2022 to 12,282 in 2023, a decrease of 0.04%.

By corporations, the number of auditors registered with CGEE-REA has decreased by 0.47% (29 fewer registered auditors than in 2022), while in the case of ICJCE, there has been an increase of 0.39% (24 more registered auditors than in 2022).

CHART 4 Annual evolution of the natural persons registered in the ROAC by type of company and by status

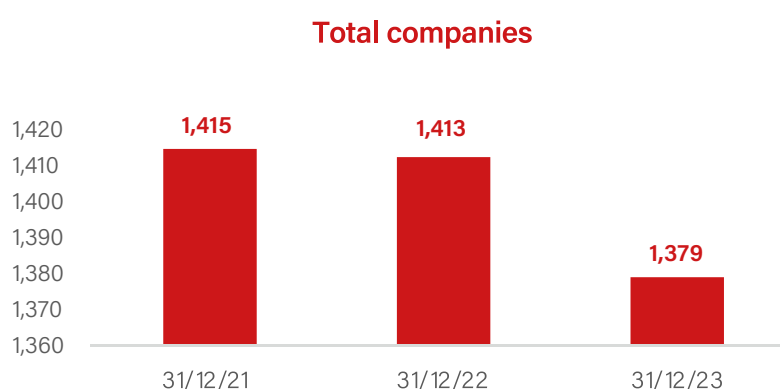


2.5 Audit firms registered with the ROAC

The number of audit firms registered in the ROAC has decreased by 34 in the last year to 1,379 as at 31 December 2023, a year-on-year change of -2.41%. On the other hand, as of 31 December 2023, there are still 3 auditors, audit firms and other audit entities from third countries registered in the ROAC, as shown in the following table:

//// **TABLE 5** Annual evolution of auditing firms registered with the ROAC

	31/12/2021	31/12/2022	31/12/2023
Total firms	1,415	1,413	1,379
Total firms of third countries	3	3	3

//// **CHART 5** Annual evolution of auditing firms registered in the ROAC

2.6 Annual evolution of membership of professional bodies (audit firms)¹

The following table shows the evolution of membership of professional bodies (audit firms) over the last 3 years:

As can be seen, the number of audit firms, both registered and non-registered, has decreased in the last year. As regards ICJCE member firms, their number has decreased by 17, 2.92%. Likewise, in the case of CGEE-REA member firms, their number decreased by 13 in 2023, representing a decrease of 1.62%.

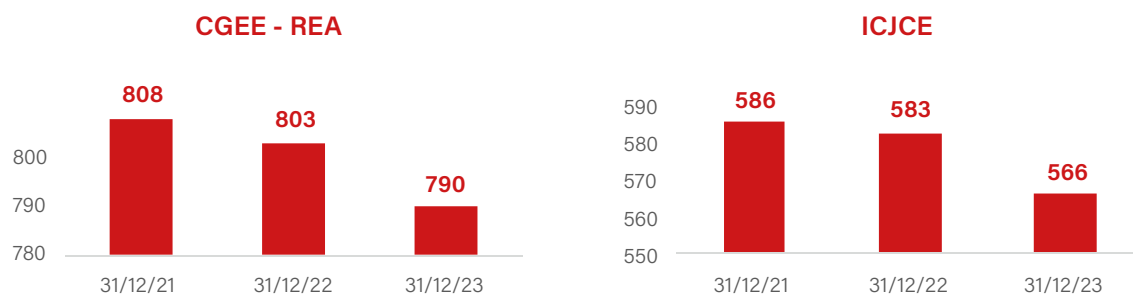
Finally, focusing on the non-member firms, their number was reduced by 4 in 2023, representing a significant drop of 14.81%, although it is true that in 2022 their number had increased by 6 units compared to 2021.

//// **TABLE 6** Annual evolution of audit firms registered in the ROAC by membership of professional bodies

	31/12/2021	31/12/2022	31/12/2023
CGEE-REA	808	803	790
ICJCE	586	583	566
Non registered	21	27	23
Total	1,415	1,413	1,379

¹ Excluding third country companies.

/// **CHART 6** Annual evolution of audit firms registered in the ROAC by membership of professional bodies



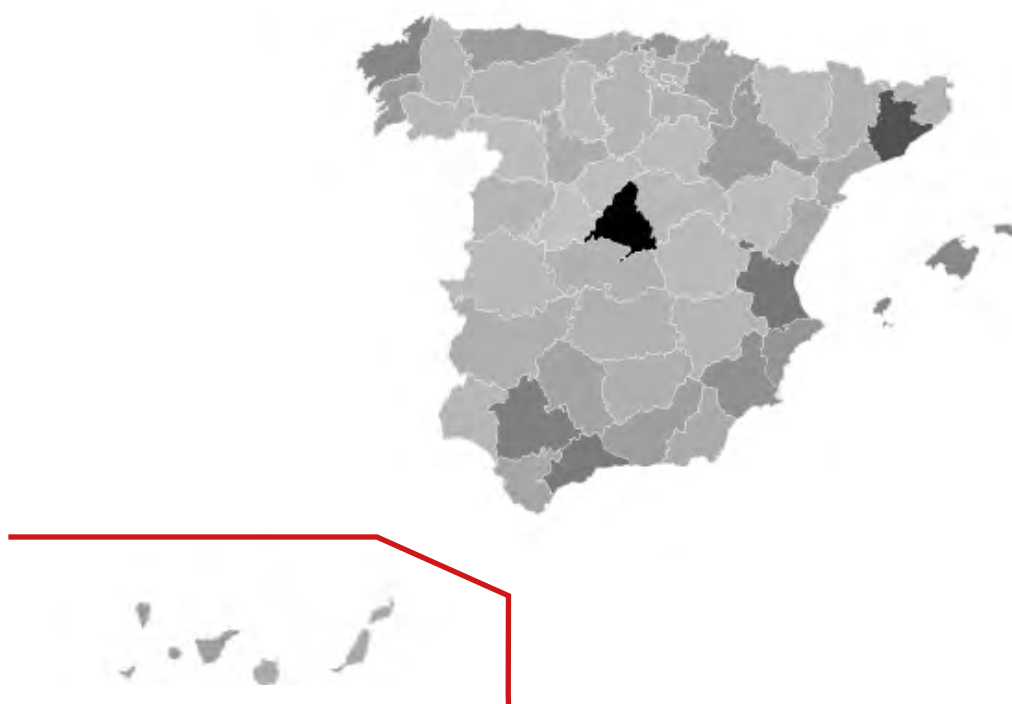
2.7 Geographical distribution of practising auditors and auditing firms by office

/// **TABLE 7** Total number of offices

Sole practitioners	Audit firms
5,318	6,759

In terms of the geographical distribution of offices, there is a clear concentration of offices in the provinces of Madrid and Barcelona, followed by Valencia, Málaga and Seville. On the other hand, Melilla and Ceuta have the lowest number of offices, followed by Ávila, Zamora and Segovia. This situation is the same as in 2022.

/// **CHART 7** Distribution by province of practising auditors and audit firms



/// **TABLE 8** Provinces with a largest number of offices

Province	Individual auditors	Companies audit companies	Total offices
MADRID	534	584	1,118
BARCELONA	279	407	686
VALENCIA	211	269	480
MÁLAGA	234	226	460
SEVILLA	221	211	432
Total	1,479	1,697	3,176

/// **TABLE 9** Provinces with the lowest number of offices

Province	Individual auditors	Companies audit companies	Total offices
MELILLA	17	18	35
CEUTA	20	27	47
ÁVILA	33	59	92
ZAMORA	46	61	107
SEGOVIA	41	68	109
Total	157	233	390



**Professionals
available
to auditors**

3 Professionals available to auditors

Regarding the number of professionals at the disposal of statutory auditors, there are 4,347 statutory auditors who have provided services as employees and 14,750 persons who are not registered with the ROAC²:

4,347

Auditors who have rendered services on behalf of others

14,750

Persons not registered in the ROAC

3.1 By individual auditors (individuals)

There are 486 individual statutory auditors with staff under their responsibility, employing a total of 1,055 people, an average of 2 people per sole practitioner.

486

Number of auditors with staff

1,055

Persons hired

2

Average number of staff

² The sum of persons employed by individual auditors and by audit firms amounts to 19,089, compared to the total of 19,097 auditors who have provided services as employees (4,347) and persons not registered in the ROAC (14,750). This difference is due to the fact that, during the reference period, there have been people who were linked to the company first as non-auditing personnel and then as auditors, or vice versa.

According to the number of employees employed by sole practitioners, the market structure is as follows:

/// TABLE 10 Distribution of the number of sole practitioners by employee rank

Staff	No. auditors	No. of employees
-	1,306	-
1	217	217
2	120	240
3 to 5	132	484
6 to 10	17	114
More than 10	-	-
Total	1,792³	1,055

In terms of hiring by tranches, there are 1,306 auditors who have no staff hired, while 217 statutory auditors have 1 person hired. It is noteworthy that there are no auditors with more than 10 people hired, according to the data reported to the ROAC in 2023.

3.2 At the expense of audit firms

There are 1,063 audit firms with contracted staff and they employ a total of 18,034 people, an average of 17 employees per audit firm: According to the range of employees, the market structure is as follows:

1,063

Number of audit firms
audit firms with staff

18,034

Persons hired

17

Average number of personnel

3 Number of sole practitioners that had submitted the information model required by the ICAC as of 31.12.2023.

//// **TABLE 11** Distribution of the number of audit firms by the number of employees

Staff	No. audit firms	No. of employees
-	276	-
1 to 2	214	323
3 to 5	361	1,407
6 to 10	292	2,163
11 to 20	145	2,041
21 to 50	33	1,018
51 to 100	7	439
More than 100	11	10,643
Total	1,339⁴	18,034

With regard to hiring by auditing firms, there are 276 firms that have no employees and 214 that hire between 1 and 2 people, totalling of 323 employees. Likewise, there are 11 auditing firms that employ more than 100 professionals, with a total of 10,643 people contracted.

4 Number of audit firms that had submitted the information model required by the ICAC as of 31.12.2023, excluding companies from third countries.



4

Turnover

4 Turnover

4.1. Number of auditors with turnover

The total number of sole practitioners who declared in 2023 to have invoiced some auditing work was 710 (37.41%), while the number of audit firms was 1,188 (62.59%):

//// **TABLE 12** Number of auditors with turnover

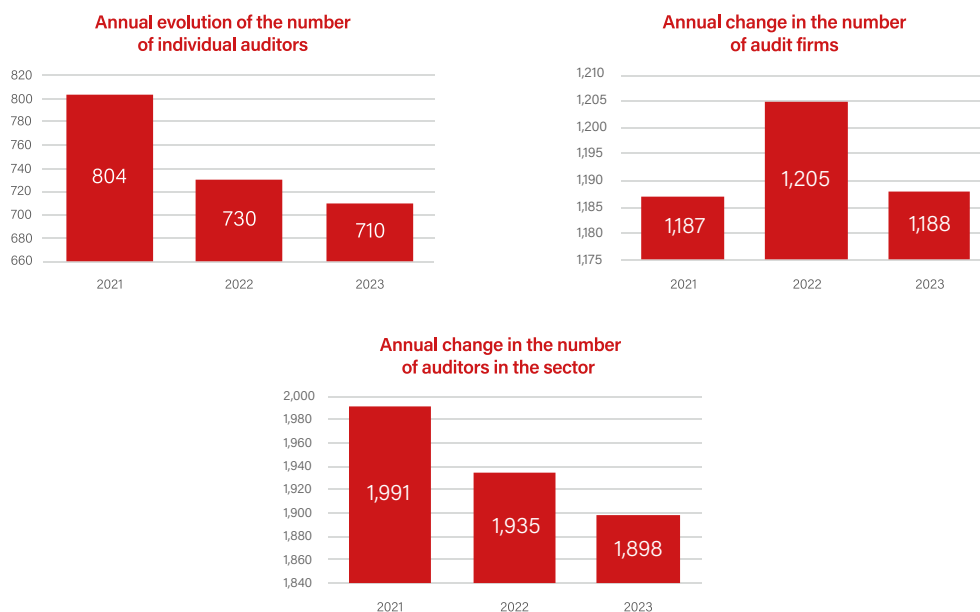
	Number of auditors
Natural persons	7
Firm	1,188
Total	1,898

If we analyze the evolution of the number of auditors with invoicing in recent years, it can be seen there has been a reduction in the number of individuals since 2022, the year in which their number was reduced comparatively to 2021 by 9.20%. This trend has continued in 2023 with a further reduction of 2.74% compared to the previous year.

Likewise, the number of companies with turnover in 2023 has also decreased by comparison to 2022, to 1,188 companies, a decrease of 1.41%:

//// **TABLE 13** Annual evolution of auditors with turnover

	2021		2022		2023	
	No. auditors	% Var.	No. auditors	% Var.	No. auditors	% Var.
Natural persons	804	5.24%	730	-9.20%	710	-2.74%
Firm	1,187	-1.41%	1,205	1.52%	1,188	-1.41%
Total	1,991	1.2%	1,935	-2.8%	1,898	-1.9%

/// **CHART 8** Annual evolution of auditors with turnover

4.2 Total turnover of the sector

The total turnover of the sector in 2023 was almost 891.73 million euros in fees for audit work and reports, with 97.04% of the total being invoiced by audit firms:

/// **TABLE 14** Total and average turnover

	No. auditors	Turnover	Average turnover
Natural persons	710	€26,390,028.00	€37,169.05
Firm	1,188	€865,339,270.74	€728,400.06
Total	1,898	€891,729,298.74	€469,825.76

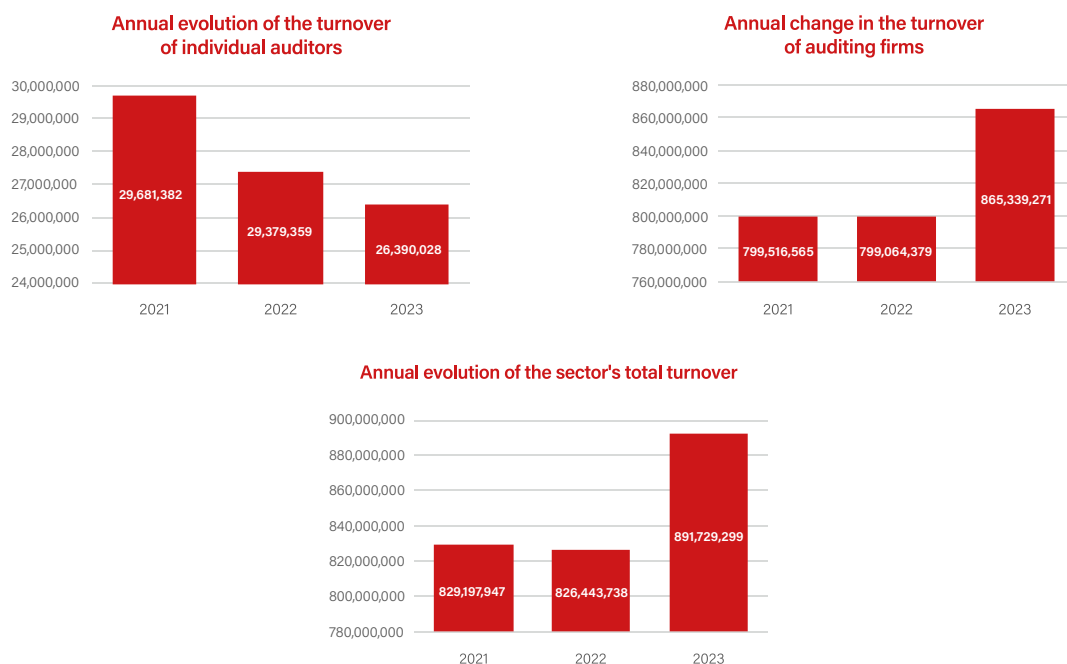
The comparative turnover and its variations over the last three financial years are as follows:

/// **TABLE 15** Annual evolution and total turnover

Year	2021	2021		2022	2022		2023	2023	
		% Total	% Var.		% Total	% Var.		% Total	% Var.
Natural persons	€29,681,382	3.58%	26.63%	€27,379,359	3.31%	-7.76%	€26,390,028	2.96%	-3.61%
Firm	€799,516,565	96.42%	18.73%	€799,064,379	96.69%	-0.06%	€865,339,271	97.04%	8.29%
Total	€829,197,947	100.00%	19.00%	€826,443,738	100.00%	-0.33%	€891,729,299	100.00%	7.90%

Turnover in 2023 was 891,729,299 euros, which represents a significant increase of 7.90% compared to the previous year. However, this increase is broken down into an uneven performance by type of auditor. Thus, sole practitioners experienced a decrease of 3.61%, to 26,390,028 euros from the 27,379,359 euros they invoiced in 2022. In contrast, audit firms increased their turnover to 865,339,271 euros in 2023, a significant growth of 8.29% compared to 2022.

//// **CHART 9** Annual development of the total turnover



4.3 Auditors with turnover in 2023

Statutory auditors who billed in 2023

26,390,028.00 €

Volume turnover (euros)

710

Number of auditors
of accounts invoiced

37,169.05 €

Turnover average

Distribution of the turnover of individual auditors in 2023.

The distribution of turnover among sole practitioners is highly concentrated. There are 58 auditors (3.24% of the total number of sole practitioners) with a turnover of more than 100,000 euros, accumulating a total of 8,955,029.08 euros, which represents 33.93% of the total turnover in 2023.

On the other hand, there are 227 auditors with invoicing levels between 30,000 and 100,000 euros, declaring invoicing between them 12,083,348.41 euros. Altogether, there are 285 sole practitioners with a turnover of more than 30,000 euros, and between them, who account for only 19.14% of sole practitioners, they account for 79.72% of the total turnover of sole practitioners (21 million euros out of the total 26 million euros).

/// **TABLE 16** Distribution of the number and turnover of auditors (natural persons)⁵ by interval

Ranges	Number	%	% Acum.	Turnover	%	% Acum.
More than 100.000 €	58	3.24%	3.24%	8,955,029.08	33.93%	33.93%
Between 30,000 and 100,000 €	227	12.67%	15.90%	12,083,348.41	45.79%	79.72%
Between 12,000 and 29,999 €	198	11.05%	26.95%	3,931,074.18	14.90%	94.62%
Between 6,000 and 11,999 €	116	6.47%	33.43%	981,288.69	3.72%	98.34%
Between 3,000 and 5,999 €	89	4.97%	38.39%	393,109.88	1.49%	99.83%
Less than 3,000 €	22	1.23%	39.62%	46,177.76	0.17%	100.00%
Without turnover	1,082	60.38%	100.00%	-	-	100.00%
Total	1,792	100.00%	100.00%	26,390,028.00	100.00%	100.00%

The total number of sole practitioners who billed in 2023 was 710. 39.01% are affiliated with ICJCE and 56.90% with CGEE-REA, representing 95.92% of the total number of sole practitioners who invoiced.

Likewise, the total turnover of sole practitioners was 26.39 million euros in 2023. Sole practitioners are affiliated with the ICJCE accounted for 44.08% of the turnover and 52.60% to CGEE-REA, representing 96.68% of the total turnover for 2023.

/// **TABLE 17** Distribution of the number and turnover of auditors (natural persons)⁶ by professional body

Professional bodies	Number	%	Turnover	%
CGEE-REA	404	56.90%	€13,881,086.31	52.60%
ICJCE	277	39.01%	€11,632,296.41	44.08%
Non registered	29	4.08%	€876,645.28	3.32%
Total	710	100.00%	€26,390,028.00	100.00%

5 Number of sole practitioners who have submitted the information model required by the ICAC as of 31.12.2023.

6 Number of sole practitioners who have invoiced.

4.4 Audit firms turnover⁷

Audit firms that billed in 2023

865,339,270.74 €

Volume
turnover (euros)

1,188

Number of audit firms
audit firms that billed

728,400,06 €

Turnover average

Distribution of audit firms turnover in 2023

Regarding the turnover of audit firms, there are 4 firms (0.30% of the total) with a turnover of more than 40 million euros, which represents 61.54% of the total turnover. Adding the other 4 audit firms with a turnover between 8 million euros and 40 million euros, another 7.34% of the turnover is added, thus reaching 68.88% of the total turnover in 2023 (596 million of the total 865 million euros).

/// **TABLE 18** Distribution of the number and turnover of audit firms by interval

Ranges	Number	%	% Acum.	Turnover	%	% Acum.
From 40,000,000 €	4	0.30%	0.30%	€532,521,971.03	61.54%	61.54%
Between 8,000,000 and 39,999,999 €	4	0.30%	0.60%	€63,558,345.63	7.34%	68.88%
Between 2,000,000 and 7,999,999 €	9	0.67%	1.27%	€32,939,738.44	3.81%	72.69%
Between 1,200,000 and 1,999,999 €	19	1.42%	2.69%	€28,843,015.37	3.33%	76.02%
Between 600,000 and 1,199,999 €	55	4.11%	6.80%	€44,185,792.52	5.11%	81.13%
Between 400,000 and 599,999 €	80	5.97%	12.77%	€38,610,194.78	4.46%	85.59%
Between 300,000 and 399,999 €	83	6.20%	18.97%	€28,927,454.66	3.34%	88.93%
Between 180,000 and 299,999 €	179	13.37%	32.34%	€41,440,807.27	4.79%	93.72%
Between 120,000 and 179,999 €	154	11.50%	43.84%	€22,632,158.20	2.62%	96.34%
Between 60,000 and 119,999 €	241	18.00%	61.84%	€21,373,468.72	2.47%	98.81%
Less than 60,000 €	360	26.89%	88.72%	€10,306,324.12	1.19%	100.00%
Without turnover	151	11.28%	100.00%	-	-	100.00%
Total	1,339	100.00%	100.00%	€865,339,270.74	100.00%	100.00%

7 Number of audit firms that have submitted the information model required by the ICAC as of 31.12.2023, excluding companies from third countries.

By corporations, ICJCE has 494 companies (41.58%) that accumulate 84.86% of the total invoicing in 2023 by corporations. CGEE-REA has a membership of 670 companies (56.40%) with a turnover of 120,957,704.98 euros (13.98% of the total).

//// **TABLE 19** Distribution of the number of audit firms and turnover by professional body

Professional bodies	Number	%	Turnover	%
CGEE-REA	670	56.40%	€120,957,704.98	13.98%
ICJCE	494	41.58%	€734,339,507.38	84.86%
ICJCE and CGEE-REA	4	0.34%	€255,830.30	0.03%
Non registered	20	1.68%	€9,786,228.08	1.13%
Total	1,188	100.00%	€865,339,270.74	100.00%



5

**Audit engagements
and reports
issued and declared**

5 Audit engagements and reports issued and declared

5.1 Total of audit engagements and reports

The total number of works and reports produced in 2023 amounts to 69,260. The following table shows the annual evolution of engagements and reports produced over the last 3 years. In 2023, there was a 1% increase over the previous year:

//// **TABLE 20** Annual evolution of the number of audit engagements and reports issued and declared

2021	2022	2023
72,283	68,571	69,260

In the following table, the focus is on the number of audit work and reports produced by the four largest audit firms (BIG 4, hereafter). As can be seen, the BIG 4 produced 31.12% of the total audit work and reports in 2023, which is a slight decrease compared to 2022.

//// **TABLE 21** Number of audit engagements and reports prepared by the BIG 4

	2022		2023	
	No.	% of the total	No.	% of the total
DELOITTE SL (S0692)	6,244	9.11%	5,738	8.28%
ERNST & YOUNG, S.L. (S0530)	5,521	8.05%	5,660	8.17%
KPMG AUDITORES, SL (S0702)	4,462	6.51%	4,318	6.23%
PRICEWATERHOUSECOOPERS AUDITORES, S.L. (S0242)	60,33	8.80%	5,835	8.42%
Total BIG 4	22,260	32.46%	21,551	31.12%
Total	68,571	100.00%	69,260	100.00%

Likewise, if we differentiate between entities that issue securities and the rest, the 4 largest audit firms produced 84.42% of the work and reports corresponding to listed entities in 2023, but only produced 30.64% of the rest (unlisted entities):

//// **TABLE 22** Number of audit engagements and reports prepared by the BIG 4 for listed and unlisted entities

	Listed	Unlisted	Total
DELOITTE SL (S0692)	75	5,663	5,738
ERNST & YOUNG, S.L. (S0530)	134	5,526	5,660
KPMG AUDITORES, SL (S0702)	170	4,148	4,318
PRICEWATERHOUSECOOPERS AUDITORES, S.L. (S0242)	141	5,694	5,835
Total BIG 4	520	21,031	21,551
Total	616	68,644	69,260
% BIG 4 s/Total	84.42%	30.64%	32.46%

5.2 Distribution by type of audited entity

Analyzing the works and reports issued and declared in 2023, it can be seen that 4.09% (2,832) were from investment services companies (ESI), collective investment institutions (IIC) and management companies (SG); 1.58% (1,095) from pension funds and management companies that administer them, 0.52% (358) from insurance companies and 0.27% (188) from credit institutions.

//// **TABLE 23** Distribution of the number of audit engagements and reports by type of audited entity

Type	No. Reports	Turnover
Credit institutions	188	51,642,750.64
Insurance companies	358	19,976,198.02
Entities issuing securities on official secondary markets	442	38,255,099.22
Issuers of securities on the alternative stock market	105	3,073,382.50
Banking foundations, payment institutions and electronic money institutions and financial credit institutions	118	4,648,783.21
Investment services companies, collective investment undertakings and management companies	2,832	14,331,625.96
Pension funds and the management companies that administer them	1,095	3,770,349.06
Spanish sports federations and professional leagues	88	342,371.82
Other entities not included in the previous sections due to their significant public importance (art. 8 RAC)	64,034	755,688,738.31
	69,260	891,729,298.74

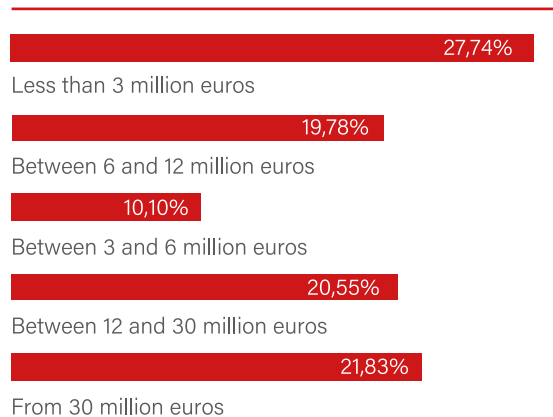
5.3 Distribution by turnover of the audited entity

By turnover, 27.74% of the audit engagements and reports were for audited entities with a turnover of less than 3 million euros.

//// TABLE 24 Distribution of the number of audit engagements and reports by turnover of the audited entity

Turnover	%
Less than 3 million euro	27.74%
Entre 3 y 6 millones de euros	10.10%
Entre 6 y 12 millones de euros	19.78%
Entre 12 y 30 millones de euros	20.55%
A partir de 30 millones de euros	21.83%

//// CHART 10 Distribution of the number of audit engagements and reports by turnover of the audited entity

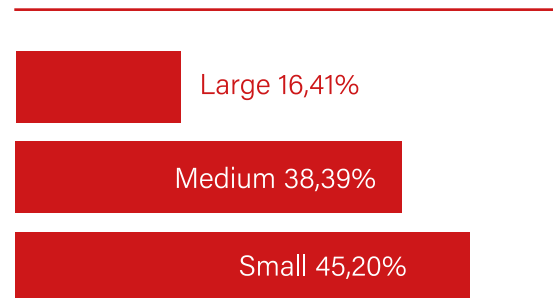


5.4 Distribution by size of the audited entity

//// TABLE 25 Distribution of the number of audit engagements and reports by size of audited entity

Size of audited entity	No.	%
Large	11,363	16.41%
Medium-sized	26,591	38.39%
Small	31,306	45.20%
Total	69,260	100%

//// CHART 11 Distribution of the number of audit engagements and reports by size of audited entity



Audit reports have been classified according to the size of the audited company in accordance with the definitions set out in articles 3.9 and 3.10 of the LAC. By size of the audited entity, 45.20% of the audit reports were for small entities, 38.39% for medium-sized entities and 16.41% for large entities.

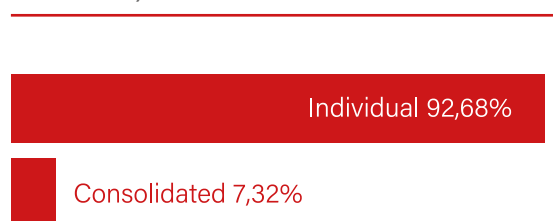
5.5 Distribution by type of work

By type of report, 92.68% corresponded to reports on individual annual accounts and only 7.32% corresponded to audits of consolidated accounts, 71.75% being mandatory reports and 28.25% voluntary.

//// TABLE 26 Distribution of the number of audit engagements and reports by type of report (Individual or consolidated)

Type of engagement	No.	%
Individual	64,187	92.68%
Consolidated	5,073	7.32%
Total	69,260	100%

//// CHART 12 Distribution of the number of audit engagements and reports by type of report (Individual or consolidated)



//// TABLE 27 Distribution of the number of audit engagements and reports by type of report (Mandatory or voluntary)

Type of engagement	No.	%
Mandatory	49,694	71.75%
Voluntary	19,566	28.25%
Total	69,260	100%

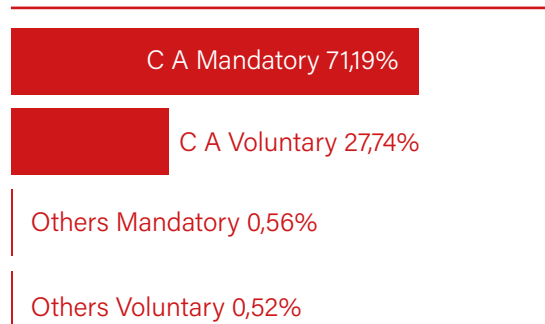
//// CHART 13 Distribution of the number of audit engagements and reports by type of report (Mandatory or voluntary)



//// TABLE 28 Distribution of the number of audit engagements and reports by type of report (annual accounts or other and mandatory or voluntary)

Type of engagement	No.	%
Mandatory annual account	49,303	71.19%
Voluntary annual account	19,212	27.74%
Other (mandatory)	391	0.56%
Other (voluntary)	354	0.51%
Total	69,260	100%

//// CHART 14 Distribution of the number of audit engagements and reports by type of report (Mandatory or voluntary)



5.6 Distribution by type of opinion

The total number of engagements and reports has increased in 2023 compared to 2022, from 68,571 to 69,260, an increase of 1%. Of this total number of reports, there was a 19.02% drop in the number of reports with a negative opinion compared to 2022, as well as a 17.20% drop in the number of reports with an unfavourable outcome, from 93 in 2022 to 77 in 2023:

//// TABLE 29 Annual evolution of the number of audit engagements and reports by type of opinion

	2021	2022	2023
Qualified	12,537	10,992	11,169
Disclaimer of opinion	302	305	247
Adverse	120	93	77
Unmodified	59,324	57,181	57,767
Total	72,283	68,571	69,260

5.7 Average term of audit contracts

The following table shows a reduction in the average term of contracts in recent years, having been reduced by almost two years by comparison to 2021, with the same evolution in the case of audited entities that are not PIE's, with a reduction of almost one year per year.

//// **TABLE 30** Annual evolution of the average term of audit engagements

Average term (years)		
2021	2022	2023
8.45	7.65	6.86

NOTE

- ✓ In 2022's report, an error was made in the calculation of the average term of the contracts, reducing their amount by 1 year.
- ✓ The average term of the audit contracts has been calculated as follows:

$$\text{Average term} = \frac{\sum_{i=1}^n (\text{Last audited year}_i - \text{First audited year}_i)}{n}$$

- ✓ Where i represents each of the reports or papers produced by each of the statutory auditors and n represents the total number of reports or papers produced in a single financial year.
- ✓ This figure provides the average number of years that audit firms have been auditing the audit engagements included in the information provided to the ICAC.

5.8 Number of Joint audits engagements and reports

In 2023, 99.85% of the audit engagements and reports were developed individually and only 0.15% were produced in joint audit mode. The number of joint audit reports stood at 107 in 2023, compared to 101 in 2022, a decrease of 5.94%, confirming the downward trend already seen in the previous year (21.31% decrease compared to 2020).

//// **TABLE 31** Annual evolution of the number of joint audit reports

	2021	2022	2023
Audit	72,139	68,470	69,153
Joint audit	144	101	107
Total	72,283	68,571	69,260

5.9 Joint audit turnover

In 2023, 99.76% of audit turnover will come from individual reports and comes from individual reports and 0.24% from reports and engagements produced in joint audit mode.

About 2022's invoicing for work and reports in joint audit mode has been significantly reduced by 34.31% in 2023, although it is true that in 2022 it had grown by 3.41% comparatively to 2021

//// **TABLE 32** Annual evolution of the joint turnover

	2021	2022	2023
Audit	826,005,548.73	823,142,361.81	889,560,749.06
Joint audit	3,192,398.79	3,301,376.12	2,168,549.68
Total	829,197,947.52	826,443,737.93	891,729,298.74



Public Interest Entities

6 Public Interest Entities⁸

6.1 Auditors of public interest entities

The audit engagements of these PIEs was carried out by 6 sole practitioners and 72 audit firms in 2023.

The number of individual auditors increased by 60% in 2022 compared to 2021, but in 2023 their number has decreased by 25% compared to the previous year.

The number of audit firms decreased in 2022 (down 14.29% compared to 2021), but grew by 9.09% in 2023:

//// **TABLE 33** Annual evolution of the number of sole practitioners and audit firms of Public Interest Entities

	2021	2022	2023
Sole practitioners	5	8	6
Audit firms	77	66	72
Total	82	74	78

6.2 Number of Public Interest Entities

The information provided in the following table is based on the declarations made by the sole practitioners and auditing firms themselves in 2023, which reported the existence of 1,424 public interest entities, of which 322 were credit institutions and 237 insurance companies.

⁸ The data were obtained from information provided by the auditors through statements filed as of September 30, 2023.

//// **TABLE 34** Distribution of the number of Public Interest Entities by type of entity

Type of PIE	2022	2023	% variation
Credit institutions	114	117	2.63%
Insurance companies	241	237	-1.66%
Entities issuing securities on official secondary markets	345	322	-6.67%
Issuers of securities on the alternative stock market	49	59	20.41%
Banking foundations, payment institutions and electronic money institutions and financial credit establishments	88	91	3.41%
Investment services companies, collective investment undertakings and management companies	383	389	1.57%
Pension funds and the management companies that administer them	178	180	1.12%
Other entities not included in the previous sections due to their significant public importance (art. 8 RAC)	28	29	3.57%
Total	1,426	1,424	-0.14%

The number of public interest entities audited by the BIG 4 is 1,125, which represents 79% of the total number of public interest entities audited in 2023. The relative weight of the BIG 4 in the entities issuing securities in official secondary markets (94.41%), as well as in investment services companies, institutions, collective investment, and management companies (92.29%) stands out:

//// **TABLE 35** Distribution of the number of Public Interest Entities audited by BIG4 by type of entity

Type	No. entities	No. BIG4 PIE	% No. BIG4 PIE
Credit institutions	117	89	76.07%
Insurance companies	237	125	52.74%
Entities issuing securities on official secondary markets	322	304	94.41%
Issuers of securities on the alternative stock market	59	25	42.37%
Banking foundations, payment institutions and electronic money institutions	91	47	51.65%
Investment services companies, collective investment undertakings and management companies	389	359	92.29%
Pension funds and the management companies that administer them	180	153	85.00%
Other entities not included in the previous sections due to their significant public importance (art. 8 RAC)	29	23	79.31%
Total	1,424	1,125	79.00%

6.3 Number of audit engagements and reports

Regarding the number of works and reports prepared by the BIG4s in 2023, for EIP, we observe in the following table that the BIG4s prepared 78.10% of the works and reports to these entities:

/// TABLE 36 Number of audit engagements and reports prepared by the BIG 4 to Public Interest Entities

	EIP	
	No.	% of the total
DELOITTE SL (S0692)	280	15.85%
ERNST & YOUNG, S.L. (S0530)	317	17.94%
KPMG AUDITORES, SL (S0702)	349	19.75%
PRICEWATERHOUSECOOPERS AUDITORES, S.L. (S0242)	434	24.56%
Total BIG 4	1,380	78.10%
Total	1,767	100.00%

34.47% of the works and reports corresponds to listed entities, while 65.53% corresponds to unlisted entities, as can be seen in the following table:

/// TABLE 37 Distribution of the number of audit engagements and reports to Public Interest Entities (listed and unlisted)

	No. Reports (listed)	% Reports (Quotation) % of the total	N° Reports (Not Listed)	% Reports (Unlisted) % of the total	Total
DELOITTE SL (S0692)	75	12.32%	205	17.70%	280
ERNST & YOUNG, S.L. (S0530)	134	22.00%	183	15.80%	317
KPMG AUDITORES, SL (S0702)	170	27.91%	179	15.46%	349
PRICEWATERHOUSECOOPERS AUDITORES, S.L. (S0242)	139	22.82%	295	25.47%	434
Total BIG 4	518	85.06%	862	74.44%	1380
Total	609	100.00%	1,158	100.00%	1767

The above table also shows that the BIG 4 carry out 85.06% of the audit work and reports on listed Public Interest Entities and 74.4% of the audit work and reports on unlisted Public Interest Entities.

6.4 Number of audit engagements and reports by type of opinion

The total number of reports has increased in 2023 compared to 2022, with a 0.11% increase in the number of reports corresponding to EIP.

/// TABLE 38 Annual evolution of the number of audit engagements and reports by type of opinion and entity

	2021		2022		2023	
	PIE	Total	PIE	Total	PIE	Total
Qualified	49	12,456	49	10,992	48	11,169
Disclaimer of opinion	-	301	2	305	3	247
Adverse	-	117	-	93	1	77
Unmodified	1,815	59,003	1,714	57,181	1,715	57,767
Total	1,864	71,877	1,765	68,571	1,767	69,260

The number of papers and reports for the different types of opinions remained stable in 2023, with a trend consistent with the slight increase in the total number of reports, except for the number of reports with qualified opinions, which decreased by 1 unit.

6.5 Turnover

The total invoicing for audit work and reports to Public Interest Entities for 2023 was slightly more than 128 million euros.

/// TABLE 39 Distribution of the turnover of Public Interest Entities by type of auditor

Type	No. auditors	Turnover	Average turnover
Auditor	6	62,999.57	10,499.93
Firm	72	128,212,877.79	1,780,734.41
Total	78	128,275,877.36	1,644,562.53

The following table shows the evolution of turnover in the last years. The turnover of sole practitioners to Public Interest Entities has decreased with respect to 2022 (-2.98%). However, the turnover has increased significantly (9.80%) with respect to companies:

/// TABLE 40 Evolution of the distribution of the turnover of Public Interest Entities by type of auditor

Type	2021	2022	2023
Auditor	56,127.61	64,931.97	62,999.57
Firm	111,614,598.52	116,772,634.12	128,212,877.79
Total	111,670,726.13	116,837,566.09	128,275,877.36

The following table shows the distribution of the number of sole practitioners and their total invoicing to Public Interest Entities for the year 2023. As can be seen, the 6 sole practitioners who have prepared audit work and reports for Public Interest Entities are concentrated in the billing range between 3,000 and 30,000 euros:

//// TABLE 41 Distribution of the number and turnover of auditors (natural persons)⁹ by interval

Ranges	No. auditors	Turnover
More than 100,000 €	-	-
Between 30,000 and 100,000 €	-	-
Between 12,000 and 30,000 €	2	36,106.00
Between 6,000 and 12,000 €	2	17,365.00
Between 3,000 and 6,000 €	2	9,528.57
To 3,000€	-	-
Without turnover	-	-
Total	6	62,999.57

On the other hand, the following table shows the distribution of the number of audit firms and their total invoicing to PIEs for the year 2023. As can be seen, 53 of the 72 companies (73.61%) billed less than 60,000 euros to this type of entity, which implies a certain concentration in this billing bracket:

//// TABLE 42 Distribution of the number and turnover of audit firms by interval

Ranges	No. audit firms	Turnover
From 40,000,000 €	1	56,217,323.40
Between 8,000,000 and 39,999,999 €	3	64,644,698.45
Between 2,000,000 and 7,999,999 €	1	2,069,782.94
Between 1,200,000 and 1,999,999 €	-	-
Between 600,000 and 1,199,999 €	3	2,778,045.70
Between 400,000 and 599,999 €	-	-
Between 300,000 and 399,999 €	1	359,204.58
Between 180,000 and 299,999 €	2	463,506.98
Between 120,000 and 179,999 €	3	414,313.00
Between 60,000 and 119,999 €	5	383,863.76
Less than 60,000 €	53	882,138.98
Without turnover	-	-
Total	72	128,212,877.79

9 Number of sole practitioners who have submitted the information model required by the ICAC as of 31.12.2023.

By corporations, of the 6 individual auditors who performed audit work and reports for EIP, most of them are assigned to CGEE-REA.

//// **TABLE 43** Distribution of the number and turnover of auditors (natural people) by professional body

Professional bodies	Number	%	Turnover	%
CGEE-REA	5	83.33%	47,999.57	76.19%
ICJCE	1	16.67%	15,000.00	23.81%
Non registered	-	-	-	-
Total	6	100.00%	62,999.57	100.00%

Regarding the audit firms that performed audit work and reports for PIEs, ICJCE and CGEE-REA have a similar number of member firms, although it is true that ICJCE's invoicing is much higher than CGEE-REA's, since the latter only represents 0.51% of the total invoiced by audit firms to Public Interest Entities.

//// **TABLE 44** Distribution of the number of audit firms and turnover by professional body

Professional bodies	Number	%	Turnover	%
CGEE-REA	32	44.44%	659,080.93	0.51%
ICJCE	38	52.78%	127,183,592.28	99.20%
Non registered	2	2.78%	370,204.58	0.29%
Total	72	100.00%	128,212,877.79	100.00%

If we focus on the invoicing of audit work and reports to Public Interest Entities, in 2023 the BIG 4 invoiced 94.22% of the total. For example, the following table shows that the BIG 4 invoiced 98.72% of the total invoicing to credit institutions for audit fees:

//// **TABLE 45** Distribution of the turnover of PIE audited by the BIG4 by type of entity

Type	PIE turnover	BIG4 EIP Turnover	% BIG4 EIP Turnover
Credit institutions	51,621,750.64	50,959,275.24	98.72%
Insurance companies	17,775,388.82	15,795,261.26	88.86%
Entities issuing securities on markets	38,236,173.22	37,043,895.00	96.88%
Entities issuing securities on the market	3,022,271.50	2,077,129.00	68.73%
Banking foundation, payment institutions and electronic money institutions and credit financial institutions	4,648,783.21	3,130,843.11	67.35%
Investment services companies, investment institutions.	2,543,897.74	2,306,643.74	90.67%
Pension funds and management companies	1,020,876.31	822,135.50	80.53%
Other entities not included in the previous sections above due to their public importance 2 significant (art. 8 RAC)	9,406,735	8,726,839.00	92.77%
Total	128,275,877.36	120,862,021.85	94.22%

6.6 Co-audit work and reports

In 2023, 98.81% of the audit work and reports of Public Interest Entities were prepared individually and only 1.19% were prepared under the joint audit modality. The number of reports of Public Interest Entities under the joint audit modality stood at 21 in 2023, compared to 38 in 2022, which represents a reduction of 44.74%, compared to 2022, despite the increase in the total number of works and reports in this modality.

//// **TABLE 46** Annual evolution of the number of joint audit engagements and reports by type of entity

	2021		2022		2023	
	PIE	Total	PIE	Total	PIE	Total
Audit	1,776	72,139	1,727	68,470	1,746	69,153
Joint audit	90	144	38	101	21	107
Total	1,866	72,283	1,765	68,571	1,767	69,260

6.7 Joint audit turnover

Invoicing of work and reports in joint audit mode represents 0.82% of the total invoicing of work and reports to Public Interest Entities in 2023.

The invoicing of work and reports in joint audit mode for Public Interest Entities has been significantly reduced by 56.45% in 2023 compared to the previous year.

//// **TABLE 47** Annual evolution of the join turnover by type of entity

	2021		2022		2023	
	PIE	Total	PIE	Total	PIE	Total
Audit	108,951,561.31	826,005,548.73	114,421,572.97	823,142,361.81	127,223,798.29	889,560,749.06
Joint audit	2,659,955.79	3,192,398.79	2,415,993.12	3,301,376.12	1,052,079.07	2,168,549.68
Total	111,611,517.10	829,197,947.52	116,837,566.09	826,443,737.93	128,275,877.36	891,729,298.74

6.8 Average term of Public Interest Entities audit contracts

The evolution of the average term of the audit contracts of Public Interest Entities is as follows:

//// **TABLE 48** Annual evolution of the average term (in years) of audit contracts by type of entity

	2021	2022	2023
	8.49	6.46	6.00

NOTE

- ✓ In 2022's report, an error was made in the calculation of the average term of the contracts, reducing their amount by 1 year.

As can be seen, the average term in 2023 has been significantly reduced, specifically, almost half a year with respect to 2022, and almost two and a half years with respect to 2021.

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