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Annual Activity

Report 2025

GOBIERNO DE ESPAÑA
MINISTERIO DE ECONOMÍA, COMERCIO Y EMPRESA

Annual Activity

Report 2025

2025. Annual Activity Report

Accounting and Auditing Institute (Instituto de Contabilidad y Auditoría de Cuentas – ICAC)

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NIPO (Official Publications ID No.): 223-24-011-7

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Letter of presentation
from the President of the ICAC

Santiago Durán Domínguez
President of the Accounting and Auditing Institute
Madrid 2026

This activity report summarises the activities conducted by the Accounting and Auditing Institute (ICAC) during the year 2025.

One of the key areas that has been the focus of our activity in recent years, as regards corporate reporting, is sustainability reporting. At the international level, over the past year, we have witnessed regulatory changes aimed at reducing the burden on businesses. In the European Union, this has taken the form of the Omnibus Package, which amends the sustainability reporting framework established in 2022 and 2023.

Meanwhile, at the local level, the Law on Corporate Sustainability Reporting which amends the Commercial Code, the Law on Capital Companies and the Law on Auditing, has not yet been passed by the Parliament in 2025. Consequently, the ICAC and the CNMV issued a joint statement regarding the transposition of the CSRD and the amendments to the European framework adopted in 2025, providing guidance to companies whilst the national legislative process is being finalised. By doing so, the ICAC fulfils its role of providing security to businesses within a complex regulatory environment.

Moving on to developments in corporate reporting, the ICAC's role in accounting standardisation has focused on providing interpretative guidance intended to ensure a consistent application of the regulatory framework among its users.

Auditors are among these users of the regulatory framework, and are subject to public oversight by the ICAC. The audit sector has been experiencing an exceptionally strong performance in recent years, as demonstrated by record figures for both turnover and the number of audit reports issued; in 2025, audit fees exceeded one billion euros and more than 75,000 audit reports were issued.

The auditing profession has also gained credibility in recent years, partially thanks to the work performed by the ICAC, the details of which are included in this report. Auditors are aware that independent public oversight is the best means of ensuring proper control over professional practice, but also of providing that essential assurance to those who must rely on the reports they issue.

The ICAC's oversight encompasses various lines of action, ranging from strengthening the regulatory framework to direct engagement with supervised entities, as well as ongoing dialogue with the sector, represented by its Public Law Corporations.

The standards governing audit engagements, as well as those related to quality control, must keep pace with developments in the international framework, while always ensuring compliance with the requirements set out in the audit regulations. For this reason, the ICAC must examine regulatory adjustments that are consistent with a single framework for auditing activities—a framework that has lent credibility to the profession as a whole. In other words, without prejudice to any special considerations that may be applicable to more complex engagements, no distinction should be made between different audit types.

The cornerstone of the system lies in the professional judgement of the person signing the report, which means we need professionals who are well-prepared and properly trained to carry out their work and issue their opinion. To this end, the ICAC has been working with the public law corporations of auditors to streamline the process while also ensuring that future auditors possess comprehensive practical knowledge, which must include the full set of professional standards and the financial reporting framework they will encounter in their professional practice.

I would also like to mention the significant international work performed by the ICAC in various forums (CEAOB; IFIAR; EFRAG), which enables us to influence both regulatory developments and the direction of the activity of institutions in which we participate.

Given the organisation's operations in such a rapidly changing and complex environment, it is essential to have the right tools to optimise resources. For this reason, it is worth highlighting the work performed by the organisation's ICT department to equip us with the best possible resources, among which I would like to mention the drive to adopt Artificial Intelligence through the first pilot project, which was completed in 2025.

In this report, readers will find a wealth of information on the Organisation's activities, but behind all that data lies something far more important: the work of the people involved. The ICAC staff have once again demonstrated their ability to meet the demands of their role, responding professionally to a workload and level of responsibility that, in many cases, exceeds the available resources to carry them out. I would therefore like to take this opportunity to publicly thank all the ICAC staff, as well as everyone who has worked with the organisation over the past year, for their hard work and dedication in making the ICAC ever stronger.

Finally, it is worth noting that 2026 will mark the 50th anniversary of the Accounting Planning Institute, the body preceding the ICAC, which replaced it in 1988 and expanded its remit to include the field of audits. The dedication of all the members of this organisation has enabled us to build an institution whose prestige is recognised by all those who are employed in the field of corporate reporting across its various sectors (preparers, assurance providers, regulators and academia). This means that we must take responsibility for continuing to strengthen the ICAC so it may remain a benchmark institution in the field of corporate reporting.

Executive Summary
of the Annual Activity Report 2025

Accounting and Sustainability Reporting

Throughout 2025, the ICAC has continued to fulfil its role of harmonising and improving the regulatory framework of accounting in Spain, in order to enhance the comparability, transparency and reliability of financial and corporate reporting. Throughout the year, the work of the General Sub-Directorate of Standardization and Accounting Technique has been performed on two complementary levels: on the one hand, at the national level, through the drafting, updating and interpretation of the accounting standards applicable in Spain; and, on the other hand, at the international level, with a view to ensuring consistency with European and international developments and to channel Spain's technical contribution to the main standard-setting forums.

In the regulatory field, the Institute has continued its technical work of revising and modernising regulations on accounting and corporate reporting, taking into account the developments regarding practice, the needs of users of financial information, and regulatory changes introduced at European level. In parallel, handling and responding to queries has remained a key activity in ensuring the consistent application of the standards, setting technical criteria for complex situations that arise in practice. Among the topics have attracted the most interest during the year include, amongst others, the accounting treatment of Energy Saving Certificates (CAE in Spanish), certain issues relating to leases and remuneration, the accounting treatment of compensation for damage associated with extraordinary events, and the treatment of certain taxes with accounting implications.

Corporate sustainability reporting has remained a key priority on the ICAC's agenda in 2025. Within the framework of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on corporate sustainability reporting (CSRD), and bearing in mind that, at the end of the year, the Spanish transposition legislation had yet to be approved, the Institute's work has focused on monitoring developments at the European level and, in particular, on analysing the changes arising from the European Commission's presentation of the Omnibus simplification initiative in February 2025, as well as on assessing its potential impact within the Spanish context and on the entities concerned. Within this context, and with the aim of providing legal certainty and facilitating compliance, the ICAC and the National Securities Market Commission (CNMV) issued a second joint statement regarding the transposition of the CSRD and subsequent amendments to the European framework, offering guidance to companies while the national legislative process is pending completion. Furthermore, during 2025, progress was made in streamlining corporate reporting requirements, by continuing to work on the transposition of Commission Delegated Directive (EU) 2023/2775 on adjusting size criteria for inflation, culminating in the publication of the corresponding Draft Law in the Official Gazette of the Spanish Parliament on 21 November 2025.

This set of measures has been supported by the work of the Institute's advisory bodies, which help to ensure technical scrutiny, and the involvement of various stakeholders: the Sustainability Advisory Committee, which serves as a channel for gathering national input on sustainability standards from various stakeholders and conveying it at the European level; the Corporate Reporting Council, as a professional association for deliberation and proposals on corporate financial and sustainability reporting; and the Accounting Advisory Committee, as a specialised body providing expert advice on accounting matters.

Finally, at the international level, the ICAC has continued to play an active role in the work of EFRAG, and in European committees involved in the adoption and monitoring of standards, strengthening their technical analysis in light of developments in the EU agenda and the renewed drive to simplify the ESRS. The Institute has also continued its dialogue with international standard-setting bodies and its participation in multilateral forums, contributing to the monitoring of developments in financial and sustainability reporting, and to the formulation of technical comments. In parallel, it has continued to collaborate with other institutions and specialised bodies, including the annual commissioning of studies from Spanish Association of University Accounting Lecturers (ASEPUC in Spanish) on significant accounting matters, particularly in relation to the IFRS and their potential impact in Spain, and on sustainability reporting.

Auditing

In 2025, the adaptation of the International Standards on Auditing for application in Spain (ISA-ES), Communication with those charged with governance, ISA-ES 260 (Revised), and Forming an Opinion and Reporting on Financial Statements, ISA-ES 700 (Revised), were published. Likewise, the amendment to the Technical Auditing Standards, resulting from the adaptation of the International Standards on Auditing for application in Spain and relating to the process of issuing and the contents of audit reports, was submitted for public consultation and published in January 2026.

Among the other activities related to audit regulation, once again there were numerous queries related to specific aspects of the application of the auditing regulations, the obligation to file financial statements, and the applicable penalty regime.

As regards supervisory activities, the ICAC continues to focus its efforts on gradually increasing the number of annual inspections of the quality control systems in place at audit firms. This strategy is based on two key pillars: firstly, improving the planning and scope of supervisory activities through a risk-based approach; and secondly, the gradual incorporation of artificial intelligence technologies applied to the analysis of available information. Additionally, follow-up actions are carried out on an annual basis to monitor the measures for improvement set in place by firms in response to the requirements established by the ICAC during inspections in previous years. In 2025, the number of investigations and verifications also increased compared to the previous year.

Within these control activities, the areas for improvement identified in 2025 continue to be the same as in previous years. However, the findings reveal that, while the number of requests for improvement following initial inspections remains high, this figure falls significantly in firms that have undergone several rounds of inspection. This situation highlights both the preventive effect of inspections and the efforts made by firms to improve the quality of their audit work. This commitment is also evident in the follow-up actions performed in 2025 in response to the recommendations for improvement included in the auditors' inspection reports.

Among the areas that are subject to supervision, independence continues to be of particular significance, making it essential for auditors to place special emphasis on regulatory compliance in this area. With regard to the implementation of the Standards on Quality Management 1 (ISQM-1), compared to the previous year, a significantly higher number of requirements related to the risk assessment process were identified. Nevertheless, in general, it is clear that auditors have made considerable efforts to adapt to the requirements arising from the implementation of the new standards.

Furthermore, the risk-based supervision model continues to be a key element in the planning of the ICAC's activities, as it promotes greater efficiency in control activities and reinforces the preventive nature of supervision. This is based on a more appropriate and effective use of the information reported by auditors to the ICAC, as well as other relevant information available. Furthermore, during this year, work has continued on the preparation of the Economic and Financial Gazette on Audit Oversight Assistance, the contents of which have undergone significant revision, thereby completing the more theoretical review performed during the previous year.

Finally, and in line with the above, the ICAC continues to prioritise the implementation of measures aimed at improving transparency and facilitating regulatory compliance by auditors and audit firms alike. In this regard, during the 2025, it was deemed necessary to publish supervisory expectations regarding the involvement of experts in the audit process.

As regards international activities, the report highlights the main activities performed in the international forums in which the Institute is a participant, through the Committee of European Auditing Oversight Bodies (CEAOB) and IFIAR (International Forum of Independent Audit Regulators).

In 2025, the Institute has collaborated with the Ministry of Economy, Trade and Business in preparing the draft bill for the transposition of the Commission Delegated Directive (EU) 2023/2775 of 17 October 2023 amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustments of the size criteria for micro, small, medium-sized and large undertakings or groups, with the aim of streamlining corporate reporting obligations.

It includes, notably, the preparation of a comment letter on the draft International Standard on Auditing: Using the Work of an Auditor's Expert (limited-scope amendments to ISA 620), and the consultation regarding the implementation of the new definitions of a listed entity and a public interest entity (PIE). It also includes the drafting of a technical note for the European Commission regarding the application of the International Standard on Sustainability Assurance, (ISSA 5000), which sets out the general requirements for sustainability assurance engagements, with a view to assessing its adoption within the European Union.

It is also worth noting that, in 2025, the ICAC, in its capacity as leader of the CEAOB Market Monitoring Sub-Group, was appointed to the CEAOB Inspections Sub-Group Task Force, which was set up to design and draft the CEAOB's first report on inspections.

Sustainability Reporting Assurance

In 2025, the Draft Law on Corporate Sustainability Reporting, amending the Commercial Code, the Law on Capital Companies and the Law on Auditing, for the transposition of

Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, with regard to the disclosure of sustainability information by companies, which aims to improve the framework for the disclosure and verification of sustainability information and entails the amendment of the Commercial Code, the consolidated text of the Law on Capital Companies, approved by Royal Legislative Decree 1/2010 of 2nd July, and Law 22/2015 of 20th July on Auditing, has remained before the Congress of Deputies for parliamentary consideration.

In 2025, Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 was adopted at European level, amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements, known as the "stop-the-clock" Directive and, in early 2026, Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements, was adopted.

Additionally, in 2025, the ICAC has worked alongside public law corporations representing auditors, representatives of sustainability assurance providers, and ASEPUC representatives, to prepare the ICAC decisions that will regulate the theoretical and practical training required to appear for the entrance examination for the section of assurance providers and assurance provider companies in the Official Register of Auditors and Sustainability Assurance Providers. Decisions granting exemptions from the theoretical training and the first phase of the examination, and decisions regarding the continuous training of sustainability assurance providers.

Economic Management and Organisation

Throughout 2025, the ICAC has continued to update its internal processes, both in terms of economic and financial management and the Institute's organisation, consolidating previous progress and enhancing operational efficiency.

Within the economic field, the ICAC has continued to monitor the 2022 and 2023 annual activity reports submitted by auditors and audit firms in relation to the ICAC fee for the control and oversight of audit activities. This work involved handling debt claims, late payment surcharges, penalties and notifications of data discrepancies related to potential overpayments, resulting in a total of approximately 1,640 proceedings. A new feature introduced is the Unique Report Identifier. This system represents a significant improvement in the management of auditors' obligations, as the identifier generated automatically at the time of fee payment makes it possible to unambiguously link each fee paid to the specific report to which it is related. This ensures full traceability of each report from the time it is issued until it is submitted in the annual filing via the Declar@ application, thereby avoiding duplication and potential administrative errors.

As regards its internal organisation, the Institute continues to focus on attracting talent, recruiting four new officials from various departments. Furthermore, it continues to make progress on the refurbishment of the premises attached to the organisation's headquarters, with a view to relocating and renovating the Institute's library service, as well as creating multi-purpose spaces for meetings and professional activities. Planning permission was granted by the Madrid City Council in December 2025. With this permission, the ICAC is now ready to proceed with the tendering process and the execution of the works, which are scheduled to take place throughout 2026.

The management of the Official Register of Auditors (ROAC) has continued to be a cornerstone of efficiency and service. In 2025, nearly 5,000 requests were processed, including over 350 enquiries, 850 certificates, and more than 3,700 proceedings related to data amendments, thereby establishing a responsive and reliable service for auditors and audit firms alike.

Finally, in the digital field, it is worth noting the rise in public-facing activities via the ICAC's two main communication channels: its website and its E-Office. Regarding the latter, the migration to the new version of ACCEDA 2 has been completed. This version features a more modern and accessible design, improving usability and navigation, and optimises the public's user experience when carrying out administrative procedures.

Furthermore, in the area of cybersecurity, work has proceeded vigorously in 2025 to bring the Organisation in line with the provisions of Royal Decree 311/2022, which establishes the National Security Scheme (ENS in Spanish), whilst also consolidating the ICAC's membership of the Cybersecurity Operations Centre (COCs).

As part of the technological modernisation strategy, an initial pilot scheme focused on the management of accounting enquiries was successfully implemented during the year, laying the foundations for future improvements to the digital services offered to the public.

1 Introduction

1 Introduction

The Accounting and Auditing Institute is an autonomous body that bases its activities on the trust of the public, with transparency being a fundamental principle of its work. The annual report is a key tool for accountability, providing clear and accessible information on the work performed, the resources utilised, and the results achieved throughout the year. The 2025 Annual Report retains the structure of reports issued in previous years, divided into sections covering the introduction and regulatory framework, activities relating to accounting regulation and audits, functions relating to the filing of financial statements, the internal organisation of the institute, activities aimed at the public, and institutional participation in national and international forums. It thus provides a comprehensive and coherent overview of the Institute's activities and its commitment to transparency and public trust.

All of these aspects are covered in the 2024–2026 Strategic Plan, the source of the ICAC's Annual Action Plans. The Strategic Plan, approved by the Spanish Ministry of Economy, Trade and Business, is the agency's core planning tool. Its fundamental operational aspects encompass both internal factors and other factors that do not originate within the organisation itself but stem from external decisions; consequently, it includes both strategic considerations and others that are typical of a management plan.

This Plan is divided into five strategic lines of action, with the first two focused on the ICAC's core activities, and the other three provide the framework for carrying out these activities based on public service and the promotion of sustainability and digital transformation. These five lines of action are as follows:

1. Regulatory activity.
2. Oversight activity.
3. Economic and organisational management.
4. Transparency and sustainability.
5. Information technology and cybersecurity.

In addition to these five lines of action, the 2024–2026 Strategic Plan is structured around 11 areas and 27 management objectives, which encompass various lines of action.

The complete Strategic Plan may be consulted HERE.

1.1 The Accounting and Auditing Institute: regulatory framework and functions

The Accounting and Auditing Institute (ICAC) is an autonomous body attached to the Ministry of Economy, Trade and Business via the Deputy Secretariat's Office. Its activities are governed by the general regulations applicable to public bodies — including Law 40/2015 on the Legal Regime of the Public Sector — and, specifically, by Law 22/2015 on Auditing (LAC), its implementing regulations approved by Royal Decree 2/2021 (RLAC) and its Statutes, approved by Royal Decree 302/1989.

The ICAC's work is focused on two main areas: accounting standards and audits, however, it is also empowered to impose sanctions on the governing boards of companies should they fail to comply with their obligations to file financial statements, as provided for in the Consolidated Text on Capital Companies.

Among the key functions in these two main areas, we may highlight:

1) In the area of accounting:

- To draft and propose the General Accounting Plan, in line with European and national standards, and to approve any sector-specific adaptations.
- To define criteria for the implementation and application of accounting standards, providing guidance via the Institute's Gazette.
- To maintain an ongoing process of updating accounting standards, including proposing legislative or regulatory changes to bring them in line with European regulations and technical developments.
- To promote research, study and the preparation of documentation in the field of accounting as well as the dissemination and publication of such works.
- To coordinate with national and international bodies to ensure the consistency and quality of accounting standards.

2) In the area of Audits:

- To authorise and register auditors and audit firms in the Official Register of Auditors (ROAC), which is an essential requirement for practising in Spain.
- To set standards of ethics, quality control and technical audit procedures, and to monitor their compliance.
- To promote the continuous training of auditors.
- To monitor developments in the audit market for public interest entities.
- To manage the disciplinary system, as well as the system for inspection and investigation.

1.2 Strategy and institutional mission

The ICAC continues to work to ensure the reliability of corporate reporting in Spain, providing a robust regulatory framework that covers everything from accounting to auditing and currently, sustainability reporting from preparation to future verification. In 2025, the Institute made progress in modernising its procedures, covering digitalisation, accounting regulations and audit oversight, all the while consistently upholding the highest standards of institutional and professional integrity.

This complete strategy has been implemented pursuant to the provisions of the 2025 Annual Objectives Plan, approved by the Ministry of Economy, Trade and Business, which sets out the organisation's strategic programme for said year, including its mission and the main strategic lines of action outlined in the Strategic Plan for the 2024–2026 period.

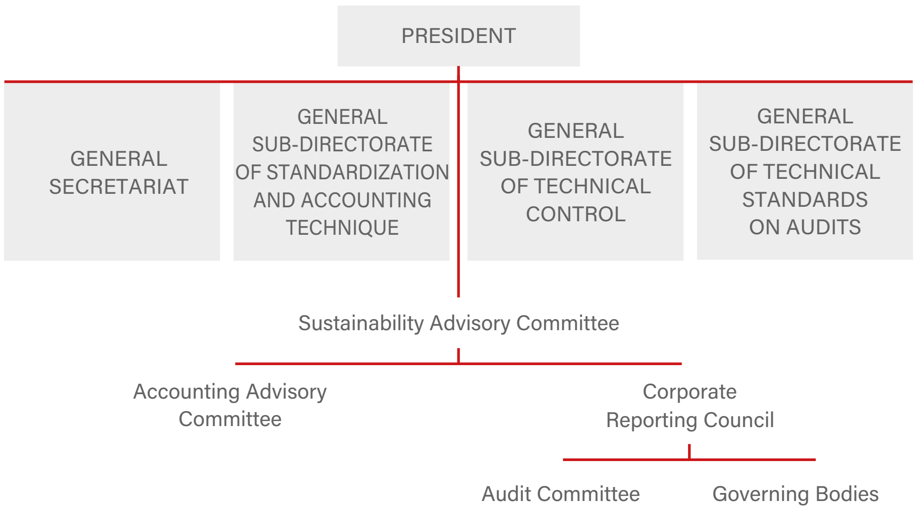
Each year, the ICAC draws up its Audit Control Plan, which is published on its website and sets out the key lines of action and objectives for the year. The publication of this report complies with the provisions of Article 61 of the LAC and sets out the results and conclusions of the inspections of auditors' quality control systems.

In compliance with the provisions of Article 61 of the LAC, the Institute publishes this activity report, as well as the overall results and conclusions reached in the inspections on audit quality control systems conducted in 2025.

1.3 Organisational Structure

The organisational structure is displayed in Figure 1 below:

//// **FIGURE 1** **Organisational chart of the Accounting and Auditing Institute**



Governing Bodies

Article 106 of Royal Decree-Law 20/2022 introduced amendments to the LAC, stipulating that the governing bodies of the ICAC are the President, the Audit Committee and the Corporate Reporting Council.

The **President,** who holds the rank of Director-General and is appointed by the Government at the proposal of the Ministry of Economy, Trade and Business, acts as the Institute's legal representative and exercises the powers conferred upon him or her by law.

The **Audit Committee** advises the President on all matters related the audit activity, while the **Corporate Reporting Council** assesses the suitability of regulatory or interpretative proposals related to accounting and sustainability, with the support of two advisory committees: the *Accounting Advisory Committee* and the *Sustainability Advisory Committee*.

The current members of these bodies may be consulted **HERE**

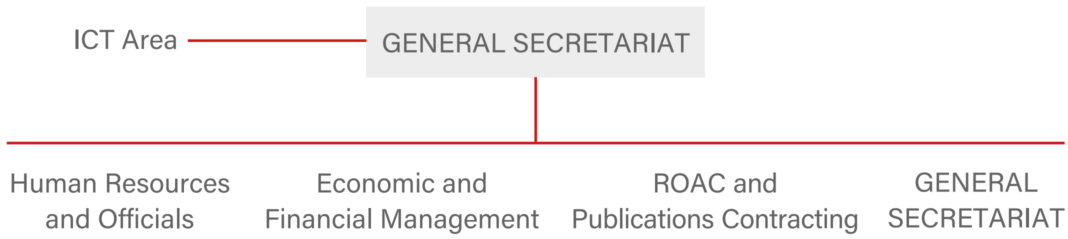
General Sub-Directorates

The ICAC is divided into four general sub-directorates: The General Secretariat, the General Sub-Directorate of Standardization and Accounting Technique, the General Sub-Directorate of Technical Standards on Audits and the General Sub-Directorate of Technical Control.

General Secretariat

The General Secretariat is responsible for coordinating and providing the organisation's shared services, ensuring the necessary support for the correct functioning of all areas of the ICAC. This Secretariat oversees and manages administrative, technical and operational resources, ensuring the efficiency of internal processes and supporting the work of the other sub-directorates. To perform these functions, the General Secretariat is organised into the following services (see Figure 2):

//// FIGURE 2 Organisational chart of the General Secretariat

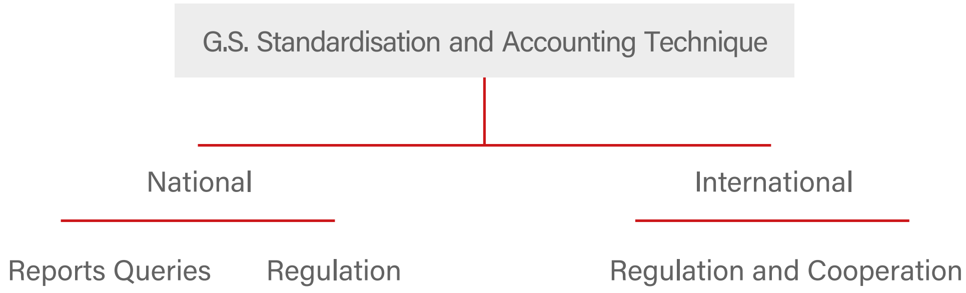


- **Human Resources Service**: the Human Resources Service is responsible for all administrative tasks such as the study, proposal and management of the Institute's personnel policy.
- **Office Service**: the Office Service is in charge of all internal functions, management of material resources, buildings, and facilities.
- **Contracting**: it is responsible for processing all phases of contracts, orders to in-house providers, collaboration agreements, direct subsidies and payment of contributions to international organisations, as well as all procedures for the payment and justification of funds from the Organisation's Imprest Cash Fund.
- **Economic and Financial Management Service**: It is in charge of all the Institute's economic, accounting and budgetary management, as well as the complete management of the collection of fees for audit control and supervision and the fees for issuing certificates or documents at the request of a party and for entries and annotations in the ROAC.
- **Official Register of Auditors (ROAC)**: It is in charge of its management and maintenance. The functioning of the ROAC in 2025 has been described in Section 3. Audits, Sub-Section 3.3. The Audit Sector in Spain, Audit Sector of this Report.
- **Publications**: it is responsible for the publication of research and dissemination activities on corporate reporting (accounting and sustainability) and auditing.
- **ICT Area**: Unit in charge of the digital maintenance and updating of the ICAC.

General Sub-Directorate of Standardization and Accounting Technique

It performs its functions in two interrelated areas (see Figure 3).

//// FIGURE 3 Organisational chart of the General Sub-Directorate of Standardization and Accounting Technique



National area:

- Regulation: preparation of draft accounting legislation.
- Query service and preparation of reports on the correct interpretation of national accounting regulations.
- Cooperation with other institutions.
- Non-financial and sustainability reporting.

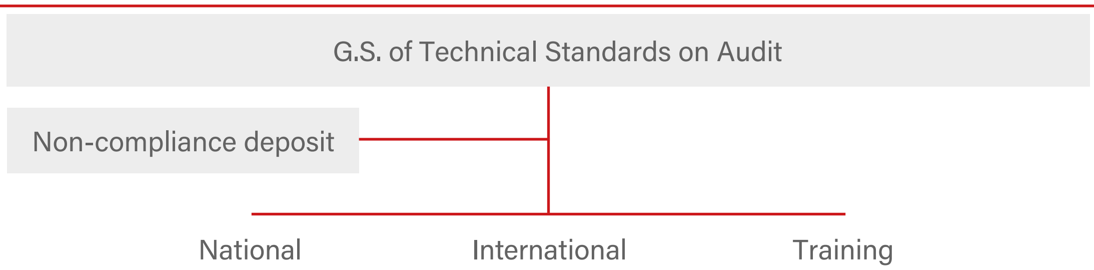
International area:

- European regulation: on financial and non-financial reporting.
- Policy drafts and proposals: IASB and EFRAG.
- Cooperation with other institutions that issue accounting decisions.

General Sub-Directorate of Technical Standards on Audits

It performs its functions within these interrelated areas described in Figure 4.

//// FIGURE 4 Organisational chart of the General Sub-Directorate of Technical Standards on Audits



Department for the filing of financial statements, in charge of disciplinary proceedings for non-compliance by companies obliged to file their financial statements in the corresponding Business Registries.

Training area:

- for the approval of training courses for entrance to the ROAC and the preparation of decisions granting exemption from the ROAC entrance examination.
- the Continuous Training Department, which is in charge of issuing resolutions for the recognition of centres that may hold continuous training activities, approval of continuous training activities, and granting of extensions to this obligation in the event of force majeure.

National area:

- regulatory, in charge of preparing legislative and regulatory amendments in the field of auditing, as well as all necessary tasks for the adoption of technical auditing standards (which includes the review of the translation of international standards of auditing and the discussion for their subsequent adoption in Spain by adapting to Spanish regulations or discussions of the technical auditing standard in the event that it is not derived from an international standard).
- disciplinary proceedings, in charge of disciplinary proceedings relating to auditing.
- queries and draft standards, in charge of answering queries and preparing comment reports on draft standards prepared by other bodies or units.

International area:

In charge of participation by the Sub-Directorate in European and international groups related to auditing activities, including the preparation of questionnaires, answers to questions, communiques, preparing comment letters on the standards issued, or documents prepared by the body issuing international auditing standards.

General Sub-Directorate of Technical Control

As displayed in the figure below (see Figure 5), this Sub-Directorate is organised into two internal areas or departments, both of which are supported by the risks area.

//// **FIGURE 5** **Organisational chart of the General Sub-Directorate of Technical Control**

This organisation is consistent with the configuration of auditor oversight activities as stated in the LAC.

The inspections area is responsible for conducting inspections of auditors, and for complying with the inspection cycles. It is supported by the audit engagements and investigations area in the review of audits during inspections.

The investigations and audit engagements area is not only responsible for performing inspections of audit engagements but it also conducts such inspections independently in engagements to be reviewed due to their level of risk. This allows the ICAC to respond more promptly to situations of risk by allocating specific resources to risk-based supervision.

The inspections area and the audit engagements and investigations area are technically supported by the risks area, whose main responsibility is to identify the specific areas and audit engagements to be prioritised in inspections and investigations, by means of data analytics tools and financial information, which will enable a more precise preparation of control plans.

Accounting Area

2 Accounting Area

2.1 Introduction

Throughout 2025, the ICAC has continued to fulfil its role in harmonising and developing the Spanish accounting regulatory framework through the General Sub-Directorate of Standardization and Accounting Technique, with the aim of enhancing the comparability, transparency and reliability of financial reporting. It does so by combining nationwide initiatives (related to the drafting, updating and interpretation of standards, as well as responding to enquiries) with active participation in major national, European and international forums, in order to ensure consistency with the standards applicable in the European Union.

In the area of standards, the Institute has continued its technical work on drafting and reviewing accounting standards and, notably, has stepped up its efforts in 2025 regarding corporate sustainability reporting.

To be specific, within the framework of the CSRD and with the approval of the Spanish law on the transposition still pending at the end of the year, the ICAC's work has focused on monitoring developments at European level and analysing the implications of the omnibus package presented by the European Commission on 26 February 2025, in order to simplify and reduce the administrative burden on companies and to promote growth and investment. This includes a proposal to amend the CSRD, as well as the review and simplification of the ESRS currently in force through a delegated act. In parallel with the negotiations on the proposed amendment to the CSRD by the European Parliament and the Council, the following measures proposed by the Commission have been adopted: Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 ("Stop-the-Clock Directive"), pending transposition into national law, which postpones the application of the CSRD reporting requirements by two years for companies covered by the second and third phases of implementation; a "quick fix" Delegated Regulation adopted on 11 July 2025 and published in the Official Journal of the European Union (OJEU) on 10th November, amending the delegated regulation adopting the ESRS, in particular, for companies in the first phase. Within this context of regulatory changes, the ICAC and the CNMV have updated the contents of the statement published on 27 November 2024, issuing a second joint statement on 19 November 2025, to facilitate compliance by Spanish companies regarding their obligations while the finalisation of the legislative process at national level is underway.

Furthermore, in 2025 the ICAC achieved a significant milestone in the streamlining of corporate disclosure requirements by continuing the transposition of Delegated Directive (EU) 2023/2775 on adjusting size criteria for inflation, its work leading to the publication of the Draft Law in the Official Gazette of the Spanish Parliament on 21 November 2025.

These actions have been supported by the daily work of the Institute's advisory bodies: the Sustainability Advisory Committee, which serves as a forum for gathering the views of national stakeholders and channelling feedback on issues identified during the initial implementation of the ESRS, paying particular attention to evidence gathered from Spanish companies; the Corporate Reporting Council, as a professional association for deliberation and proposals on corporate financial and sustainability reporting; and the Accounting Advisory Committee, as a body providing specialist advice on accounting matters.

At the international level, 2025 has been marked by a global shift in the approach to sustainability, thereby influencing the European agenda, which has opted to boost competitiveness by promoting the simplification of the IFRS, with EFRAG playing a key role and greater participation by the ICAC in its governing bodies and technical groups. At the same time, the Institute has maintained its presence on European committees (ARC and ADC) and in multilateral forums on accounting and sustainability regulation (IFASS, WSS, ISAR), helping to monitor developments in financial reporting and sustainability, and providing technical input on the standard-setting process.

2.2 Standard-Setting Activity

The ICAC is responsible for drawing up, interpreting and updating accounting standards in Spain, promoting their harmonisation with European and international accounting standards. This includes the issuing and implementation of the General Accounting Plan (PGC), answering queries, adapting standards to specific sectors, and promoting transparency and comparability of financial statements. It also monitors and adjusts the standards to respond to changes in the economic environment and to ensure a true and fair view of financial reporting.

In this regard, an essential part of the ICAC's activity is to provide answers to the queries received. It consists of issuing formal responses to technical questions raised by companies, auditors and other interested parties on the interpretation and practical application of accounting standards. These consultations help to clarify specific issues, ensuring a uniform treatment of accounting transactions and contributing to accurate and transparent financial reporting. The consultation process also contributes to the constant evolution and updating of the accounting regulatory framework by identifying possible gaps or areas requiring further refinement or adaptation.

Likewise, the ICAC's annual tasks in relation to the supervision and updating of accounting standards in Spain include the monitoring of international standards to assess their possible incorporation into the Spanish regulatory framework, the review of the General Accounting Plan, the issuing of Resolutions in order to develop, clarify and complement current standards, collaboration with national and international organisations through working groups, and analysing the economic and business environment.

The ICAC also conducts an annual analysis and review of the forms for filing individual and consolidated financial statements at the Business Registry, which are published in the Official State Gazette by means of two orders of the Ministry of Justice.

In 2025, as regards corporate sustainability reporting and within the framework of Directive (EU) 2022/2464 (CSRD), the ICAC, which is in charge of carrying out the transposition of this Directive into Spanish law, has focused on monitoring the progress of the national legislative process initiated in previous years (the Law on Corporate Sustainability Reporting, amending the Commercial Code, the Law on Capital Companies and Law on Auditing). The Draft Law was published in the Official Gazette of the Spanish Parliament in November 2024 and at the end of 2025, was still pending approval. Within this context, the Institute’s efforts during the year have focused primarily on monitoring developments at European level and analysing the changes resulting from the European Commission's presentation of the Omnibus I simplification package on 26 February 2025 (including the proposal to defer certain obligations, subsequently enshrined in Directive (EU) 2025/794), as well as on assessing its potential impact on Spain and the entities concerned, and the amendments to the Draft Law that will be required in order to transpose the new directives arising from the Omnibus package. Furthermore, and given the continued time lag between European and national frameworks, the ICAC and the CNMV published the "Second Joint Statement on the transposition of the CSRD Directive and subsequent amendments to Spanish law", providing guidance aimed at facilitating compliance by Spanish companies regarding disclosure obligations while the legislative process is being finalised.

At the same time, the ICAC continued to work on the transposition of Delegated Directive (EU) 2023/2775, which aims to streamline corporate reporting obligations by adjusting the size criteria for inflation (a 25% increase in the balance sheet and net turnover thresholds) and, at national level, by making use of the option provided for in the Accounting Directive to set the extended limit for 'small enterprises' at the updated maximums (7.5 million euros for the balance sheet and 15 million euros for net turnover), in order to ensure that a greater number of smaller companies are excluded from the categories with more complex and costly obligations, thus promoting a better allocation of resources towards investment, digitalisation and employment, thereby boosting their competitiveness and aligning with the European agenda for reducing administrative burdens. The text also provides for a 25% increase in the thresholds for exemption from mandatory audits, with a view to achieving greater harmonisation between the simplified financial reporting regime and audit obligations. In order to announce these new amendments to the text, a second public consultation process was launched. These activities culminated in the publication of the relevant Draft Law in the Official Gazette of the Spanish Parliament on 21 November 2025.

2.3 Responding to Queries

Every year, the ICAC analyses and provides answers to queries received regarding the accounting treatment of specific transactions, making interpretations of the standards contained in the regulatory framework for financial reporting.

Through this process, the ICAC assists in resolving specific queries from companies, auditors and other professionals, ensuring that the standards are complied with in a consistent and uniform manner.

Query trends in recent years is displayed in Table 1.

//// **TABLE 1** **The trend in queries**

Queries	2025	2024	2023
Queries issued	417	422	427
Queries published	17	18	17

With regard to the topics subject to queries, in 2025, the following issues, among others, were of especial interest in the area of accounting interpretation:

- The accounting treatment of revenue received from the transfer of energy savings within the framework of the Energy Saving Certificates (CAE).
- The accounting treatment of a partial demerger of a company in favour of a newly formed company as part of a business group reorganisation.
- Issues relating to the recognition of operating or financial leases, as well as amendments made and payments in kind.
- The allocation of aid granted to a company for the acquisition of shares.
- Accounting for compensation for damages caused by the 2024 Spanish floods (DANA) and other issues arising from the regulations designed to mitigate its effects.

Queries deemed to be of general interest are published in the quarterly Official Gazette of the Institute (BOICAC). Specifically, the following queries were published in 2025:

- BOICAC Query 1 number 141, April 2025: Expenses incurred in the approval of a creditors' agreement and the recording of the income arising from the debt write-off.
- BOICAC Query 2 number 141, April 2025: Accounting treatment of direct aid, grants received and losses on fixed assets caused by the 2024 Spanish floods (DANA).
- BOICAC Query 3 number 141, April 2025: Accounting treatment of wages for workers on temporary contracts to cover holidays.
- BOICAC Query 4 number 141, April 2025: On the concept of a business in a merger process.
- BOICAC Query 1 number 142, June 2025: Partial demerger of a company in favour of a newly formed company.
- BOICAC Query 2 number 142, June 2025: Accounting treatment of real estate leases.
- BOICAC Query 3 number 142, June 2025: The allocation of aid granted to a company for the acquisition of shares.
- BOICAC Query 4 number 142, June 2025: On the deadline for preparing consolidated financial statements if any of the subsidiaries have their registered offices in municipalities affected by 2024 Spanish floods (DANA).
- BOICAC Query 1 number 143, October 2025: Revenue received in exchange for the transfer of energy savings within the framework of the Energy Saving Certificates (CAE) scheme.
- BOICAC Query 2 number 143, October 2025: Payment of extraordinary remuneration to a number of employees, a senior executive, the chairman and the chief executive officer.
- BOICAC Query 3 number 143, October 2025: The purchase of own shares by a company of professionals from one of its partners, including a non-competition clause.
- BOICAC Query 4 number 143, October 2025: Non-deductible input VAT on finance lease payments.
- BOICAC Query 1 number 144, December 2025: On the accounting treatment of receiving the use of a vehicle in exchange for producing promotional photographs and videos.

- BOICAC Query 2 number 144, December 2025: On the accounting treatment of the transfer of inventories to real estate investment.
- BOICAC Query 3 number 144, December 2025: On the calculation of the average supplier payment period in commercial transactions.
- BOICAC Query 4 number 144, December 2025: On fees or brokerage commissions charged for services related to the recruitment of investors for the financing of an audiovisual production.
- BOICAC Query 5 number 144, December 2025: On the obligation to publish the report stipulated in the Eleventh Additional Provision of Law 22/2015 on Auditing, concerning corporation tax or taxes of an identical or similar nature payable by certain companies and branches.

2.4 International Activity

The international dimension is a key facet of the ICAC's standard-setting work, given that one of its strategic objectives is to ensure that the Spanish accounting framework is consistent with the International Financial Reporting Standards adopted by the European Union (IFRS-EU). This alignment is of crucial importance for Spanish listed companies, which apply these standards directly pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council. Active participation in international and European forums enables the Institute to anticipate regulatory trends, contribute to technical discussions, and ensure that national interests are reflected in regulatory developments.

The ICAC's collaboration with EFRAG is the cornerstone of its international activities. From the very start, the Institute has supported the process of consolidating EFRAG's mandate on sustainability and has participated in the technical works associated with the launch of the first European Sustainability Reporting Standards (ESRS). In this regard, it is worth noting that in 2021 EFRAG received a mandate from the European Commission by which it combined its traditional advisory role on financial reporting matters with a new role as a technical adviser on sustainability reporting.

However, 2025 has been marked by a decisive shift in the European agenda: the European Commission's presentation of the Omnibus Package on 26 February 2025. This initiative seeks to narrow the scope of the Corporate Sustainability Reporting Directive (CSRD) and simplify reporting obligations by conducting a cross-sectoral review of the ESRS and introducing more proportionate requirements for certain categories of companies. The Commission's stated aim is to reduce administrative burdens without compromising reporting quality while promoting greater efficiency and a better understanding of the regulatory framework. The simplification of the ESRS has therefore been the main focus of EFRAG's sustainability pillar in 2025, with the ICAC playing a significant role through its participation in EFRAG's governance bodies and technical groups. It has contributed to the draft proposal to simplify the first set of ESRS, in accordance with the mandate received from the European Commission, with the aim of (i) substantially reducing the number of data points to be reported, (ii) simplifying the structure and presentation of the standards, and (iii) providing clearer guidance on how to apply the materiality principle. Meeting the deadline set by the European Commission to receive the EFRAG's proposal on the simplification of the ESRS in early December 2025, has required the allocation of significant resources to this task.

Within this context, the ICAC has continued to strengthen its involvement in both the financial and sustainability pillars of the EFRAG, thus ensuring Spain's presence in the standard-setting and review processes. In 2025, this involvement has intensified not only because of the central role that the simplification of the ESRS has in the European agenda, which in turn has required the Institute to play an active part in the technical monitoring of the mandate issued by the Commission under the Omnibus package and in the assessment of the simplification proposals developed by EFRAG, but also because the ICAC has collaborated on works to develop support tools for the implementation of the voluntary standards for SMEs ('VSME') developed by EFRAG, participating in the EFRAG SME Forum, set up for this purpose. In this regard, it is worth noting the significance of the publication of Commission Recommendation (EU) 2025/1710 of 30 July 2025 on a voluntary sustainability reporting standard for small and medium-sized undertakings.

The ICAC has also continued to attend meetings convened by the European Commission on accounting matters, maintaining its participation in the Accounting Regulatory Committee (ARC) and the Accounting Directive Committee (ADC). These forums have enabled the Institute to convey Spain's position on the adoption of new IFRS-EU and to participate in discussions on the implementation of European financial reporting standards.

Engagement with the IASB (International Accounting Standards Board) has continued to be another cornerstone of the ICAC's international activities, both through the submission of comments on its consultation papers and by monitoring the adoption process within the EU. At the same time, the Institute has been monitoring the progress of the ISSB, which is responsible for developing international sustainability standards, with a view to assessing how these might interact with European regulatory implementation and the needs of national preparers.

Finally, the ICAC has maintained its presence in multilateral accounting standard-setting forums, such as the meetings of the IFASS (International Forum of Accounting Standard Setters), the annual conference of standard setters organised by the IASB (World Standard-Setters, WSS) and the meetings organised by ISAR-UNCTAD, which provide a space for technical exchange on global initiatives related to financial reporting and sustainability.

The following sections describe the most relevant international activities carried out by the ICAC.

EFRAG

Since its establishment in 2001, EFRAG has continued to play a key role in the European regulatory framework, providing the European Union with expert technical advice on financial reporting and maintaining an ongoing dialogue with international standard-setting bodies. Its contribution is structured around two main areas. On one hand, EFRAG conveys the European perspective to the IASB across the various stages of drafting, reviewing and amending international financial reporting standards, playing an active role in the technical discussion processes. On the other hand, it acts as an advisory body to the European Commission regarding the process of adopting the IFRS and their interpretations, ensuring that the regulatory framework applied within the Union adequately reflects the needs of European preparers and users. In addition to these functions, EFRAG maintains a proactive approach through research projects aimed at identifying relevant issues in the field of financial reporting from a European perspective.

EFRAG's role is characterised by its commitment to providing a broad and balanced representation of European interests. To this end, it performs its work in a transparent manner, taking into account the views of preparers, users, regulators, auditors and other stakeholders in the reporting ecosystem. This approach enables EFRAG to carry out its work with legitimacy, acting as Europe's voice within the IASB and promoting consistency in the financial reporting framework in Europe. Consequently, the ICAC's involvement in EFRAG's financial reporting activities has remained a key element of Spain's strategy for accounting convergence with international standards.

In this context, the ICAC's participation in EFRAG is a part of Spain's accounting standards convergence strategy, based on a critical and well-founded analysis of international standards. This approach allows it to respond effectively to international developments and make a positive contribution to the technical debate surrounding new statements issued at the global level.

The approval of Directive (EU) 2022/2464 in 2022 consolidated EFRAG's new mandate as a technical advisor to the European Commission on European sustainability reporting standards. In the year 2025, this role has been fully consolidated, following three years during which EFRAG has consistently developed standards, guidelines for implementation, carried out works related to technical support and interpretation mechanisms. As part of this structure, EFRAG groups its activities under two distinct pillars: financial reporting and sustainability reporting, each chaired by an independent Board supported by a Technical Expert Group. Both pillars fall under the supervision of the Administrative Board, a governing body in which the ICAC has full voting rights. The Institute is also a member of the EFRAG General Assembly, which is responsible for appointing the chairs of the Boards, approving the annual budget, and overseeing the activities of both pillars. Thanks to its involvement, the ICAC continues to have a direct influence on the processes of drafting and adopting both European financial and sustainability standards.

Following the publication of the Omnibus Package in February 2025, the European Commission formally requested EFRAG to prepare technical advice on the substantial simplification of the ESRS adopted in 2023, with a deadline initially set for October and subsequently extended to 30 November 2025. This mandate accounted for the bulk of activities performed under the sustainability pillar throughout the year. EFRAG launched an evidence-gathering phase to identify areas of the ESRS that could be simplified and based on this phase, drew up draft standards for the simplified ESRS, which were published in July 2025 and were open for public consultation until 29 September 2025. At the same time, it carried out a range of technical activities, along with a cost-benefit analysis of the implementation of the simplified ESRS. Following the end of the consultation, EFRAG has been working on assessing and incorporating the comments received and on preparing its technical advice, culminating in the delivery of the final report to the European Commission for the review of the ESRS delegated act in December 2025.

In parallel with the mandate to simplify the ESRS, EFRAG implemented the "VSME" Ecosystem project in 2025, funded by the European Commission through a pilot project of the European Parliament. Its aim is to encourage the adoption of the VSME Standard and reduce the reporting burden on small and medium-sized enterprises by developing practical tools and conducting support activities. The project is structured around several areas of work, including the holding of the VSME Forum, the analysis of digital platforms and initiatives of use to SMEs, outreach and training activities, surveys to gauge the standard's level of acceptance, and the creation of support guides with practical materials and resources. The ICAC has participated as an observer in the VSME Forum, providing technical oversight of the work and contributing to the exchange of experiences between regulators and stakeholders.

Within this context, characterised by EFRAG's intense regulatory activity in the field of sustainability throughout 2025, the ICAC has maintained an ongoing involvement with the various bodies and technical groups responsible for developing and reviewing the standards. The Institute has played an active role in the Sustainability Board and its working groups, providing technical analyses and comment letters at various stages of the regulatory process. The ICAC has also continued to foster collaboration with the academic sector in order to promote research into European developments regarding standard-setting. Within this framework, in 2025, the ICAC website posted a Research Project on the links between financial and sustainability reporting, focusing on the analysis and monitoring of the IASB's project and the work performed by EFRAG.

In the sphere of financial reporting, the ICAC has continued to participate actively in the quarterly meetings of the EFRAG Consultative Forum of Standard Setters (EFRAG CFSS), at which European national standard setters exchange views and analyse key IASB developments. These meetings enable a consensus to be reached on the positions subsequently presented by EFRAG to the Accounting Standards Advisory Forum (ASAF), where the European perspective is put forward to the international standard-setter. At the same time, the ICAC has continued to perform its role of monitoring and evaluating the IASB's standard-setting projects by drafting comment letters at various stages of the drafting process, as well as providing comments on EFRAG's advisory reports concerning the adoption of new standards, interpretations or amendments, in the European Union. The Institute has also participated in the discussions and votes of the Accounting Regulatory Committee (ARC), the body responsible for the formal adoption of the standards issued by the IASB within the European Union.

Among the most significant projects on which the ICAC has expressed its position are:

- ICAC Comment Letter on EFRAG Draft Comment Letter on IASB's "Exposure Draft Equity Method of Accounting (Proposed amendments to IAS 28)"
- ICAC Comment Letter on IASB's "Exposure Draft Equity Method of Accounting (Proposed amendments to IAS 28)"
- ICAC Comment Letter on EFRAG Draft Comment Letter on IASB's "Exposure Draft Provisions: Targeted Improvements (Proposed amendments to IAS 37)"
- ICAC Comment Letter on IASB's "Exposure Draft Provisions: Targeted Improvements (Proposed amendments to IAS 37)"

- ICAC Comment Letter on EFRAG Draft Comment Letter on IASB's "Discussion Paper related to IFRS 18 (Statement of Cash Flows and related presentation topics)"
- ICAC Comment Letter on IASB's "Discussion Paper related to IFRS 18 (Statement of Cash Flows and related presentation topics)"
- ICAC Comment Letter on EFRAG Draft Comment Letter on IASB's "Post-implementation Review (PIR) of IFRS 16 Leases"
- ICAC Comment Letter on IASB's "Post-implementation Review (PIR) of IFRS 16 Leases"

In addition to the opinions expressed directly in these documents, it is important to highlight the ICAC's work as a member of the EFRAG Financial Reporting Board, a body that reflects the work undertaken by EFRAG in providing accounting advice to the Commission and influencing the accounting standard-setting process led by the IASB.

In 2025, in addition to the projects open for comment referred to in the comment letters mentioned above, other projects within EFRAG's own research agenda have also been discussed, such as improvements to the Cash Flow Statements and Disclosures regarding Intangible Assets.

Another key issue discussed at the EFRAG meetings was the link between financial and sustainability reporting, in joint sessions with the EFRAG Financial and Sustainability Boards. This topic is of great interest to preparers who require guidance on how to outline the scope of reporting in each area in order to achieve the necessary consistency across corporate reporting as a whole.

The Financial Board also received a further mandate from the Commission to explore the possibility of developing a centralised European platform where SMEs may submit key financial information to help them secure cross-border financing, with the aim of fostering entrepreneurship and innovation in Europe. Currently, EFRAG is in the process of gathering feedback from all stakeholders to determine whether this project should be undertaken in the coming years.

Accounting Regulatory Committee

The Accounting Regulatory Committee (ARC), chaired by the European Commission and consisting of representatives of the EU nations, decides on the adoption of the IFRS based on advice received from the EFRAG.

Although the Accounting Regulatory Committee (ARC) mainly focuses on issues related to financial reporting, in 2025, the Committee has also served as a forum for addressing matters relating to sustainability reporting, especially the monitoring and analysis of regulatory initiatives linked to the European Sustainability Reporting Standards (ESRS).

In this regard, in 2025, the Accounting Regulatory Committee (ARC), of which the ICAC is a member, considered the European Commission's consultation on the draft delegated act for a "quick fix" to amend Appendix C of the ESRS 1 and within the context of the Omnibus simplification package, to extend the phased implementation of certain requirements for "first wave" companies until 2027. It also included an update on the Commission's recommendation regarding voluntary sustainability reporting for SMEs.

As regards financial matters, the ARC addressed, amongst other issues, updates from the Commission, the IASB and EFRAG; the progress of adoption tasks (including IFRS 18 and IFRS 19); and the presentation of IFRS 20, as well as regulatory issues such as dynamic risk management (presentation by the ECB/SSM) and the update by ESMA.

Accounting Directive Committee

The Accounting Directive Committee (ADC) assists the European Commission in preparing the implementing acts set out in Directive 2013/34/EU, as well as in other aspects related to accounting regulation. In 2025, the ICAC continued to represent Spain in the work commenced in 2023 to develop a common template and an electronic filing format pursuant to Directive (EU) 2021/2101 on public country-by-country reporting.

Throughout 2025, the ADC has focused on analysing the results of the public consultation launched by the Commission in 2024 and on reviewing the technical documents prepared under this project. The final draft of the Implementing Regulation establishing the common template and machine-readable electronic formats for country-by-country reporting has been submitted. This draft will be put to a vote by the representatives of the Member States with a view to its possible adoption by the Commission.

Other Activities

- The ICAC has participated in the meeting of the International Forum of Accounting Standard Setters (IFASS) held in Naples (Italy) in March 2025. This meeting once again brought together standard-setters from different jurisdictions to discuss progress and future prospects in the areas of both financial and sustainability reporting. Within the financial sphere, the topics discussed included, amongst others, the IASB's work on provisions, the consistent application of the IFRS and the role of the IFRS Interpretations Committee, the update to the project concerning intangible assets, developments relating to the IFRS for SMEs, and discussion on the need for a more comprehensive review of the equity method. Within the sustainability sphere, the sessions included discussions on ESG macro-trends, developments in the ISSB's human capital project, sectoral classification initiatives and the SASB, as well as the OECD's proposal regarding SMEs. The meeting also included cross-sectoral discussions on digitalisation and the use of artificial intelligence in standardisation, as well as practical examples of the link between financial and sustainability reporting.
- The ICAC attended the annual World Standard Setters (WSS) conference, held in London in September 2025, an event that brings together accounting standard setters from around the world to discuss the most significant regulatory developments in both financial and sustainability reporting. During the opening plenary session, the IFRS Foundation, the IASB and the ISSB presented a joint update on their strategic agenda and operational priorities for the coming years. In the financial sphere, the IASB outlined the progress of its key projects, including the status of work on financial instruments, the consistent application of the IFRS, the third edition of the IFRS for SMEs, IFRS 19 for subsidiaries not subject to public accountability, and progress in the implementation of IFRS 18. As regards sustainability, the ISSB reviewed recent developments in IFRS S1

and S2, their international adoption, and research projects on biodiversity, ecosystems and human capital. The conference also featured specific technical sessions on the link between financial statements and sustainability disclosures, as well as sectoral discussions and panel sessions on the experience of implementing the IFRS 18.

- With regard to the 42nd meeting of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), held in Geneva in November 2025, it should be noted that discussions focused on reviewing progress in the harmonisation of sustainability reporting requirements and on the challenges associated with their practical implementation. Proposals for integrating biodiversity and human capital considerations into reporting frameworks were also analysed, based on the technical documentation prepared by UNCTAD for this edition. The meeting also included discussions on the monitoring of technical cooperation projects and on updating tools intended to help countries improve their corporate reporting systems. Finally, the draft agenda for the 43rd meeting was reviewed, and the usual procedural matters related to the adoption of conclusions and the preparation of the final report were discussed.
- The ICAC has continued to play an active role in the IASB's and EFRAG's standard-setting and review processes by submitting comment letters and technical observations. These contributions have covered both the exposure drafts and interpretations prepared by the IASB and the Interpretations Committee, and the positions and analyses issued by EFRAG as part of its advisory work for the European Commission.
- The ICAC has continued to participate in bilateral meetings with the European Commission and various standard setters in the Member States. Such meetings provide a forum for the early analysis of issues to be addressed in formal decision-making bodies and help to foster a coordinated approach to standard-setting processes. The Institute has also continued to participate in initiatives and projects promoted by the European Commission, contributing to the technical groundwork required to drive reforms in line with the needs of the Spanish business community.

2.5 Corporate Reporting Council, Accounting Advisory Committee and Sustainability Advisory Committee

The Corporate Reporting Council is the body in charge of assessing the suitability and adequacy of regulatory proposals and interpretation of general interest in both accounting and sustainability matters, based on the reports of the Accounting and Sustainability Advisory Committees. In 2025, the Council met on one occasion.

The regulatory and interpretative proposals on which the Corporate Reporting Council has issued resolutions in 2025 include the Presentation and discussion of the "Draft Circular X/2025, of YY ZZZZZZZ, of Banco de España (Bank of Spain), amending Circular 4/2017 of 27 November, addressed to credit institutions, on rules for public and confidential financial reporting and financial statement formats, as well as Circular 1/2013 of 24th May, relating to the Central Credit Register", as well as the analysis and discussion of certain enquiries, including:

- Query regarding the accounting treatment of the payment of special remuneration to certain employees, a senior executive, and the company's principal governing bodies.
- Query regarding the accounting treatment of the acquisition of own shares by a company of professionals from one of its partners, including a non-competition clause associated with the transaction.
- Query regarding the accounting treatment of a unit-linked group life insurance policy linked to an executive incentive scheme.
- Query regarding the accounting treatment of revenue derived from the transfer of energy savings under the Energy Saving Certificates (CAE) scheme.

For its part, the Accounting Advisory Committee, which advises the Corporate Reporting Council on accounting matters, met once during 2025. This Committee consists of prestigious accounting experts on economic and financial information, representing both public administrations and the different sectors involved in the preparation, use and dissemination of this information.

Finally, with regard to the Sustainability Advisory Committee, the mission of this organisation is to advise the Corporate Reporting Council on corporate sustainability reporting and it met once in 2025. The Sustainability Advisory Committee consists of prestigious experts representing both public administrations and the different sectors involved in the preparation, use, dissemination and verification of this information.

The regulatory and interpretative proposals on which the Sustainability Advisory Committee has issued resolutions during 2025 have included discussions on the revised drafts of the European Sustainability Reporting Standards (ESRS), drawn up as part of the simplification process led by EFRAG in accordance with the mandate issued by the European Commission.

2.6 Sustainability Information

Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting, seeks to improve the framework for sustainability information presentation and assurance.

This Directive replaces Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, whose implementation revealed shortcomings in terms of comparability, reliability, accessibility and scope.

In Spain, the non-financial reporting obligation was incorporated into domestic law through Law 11/2018, of 28th December, which amends the Commercial Code, the Consolidated Text of the Law on Capital Companies approved by Royal Legislative Decree 1/2010, of 2nd July, and Law 22/2015, of 20th July, on Auditing, with regard to non-financial reporting and diversity. Law 11/2018, which defined a broader scope of application than the European rules, set out the content of the non-financial statement and required it to be verified by an independent assurance service provider, while allowing for the use of national, European or international frameworks.

Directive 2022/2464 of 14 December 2022 therefore introduced significant changes in the area of corporate sustainability reporting, including the following:

- This requirement applies to all large enterprises and all public interest entities, including listed SMEs (with the exception of micro-enterprises and SMEs listed on alternative and growth markets).
- These companies must publish a sustainability report on environmental, social and governance issues, the content of which is set out in the Directive, and which must be included in the management report. This information should include, on one hand, the company's impact on sustainability matters and, on the other hand, how these issues affect the company's performance, results and position.
- The sustainability information must be prepared in accordance with the European standards drawn up by EFRAG as technical advisor to the Commission. The Commission will then approve the various sets of standards by means of a Community regulation: general standards, sectoral standards, specific standards for listed SMEs and exclusive standards for unlisted SMEs that wish to prepare sustainability reports on a voluntary basis.
- The Directive requires the limited assurance of sustainability information, with the expectation of moving towards reasonable assurance. This assurance may be performed either by an auditor or by an independent assurance service provider.
- It establishes the requirement for subsidiaries and branches within EU territory whose ultimate parent company is governed by third-country laws to publish and make available a sustainability report at the group level of the ultimate parent company. This obligation shall enter into force for the years commencing on or after 1st January 2028.

At national level, the ICAC participated as Spain's representative in the preparatory work in the Council (2021–2022) and, following the adoption of the Directive in December 2022, it was appointed as the organisation responsible for its transposition, driving forward the drafting of the relevant legislation during 2023, which required amendments to the Commercial Code, the Law on Capital Companies and the Law on Auditing, and subjecting it to prior public consultation, a public hearing, inter-ministerial review and first-reading approval by the Council of Ministers. In 2024, the process continued with the submission to the Council of State (opinion of 25 September) and the publication of the Draft Law in the Official Gazette of the Spanish Parliament on 25 November 2024, although it had not yet been approved by the Spanish Parliament by the end of that year. For this reason, the ICAC and the CNMV issued a joint statement to provide guidance to entities regarding their reporting obligations for 2024, while the transposition was in the process of being finalised

The European sustainability reporting framework continued to evolve throughout 2025, within a context marked by the effective commencement of CSRD reporting obligations for entities in the first phase and, in particular, by the European Commission's initiatives aimed at simplifying and reducing the administrative burden associated with this new regime.

In this regard, on 26 February 2025, the European Commission published the Omnibus initiative, which includes, among others, the following key changes as regards sustainability reporting:

- Refocusing the scope of the CSRD on larger enterprises with the proposal that entities with up to 1,000 employees be excluded from the mandatory reporting requirements.
- Postponing (“stop-the-clock”) of the entry into force of the disclosure requirements for companies in the second and third phases, with a proposed delay of two years (a measure already approved by Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025).
- Elimination of sectoral standards and removal of the provision allowing for the establishment of a specific regime for listed SMEs, in line with the approach of excluding them from the mandatory scope.
- Maintaining limited assurance, thus removing the possibility provided for in the CSRD to move towards reasonable assurance as a future requirement.
- Promoting of a voluntary standard for entities that fall outside the scope of the standard, based on the VSME developed by EFRAG, and reinforcement of the so-called “value chain limit” to limit disclosure requirements for smaller companies within the value chain.
- In the area of Taxonomy, envisaging greater flexibility (including the possibility of optional reporting) for certain groups, in line with the overall objective ofsimplification.
- The Commission’s commitment to promoting a review and simplification of the first ESRS package by means of a delegated act, aimed at reducing the number of data points and clarifying the application of the materiality principle.

Finally, in Spain, as of the end of 2025, the legislation transposing the CSRD had not yet been approved. Within this context, the ICAC and the CNMV published the “Second Joint Statement on the transposition of the CSRD Directive and subsequent amendments to Spanish law”, in order to update the applicable criteria for as long as the time lag between the national and European frameworks persists. Consequently, it shall be necessary to closely monitor developments at EU level in 2026, including the progress of the Omnibus package and the planned simplification of the ESRS.

2.7 Collaboration with Other Organisations and Institutions

With regard to corporate reporting, both financial and sustainability-related, the ICAC's activity includes collaborations with a wide range of organisations and institutions, including the following in 2025:

a) Drafting mandatory reports on standards drawn up by other Public Administration bodies or other Public Institutions (see Table 2).

//// TABLE 2 Mandatory reports

Mandatory Reports	2025	2024	2023
Informed requests	199	196	187

b) Revising the translations of several International Financial Reporting Standards issued by the IASB and adopted by the European Union through the Accounting Regulatory Committee for publication in the Official Journal of the European Union, performed by the Translation Committee established for this purpose.

c) Revising the translations of the European Sustainability Reporting Standards (ESRS) within the Accounting Regulatory Committee of the European Commission.

d) Collaborating with the Central Balance Sheet Data Office of Banco de España (Bank of Spain) in the review, and where appropriate, modification of the models for filing individual and consolidated financial statements with the Business Registries, in order to facilitate the understanding of their content, comparability and speedy processing, storage and publication by the Business Registry, and which are approved by the Ministry of Justice.

e) Collaboration and assistance in accounting matters at meetings at the Higher Sports Council within the Joint Commission for the transformation of clubs into public limited sports companies, both in football and in basketball.

f) Collaboration with the XBRL Spain association, through the appointment of a member of the General Sub-Directorate of Standardization and Accounting Technique as chairperson of the PGC2007 and PGCPYMES2007 Taxonomy Subgroup and as chairperson of the Taxonomy Subgroup of the Standards for the Preparation of Consolidated Financial Statements, participating in meetings related to this matter. In 2022, a subgroup of the XBRL Spain association for sustainability reporting was created, in which the ICAC also participates through the appointment of a member of this Sub-Directorate as chairperson.

g) Collaboration with the Directorate-General of the Treasury on matters related to sustainability reporting and the ICAC's participation in the Sustainable Finance Council, both within the Council itself, where the ICAC is represented by its President, and in several of its working groups.

h) Ongoing collaboration with the General Comptroller of the State Administration and the Directorate-General of Taxes regarding the resolution of queries on the accounting treatment of specific situations.

i) Collaboration with the Ministry for the Ecological Transition and the Demographic Challenge on sustainability issues, especially on matters related to carbon footprint calculation as regulated by Royal Decree 214/2025 of 18 March, creating the register of carbon footprints, offsetting and carbon dioxide absorption projects, and which establishes the obligation to calculate carbon footprints and to draw up and publish plans for the reduction of greenhouse gas emissions.

j) Participation of the State Observatory on Private Late Payments – State Council for SMEs, pursuant to Article 14 of Royal Decree 439/2024 of 30th April, amending Royal Decree 962/2013 of 5th December, which establishes and regulates the State Council for Small and Medium-Sized Enterprises, and regulates the State Observatory on Private Late Payments.

k) The ICAC annually commissions the Spanish Association of University Professors of Accounting (ASEPUC) to draft technical studies on accounting issues of especial relevance, with a specific focus on analysing the International Financial Reporting Standards (IFRS) currently being issued or revised, and assessing the main implications for their eventual application in Spain, thus contributing to the monitoring of standards and the assessment of impacts on the accounting and financial reporting framework, through expert and independent judgement.

2
Audit Area

3 Audit Area

3.1 Introduction

The audit is an essential element of the market economy system, contributing to the transparency and reliability of the economic and financial reporting of audited companies.

Public oversight of this activity sector, which is the responsibility of the ICAC, contributes in ensuring compliance with the rules governing the sector through monitoring and disciplinary measures, thus boosting confidence in the activity.

In 2025, the Institute's work in the field of audits has mainly focused on carrying out oversight activities.

In addition, the Technical Auditing Standards have been published, the result of adapting the International Standards on Auditing for application in Spain (ISA-ES), the *Communication with those charged with governance*, ISA-ES 260 (Revised) and the *Forming an Opinion and Reporting on Financial Statements,*, ISA-ES 700 (Revised) and the amendment to the ISA-ES relating to the process of issuing and the content of the auditor's report on the financial statements has been submitted for public consultation, having been published in January 2026.

Furthermore, the fully updated set of standards applicable to audits of years starting on 1 January 2025 has been made available to auditors on the ICAC website, continuing the work begun in 2024.

The ICAC has also continued to exercise all its functions as the supervisory body responsible for audits in Spain, as well as to participate in the international cooperation mechanisms for this oversight.

3.2 The Audits Sector in Spain

ROAC: Registered Auditors

Natural and legal persons seeking to practise as auditors in Spain, must comply strictly with the requirements set out in current legislation, in addition to being registered with the Official Register of Auditors (ROAC). This registration is mandatory in order to carry out audits and issue reports in a lawful and recognised manner.

The ROAC is an online public register, designed to ensure transparency and security in the practice of the auditing profession. It provides easy access to the latest information on registered auditors and audit firms on the ICAC website. Accessing the ROAC.

This register lists both auditors practising in an individual capacity and those practising via audit firms, who may be appointed to sign audit reports on behalf such firms. This makes it possible to identify not only self-employed professionals, but also teams that operate within corporate structures.

According to the data available as of 31 December 2025, the breakdown of registered auditors is given in detail in Table 3, and it provides an accurate overview of the composition and scope of the auditing profession in Spain.

//// **TABLE 3** **Practising Auditors and Audit Firms registered in the ROAC**

Auditors (sole practitioners)	878
Auditors (appointed in Audit Firms)	1,795
Auditors (sole practitioners and appointed in Audit Firms)	825
Practising Auditors	3,498
Audit Firms	1,344

Additionally, the following admissions and withdrawals were made in the ROAC in 2025:

//// **TABLE 4** **Admissions and withdrawals**

	ADMISSIONS 2025	WITHDRAWALS 2025
Auditors	121	187
Firms	23	35

The ROAC makes a significant effort to provide high-quality services to auditors, despite the high volume of queries and requests it receives. In 2025, **349** queries were processed via the E-Office, reflecting its ongoing engagement with professionals in the sector.

With regard to formal applications submitted by auditors and audit firms, the ROAC issued **809 certificates** and processed **3,757 files on data modifications**, as broken down in Table 5.

//// **TABLE 5** **Requests and queries processed at the ROAC**

Modification of Public Data	1,159
Modification of Non-Public Data	421
Updating of Guarantees	2,177
Total data modifications processed in 2025	3,757
Number of queries received and answered in 2025	349
Number of certificates issued at the auditor's request in 2025	809
Total 2025	4,915

ROAC: entrance (examination)

The conditions for joining the ROAC, and therefore legal access to the practice of auditing in Spain, are set out in Articles 8, 9 and 10 of the LAC and Chapter II of the RLAC.

The admission process consists of **two stages**:

1. **First stage: theoretical examination**

   Its goal is to assess the theoretical knowledge required to practise as an auditor. Candidates who pass or are exempted from this stage become eligible to sit for the second stage.

2. **Second stage: practical examination**

   This stage assesses the candidates' ability to apply theoretical knowledge to real-life auditing situations. The exam usually involves solving practical case studies and is divided into two blocks:

   - **Block I (4 hours):** audit topics.
   - **Block II (3 hours):** accounting and other topics relating to audits.

Candidates must pass both blocks in order to obtain the authorisation to practise. However, if a candidate passes one of the two blocks, they may consolidate their result and only sit for the remaining block in the following examination session.

Candidates who pass this professional aptitude examination may apply for registration in the ROAC, if they meet the conditions set down, without prejudice to the fact that they may also apply for membership in public-law corporations representing auditors, in accordance with the statutes of each corporation. The examination is currently held annually, thereby ensuring a regular and rigorous process for the recruitment of new auditors.

The results of the most recent examination sessions are displayed in Table 6:

//// TABLE 6 ROAC examination sessions 2021-2024

Examination Sessions	2021	2023	2024
Called	658	708	655
Sat	575	626	558
Pass	200	126	98

With regard to the 2025 examination session, it should be noted that Order ECM/506/2025 of 12th May on the joint announcement of the Consejo General de Economistas de España – the *Registro de Economistas Auditores* and the *Instituto de Censores Jurados de Cuentas de España* for the professional aptitude examination for authorisation by the Accounting and Auditing Institute and registration in the Official Register of Auditors was published in the Official State Gazette (BOE) No. 120, on 19 May 2025.

The second stage of the selection process (practical examination) was held on Saturday, 13 December 2025. At the time of preparation of this report, the provisional list of successful candidates has been published, amounting to 188 candidates. A total of 477 candidates appeared for the examination. However, at the time of drafting of this report, the final results of the process are not yet available.

3.3 Regulation on Auditing

The ICAC's regulatory activities on audits performed in 2025 were as follows:

During 2025, regulatory work continued in the field of standards governing audits, including the issuance of the Resolution of 17 July 2025, publishing the Technical Auditing Standards, the result of adapting the International Standards on Auditing for application in Spain (ISA-ES), *Communication with those charged with governance, ISA-ES 260 (Revised) and Forming an Opinion and Reporting on Financial Statements*, ISA-ES 700 (Revised), amended to incorporate the limited-scope changes made by the International Auditing and Assurance Standards Board (IAASB) to the International Standards on Auditing (ISA) 260 (Revised) and 700 (Revised) as a result of the revisions to the Code of Ethics for Professional Accountants (including the International Standards on Independence) published by the International Ethics Standards Board for Accountants (IESBA) (IESBA Code of Ethics). Furthermore, the Resolution of 16 October 2025 has been issued, putting out for public consultation the amendment to the ISA-ES standards relating to the process of issuing and the contents of the audit report on financial statements ISA-ES 510 *Initial Audit Engagements – Opening Balances,* ISA-ES 570 (Revised) *Going Concern*, ISA-ES 600 (Revised) *Special Considerations – Audits of Group Financial Statements (including the work of component auditors)*, ISA-ES 700 (Revised) *Forming an Opinion and Reporting on Financial Statements,* ISA-ES 705 (Revised) *Modified opinion in the audit report issued by an independent auditor*, ISA-ES 706 (Revised) *Emphasis of matter paragraphs and other matter paragraphs in the audit report issued by an independent auditor*, ISA-ES 710 *Comparative information – Figures for prior periods and comparative financial statements* and ISA-ES 720 (Revised) *The Auditor's Responsibilities Relating to Other Information*. These standards were finally published by a Resolution dated 22 January 2026.

Furthermore, to assist auditors in their work, the ICAC website has published the current technical standards and internal quality control standards for performing audits commencing on 1 January 2025, both individually and as a compendium, the latter available in both a downloadable and a browsable format, with hyperlinks that enable users to navigate the content of the standards and the glossary of terms.

The regulatory measures concerning sustainability reporting assurance implemented by the ICAC in 2025 involved preparing, in collaboration with the public law corporations of auditors, representatives of sustainability assurance providers, and representatives of ASEPUC (*Asociación Española de Profesores Universitarios de Contabilidad*), the ICAC resolutions that will regulate the theoretical and practical training required to sit the entrance examination for the section of assurance providers and assurance provider firms in the Official Register of Auditors and Sustainability Assurance Providers, resolutions granting exemption from the theoretical training and the first stage of said examination, and resolutions regarding continuous training for sustainability assurance providers.

Other regulatory actions

With regard to standards and audits, it has collaborated with other government bodies to prepare reports on draft regulations that affect or may affect auditing activity. In 2025, the number of reports issued on regulatory proposals or drafts was 9.

It has also collaborated with the Directorate General of the Treasury on the Draft Bill for the Digitalisation and Modernisation of the Financial Sector, which includes the amendment to the Law on Auditing to define the terms of access to information from the Official Register of Auditors via the single European access point from 10 January 2030 onwards.

In 2025, the Institute has also collaborated with the Ministry of Economy, Trade and Business to prepare the draft bill for the transposition of the Commission Delegated Directive (EU) 2023/2775 of 17 October 2023 amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustments of the size criteria for micro, small, medium-sized and large undertakings or groups. It aims to streamline corporate reporting obligations that have undergone prior public consultation and public hearing procedures. Notable aspects of this process include a second public hearing, the issuance of the Council of State’s report and the referral of the draft law to the Spanish Parliament for consideration.

Furthermore, the ICAC has continued its work on reviewing certain auditing standards, especially the review of the draft International Standard on Auditing: Using the Work of an Auditor's Expert (limited-scope amendments to ISA 620), published by the IAASB for consultation, with a view to issuing the corresponding comment letters to be sent, jointly with other competent authorities from other Member States of the European Union (CEAOB Standards Sub-Group) or countries participating in international forums (IFIAR Standards Coordination Working Group).

In the field of sustainability, further progress was made on the drafting of a technical note for the European Commission regarding the application of the International Standard on Sustainability Assurance (ISSA 5000), in the context of assessing its potential adoption within the European Union. However, at the Commission’s own request, the focus of the work was shifted towards providing technical advice on the drafting of a non-binding guide focusing on specific aspects of the assurance process.

Table 7 below summarises the actions described in the previous paragraphs.

//// TABLE 7 Regulatory actions in auditing

Regulatory Actions in Auditing	2025	2024
Reports on draft regulations	9	17
Technical auditing standards issued (interim and final)	10	37
Review of draft standards submitted by the IAASB	1	2
Review of the translation for possible subsequent adaptation of the ISA-ES	1	2

3.4 Auditor Training

The General Sub-Directorate of Technical Standards on Audits is responsible for fulfilling the responsibilities attributed to the ICAC with regard to the coordination and promotion of the selection, training and further training of auditors. These skills fall into two main categories: training required to practise as auditors and compulsory continuous training for auditors.

Training for entry

Two activities are carried out in this area: the approval of theoretical training programmes and the exemption from theoretical training and the first stage of the ROAC entrance examination.

Approvals are granted for the delivery of four editions of the programme over four consecutive academic years, or five if not consecutive, provided that the curriculum and the other conditions of the programme have not changed substantially. Renewed approval is deemed to have been granted upon notification to the ICAC that a new edition of the programme is to be delivered and that its terms and conditions have not changed substantially. Once the four editions of the theoretical training programme have been delivered without any substantial changes, a new approval must be obtained.

In 2025, 40 applications for the approval of theoretical training programmes for auditors were processed, as detailed in Table 8.

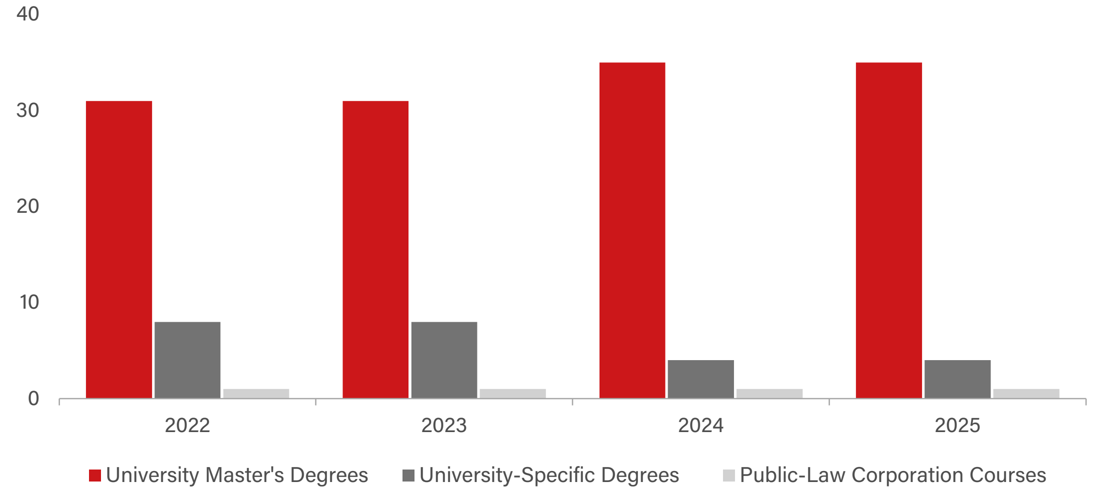
//// TABLE 8 Approval of theoretical training programmes for auditors

Approvals	2025	2024
Official Master's Programmes		
Approvals	3	4
Renewals	32	31
Institute-Specific Programmes		
Renewals	4	4
Public-Law Corporation Courses		
Renewals	1	1

Information on the specific theoretical training programmes approved for each academic year is available on the ICAC website: https://www.icac.gob.es/programasensenanzateorica/cursoshomologados

Compared to the previous year, the offering of theoretical training programmes for auditors remains unchanged, as shown in Figure 6.

//// FIGURE 6 Trends in theoretical training programmes



Exemptions from theoretical training and the first stage of the examination granting access to the Official Register of Auditors, based on the holding of university degrees may be initiated at the request of the university awarding the degree, in which case they are referred to as partial generic exemptions and apply to all holders of said degree; or the exemption may be granted at the request of the graduates, provided that the degree does not already benefit from a generic exemption, in which case they are referred to as partial specific exemptions and apply only to the individual making the request.

In 2025, the following applications for partial exemptions based on university degree qualifications were processed, as detailed in Table 9, displaying a substantial increase in the number of specific exemptions compared to the previous year.

//// TABLE 9 Partial exemptions based on university degree qualifications

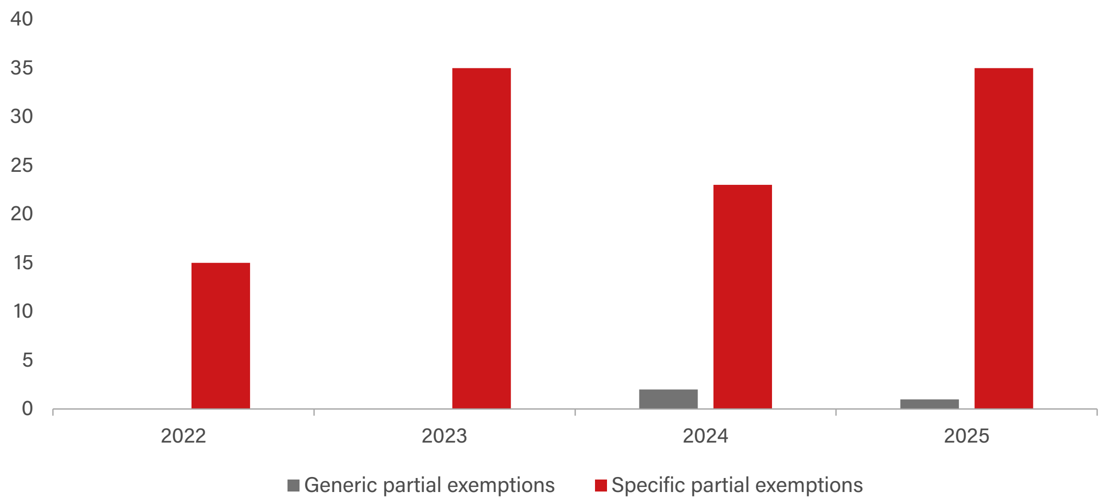
Exemptions	2025	2024
Generic exemptions	1	2
Specific exemptions	35	23

There are currently 79 partial generic exemptions based on university degree qualifications, which are available on the ICAC website:

https://www.icac.gob.es/programasensenanzateorica/dispensagenerica

Most of these were requested until 2019, after which there was a lull in university applications for partial generic exemptions on the basis of their undergraduate degree qualifications, as shown in Figure 7, which provides data for the last four years.

//// FIGURE 7 Trends in generic and specific exemptions



Continuous Training

Pursuant to the provisions of Article 8.7 of the LAC, practising auditors and non-practising auditors who are actively assisting a practising auditor with tasks directly related to audits must undertake continuous training.

It is the responsibility of the ICAC to certify the centres providing continuous training, to approve the activities carried out by certain institutions, to grant auditors an extension to meet their continuous training obligations in cases of force majeure, and to validate the activities declared by the auditors themselves to the ICAC.

Public law corporations of auditors are recognised centres for the organisation and provision of continuous training without the need for prior recognition by the ICAC, as provided for in Article 8 of the Audits Act,

This year, 24 centres have renewed their certification as authorised continuous training centres, as broken down in Table 10.

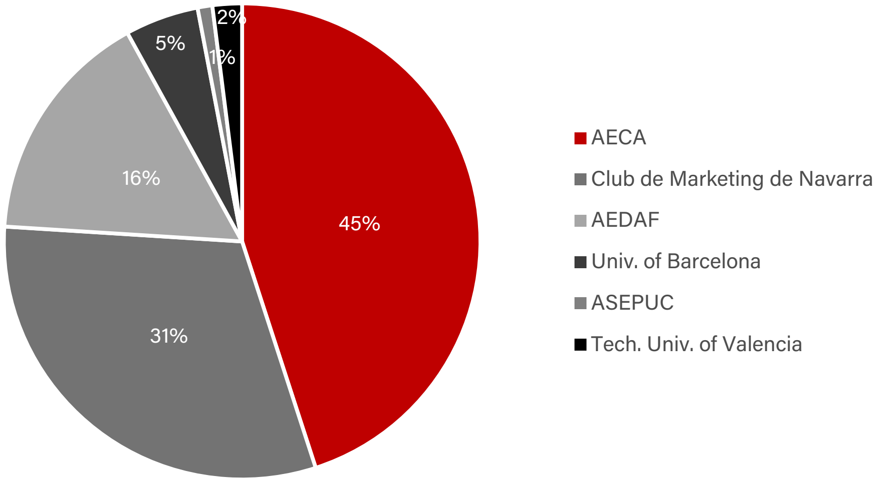
//// TABLE 10 Breakdown of certified continuous training centres

Recognised centres	2025	2024
Audit firms and groups of auditors	22	22
Universities	1	1
Other training centres	1	1

No new training centres were certified in 2025. Information on approved continuous training centres for auditors is available on the ICAC website: https://www.icac.gob.es/auditoria/formacioncontinuada

With regard to the prior accreditation of continuous training activities organised by professional institutions or associations of recognised standing, or by university lecturers associations, professional associations, and public centres or institutions that organise conferences, seminars, sessions or meetings, or committees, commissions or working groups, 64 activities have been accredited, distributed amongst six organising institutions, as shown in Figure 8.

//// FIGURE 8 Accredited activities by institutions



Information on the accredited continuous training courses offered by these centres and institutions is available on the ICAC website: https://www.icac.gob.es/auditoria/formacioncontinuada

During the year, 9 applications for an extension due to force majeure of the obligation to undertake continuous training were processed and resolved, a significant increase compared to the previous year, when only one application was submitted.

Public law corporations, organising centres recognised by the ICAC and institutions carrying out accredited activities must provide the ICAC with information on the activities undertaken and the auditors who carried them out. However, Article 36.1 of the RLAC stipulates that auditors who are members of a public law corporation may correct the information submitted by their corporation to the ICAC within the first fifteen days of December; furthermore, auditors who are not members of a public law corporation must submit, within the same period, an annual declaration of the activities carried out, via the ICAC online platform "Reporting of auditors' continuous training activities" with regard to the performance of activities that are not recorded with the ICAC (enrolling in university degree courses, teaching activities at universities, publication of books or articles, etc.).

In 2025, 193 validation processes were carried out for activities reported by auditors in December 2024; these were validated throughout January 2025, as detailed in Table 11.

//// TABLE 11 **Breakdown of the validation of activities**

Activities	2025
Activities accepted	137
Activities rejected	56

Common reasons for rejection have included the submission of activities undertaken at uncertified centres, activities that have not been approved, or activities that do not fall within the annual training period.

3.5 Oversight: Investigations and Inspections

In 2025, the oversight of audit activity contributed to the public interest and to fulfilling the ICAC's mission through two main lines of action:

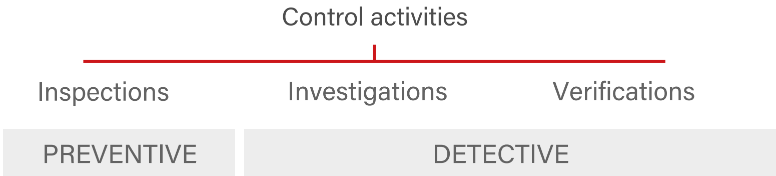
a) Improved planning of supervisory activities and their scope.

b) Activities for greater transparency in supervision.

a. Improved planning of supervisory activities and their scope

The Law on Auditing assigns to the ICAC the responsibility of the public oversight system over auditors. This public oversight system includes three types of measures that constitute the ICAC's main mechanisms for overseeing the operational activities of auditors: inspections, investigations and other verification measures deemed necessary (see Figure 9).

//// FIGURE 9 **Types of oversight actions**



The General Sub-Directorate of Technical Control also carries out cross-cutting functions at international level, being responsible for coordinating and channelling the ICAC's participation in European and international working groups relating to the supervision of financial auditing activities. This function entails the technical representation of the Institute at international forums and organisations and exchanging information and best practices with other competent authorities, ensuring that national oversight activities are properly aligned with international auditing standards and developments.

Inspections consist of periodic reviews of auditors' internal quality control systems and a selection of audit engagements, aimed at assessing the effectiveness of these systems. They are preventive in nature.

The regulations establish a system of inspections which combines a minimum frequency of auditor inspections (based on the profile of the companies to be audited), with the selection of auditors to be inspected based on a risk analysis. As regards minimum inspection frequency, in the case of auditors auditing public interest entities[1] (PIEs), the regulations establish a minimum inspection frequency of 3 or 6 years, depending on the size of the audited companies in terms of assets, net turnover, and number of employees. The results of the inspections are documented in a report containing the main findings of the quality control and all improvements required.

Investigations consist of the verification of certain audit actions or aspects of audits, in order to determine facts or circumstances that may indicate possible breaches of the regulations governing the auditing activity.

Verifications are of a complementary nature to the previous actions, their purpose being to verify auditors' compliance with their obligations, when the content does not fall within either of the two previous categories. Due to their residual nature and purpose, for statistical purposes, these proceedings are included within the investigation proceedings.

When assigning available resources within the scope of oversight planning, priority is given to inspections of the audits of public interest entities by auditors. This is due to their greater economic relevance, public interest, and, especially to ensure the greater protection of users and investors, which will contribute to the proper functioning of the markets.

When conducting inspections of auditors and audit firms that audit entities other than public interest entities, the representative bodies of auditors have continued to collaborate in tasks deemed merely instrumental.

Overall, the most noteworthy aspect of the inspections and investigations conducted in 2025 is their intense nature, making it possible to **increase the number of oversight actions performed compared to the previous year**, as described in Table 12.

//// TABLE 12 Summary of oversight activities

	2025	2024
Inspections and follow-up on recommendations	26	19*
Investigations and verifications	339	298
TOTAL	365	317

* The actions relating to "follow-up on previous inspections" included in the "Investigations/Verification Measures" section of the 2024 Annual Report and the 2025 Control Plan have been incorporated.

The positive trend observed in recent years in the level of oversight activity is attributable, in 2025, to the consolidation of a more planned, digitalised and risk-based model of action, as well as to the ongoing strengthening of the Institute's internal processes. In this context, the main lines of action that have contributed to this improvement may be summarised as follows:

- **Consolidation of an advanced risk-based planning.** The planning of oversight activities has continued to be refined as a key element in anticipating the launch of inspections and tailoring their scope to the risks identified. This has made it possible to improve auditors' response times, reduce the timeframes associated with requests for information and optimise the allocation of available resources, thus increasing the overall efficiency of oversight activities.

1 The companies listed in Article 8.1 of the RLAC are public interest entities.

- **Further digitalisation of supervisory activities.** The exclusive use of electronic communications, introduced in 2021, has now become firmly established as a key factor in streamlining procedures. Based on this, in 2025, progress was made towards the gradual introduction of artificial intelligence tools and advanced data analysis, in line with the best practices of the sector, applied to various areas of control activities, with the aim of enhancing both productivity and the effectiveness of the activities.
- **The development and continuous improvement of internal oversight processes.** The review and optimisation of internal processes and procedures has remained a priority, evolving from an initial focus on standardisation towards one of continuous improvement. In this regard, in 2025, improvements were made to the structure and contents of inspection and investigation reports, the notification of findings throughout the supervisory process was strengthened, and the follow-up on recommendations made in previous years was stepped up, thereby helping to reinforce the preventive nature of the supervision.

All of this has made it possible to fully comply with the actions envisaged in the 2025 Control Plan approved by the ICAC's Audit Committee, as described in Figure 10.

//// FIGURE 10 Compliance with the Control Plan

As regards inspections of the auditors' internal quality control system, six inspections of audit firms auditing public interest entities were completed in 2025. Because of the importance of the companies they audit, auditors of public interest entities have a higher supervisory risk. For this reason, they are subject to higher requirements than auditors that do not audit public interest entities, and they are a priority target for oversight and are subject to more thorough inspections. With regard to auditors not auditing public interest entities, ten inspections were completed in 2025. Furthermore, during the year, a total of ten follow-up actions were carried out with regard to measures for improvement set in place by firms in response to the requirements stated in inspection reports from previous years, concerning audit firms that do not audit public interest entities. The details of the 2025 inspections and follow-up actions by the type of auditor inspected and the year-on-year variations are described in Table 13.

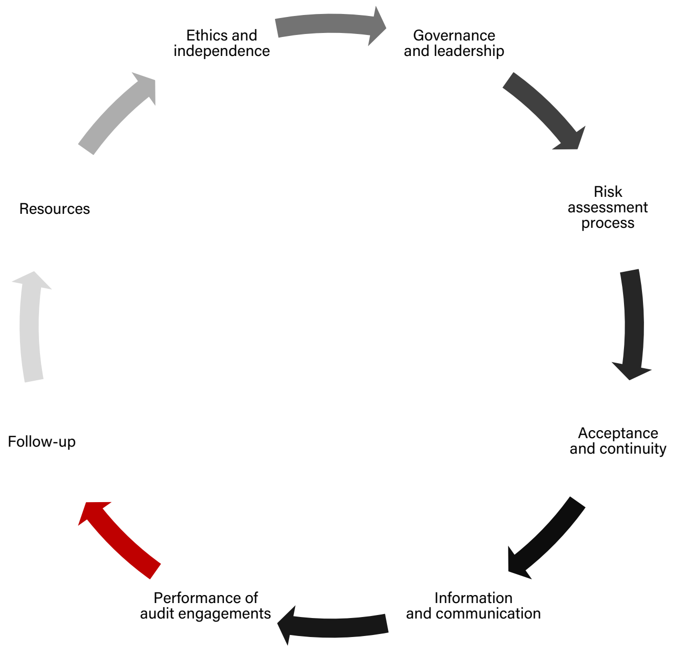
//// **TABLE 13** **Auditor inspections**

	Inspections				Total	
	Auditors auditing public interest entities		Auditors NOT auditing public interest entities		2025	2024
	2025	2024	2025	2024		
Inspections	6	5	10	10	16	15
Follow-up on rec-ommendations	0	0	10	4	10	4

As in previous years, the scope of the inspections completed in 2025 consisted of reviewing the auditors' quality control systems. In the case of inspections of auditors of public interest entities, a general review has been conducted of all elements comprising the quality control system, paying especial attention to components of **audit firm's risk assessment process**, as introduced by the International Standard on Quality Management 1 (ISQM-1), adapted for application in Spain by Resolution of the Accounting and Auditing Institute of 20 April 2022; and the **applicable requirements regarding ethics and independence**. The components of acceptance and continuity, and information and communication, are analysed in together with the other components.

Meanwhile, in the inspections of auditors not auditing public interest entities, the six most relevant elements of the eight that make up the quality control system have been reviewed. As with auditors of public interest entities, these elements include a review of the working papers related to specific areas of audits of financial statements (engagements) (see Figure 11).

//// **FIGURE 11** **Elements of the internal quality control system of auditors and audit firms**



Within the scope of all inspections performed in 2025 (both auditors of public interest entities and other auditors), 50 audit engagements were included. This represents an increase of 19% over the number of audit engagements inspected in 2024, in line with the need to boost the number of tasks per inspection to increase their impact as a key factor in the overall improvement as regards quality in audit management systems and protecting public interest. Of the 50 audit engagements inspected, 21 were of public interest entities, representing 42% of the total, while the other 29 were of non-public interest entities, as described in Table 14.

//// **TABLE 14** **Total audit engagements inspected**

	2025	2024	Variation
Public interest entities	21	16	31%
NON-public interest entities	29	26	12%
TOTAL	50	42	19%

The following sections summarise the results of the inspections completed in 2025, and detail the main issues revealed by the inspections, both regarding the firm's policies and procedures, and the audit itself.

a.1 Inspections

a.1.1 Inspection of quality control policies and procedures

The inspection procedures have concluded with the following proportion of requests for improvement in response to the deficiencies[2] detected in the elements of the quality control system (see Table 15).

//// TABLE 15 Elements of the quality control system

Elements of the quality control system	Improvement requirements (%)
i. Risk assessment process.	19%
ii. Governance and leadership.	7%
iii. Applicable ethics and independence requirements.	49%
iv. Human Resources.	14%
v. Performance of audit engagements.	8%
VI. Follow-up of the quality control system.	3%
	100%

As observed, ethics and independence requirements continue, as in previous years, to account for the largest proportion of areas requiring improvement, representing 49% of the total in 2025. This result confirms that compliance with regulatory requirements regarding independence remains one of the key areas of supervisory focus and highlights the need for auditors to maintain a constant attention on this area, given its importance in safeguarding the objectivity and credibility of audits.

Meanwhile, audit firms' risk assessment processes accounted for 19% of the requirements, making it the second most significant component. This finding is consistent with the level of complexity and novelty introduced by International Quality Management Standard 1 (IQMS-1), as well as with the supervisory emphasis placed on verifying the proper identification and assessment of quality risks at firm level, upon which the remaining components of the quality control system are based.

As regards the other elements of the system, the most significant requirements are related to human resources (14%) and the execution of the engagements (8%), which are areas closely linked to the appropriate allocation of resources, professional competence, and the performance of work in accordance with applicable standards. Furthermore, quality leadership responsibilities account for 7% of the areas requiring improvement, which highlights the importance of active and visible leadership in the design, implementation and effective operation of the quality control system.

2 In accordance with the International Standards for Quality Management (ISQM1-ES), there is a deficiency when: a quality objective necessary to achieve the aims of the quality control system is not established; a quality risk or combination of risks is not identified or not adequately assessed; a response or combination of responses does not reduce to an acceptably low level the likelihood that there is a quality risk because the response or responses are not adequately designed or implemented or do not operate effectively; or it is not included, or has not been adequately designed or implemented, or does not operate effectively, so that any ISQM requirement is not met.

Finally, the monitoring component of the quality control system accounts for a low percentage of requirements (3%), which reflects a significant improvement on previous years and demonstrates the positive impact of the follow-up actions taken by firms in response to the requirements identified in previous inspections, as well as greater maturity in the implementation and monitoring of their quality control systems.

The main aspects of these improvement requirements are highlighted below:

i. *Risk assessment process*

NOTE

This component of the quality control system includes designing and implementing a risk assessment process for:

- ✓ Set the quality goals required to achieve the objectives of the quality control system.
- ✓ Identify and assess quality risks, obtaining the necessary knowledge of the conditions, facts, circumstances, actions and omissions that may affect their achievement.
- ✓ Design and implement responses to the risks identified.

With regard to the component related to the *risk assessment process*, the supervisory reviews carried out have identified a series of **improvement requirements** aimed at strengthening audit firms' ability to properly identify, assess and respond to quality risks. In particular, they have highlighted the need to:

- Strengthen the documentary evidence of the process for identifying and assessing quality risks, as well as the knowledge acquired by the firm for this purpose, with regard to the facts or circumstances, actions or omissions that may affect the achievement of quality objectives, and the manner and extent to which these factors may affect compliance.
- To develop and refine policies and procedures that enable the systematic identification of information indicating the need to define additional quality objectives, or to review and update identified quality risks and previously established responses, thereby ensuring the ongoing suitability of the quality control system.
- To define more precisely the design and implementation of measures to address quality risks, by clearly identifying their nature, timing and scope, as well as clearly assigning responsibilities for their implementation and monitoring.

ii. *Governance and leadership*

NOTE

This component of the quality control system includes setting quality objectives for:

✓ Promoting an internal culture, where quality performance of audit engagements is recognised as essential.

✓ Assign responsibilities for handling the quality control system on the basis of the necessary expertise, capability and authority.

With regard to the *Governance and Leadership*the supervisory reviews conducted have identified several **improvement requirements**, of which the following are especially noteworthy due to their significance or frequency:

- Boosting the involvement, leadership and effective commitment of senior management and the person ultimately responsible for the quality control system, ensuring the appropriate allocation of the human, technical and organisational resources required for the design, implementation and operation of a system that establishes an appropriate control environment and effectively supports the achievement of quality objectives.
- Strengthen the mechanisms for identifying, assessingand managing conflicts of interest, both actual and potential, which may affect the proper performance of the duties and responsibilities assigned to the various managers and professionals within the quality control system framework.

iii. *Applicable ethics and independence requirements*

NOTE

✓ Their goal is to set quality targets for reasonable assurance that both the audit firm and its staff, as well as all other persons and entities to whom the aforesaid requirements apply, maintain their independence by identifying and assessing threats to said independence so that it is adequately safeguarded or, if not, the audit engagements are not accepted or the audit report is not issued.

With regard to the *applicable ethics and independence requirements*, the supervisory reviews carried out have identified various **improvement requirements** aimed at strengthening regulatory compliance and the effectiveness of the controls established by audit firms. In particular, they have highlighted the need to:

- Implement and strengthen policies, procedures and controls to ensure that confirmations of independence are obtained in a timely and proper manner from all professionals who are subject to independence restrictions, including those related to the auditors of the components, while ensuring that these are properly aligned with national regulations.

- Strengthen the procedures and controls designed to identify, assess and document threats to independence and the safeguards applied, ensuring that these analyses are properly reflected in the working papers, as well as ensuring that the engagement partners are adequately involved in the approval and monitoring of non-audit services.
- Establish effective control mechanisms to enable the timely identification of any potential reasons for abstaining, arising from fees received, as well as compliance with the limits and criteria governing fee concentration, ensuring that the relevant documentary evidence is included in the working papers of the engagement.
- Develop appropriate policies, procedures and preventive controls to enable professionals who are subject to the Law on Auditing to provide a correct and complete disclosure of their financial interests, as well as those of their family members, in accordance with the requirements of the applicable standards.
- Implement appropriate tools and procedures for the comprehensive and up-to-date identification of the corporate structures of audited entities subject to independence requirements.
- Strengthen compliance with the requirements regarding communications to audit committees of audited companies, ensuring that such communications are made in accordance with the terms, deadlines and content required by the standards.
- To improve the effective implementation and documentation of policies and procedures related to the provision of non-audit services, in order to ensure proper compliance and the existence of sufficient evidence to support the procedures undertaken.

iv. *Acceptance and continuity of client relationships and specific engagements*

NOTE

The purpose of this component is for the audit firm to set quality targets in order to obtain reasonable assurance that only audit client relationships and audit engagements are initiated or continued for which the auditor:

- ✓ Has the competence and ability to carry out the audit, including the resources and time required to do so (absence of professional risk).
- ✓ Can comply with applicable ethical requirements, including those of independence (absence of ethical and independence risk).
- ✓ Considers the integrity of the customer and has no information that would lead him or her to conclude that the client lacks integrity (no client risk).

In other words, it is a preventive control that should operate effectively prior to the signing the audit engagement letter and the commencement of the audit, and, where appropriate, at renewals.

Within *Acceptance and continuity of client relationships and specific engagements*, the following **improvement requirements** are worth highlighting due to their importance or frequency:

- Ensure that acceptance and continuity assessments are performed in a timely and correctly documented manner, boosting controls to ensure that such assessments are conducted, documented and approved prior to the formalisation of audit contracts and the commencement of fieldwork.
- Strengthen the documentary evidence on compliance with independence requirements as part of the process for accepting and continuing engagements, ensuring that this assessment is duly included in the file for each engagement.
- Improve the assessment and documentation of the professional risk associated with each engagement, especially with regard to the appropriate capacity, competence and availability of the audit team and the assigned quality control reviewers, in order to ensure that the work is carried out correctly and in accordance with the applicable standards.

v. *Resources*

NOTE

The quality objectives in relation to the *Resources* component should provide reasonable assurance that audit firms obtain, develop, use, maintain, conserve, distribute and allocate resources appropriately:

✓ Have sufficient staff with the necessary competence, capability and commitment to ethical principles to perform audits in accordance with the auditing standards, including remuneration policies.

✓ The technological and other resources available are sufficient to operate the audit firm's quality control system and perform audits.

With regard to the ***Resources*** component, the supervisory activities carried out have identified **improvement requirements** aimed at strengthening the effective management of human resources and ensuring they are aligned with audit quality. In particular, they have highlighted the need to:

- Develop and implement formal performance assessment procedures, ensuring proper traceability and consistency between the contribution made by staff, especially partners, to audit quality and the remuneration and recognition schemes in place.
- Establish policies and procedures to ensure a balanced allocation and effective monitoring of partners' workloads, covering not only audit engagements but also the additional responsibilities they undertake within the internal quality control system.
- Strengthen the criteria for the assessment of auditors' performance and remuneration, so that these are properly aligned with audit quality objectives and do not include, or only

include in a properly controlled manner, factors that may compromise independence, such as the firm's overall financial performance or the provision of non-audit services to audit clients.

VI. *Performance of audit engagements*

NOTE

✓ They are intended to provide reasonable assurance that audit engagements are undertaken by audit firms in accordance with the standards governing the audit activity. This component of the quality control system includes various aspects related to the promotion of consistency in the quality with which audit engagements are undertaken; oversight and review responsibilities in audit teams; conducting necessary consultations and implementing the resulting findings; quality control review of public interest entity engagements as well as others based on risk criteria; engagement documentation; confidentiality; safe custody, integrity, accessibility and retrieval of audit engagement documentation; and the retention of audit engagement documentation.

Within *Performance of audit engagements*, the following **improvement requirements** have been identified, based on their relevance and frequency:

- Implement integrated tools that bring together the guidelines, templates and methodological guidance required for the proper performance of audits, facilitating their uniform and consistent application.
- Establish and strengthen controls to ensure that the engagement quality review is conducted by the person formally appointed for this purpose, while also ensuring that all work subject to review is performed during the relevant stages of the audit.
- Define and implement procedures and controls to ensure the appropriate selection of the engagement quality reviewers, taking into account criteria such as technical competence, professional capability and the absence of conflicts of interest.
- Improve the documentation on the matters reviewed and discussed, as well as the professional judgements and criteria underpinning the conclusions reached in the engagement quality reviews, including clear references to the working papers examined.
- Develop and strengthen policies and procedures to ensure that audit files are closed according to the applicable standards, guaranteeing their proper safekeeping, integrity and retrievability.

vii. *Monitoring and rectification of the quality control system*

NOTE

- ✓ This is a check conducted after the implementation of all other policies and procedures and the issuance of audit reports, its goal being to provide reasonable assurance that the quality management policies and procedures are relevant, adequate and operating effectively.
- ✓ The person responsible for monitoring the quality control system is responsible for the ongoing evaluation of the quality control policies and procedures established by the auditors or audit firms, including the regular inspection of audit engagements, to assess the adequacy and appropriateness of their design and their operational effectiveness, as a post-check of said policies and procedures.

Within *Monitoring and rectification of the quality control system*, and based on the inspections conducted, the following **improvement requirements** have been identified, based on their relevance and frequency:

- Establish measures to ensure the identification, prevention and proper management of potential conflicts of interest involving professionals who perform duties or assume responsibilities within the monitoring component, in relation to other responsibilities or activities undertaken by them.
- Design and implement procedures and controls that ensure the proper selection of monitoring reviewers, based on criteria of technical competence, professional capability and the absence of conflicts of interest, while also ensuring the adequate segregation of duties and the application of the necessary safeguards to maximise the objectivity and independence of the monitoring process.
- Strengthen the documentation of the monitoring process, ensuring that it includes, in a sufficient and consistent manner, the procedures performed, the conclusions reached, even when satisfactory, as well as the AQR reporting process and the results obtained.
- Define and implement assessment criteria to determine when the deficiencies identified during engagement reviews constitute system deficiencies, and establish criteria for assessing whether these deficiencies are systemic or generalised.

a.1.2 Inspection of audit engagements.

Inspections were carried out on 50 audit engagements, of which 21 were of public interest entities.

The requests for improvement included in the inspection reports issued in 2025 do not necessarily prejudge the commissioning of breaches of audit regulations[3], without prejudice to the initiation of the corresponding investigations and disciplinary proceedings, where appropriate.

3 In particular, it does not prejudge the existence of a possible serious infringement for "non-compliance with auditing standards that could have a significant effect on the outcome of its work and, consequently, on its report", as defined in Article 73.b) of the LAC.

Nor do the requests for improvement necessarily involve the disclosure of material misstatements of audited financial information, as the purpose of the inspection is to assess the overall performance of the auditors and audit firms.

The distribution of the requests for improvement made in the inspection of audit engagements, grouped by the technical subject of the audit, is displayed in Table 16.

//// TABLE 16 Requests made during the inspection of audit engagements

Audit aspects	% of requests
Planning and determination of the materiality figure	5%
Audit documentation	20%
Identification and assessment of risks of material misstatement	24%
Fraud	3%
Testing of controls	11%
Going concern	2%
Use of experts	3%
Sampling	12%
Estimates	4%
Other substantive procedures	10%
Audits of the financial statements of groups of companies	5%
Audit report	1%
TOTAL	100%

Among the requests made for the engagements inspected, those related to the adequate identification and assessment of risks of material misstatement, the need for adequate testing of controls, and the verification of accounting estimates in the financial information stand out due to their frequency and their impact.

Notwithstanding the above, the inspections have highlighted several areas for improvement, including the following:

- Strengthen the basis of audit strategies, ensuring that they are consistent with the identified risks and underpinned by a thorough and up-to-date understanding of the entity and its environment.
- Improve the design assessment of internal control systems, as well as the planning, execution and documentation of tests of the operational effectiveness of the relevant controls.
- Align audit procedures more precisely with the assessed risks of material misstatement at the assertion level, appropriately considering their nature, timing and extent, with especial attention to intra-group transactions and the assessment of impairment of investments in group companies.
- Optimise the design and implementation of audit procedures, in order to enhance the sufficiency and appropriateness of the audit evidence obtained.
- Within the substantive procedures applied to each type of transaction, ensure that the audit evidence and material disclosures are appropriate, and that the test design and scope of procedures performed are adequate.

- Refine the determination and justification of sampling methodologies, including the selection of the statistical method, the sample size and the choice of items to be examined.
- Strengthen the working documentation of the audit so that it enables an experienced auditor, with no prior knowledge of the engagement, to clearly understand:
  - the nature, timing and extent of audit procedures applied in compliance with the ISAs and applicable legal and regulatory requirements;
  - the findings obtained and the audit evidence gathered;
  - the significant matters arising during the audit, the conclusions reached, and the significant professional judgments applied in resolving them.

a.2 Investigations and verifications

In 2025, 339 investigations and verifications were carried out, representing an increase of 14% compared to 2024, in line with the upward trend and consolidation in the volume of supervisory actions carried out in previous years.

The scope of the ex officio control activities initiated and carried out in 2025 has been determined by different issues that have been considered risky due to their possible effect on the quality of the audit services, such as apparently insufficient fees in relation to the complexity of the engagement, the possible lack of updating of auditors not affiliated to any of the existing public law corporations of auditors, or the concentration of fees, among others.

The types of the aforesaid actions are shown in Table 17.

//// TABLE 17 Investigations and verifications

Type of investigation/verification	No.° actions	Percentage of total actions
Investigations / complaints	74	22%
Investigations on continuous training	164	48%
Transparency investigations	62	18%
Verification of the adequacy and sufficiency of the financial guarantee	39	12%
TOTAL	339	100%

With regard to investigations and complaints, 74 cases were concluded in 2025, mainly related to the verification of compliance with technical auditing standards in the performance of engagements and adherence to auditors’ independence obligations.

Additionally, 164 actions to verify compliance with the continuous training requirement for practising auditors were carried out, confirming the importance of this area within supervisory activities.

With regard to the obligation to publish transparency reports, in 2025, 62 inspections concerning both the publication of these reports and compliance with the formal and content-related requirements by auditors and audit firms of public interest entities, were carried out.

Moreover, under the 2025 Control Plan, 39 verifications were performed to verify the adequacy and sufficiency of the financial guarantee, in compliance with the provisions of Article 27 of the Law on Auditing and Article 65 of its Regulations, with the aim of verifying that auditors and audit firms maintain sufficient coverage for the risks arising from the exercise of their professional activity.

b. Activities to strengthen the supervisory body's transparency.

Effective supervision requires robustness in its preventive aspect, so that supervision is not limited to detecting and correcting deficiencies, but preventing them from occurring. To this end, the line of action that reinforces the transparency of the ICAC's supervision has been continued.

In 2025, two new biannual publications of the *Economic and Financial Gazette to Support Audit Risk-Based Oversight* have been prepared. This tool is intended to facilitate the industry's identification and analysis of the main risk areas in financial statements, aligning the approach with the latest macroeconomic analysis and projections, and also serves to develop risk-based oversight. Therefore, its structure and content have been thoroughly reviewed in 2025, with the aim of improving the achievement of this objective. The risks identified in the Gazette arise from both internal and external factors of the audited companies, as well as from the level of maturity of the auditors' quality control system.

Among the external factors that may affect financial reporting, economic and financial activity is a key element that must be taken into account by any modern supervisory system.

This Gazette thus aims to describe the main risk areas and to provide a valuable resource for the planning and execution of financial audits and reviews, helping decision-makers to focus their efforts on those risks that pose the greatest threat to regulatory stability and compliance in the current economic context.

Finally, it should be noted that this transparency in action of the ICAC has also been pursued through activities to disseminate practical aspects of oversight aimed at facilitating regulatory compliance, especially in the case of smaller auditors and audit firms. In December 2025, a statement of supervisory expectations was published regarding the involvement of experts in the audit process, covering both the Management (ISA-ES 500) and the auditor (ISA-ES 620). These guidelines are intended to reinforce quality criteria identified as critical in supervisory activities. The ICAC will continue to monitor audits, paying especial attention to the proper use, evaluation and documentation of works performed by experts, whether of the auditor or of the management.

3.6 Disciplinary Activities in the Field of Auditing

The disciplinary actions performed in 2025 consisted of processing administrative disciplinary proceedings for non-compliance in auditing matters, assisting the Chairman's Office in preparing the measures within its competence issued in such proceedings.

A total of 53 **disciplinary proceedings** related to audits were resolved in 2025, a figure that is slightly higher than the 48 resolved in 2024.

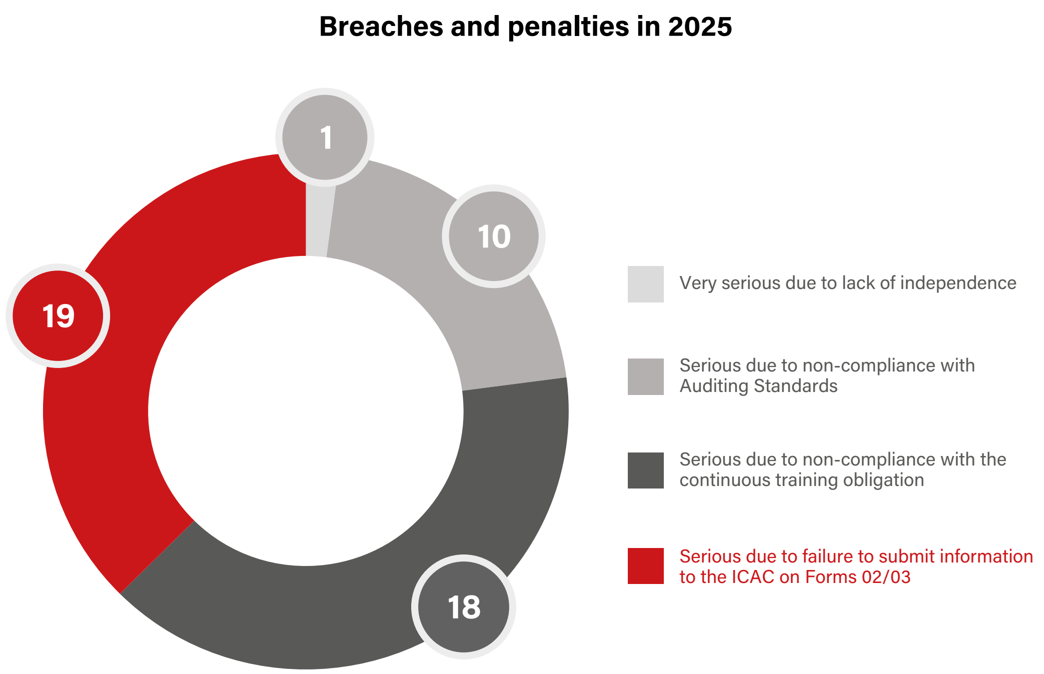
It should be noted that, in 5 of the 53 disciplinary proceedings resolved in the area of auditing, a decision was taken without imposing a penalty.

In the other 48 cases processed and resolved in the area of auditing **non-compliance with the standards governing audits** constituted serious or very serious breaches, as detailed in Table 18 and Figure 12.

//// TABLE 18 Breaches included in the disciplinary proceedings resolved in the area of auditing

Breaches included in the disciplinary proceedings resolved in the area of auditing	No. of proceedings 2025	No. of proceedings 2024
Very serious due to obstruction of the ICAC's supervisory powers	1	0
Very serious due to lack of independence	2	1
Serious due to non-compliance with Auditing Standards	10	10
Serious due to failure to submit information to the ICAC on Forms 02/03.	17	19
Serious due to non-compliance with the continuous training obligation	18	18
TOTAL	48	48

//// FIGURE 12 Breaches and penalties in 2025

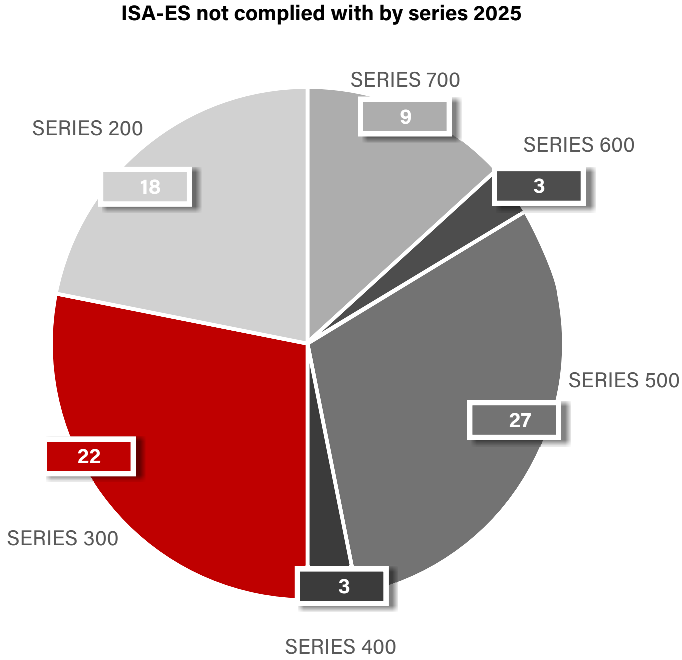


In the proceedings for non-compliance with auditing standards that could have a material effect on the outcome of the audit and, consequently, on the audit report issued (serious breach), where penalties were imposed, the non-compliance mainly concerned the following international auditing standards (see Table 19 and Figure 13).

//// TABLE 19 ISA-ESs not complied with during the years

ISA-ESs not complied with		No. of proceedings 2025	No. of proceedings 2024
ISA-ES 200	"Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing"	10	4
ISA-ES 230	“Audit Documentation”	1	1
ISA-ES 240	"The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements"	6	2
ISA-ES 250	“Consideration of Laws and Regulations in an Audit of Financial Statements"	1	0
ISA-ES 300	"Planning an Audit of Financial Statements"	1	1
ISA-ES 315	"Identifying and Assessing the Risks of Material Misstatement"	9	3
ISA-ES 320	"Materiality in Planning and Performing an Audit".	3	2
ISA-ES 330	“The Auditor's Responses to Assessed Risks"	9	3
ISA-ES 450	“Evaluation of Misstatements Identified during the Audit”	3	1
ISA-ES 500	“Audit Evidence”	10	3
ISA-ES 505	“External Confirmations”	1	0
ISA-ES 520	“Analytical Procedures”	3	1
ISA-ES 530	“Audit Sampling”	6	2
ISA-ES 540	"Auditing Accounting Estimates and Related Disclosures”	1	1
ISA-ES 550	“Related Parties”	4	1
ISA-ES 570	“Going Concern”	1	1
ISA-ES 580	“Written Representations”	1	0
ISA-ES 600	"Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)"	1	0
ISA-ES 620	“Using the Work of an Expert”	2	0
ISA-ES 700	“Forming an Opinion and Reporting on Financial Statements”	3	1
ISA-ES 705	“Modifications to the Opinion in the Independent Auditor's Report”	6	4

//// **FIGURE 13** **ISAs not complied with by series**

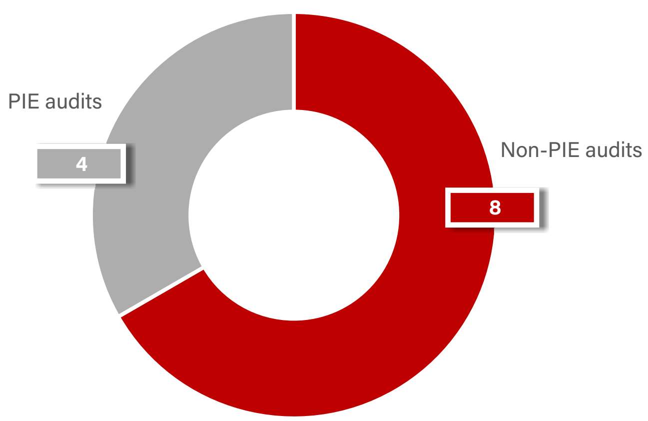


The following graph shows the breakdown of resolved cases in which non-compliance with technical auditing standards that may have a material effect on the audit and the report issued, or non-compliance with the duty of independence, have been declared, in relation to the **number of auditors of public interest entities (PIEs)** for which disciplinary proceedings have been initiated, according to the data shown in Table 20 and Figure 14.

//// **TABLE 20** **Proceedings resolved**

	Year 2025	Year 2024
PIE audits	4	4
Non-PIE audits	8	6

//// **FIGURE 14** **Proceedings related to PIE and non-PIE audits**



The fines imposed in 2025, by type of auditor penalised, amounted to 635,110.77 euros (see Table 21).

//// TABLE 21 Fines imposed

Penalised	Amount
Audit firms and partners	521,091.77
Sole practitioners	114,019
Total fines imposed	635,110.77

In addition to the above, it should be noted that in 2025, the following reports on appeals have been issued, in accordance with the provisions of Article 47 of the LAC with regard to disciplinary proceedings in auditing (see Table 22).

//// TABLE 22 Reports on appeals issued

Reports on appeals	2025	2024
Reports on Appeals arising from auditing proceedings	7	8

In 2025, the National High Court handed down four rulings, three dismissing the appeals filed, confirming the ICAC's disciplinary criterion and one upholding the appellants' claims.

3.7 Audit Independence Criteria, Sustainability Guidelines and Published Disclosures

In 2021, the *ICAC's Technical Independence Group* was established. It consists of representatives of the General Sub-Directorates of Technical Standards on Audits and Technical Control, and representatives of the Consejo General de Economistas de España-Registro de Economistas Auditores (CGE-REA) and the *Instituto de Censores Jurados de Cuentas de España* (ICJCE) as public-law corporations representing auditors. The purpose of this group is to analyse the applicable rules regarding auditor's obligation to remain independent, in order to provide guidelines to auditors on those practical issues and thus contribute to the best practical application of the LAC and its implementing regulation.

During 2025, as a result of discussions within this group, guidance was issued on the scope of the extension of the grounds for incompatibility where they affect the persons referred to in Article 19.1(d) of Law 22/2015 of 20 July on Auditing.

The ICAC has also collaborated with the National Securities Market Commission (CNMV) in preparing a joint statement pending the transposition of the Directive into domestic law to recommend that, for the purposes of assurance of sustainability reporting that may be submitted by companies for 2025, the text of the technical assurance standard (not approved), the guidelines published by the Committee of European Auditing Oversight Bodies, and the ISSA 5000 "General Requirements for Sustainability Assurance Engagements" should be taken into account, as a continuation of the joint statement issued in November 2024.

The ICAC has also published on its website the addendum to the protocol statement signed with the US PCAOB, following its adaptation to the new European regulations on personal data protection, and the Commission Implementing Decision (EU) 2025/1992 of 2 October 2025 on the adequacy of the competent authority of the United Kingdom pursuant to Directive 2006/43/EC of the European Parliament and of the Council.

3.8 Responding to Queries

The ICAC's collaboration with auditors and audit firms includes studying and drafting responses to queries regarding the interpretation and application of the standards on audits. Of all the queries answered, those deemed to be of general interest are selected for quarterly publication in the *Official Gazette* of this Institute.

Table 23 displays the data on the queries processed in recent years, grouped under different matters.

//// TABLE 23 Queries processed

Queries	2025	2024	2023
Queries issued	213	266	241
1. Appointment and engagement of auditors	8	30	42
2. Continuous Training	54	-	-
3. Official Register of Auditors	83	8	95
4. Independence regime	2	7	5
5. Obligation to submit for auditing	23	32	26
6. Audit engagements and reports	11	8	9
7. Public interest entities	4	8	5
8. Sustainability reporting assurance	12	157	20
9. Miscellaneous	16	16	39
Queries published	0	0	1

The queries received have dealt with various aspects of the effective application of the regulations governing accounting, the most frequent of which are as follows:

- access to the Official Register of Auditors and theoretical training, including the specific requirements for auditors from a third country
- continuous training requirements
- independence regime
- auditor revocation, resignation, audit engagement and cases of auditor replacement

- audit fees and the criteria for setting them
- the duty to submit the financial statements of an entity for auditing
- sustainability reporting assurance

There has been a decrease in the number of queries regarding sustainability reporting assurance, due to the parliamentary deadlock the draft law has faced in 2025; the enquiries received mainly referring to aspects such as the status of the draft law for the transposition of the approved directive, the requirements and conditions for sustainability reporting assurance, and, in particular, the courses to be taken and the aspects relating to the examination for registration in the Official Register of the ICAC.

Certain queries which are deemed to be of general interest, are published on the Institute's website and in the Institute's *Official Gazette* . In 2025 no queries were published in the *BOICAC*.

3.9 International Activity

International activity in the field of auditing is essential for the ICAC to align its supervisory practices with those of its European and global counterparts. Moreover, cooperation between oversight bodies is necessary given the presence of significant international networks of auditors operating in multiple jurisdictions within the market. There is also a need for co-operation and exchanging experiences in the practical implementation of European standards and international auditing standards adopted by Member States. Collaboration is therefore essential, especially considering the need for cooperation and coordination both from a regulatory point of view and in terms of supervisory activity.

In the European Union, this activity is mainly conducted by means of the Committee of European Auditing Oversight Bodies (CEAOB), although participation in the Audit Regulatory Committee (AuRC) is also relevant.

From a global perspective, the most important participation is within the International Forum of Independent Audit Regulators (IFIAR).

International activity also includes other cooperation activities in the area of oversight, such as associations of competent authorities or direct collaboration with other competent authorities and attendance at the annual meeting organised by the US Public Company Accounting Oversight Board (PCAOB), which in 2025, focused on enhancing audit quality, the future of audit oversight, the impact of technology on audits, and the analysis of issues related to the ownership of audit firms.

One highlight of 2025 was ICAC's participation as a panellist in the PCAOB's annual meeting, in the session entitled 'Investigations and Penalties.' ICAC attended this session alongside representatives from supervisory authorities in Malaysia, the United States and Poland, and covered topics such as investigation and penalty programmes; the types of penalties imposed; the timeframes for investigations and penalties; the use of technology and data in investigation and inspection programmes; the publication of investigation and penalty outcomes; and international cooperation with other supervisory authorities in the field of investigations and penalties.

The most relevant aspects of the international activity are described below.

CEAOB

CEAOB is the framework for cooperation between national audit oversight bodies at EU level. Its role is to strengthen auditing oversight across the EU, which is a key objective of EU legislation on statutory audits which entered into force on 17 June 2016. To this end, the CEAOB organises cooperation between competent authorities to promote the consistent application of European auditing standards, to facilitate the exchange of information, and to advise the Commission on matters including the technical assessment of third country oversight systems and the technical review of international auditing standards, with a view to their adoption at European level.

CEAOB consists of representatives of EU national audit oversight bodies and the European Securities and Markets Authority (ESMA). Representatives of national audit authorities from the European Economic Area (EEA) are also participants in this body. The European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) also participate as observers.

The Committee operates both through plenary sessions and through the following sub-groups:

- **International Auditing Standards Sub-group:**: a working group which analyses exposure drafts of standards issued by the international standard-setter, the International Federation of Accountants (IFAC), through the International Auditing and Assurance Standards Board (IAASB), for the purpose of drafting and following up on comment letters to be submitted to the IAASB. It also analyses the differences between the standards applicable in each Member State of the European Union and the Standards issued by IFAC, with the aim of advising the European Commission regarding the process that, if necessary, may be initiated for the adoption of standards at the European level.

  It also discusses issues raised by Member States with regard to European legislation governing audits, as well as other European legislation that may have an impact on audits or auditors. In short, it is the body responsible for developing and harmonising audit and assurance standards and guidelines at European level, especially in emerging areas such as sustainability, with a view to ensuring consistent application across national supervisory authorities in the European Union.

  Additionally, the IAASB's work programme is discussed, and the findings of inspections that identify shortcomings in the standards issued by the IAASB on the provision of information by international issuers are analysed. Furthermore, the ISSA 5000 is discussed with a view to its adoption by the European Commission for application in Europe. At the start of the year, this task was refocused on advising the Commission on the drafting of non-binding verification guidelines focusing on specific aspects.

- **Inspections Sub-group:** working group whose main mission is to improve the quality of audits in Europe by harmonising regulatory approaches and strengthening technical expertise among its members. To this end, it develops common methodologies such as CAIM, analyses the findings of inspections, organises training sessions and promotes the exchange of best practices. It also maintains constant communication with audit firms, international standard-setters and other CEAOB groups, ensuring consistency and transparency in supervisory processes.

- **Enforcement Sub-group**: EU-wide working group established to report on existing investigations and disciplinary practices, statistics on penalties imposed under the new European Audit Regulation, and the template for reporting temporary and final deregistration penalties to CEAOB, pursuant to Article 30.(f) of Directive 2006/43/EC, as amended by Directive 2014/56/EU of the European Parliament and of the European Council of 16 April 2014, as well as to exchange practical experience on investigations.

- **Market Monitoring Sub-Group**: EU-wide working group that aims to support the European Commission in monitoring the evolution of the audit market, especially with regard to the preparation of the report referred to in Article 27 of Regulation 537/2014 This sub-group facilitates the monitoring of the quality and competence of the services market for auditing public interest entities, and contributes to the convergence and coordination of the monitoring conducted by national authorities. Since 2022, the ICAC has led this sub-group, demonstrating its firm commitment to boosting international cooperation and its active involvement in coordination and governance mechanisms within the European institutional sphere.

The Plenary Meeting of the CEAOB is the instrument in which the heads of the audit oversight authorities of the Member States participate and where decisions are formally adopted. In 2025, three face-to-face plenary meetings were held (in March, June and November).

Thematically, the most relevant aspects in which CEAOB has been involved in 2025 include:

- Follow-up on the IAASB's actions regarding the issues raised in the CEAOB letter to this international standard setter on the exposure draft of ISA 620 Using the Work of an Expert; as well as the issues covered in the consultation regarding the implementation of the new definitions of a listed entity and a public interest entity (PIE).

- Work continued on the project to draft a technical note for the European Commission regarding the application of the International Standard on Sustainability Assurance, ISSA 5000, as part of the assessment of its potential adoption within the European Union. However, at the Commission's request, the project was refocused on providing technical advice for the drafting of non-binding guidelines on specific aspects of the limited assurance of sustainability reporting.

- Collaboration in the drafting of the CEAOB letter regarding the IAASB's draft on limited-scope amendments to ISA 620, 'Using the Work of an Auditor's Expert.'

- Analysis of issues raised regarding the application of certain provisions of European auditing legislation (Directive and Regulation) in matters relating to the application of Auditing Standards. The differences between the international standards issued by the IAASB and the standards adopted in the different Member States were also discussed as a means of advising the European Commission on their possible adoption at EU level.

- Working meetings and surveys on the different implementation processes in each Member State of the standard for audits of less complex entities (LCE).

- Issues related to the applicationin Spain of Article 5(1)(g) of the LAC, which transposes Article 48f of Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/ 34/EU as regards the disclosure of corporate tax information by certain undertakings and branches, with regard to the obligation to file a report on the corporate tax of the audited entity and its implications for ISA 700 R, 510, 570 R, 600 R, 705 R, 706 R, 710 and 720 R; as well as issues related to auditor rotation in European Union countries.

- In 2025 the face-to-face meeting of the standards sub-group was held in Madrid (Spain) and organised by the ICAC.
- Working meetings to improve the consistent development of the inspection methodology of auditors and audit firms, exchange experiences regarding inspection practices, as well as conduct analyses and dialogue with the six largest European networks of audit firms on the major audit deficiencies and the actions of these networks to promote measures to reduce these deficiencies.
- Five meetings have been held over the course of 2025 to prepare the annual report on aspects of investigation and disciplinary proceedings, bringing together data from the different Member States in relation to these procedures. Furthermore, a webinar was held in November to discuss the compatibility of growth and quality in auditing. In addition, the in-person meeting of the Subgroup, held on 26th and 27th May in Rome, was attended.
- As regards the inspections sub-group, its annual meetings were held face-to-face in June and November 2025 in Oslo and Madrid, respectively. These events addressed all relevant issues to ensure better coordination and standardisation of audit control procedures at the European level, to liaise with international standard setters, and to engage in a dialogue with the European network of audit firms. Among the issues discussed by the firms contacted at the 2025 meetings were those related to strategy, governance, sustainability and artificial Intelligence, as well as reporting on the database of inspection results maintained by the CEAOB and the results of the internal follow-up reviews carried out in the firms themselves. Finally, these meetings are updated by the heads of the *Task Forces* into which the Sub-group is divided. During the meeting held in Madrid, the ICAC reported on the structure and inspection methodology used by the institution to the other members of the sub-group.



In addition, within this sub-group, various ***task forces*** have been set up to address a range of topics, the most notable of which are as follows:

- *Task force* on inspection reports, set up to design and draft CEAOB's first inspection report, held its first working meeting in 2025. Its main objective is to conduct a more in-depth analysis of the CEAOB's inspection database, with a view to producing aggregate reports on audit quality in Europe, which will be made publicly available once they have been approved by the CEAOB Plenary Meeting. It initially comprises Cyprus, France, Ireland, Luxembourg and Spain.
- *IT Task Force* which, following the publication in 2024 of an analysis paper entitled"Challenges and Applications of Advanced Technologies in Audit Firms", continued its work in 2025, focusing primarily on an in-depth analysis of the CEAOB database, in relation to findings concerning information technology (IT), highlighting the need to strengthen the consideration of technological risks in audits and to improve the consistency of IT audit work across the various Member States

- In 2025, the ICAC served its fourth year as chair of the Market Monitoring Sub-Group of the CEAOB, during which work began on analysing and drafting the fourth report on the audit services market in the European Union[4], covering the period from 2022 to 2024, prepared jointly by the European Commission and CEAOB. Furthermore, in its capacity as chair of this sub-group,, it has been appointed as a member of the *Task Force* on inspection reports within the CEAOB's inspections sub-group, as mentioned above.

/ *Meetings of the Audit Regulatory Committee (AURC)*

This committee is formed by the different EU member state authorities with regulatory powers in the field of auditing, as well as in possible aspects related to the auditors' performance relating to fraud.

No meetings of this Committee were held in 2025.

/ *Other activities. Association of oversight bodies*

The ICAC has participated in the four associations of the competent European authorities corresponding to the four largest European networks of audit firms. These associations, established to promote greater cooperation among selected EU auditing authorities, serve as forums for sharing the main vulnerabilities identified in inspections by different supervisory bodies. This provides an insight into the oversight carried out by the ICAC's peer bodies in other EU states and the state of auditing in the European Union.

The conclusions of the issues analysed and the main vulnerabilities in the inspections are presented to the heads of the European networks in joint meetings between the oversight bodies and the corresponding network of audit firms with a view to adopting initiatives aimed at improving the quality of the audits conducted by audit firms that are members of these networks. Participation in these meetings is therefore essential.

4 Available HERE

Most of the issues are raised in parallel in the different bodies of the competent authorities. In 2025, the work organisation has been maintained as in previous years, in order to try and encourage the widest possible participation of all member countries. The topics covered included issues such as the impact of artificial intelligence on auditing, developments in sustainability and their impact on firms, and risk-based supervision. Work has also been performed on procedures for obtaining high-quality and standardised information on the degree of implementation of the new quality management standards from audit firms in a coordinated manner.

In addition to the above, other information and experiences deemed of interest and use to members by local supervisory associations are shared in the oversight bodies, thus fostering critical debate on issues and areas that might require particular study at the European level.

IFIAR

The International Forum of Independent Audit Regulators (IFIAR) consists of 55 authorities from five continents, with the objective of exchanging experiences and knowledge in the field of inspections and technical auditing standards. This forum meets both in plenary sessions and in groups.

In 2025, as an IFIAR member, the ICAC has participated in global oversight coordination activities by attending working meetings held to foster dialogue with the six largest global audit firm networks and international audit standard setters, and to drive the changes needed to improve audit quality.

It also participated in the IFIAR Standards Coordination Working Group (SCWG) in 2025 where, from a global perspective, comment letters were drafted on standards issued by the IAASB. Specifically, it participated in the drafting of the comment letter on the exposure draft on Using the Work of an Auditor's Expert (limited-scope amendments to ISA 620 Revised). Additionally, working meetings were held and surveys conducted regarding the future implementation across different jurisdictions of the joint project to revise the series 500 of the International Standards on Auditing, specifically concerning audit evidence and responses to risks.

In 2025, the face-to-face meeting of this sub-group was held in Washington D.C., hosted by the PCAOB, and attended by the ICAC.

Furthermore, it also collaborated with the IFIAR *Sustainability Assurance Task Force*(SATF) by submitting Spain's response to the IFIAR sustainability survey, the aim of which is to ascertain sustainability reporting requirements, assurance practices and supervisory frameworks across the jurisdictions of the various members.

A highlight of 2025 was ICAC's participation in the plenary meeting held in Berlin, Germany, as a panellist in the session on entitled 'Sustainability reporting assurance'. ICAC attended this session alongside a representative from the New Zealand regulatory authority, a representative from the Academy of Germany, and a representative from IOSCO (International Organisation of Securities Commissions).

3.10 The Audit Committee

In the exercise of the powers conferred upon the ICAC, the Audit Committee held three meetings in 2025 (one less than in 2024), with the matters required by the applicable regulations having been submitted to the Committee.

The main issues discussed at the three meetings were:

- The Resolution of the Chair of the Accounting and Auditing Institute approving the joint call of the Consejo General de Economistas de España-Registro de Economistas Auditores and the Instituto de Censores Jurados de Cuentas de España for the professional examination for the authorisation of the Accounting and Auditing Institute and registration in the Official Register of Auditors.
- The Resolution of 24 April 2025 of the Accounting and Auditing Institute, making public the Technical Auditing Standards resulting from the adaptation of the International Standards on Auditing for applicationin Spain: Communication with those charged with governance, ISA-ES 260 (Revised) and Forming an Opinion and Reporting on Financial Statements, ISA-ES 700 (Revised).
- The Resolution of 17 July 2025 of the Accounting and Auditing Institute publishing the Technical Auditing Standards, resulting from the adaptation of the International Standards on Auditing for application in Spain: Communication with those charged with governance, ISA-ES 260 (Revised) and Forming an Opinion and Reporting on Financial Statements ISA-ES 700 (Revised).
- The presentation of the Audit Control Plan for 2025 and the activity report for 2024.
- Report on the Situation of Auditing in Spain 2024.
- Information on the amendment of Article 3 of Law 22/2015 of 20th July, on Auditing, arising from the Commission Delegated Directive (EU) 2023/2775 of 17 October 2023 amending Directive 2013/34/EU of the European Parliament and of the Council as regards the adjustments of the size criteria for micro, small, medium-sized and large undertakings or groups.
- Information on the amendment to the Draft Law on Corporate Sustainability Reporting, which amends the Commercial Code, the Law on Capital Companies and the Law on Auditing, pursuant to Directive (EU) 2025/791 of 14 April 2025, amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States must apply certain requirements for corporate sustainability reporting and due diligence.
- The Resolution of 16 October 2025 of the Accounting and Auditing Institute, which puts out for public consultation the amendment to the Technical Auditing Standards resulting from the adaptation of the International Standards on Auditing for application in Spain, related to to the process of issuance and content of audit reports on financial statements.
- Information regarding the amendment to section 108 and the template for a verification report with a negative conclusion (included in Example 5 of the Annex) of the Technical Standard for Sustainability Reporting Assurance published on 18 December 2024 (for information purposes).

3.11 Collaboration with Other Organisations and Institutions

In 2025, a number of working meetings were held with the Women's Institute within the framework of the powers conferred by Law 2/2024 of 1st August on equal representation and a balanced presence of women and men. This institutional cooperation is aimed at facilitating the fulfilment of the legal mandates entrusted to the Women's Institute regarding the promotion, analysis, monitoring and support for compliance with obligations relating to balanced representation on the boards of directors of public interest entities, as provided for in current company law, and thereby strengthening channels of institutional cooperation.

4 Account Deposit

4 Account Deposit

4.1 Obtaining the Number of Non-Compliant Entities from the Business Registry Lists

Pursuant to the provisions of Article 371 of the Business Registry Regulations, approved by Royal Decree 1784/1996, of 19th July, in February, all Business Registries send the ICAC a list of companies that have failed to comply with the obligation to file their financial statements.

In 2025, all Business Registry lists were received in a format enabling the overall quantification of non-compliant companies for 2024.

In this first count, the data was processed in order to generate a list of companies actually operating in the market, thereby obtaining a number of non-compliant companies that are also active companies. It should be noted that the result obtained is less than 10% of the data on non-compliant companies. In this regard, going concerns are considered to be those that are not affected by situations such as, among others, suspension of payments, bankruptcy, insolvency, closure of the Business Registry sheet, extinction, dissolution or deregistration from Social Security.

4.2 Disciplinary Actions

The disciplinary actions carried out in 2025 by virtue of the powers assigned to the ICAC by Article 283 of the Consolidated Text of the Law on Capital Companies consisted of processing administrative disciplinary proceedings for breaches of the obligation to file financial statements at the Business Registries, assisting the President's Office in preparing the measures within its competence issued in such proceedings.

The **number of disciplinary proceedings** resolved in the area of filing financial statements amounted to a total of 550 proceedings, compared to 434 cases resolved in 2024. The fines imposed amounted to 1,591,678.92 euros.

The following reports on appeals have been issued in 2025, in relation to this competence, having increased compared to the previous year as indicated in Table 24.

//// **TABLE 24** **Reports on appeals**

Reports on appeals	2025	2024
Reports on appeals arising from the failure to file financial statements	24	14
Decisions on appeals against the settlement notification derived from the failure to file financial statements	5	0

4.3 Responding to Queries

In 2025, a total of 22 queries were answered in relation to the obligation to file financial statements at the corresponding Business Registries. These queries have mainly dealt with aspects related to the disciplinary proceedings and the procedure for submitting complaints to entities in the event of non-compliance.

With regard to queries on aspects of the disciplinary proceedings, these mainly concerned the limitation period and the criterion for setting the penalty.

Organisation and Management of the ICAC

5 Organisation and Management of the ICAC

The General Secretariat is responsible for the provision of the common services of the Organisation and reports directly to the Office of the President of the ICAC. The following are the most significant achievements in 2025, in the areas of human resources and administration, financial management and contracting, publications, and technology. The General Secretariat is also responsible for the management and maintenance of the ROAC, whose functions and achievements are described in the third section of this report.

5.1 Human Resources and Offices

The Human Resources service is responsible for all administrative tasks such as the study, proposal and management of the Institute's personnel policy, establishing staff training plans, and the management of social activities.

Workforce details

As of 31 December 2025, the ICAC consisted of 78 staff members (officials and employees) and the President, making a total of 79 persons. A breakdown of the workforce is shown in Table 25, distinguishing between officials and employees, and by gender.

//// **TABLE 25** **ICAC staff**

Position held	Men	Women	Total
Senior management	1	0	1
Civil servants	21	50	71
Contracted staff	3	4	7
TOTAL	25	54	79

Table 26 displays the breakdown of civil servants by level and gender:

//// **TABLE 26** **Officials in the ICAC**

	A1	Senior managerial and pre-managerial staff A1	A2	C1	C2	Total
Men	6	1	9	4	1	21
Women	5	6	25	8	6	50
TOTAL	11	7	34	12	7	71

Staff recruitment processes

In 2025, a specific recruitment procedure was announced by means of a resolution dated 13 February 2025 (published in the Official State Gazette on 24th February), which resulted in the appointment of two new officials.

In addition, four new officials joined the organisation during the year.

A new specific recruitment procedure was also announced on 9 December 2025 (Official State Gazette of 22nd December) to fill seven posts. At the end of 2025, the application period for this call for proposals remained open, with applications expected to be processed and decisions taken throughout 2026.

Training

In 2025, virtually all civil servants who are part of the workforce had participated in training activities included in the ICAC Training Plan.

The training policy has followed the strategic approach of previous years, with a particular focus on technical subjects relating to corporate reporting, auditing and sustainability reporting assurance.

At the same time, efforts have to promote language training have continued, in particular through English classes organised into groups tailored to participants' levels, as well as training initiatives on accessibility, cybersecurity and personal data protection.

Furthermore, throughout the year, staff have been encouraged to take part in specialist seminars on sustainability and cross-border services aimed at citizens and businesses within the European Union (EBSI).

Finally, as in 2024, the collaboration between the ICAC and the Spanish Association of Accounting and Business Administration (AECA) continued throughout 2025, with the goal of enhancing the range of technical and corporate training courses on offer.

Social Benefits

Throughout 2025, and following the extension of the 2023 budget, the maximum amount has been utilised and the ICAC Social Action Plan for public sector employees for 2025 has been approved. Specifically, the measures introduced in previous years have been retained with the aim of contributing to the social welfare of ICAC employees, notably transport allowances, healthcare allowances and education allowances. In addition, the issue of restaurant vouchers has continued in accordance with the conditions set out in the regulations governing their accrual and processing.

Working Groups

The ICAC continues to play an active role in the various working groups set up by the Ministry of Economy, Trade and Business, including those on Temporary Work and Employment, Health and Safety, Equality, Occupational Risks and Social Responsibility. The Institute also represents the public administration in the working groups of the Joint Sub-Committee for the IV Collective Agreement and in the General Negotiating Committee of the General State Administration of the Ministry to which it is attached.

Remote Working

The organisation's Remote Working Plan has remained in place throughout 2025.

Advances in Digitalisation- Technological Transformation

Throughout 2025, progress has continued to be made in improving the services provided by the administrative departments via the development and implementation of applications that streamline human resources processes and optimise communication and information channels with staff.

Premises

Throughout 2025, the refurbishment of the premises on Calle Moratín has continued, to facilitate the relocation and modernisation of the Institute's Library Service, as well as the creation of multi-purpose spaces for meetings and professional activities, with SEGIPSA continuing to be responsible for the basic and detailed design, and for handling the administrative procedures.

By the end of December 2025, the planning permission had finally been granted by the Madrid City Council. With this permission, ICAC is now ready to proceed with the tendering process and the execution of the works, which are scheduled to take place throughout 2026.

In the area of environmental protection, the Institute has implemented measures aimed at boosting its commitment to sustainability, including the collection of hazardous waste, paper and cardboard, the removal of obsolete furniture, and the circulation of internal communications on the responsible use of electricity and water. As a result of these measures, water consumption has fallen by approximately 40% compared to the previous year, and electricity consumption has fallen by 6.1% in the second half of the year.

In terms of occupational health and safety, the management procedure was updated in 2025 and a building evacuation drill was carried out.

In addition, staff medical check-ups were conducted under the expanded scope introduced in 2023, which adds specific urological tests for men and gynaecological examinations for women to the general check-ups, representing a significant benefit for staff.

Finally, the management and organisation of ICAC's archiving and registration services has continued apace, with a total of **23,277 incoming records** and **4,396 outgoing records** logged during the year.

5.2 Information and Communication Technologies (ICT)

The ICAC's Digital Transformation Plan is in line with the Digital Administration and Digital Public Services strategy set out in the Public Administration Digitalisation Plan 2021-2025 (PD-AAPP). In 2025, the lines of action that had already been started were continued and new actions initiated.

Channels of Communication and Administrative Interaction with the Public

The Organisation has two active channels of communication with the public, its website and E-Office.

In 2025, it has sought to increase its web activity via the regular publication of notices and communications. Improvements have also been made to the organisation and presentation of the content, incorporating suggestions from the staff of various departments, for greater visibility of the channels of communication between the public and the ICAC.

As regards the E-Office, the migration to the new version of ACCEDA 2 has been completed. It features a more modern and accessible design, improved usability and navigation, and optimised user experience when carrying out administrative procedures. Its major advantages include a more secure and scalable architecture, greater compatibility with mobile devices, integration with electronic identification and signature systems, and features that facilitate internal management and file tracking, thus contributing to a more efficient and transparent service that is tailored to current needs.

Of particular note is the work performed on the new version of Declar@, which centralises the annual activities of auditors and audit firms, incorporating new features designed to optimise data validation and streamline submission processes.

Additionally, during the year, work commenced on the creation of the new Official Register of Sustainability Assurance Providers, which will be launched once the Law on Corporate Sustainability Reporting has been passed. This register will enable the registration of individual assurance providers and firms, as well as the comprehensive and up-to-date management of their data, ensuring transparency and traceability in the assurance processes.

Information security

In the area of cybersecurity, extensive work has been performed throughout 2025 to bring the Organisation into line with Royal Decree 311/2022, which establishes the National Security Framework (ENS in Spanish). It involved reviewing and updating information security policies, establishing internal procedures in line with regulatory requirements, and implementing technical and organisational controls designed to ensure the protection of systems and data.

A staff training and awareness-raising programme has also been developed, in order to boost safety culture and ensuring compliance with legal obligations. As a result of these measures, the Organisation is at an advanced stage of preparation for the certification process scheduled for early 2026, thus reinforcing its commitment to safety, transparency and trust in the delivery of public services.

During the same year, the Organisation's membership of the Cybersecurity Operations Centre (COCs) was formalised, thereby strengthening coordination and the capacity to respond to security incidents. This integration has made it possible to establish direct communication channels, share alerts and implement standardised procedures for managing vulnerabilities and threats. Thanks to this collaboration, the Organisation benefits from continuous monitoring, advanced analysis and specialist support, which enhances the protection of its systems and its resilience against cyber risks.

Automation and Business Intelligence

Throughout 2025, work with Power BI continued, combining the creation of regular reports with improvements to those already underway. These improvements included both minor adjustments and more far-reaching updates, focusing on human resources and management, management of fees and charges, mandatory minimum training, and the detection of inconsistencies in databases.

At the same time, new strategic reports were created, such as the cross-referencing Business Registry data with Declar@, statistical analysis of social initiatives, and other data quality analyses designed to support decision-making. These include reviewing surcharges and payments, identifying unreported or uncollected taxes, verifying tax identification numbers and cases involving non-auditors, monitoring the Declar@ campaign on a daily basis, and detecting errors in the recording and filing of financial statements.

These measures have made it possible to streamline processes, improve data reliability, and establish a more comprehensive range of reports for management and monitoring purposes, thereby boosting the Institute's ability to make decisions based on high-quality data.

Artificial Intelligence

Within the framework of the technological modernisation strategy, an initial pilot project focusing on the management of accounting enquiries was successfully completed during the year, paving the way for the purchase of Copilot licences to develop specific agents. The inclusion of these tools not only improves efficiency and service quality, but also fosters innovation, facilitates advanced data analysis, and supports strategic decision-making, thereby establishing a more agile working model that is better suited to new digital demands.

Compliance with Current Legislation on Data Protection and Web Accessibility

With regard to accessibility, work on projects launched in 2024 continued throughout 2025, with comprehensive and simplified audits carried out on the institutional website, the Declar@ app, and the ICAC's e-office. These actions have been supplemented with specific training initiatives designed to boost staff skills in this area. Furthermore, all requests issued by the Accessibility Unit (URA in Spanish) of the Ministry of Economy, Trade and Business have been dealt with promptly and thoroughly, ensuring compliance with the established requirements.

In the area of data protection, the DPO has continued to hold meetings with all ICAC departments, in order to review and optimise the Records of Processing Activities (RoPA) and risk analyses. At the same time, a number of training courses have been delivered and the Code of Good Practice has been circulated, with the aim of strengthening the culture of compliance and ensuring adherence to current regulations in this area.

5.3 Economic and Financial Management

The economic and financial management of a public body such as the ICAC involves the planning and proper administration of the organisation's resources.

Budget Management and Drafting the Budget for 2026

In 2025, the ICAC's preliminary draft income and expenditure budgets for 2026 were drawn up, in compliance with Order HAC/974/2025 of 1st September, which lays down the rules for the preparation of the General State Budget for 2026.

By Agreement of the Council of Ministers of 23 December 2024, it was resolved to extend the 2023 General State Budget to 2025, until the new budgets had been approved.

The ICAC is implementing the 493O budget programme "Accounting regulation of audits". This programme responds to the need to make its economic and financial information as transparent as possible and to enable the performance of all competences attributed to the body, especially, its activities as an accounting regulatory body and supervisory body of audits.

All ICAC activities are fully self-funded. Its main source of funding is the income obtained through two types of fees managed and collected by this body, regulated in Title IV of the LAC:

- *ICAC fee for audit control and oversight.*

This fee is levied by the ICAC in exercise of its powers of supervision over audits in relation to the issuing of audit reports. Its regulation is implemented pursuant to RD 181/2003 and adapted to current requirements. The amount of the fee is calculated on the basis of the volume of work declared by auditors and audit firms, as logically correlated to the evolution of the ICAC's workload in the supervisions to be conducted according to said volume.

- *ICAC fee for the issuing of certificates or documents at the request of a party and for entries and annotations in the ROAC.*

This fee is levied by the ICAC in the exercise of its powers to issue certificates or documents at the request of a party and for entries and annotations in the ROAC. The system of self-assessment and payment of this fee was implemented by RD 73/2016, of 19th February, which implements the system of self-assessment and payment of the Accounting and Auditing Institute fee for the issuing of certificates or documents at the request of a party, and for entries and annotations in the Official Register of Auditors.

The total net revenue in 2025 for these items has been included in Chapter 3 "Fees, public prices and others" and amounted to 11,114,339.52 euros (see Table 27).

//// TABLE 27 ICAC fees and collection

ICAC Fees 2025	Net collection
ICAC fees for the control and oversight of account auditing activity	€11,015,197.80
ICAC fees for issuing certificates or documents at the request of a party and for entries and annotations in the ROAC	€99,141.72
TOTAL	€11,114,339.52

With regard to expenses recorded in 2025, these amounted to a total of 7,771,059.86 euros, with 58.5% corresponding to Chapter I (Staff costs), followed by Chapter II (Current expenses on goods and services), which accounts for 31.48% of the total. Chapter IV (Current transfers) accounts for 9.76%, and Chapter VI (Real investments) accounts for 0.26% of total expenditure (see Table 28).

//// TABLE 28 ICAC expenditure

Chapter I	Staff costs	€4,544,682.61
Chapter II	Current expenses on goods and services	€2,447,111.98
Chapter III	Financial expenses	€0
Chapter IV	Current transfers	€758,684.35
Chapter VI	Real investments	€20,580.92
Chapter VIII	Financial assets	€0
Total net recognised obligations 2025		€7,771,059.86

Within the execution of Chapter 4, the following transfers deserve special mention due to the ICAC's notable international presence:

- To the International Forum of Independent Audit Regulators (IFIAR): 2,479,895 Japanese yen (JPY), which at the time of payment amounted to 15,224.35 euros.
- To the European Financial Reporting Advisory Group (EFRAG): 350,000 euros.

Other Management Actions

In 2025, the financial statements for 2024, which included cost accounting data, were prepared and made available by the ICAC President to the General Comptroller of the State Administration via RED. Coa application for auditing and received a favourable opinion.

The cost accounting was carried out in accordance with the ICAC's Report on the Customisation of the Cost Accounting Model, approved on 19 January 2021 by the General Comptroller of the State Administration.

In 2025, similar to 2024, a total of **893 accounting documents** for expenses and/or payment were processed.

Likewise, as part of the accounting management, the reports requested by the IGAE for the consolidation of the account of the General State Administration (AGE) were drafted, as well as other communications required by the Budget Office. These reports include, among others, those relating to budget implementation, internal control recommendations, horizontal control of revenue, and forecasts of fee collection.

Fee Management

In 2025, the data on income from fees and the respective annual activity statements for 2022 and 2023 by auditors and audit firms in relation to the ICAC fee for audit control and oversight were verified, resulting in debt claims, late payment surcharges, penalties, and notification of data discrepancies due to possible undue income. Several proceedings have also been launched for the refund of undue income at the request of the ICAC Fees (Articles 87 and 88 of the LAC).

As a result of these procedures, nearly **1,640 cases** were opened in 2025.

Furthermore, in 2025, the ICAC has managed all fee-related procedures via the Organisation's E-Office portal (ACCEDA) and has made progress in developing its monitoring system using the Power BI management tool.

Finally, in 2025, the new **Unique Report Identifier** will be introduced. This system represents a significant improvement in the management of auditors' obligations, as the identifier generated automatically at the time of fee payment makes it possible to unambiguously link each fee paid to the specific report to which it is related. This ensures full traceability of each report from the time it is issued until it is submitted in the annual filing via the Declar@ application, thereby avoiding duplication and potential administrative errors.

5.4 Contracting

The Contracts and Fund Management Service is responsible for the comprehensive processing of contracts, orders to in-house providers, collaboration agreements, direct subsidies and the payment of dues to international organisations, as well as all procedures related to the Organisation's Imprest Cash Fund, ensuring that payments are made correctly and properly accounted for. Pursuant to Article 3.1, letter c) of Law 9/2017, of 8th November, on Public Sector Contracts, the ICAC's contractual activities are carried out within the established legal framework.

More than **500 cases** were processed in 2025, all handled electronically, pursuant to the provisions of Law 9/2017, Law 39/2015 on the Common Administrative Procedure of Public Administrations, and Law 40/2015 on the Legal Regime of the Public Sector. This digitalisation of processes not only ensures greater transparency and traceability, but also streamlines internal management and improves procedural efficiency.

Tendering for electronic contracts is conducted via the Public Sector Procurement Platform, ensuring transparency, competition and security throughout all processes, thereby strengthening confidence in the Organisation's contract management.

5.5 Research and Dissemination Activities

The ICAC's responsibilities include the management, maintenance and publication of relevant documentation on corporate reporting —currently financial and sustainability reporting— and auditing, as well as the organisation and distribution of the Gazette of the Accounting and Auditing Institute (BOICAC).

The publication of the BOICAC is in compliance with the provisions of the Audits Act and other regulations governing the ICAC's public oversight of the auditing activity, and allows any relevant aspect of corporate and auditing information to be disclosed. In order to make it easier to consult and to speed up access to regulations, lengthy texts or those that must retain their official format are now included in PDF format directly within the BOICAC.

The BOICAC also publishes queries submitted by members of the public, businesses or public authorities to the Organisation, provided that the responses are of general interest. Four gazettes were published in 2025; and the full versions are available on the website: Consult the BOICAC.

It should be noted that, pursuant to a Resolution dated 2 July 2019, it was decided that the BOICAC would be published in open access online format on the Institute's website, thereby ceasing the publication of the printed edition, as well as its sale.

STUDIES

Throughout 2025, the Institute has continued to promote research, study, documentation and dissemination activities aimed at advancing the fields of corporate reporting and audits, within the framework of the collaboration agreement between the ICAC and the Spanish Association of University Professors of Accounting (ASEPUC).

As an example of the strong cooperative ties between the two organisations, the Resolution of the ICAC dated 25 September 2023 was published in the Official State Gazette (BOE) No. 235 on 2 October 2023, setting out the addendum amending and extending the Agreement with ASEPUC. The purpose of this agreement is to conduct research and dissemination activities in the fields of accounting and auditing, and it shall remain in force until 2027.

The studies conducted by ASEPUC under the coordination of the ICAC in 2025 were as follows:

- Corporate governance in audit firms: an international comparative study.
- Comparative study of the legislation transposing the provisions of Directive 2006/43/EC governing the independence requirements for auditors.

- Dynamic Risk Management: Assessment of the IASB's proposal, potential impacts on national regulations and EFRAG's opinion.
- Analysis of the impact of the issuance of the Rate-Regulated Activities standard (IFRS 14 Regulatory Deferral Accounts): A study of the differences between the IASB's proposal and current Spanish standards.
- Analysis of the implementation of the European Sustainability Reporting Standards (ESRS) in terms of their social and governance dimensions by large Spanish companies subject to reporting requirements (≥ 1,000 employees), with a specific focus on IBEX 35 companies.
- Analysis and assessment of sustainability reporting in Spanish SMEs: Evaluation and proposals for improvement within the framework of the Voluntary Sustainability Reporting Standard.
- Analysis of the reports from Spanish companies that have published non-financial informationstatements in 2025 in accordance with the ESRS, and which shall continue to be subject to the CSRD under the proposed amendment to the Omnibus Package (+1,000 employees), distinguishing between those that have applied the ESRS in full and those that have applied them only partially.
- Assessment of the Adoption of European Sustainability Reporting Standards (ESRS) by First-Wave Companies under the Corporate Sustainability Reporting Directive (CSRD): Implications of Implementation in Firms with 500 to 1,000 Employees".
- Double materiality: An analysis of the practices adopted by Spanish companies that have prepared the statement of non-financial information in 2024 according to the ESRS, problems detected, and suggestions for simplification.

Consult the studies.

To ensure wider dissemination, all international studies are also published in English on the ICAC website.

OTHER PUBLICATIONS

The following works published in 2025 are available on the ICAC website:

- Access to the International Financial Reporting Standards adopted by the European Union, previously published in the Official Journal of the European Union (OJEU). This is a new step in publications approved by the Resolution of 8th January 2020, of the Accounting and Auditing Institute, ceasing the sale of print versions of works published by this Institute and publishing them in e-book format instead on the Institute's own website.
- Report on the Situation of Auditing in Spain 2024 (BOICAC number 141).
- Audit Activity Control Plan 2025(BOICAC number 141).
- Economic and Financial Gazette to Support Audit Risk-Based Oversight.

6

Communication with citizens

6 Channels for public engagement

6.1 Complaints and Suggestions

Without prejudice to citizens' rights recognised by Article 35 of Law 40/2015, of 1st October, on the Legal Regime of the Public Sector, in their relations with the Administration, individuals and users of corporate and auditing information may collaborate in improving the services offered by the ICAC by submitting complaints and suggestions regarding its actions.

To do so, they may use the form available in the 'Complaints and Suggestions Procedure' section of the ICAC's E-Office, or visit any of the general registry offices of the General State Administration. This feedback enables the Organisation to identify opportunities for improvement and to enhance the quality, transparency and efficiency of its services.

In 2025, one complaint was processed and resolved, demonstrating the effectiveness of the procedure and the organisation's commitment to addressing citizens' concerns.

6.2 Claims

In 2025, **no** claims were filed with regard to the ICAC's services, whose resolution falls to the General Secretariat of the ICAC. This provides proof, not only the smooth running of the internal procedures, but also of the public and users' satisfaction with the services provided.

The lack of complaints demonstrates that the channels for information, support and response set up by the ICAC have proved effective and clear, thus boosting users' confidence in the transparency and quality of the services offered by the ICAC.

6.3 Transparency Portal

Law 19/2013, of 9th December, on Transparency, Access to Public Information and Good Governance, aims to expand and strengthen the transparency of public activity, regulate and guarantee the right of access to information, and establish the obligations of good governance to be met by public officials.

In compliance with this Law, the General Secretariat of the ICAC has continued to promote transparency and public access to information regarding activities governed by administrative law, processing and resolving **three** applications in 2025.

These measures not only reflect the Organisation's commitment to open and accessible governance, but also demonstrate how the effective implementation of the Act enables citizens to participate in an informed manner in the oversight and understanding of public activities, thereby strengthening confidence in institutional governance.

6.4 Queries and Reports Issued

The General Secretariat of the ICAC acts as the point of contact for queries and requests regarding statutory reports from other public administration bodies and various public institutions. In 2025, **61 queries** were answered on a wide range of topics including legal matters, statistics and general information. These requests were made both by the courts and public prosecutors' offices, as well as members of the public interested in issues related to occupational health and safety, quality in public administration, corporate social responsibility, the Administrative Information System (SIA in Spanish) procedure, the reduction of administrative burdens and the inspection of services, among other topics.

The ICAC E-Office handled **107 requests**, of which 57 were received through the General Query mailbox and 40 through the Complaints and Suggestions mailbox (rerouted to the E-Office as a general query). This system ensures that all requests are processed correctly, thus improving the service provided to the public.

Additionally, pursuant to Law 2/2023 on Whistleblower Protection, **46 reports** of regulatory breaches and anti-corruption cases were received, of which 6 were named and 40 were anonymous, helping to strengthen transparency and integrity in public life.

Finally, another **9 enquiries** were received via the "Contact Us" web form, all of which were directed to the most appropriate channel for processing.

Table 29 provides a detailed summary of the cases processed in 2025, illustrating the diversity and effectiveness of the ICAC's service channels.

//// TABLE 29 Summary of procedures.

	Complaints and Suggestions	Claims	Transparency	Queries	ACCEDA Applications	Whistleblower Channel	Website Queries	TOTAL
No.	1	0	3	61	107	46	9	227

Events in 2025 in which the ICAC has participated

7 Events in 2025 in which the ICAC has participated

In 2025, ICAC representatives participated in numerous events and seminars, sharing insights into the Organisation's work and the regulatory framework governing audits and corporate reporting. These initiatives have not only served to disseminate updates on regulations and supervisory practices, but also to strengthen dialogue with auditors, companies and other stakeholders in the sector, fostering an environment of trust and transparency.

Attending national forums and specialist meetings has enabled the gathering of views, concerns and experiences of supervised entities, providing direct insight into the challenges they face in their day-to-day work and their perception of the ICAC's activities. This interaction helps to identify areas for improvement, guides the planning of future supervisory actions and reinforces the Organisation's mission to promote good practices, raise control standards and build confidence in financial reporting.

Some highlights from these appearances are included below.

At the Faculty of Economics and Business (University of Murcia).

At the Faculty of Economics and Business Studies (UAM).

At the 23rd AECA International Congress 2025: Building the Future: Responsible AI, Governance and Sustainability, held in La Laguna, Tenerife.

In the Canary Islands with ICJCE and REA-Auditores.

At the 17th International Institute of the Public Company Accounting Oversight Board (PCAOB), held in Washington.

At the 16th edition of the annual "Las Cuentas Cuentan" competition.

At the event organised by the Andalusian Council of Professional Associations of Economists, together with REA Auditores CGE and the Professional Association of Economists of Jaén. 13th Forum of Small Audit Firms.

At the plenary meeting of the International Forum of Independent Audit Regulators (IFIAR) in Berlin.

At the 19th edition of the inspection workshop organised by the International Forum of Independent Audit Regulators (IFIAR) and hosted by the Financial Reporting Council of Mauritius, in collaboration with the International Forum of Independent Audit Regulators (IFIAR).

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