Instituto de Contabilidad y Auditoría de Cuentas

Audit Activity

Control Plan 2026

GOBIERNO DE ESPAÑA
MINISTERIO DE ECONOMÍA, COMERCIO Y EMPRESA

Audit Activity

Control Plan 2026

Audit Activity Control Plan 2026

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

Huertas, 26

28014 Madrid

www.icac.gob.es

NIPO (Official Publications ID No.): 223-24-012-2

Catalogue of Publications by the General State Administration (CPAGE):
http://publicacionesoficiales.boe.es

Contents

Executive Summary

The Spanish Accounting and Auditing Institute (hereinafter, ICAC), an administrative Autonomous Body attached to the Ministry of Economy, Commerce and Business, is the authority responsible for the public oversight of audit activity. In the exercise of this responsibility, and in accordance with Act 22/2015 (LAC) of 20th July, on Auditing, as in previous years, ICAC publishes on its website (www.icac.gob.es) the planned control activities for 2026 under its three regulated forms: investigations, verifications, and inspections.

- With regard to **inspections,** in accordance with ICAC's available resources, it is estimated that at least six inspections of auditors who audit public interest entities (PIE) will be completed in 2026, of which two correspond to the largest audit firms, and the remainder of medium-sized audit firms. It is also planned to initiate two additional inspections of large audit firms that audit public interest entities.

  In addition, it is planned that 10 inspections of audit firms and auditors that do not audit public interest entities will be carried out.

- With regard to **investigations and verifications,** it is estimated that at least 290 actions will be carried out, which will focus, in line with those performed in the last years, on the examination of audit engagements where risk indicators have been identified, on the analysis of complaints received, on the verification of compliance with the obligation to train auditors in their position as practising auditors, and on the verification of the completion and publication of the annual transparency reports by the auditing companies and auditors who audit public interest entities; and the verification of compliance with Article 27 of the LAC and Article 65 of the Regulations of the Audit Act (RLAC), in relation to the validity and sufficiency of the financial guarantee.

During this year, priority will continue to be given to the investigation of audit engagements where risk indicators related to insufficient or inappropriate resources for their performance are identified, especially in cases involving engagements with particularly complex audited entities, or cases of audit firm rotation where a reduction in fees compared to the previous contract is observed.

Furthermore, the necessary investigative actions will be initiated where the analysis of complaints received —whose number is estimated on the basis of previous years— reveals potential indications of infringements.

ICAC's activities will be geared towards fulfilling the objectives outlined in Section III of this plan, employing a long-term approach based on the competencies granted to ICAC by current legislation. This is intended to bolster confidence in economic and financial information by enhancing audit quality.

1 Introduction

The Spanish Accounting and Auditing Institute (ICAC), an administrative Autonomous Body attached to the Ministry of Economy, Commerce and Business, is the authority responsible, among other duties, for the public oversight of audit activity.

The control of audit activity, pursuant to the provisions of Article 52 of the Audits Act approved by Act 22/2015 of 20th July (hereinafter, LAC), consists of conducting inspections, investigations, and verifications performed ex officio by ICAC, in accordance with the available resources.

This action plan, regarding the inspections and investigations to be carried out by ICAC, is published pursuant to the provisions of Article 61 of the LAC on transparency and disclosure, as well as Article 91 of the Regulations of the Audits Act, approved by Royal Decree 2/2021 of 12th January (hereinafter, RLAC).

As in previous years, the Plan does not cover all of ICAC's planned activities, since it does not include tasks related to aspects of the oversight function of audits concerning, amongst other things, access to the profession, the Official Register of Auditors, the adoption of auditing standards, disciplinary proceedings, the resolution of queries, or the monitoring and evolution of the audit market, amongst others.

2 Purpose and Regulatory Framework
for the Oversight of Audit Activity

Article 46 of the LAC assigns to ICAC, amongst other responsibilities, those relating to the system of investigations and inspections, as regulated in Articles 53 *et seq*. of the LAC, in Articles 90 to 104 of the RLAC, and in Article 26 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities (hereinafter, RUE).

In its performance of these functions, ICAC carries out various oversight activities, including inspections, investigations and verifications.

Inspections are periodic reviews designed to assess the effectiveness of auditors' quality management systems by verifying quality control policies and procedures (review of the firm's policies and procedures) and reviewing audit work (review of the audit procedures applied in audit work/engagements). The works are selected on the basis of risk criteria.

Inspections of auditors and audit firms that audit public-interest entities must cover at least the points set out in Article 26.6 of the RUE.

The results of the inspections are described in the relevant **inspection reports**, which detail, amongst other things, the shortcomings identified. Where appropriate, ICAC may issue notices for improvement and set a deadline for their implementation, with the aim of ensuring that the identified shortcomings are properly rectified.

Without prejudice to the primary aim of improving the quality of financial audits, when indications of non-compliance are detected in the course of inspections, or the necessary measures are not taken to remedy the shortcomings identified, the penalty regime provided in the LAC shall apply.

Investigations, on the other hand, are intended to analyse specific audit engagements or aspects of the auditing activity, in order to determine whether there are any facts or circumstances that may constitute indications of non-compliance with the regulations governing the audit of financial statements. These proceedings are initiated ex officio when, after an analysis of the available information from various sources, it is concluded that there are indications of a possible infringement that is not time-barred.

ICAC may also carry out **verifications**, which are complementary procedures designed to verify auditors' compliance with certain obligations that do not fall strictly within the scope of the above cases. These actions may, where appropriate, lead to the launching of an inspection or an investigation, or to the initiation of disciplinary proceedings. By their nature and purpose, these verifications are statistically included in the investigations.

3 Objectives of the Control Plan

The control plan for the 2026 financial year has been drawn up within the framework of action of the Accounting and Auditing Institute (ICAC), which is defined in accordance with the competencies conferred on the Institute by current legislation and taking into account developments in the economic, regulatory and audit market environments.

It must be borne in mind that both the Audits Act and the relevant European regulations are ultimately intended to boost confidence in corporate reporting by continuously improving audit quality. Within this context, ICAC's mission is to foster confidence and certainty in the economy by providing an appropriate regulatory framework that ensures the reliability of corporate reporting, both in terms of its preparation (accounting and sustainability) and in terms of its assurance or auditing, thereby contributing to the proper functioning of the markets and the safeguarding of the public interest.

In order to fulfil its mission, ICAC bases its work on the principles of trust, security, quality and value. **Trust** is strengthened by ensuring the credibility of corporate reporting through an appropriate regulatory framework and effective oversight of auditing activities; **security** is provided to users of financial information through accounting principles and criteria that ensure the comparability and reliability of such information; **quality** is ensured by maintaining high professional and technical standards; and **value** is generated through interaction and cooperation with regulatory and oversight bodies, placing the Institute's knowledge and expertise at the service of citizens and the public interest.

ICAC's actions are structured around a series of strategic priorities that guide the exercise of its oversight functions. Of these, special emphasis is placed on the development and consolidation of a risk-based oversight model, through the systematic analysis of available information and the use of tools that enable actions to be targeted at those areas, entities or auditors that present the greatest potential risk to audit quality.

Special attention must be paid to the principle of proactive responsibility that is required of auditors, which stipulates that they must have a robust and effective internal organisation in place to ensure compliance with their legal obligations and thereby fulfil the public interest role entrusted to them. Specifically this organisation must have policies and procedures in place that are designed to prevent and address any threat to independence, and to ensure audit quality, integrity and rigour.

Within this context, ICAC's activities in 2026 will be geared towards achieving the following objectives, which have been defined from a medium- and long-term perspective, and are subject to the availability of the necessary resources, with the ultimate goal of safeguarding the public interest represented by users of economic and financial information, including investors:

- To design and implement inspection and investigation plans in accordance with the objectives set out in the Audits Act and the applicable European Union regulations.
- To consolidate and further develop the risk-based oversight model through the systematic use of available information, the application of risk indicators, and the continuous improvement of the criteria for selection oversight actions, with a view to enhancing the effectiveness and focus of the oversight.
- To make progress in the use of information and data analysis tools to support the planning and implementation of oversight activities, in order to reinforce the preventive approach of the oversight model and improve the efficiency of oversight activities by optimising internal processes.
- To promote effective compliance with the regulations governing the audit profession, ensuring that penalties are imposed as a last resort within the oversight process, initiating proceedings only in cases of actual breaches of the regulations, ensuring maximum coverage of detected breaches, full respect for the rights and safeguards of all parties concerned, and the swift and efficient handling of proceedings.
- To keep the Official Register of Auditors (ROAC) updated at all times, as an essential instrument for the exercise of oversight functions and for the proper provision of services to the public, with the aim of avoiding unnecessary administrative burdens and ensuring that only those professionals and firms that meet the legal requirements are permitted to practise.
- To ensure the quality and regulatory compliance of programmes for the continuous professional development of auditors and training programmes required for entry into the profession, especially ensuring that training contents are adjusted to regulatory changes and professional practice.
- To contribute to the improved functioning of the audit services market, particularly with regard to audits of public-interest entities, by promoting service quality, user confidence, and the proper functioning of the market.
- To strengthen cooperation and coordination with other national and international authorities responsible for supervising the audit activity, promoting the convergence of oversight standards and practices in the public interest.

Achieving these objectives will enable ICAC to fulfil the public interest mandate entrusted to it, thus boosting domestic and international confidence in the reliability and quality of audits and audited financial information in Spain, which has a direct impact on the image and soundness of the country's economy. To this end, it is essential to ensure that inspections are conducted at the intervals specified in the applicable regulations, to make progress in reducing the inspection cycles for the largest audit firms, and to increase the number of inspections of auditors that perform audits of public interest entities, given the greater impact of such audits. The action plan for the 2026 financial year has been drawn up with these strategic objectives in mind, without prejudice to any adjustments that may be required based on the availability of resources.

4 Scope and Coverage

A) Auditors and audited entities

According to the latest available information, the number of auditors registered in the Official Register of Auditors of the Accounting and Auditing Institute is 4,842, broken down as follows:

Type of auditor	Number
Practising auditors	3,498
Audit firms	1,344
Total	4,842

According to the information reported in October 2025 by auditors, the number of auditors who reported revenue from audit work is as follows:

	Auditors (individual capacity)	Audit firms	Total
Number of auditors reporting revenue from audit work	615	1,153	1,768

According to the latest available information, there are 1,482 public interest entities in Spain, and 4 auditors (individual capacity) and 60 audit firms that perform audits of public interest entities.

B) Regulation of the annual audit activity control plan

Article 91 of the RLAC establishes out the criteria for the annual preparation of the audit activity control plan, taking into account technical and human resources available, and considering the following criteria:

a. Results or other information arising from inspection activity.

b. Objective data from the information reported to ICAC by auditors and audit firms.

c. Information obtained via complaints or other sources, pursuant to the provisions of Article 116 of the RLAC, or any other information that the Institute is made aware of.

Oversight activities will be planned using a risk-based approach, taking into account, amongst other factors, the type of entities audited, the complexity of the engagements, the results of prior inspections, and information from other oversight sources.

With regard to data provided by auditors and audit firms, this plan takes into account the information reported by these parties, analysing indicators of inconsistencies that may point to risks of shortcomings in the auditing activity.

Finally, information derived from complaints or other sources is taken into account, pursuant to the provisions of Article 116 of the RLAC regarding public complaints.

5 Forecasts of the Control Plan for Financial Year 2026

A) Approach

1 Inspections

Inspections consist of a regular assessment of auditors' internal quality control systems, carried out at least with the frequency stipulated by law. These assessments involve both a review of internal quality control policies and procedures, and a review of specific audit engagements or parts thereof. Article 26 of the RUE lays down the following minimum requirements:

- Assessment of the design of the auditor's or audit firm's internal quality control system;
- Verifying the adequacy of procedures and reviewing PIE audit files, selected according to a risk analysis to ensure the audit is performed correctly; and
- Assessment of the contents of the latest annual transparency report published by the auditors.

To this end, the aforesaid Regulation requires that the following internal quality control policies and procedures of the auditors be reviewed during inspections:

- Compliance with the applicable auditing and quality control standards, as well as ethical and independence requirements.
- The quantity and quality of the resources used, as well as compliance with the requirements for continuous professional development.
- Compliance with the requirements of Article 4 of the aforesaid Regulation regarding audit fees.

The purpose of these inspections is therefore to verify that audit firms have put in place and are applying a quality management system that provides reasonable assurance that:

- the firm and its staff fulfil their responsibilities according to professional standards and the applicable legal and regulatory requirements;
- audit engagements are carried out in accordance with said standards and requirements; and
- the reports issued by the audit firm or by the partners responsible for the engagements are appropriate to the circumstances.

In order to maximise the efficient use of resources and the effectiveness of the actions, the regulations establish a system that combines a minimum frequency based on the profile of the audited companies with auditor selection based on risk analysis. In 2026, ICAC will continue to apply this model, using the available information and appropriate analytical tools, as well as the definition of risk indicators.

Given the particular significance and economic and financial impact of audits of public interest entities, these cases require greater specialisation, attention and dedication by the supervisor. For this reason, priority is given to allocating the bulk of the resources of the Sub-Directorate General for Technical Control to inspections of PIE auditors, thereby ensuring the protection of users and investors and the proper functioning of the markets.

Additionally, ICAC will continue to allocate resources to the inspection of non-PIE auditors and audit firms, with the aim of contributing to overall quality improvement within this sector in Spain, in line with the defined strategy.

Throughout 2026, inspections will continue to be geared towards checking the correct implementation of and compliance with the requirements regarding internal organisation and the performance of audit work, as set out in previous regulatory changes, as well as assessing the audit firms' ongoing adaptation to these standards. Additionally, especial attention will be paid to audit engagements involving significant judgements and complex accounting estimates, such as asset impairments, fair value measurements, provisions and the going concern assumption, particularly in economically volatile sectors. All of the above will be carried out by means of ongoing dialogue with the sector, in order to facilitate the effective implementation of the requirements and ensure that they are appropriately adjusted to the different situations and circumstances faced by auditors.

2 Investigations and verifications

Investigations are conducted ex officio and are initiated when, after analysing the information obtained from various sources, evidence of an infringement that is not time-barred is identified. To this end, and pursuant to the provisions of the RLAC, an action plan is proposed primarily on the basis of risk factors identified by analysing information available at ICAC. This includes information obtained during inspections as well as third-party information, mainly complaints, assessed in light of previous years, and reasoned requests from other public administration bodies or supervisors of entities.

In this regard, priority will be given to cases where there are indications of potential mismatches between the complexity of the audit engagement and the resources allocated, including situations where there is a change of auditors accompanied by significant reductions in fees.

The scope of the investigations covers specific audit engagements, parts or aspects thereof, as well as other specific elements of the audit work that must be reported to ICAC.

Furthermore, actions related to verifications include the necessary measures to enable ICAC to establish facts or circumstances discovered by any means, that may give rise to a decision to initiate an inspection or investigation or, where appropriate, disciplinary proceedings.

b) Projected actions for the 2026 financial year

It is estimated that at least 311 actions will be completed in 2026, as follows:

Type of action		Number of actions
Inspections	PIE auditors	6
	Non-PIE auditors	10
	Follow-up on recommendations	5
Total inspections		21
Total investigations		290
Total actions		311

The inspections include the assessment of PIE and non-PIE auditors, as well as verifying compliance with the corrective measures implemented following previous inspections. As regards planned inspections, those concerning PIE auditors are divided between two large audit firms and four medium-sized firms, while the remaining 10 inspections are of auditors and audit firms that do not audit public interest entities. For their part, the five follow-up actions are centred on verifying the implementation of the improvement measures adopted by auditors and audit firms following shortcomings identified in previous inspection reports.

The breakdown of the planned **investigations** are as follows:

Investigations	No. of actions
Continuous Training	150
Completion and publication of transparency reports	55
Complaints	40
Audit engagements	20
Validity and adequacy of the financial guarantee	25
Total	290

Of the above, it is worth highlighting:

- 150 ex officio verifications are planned with regard to compliance with the requirement for continuous professional development during the specified period;
- Additionally, 55 ex officio actions are planned with regard to the completion and publication of transparency reports; however, the scope of these investigations does not include an assessment of their content by comparing them with the results of previous inspections;
- This includes checking compliance with the provisions of Article 27 of the LAC and Article 65 of the RLAC, with regard to the validity and sufficiency of the financial guarantee.
- Based on experience from previous financial years, it is estimated that there will be approximately 40 actions involving the examination of complaints or investigations, as well as verifications arising from complaints or other requests;
- 20 actions regarding the quality of the financial audit works are also planned, selected on the basis of the risk of insufficient or inadequate allocation of resources and time compared to the complexity and nature of the audited entity;

Furthermore, during the 2026 financial year, ICAC will, amongst other actions, continue to prioritise the need for coordination with EU oversight authorities (primarily through the

Inspections Sub-Group of the Committee of European Auditing Oversight Bodies (CEAOB) and the bodies of the competent authorities established for specific audit firms, as well as with the International Forum of Independent Audit Regulators (IFIAR), insofar as this has a positive effect on strengthening audit oversight (and its consistency with international oversight authorities), and consequently on the audited financial information.

In this regard, throughout 2026, ICAC will continue to chair the Market Monitoring Sub-Group, which is responsible for assisting the CEAOB and the European Commission in preparing the market report on audit services in the European Union. The third edition of the report was published in 2024[1], and the data collection for the 2022–2024 period will be completed in 2026 for the fourth edition, which is due to be published this financial year.

Additionally, CEAOB maintains a database of the shortcomings identified by European supervisors during inspections of major European audit networks, with the aim of engaging in dialogue with the representatives of said networks and promoting improvements to internal control systems, thus enhancing the quality of local audit engagements.

ICAC also participates in the Colleges of Competent Supervisory Authorities of EU Member States, which have been established to coordinate the oversight of the largest European networks of audit firms in order to bring to the attention of the heads of the European networks the main shortcomings identified during inspections, and where these networks adopt initiatives to improve the quality of audits conducted by the audit firms that are members of these networks.

ICAC's presence in these international forums is especially important as a means of exchanging information and boosting audit oversight in Spain. It helps to improve the quality of audits and the audited information, thereby providing greater protection for users and investors. The extent of its involvement in these activities is subject to the resources available and the institutional strategy set out for the year.

1 https://finance.ec.europa.eu/news/commission-publishes-third-report-eu-market-statutory-audit-services-2024-03-05_en

6 Technical Means and Resources Employed

As in previous years, the resources to be used in performing oversight activities will consist mainly of ICAC's own material and human resources, without ruling out the possible use of other external resources permitted by the regulations to be assigned to ICAC's operations. ICAC will continue to develop the use of data analytics tools and information from various sources, including economic, sectoral and financial data, in order to enhance the early identification of risks in audit engagements.

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