
Supplementary Information Related to Audits of Brokers and Dealers

Firms and Engagements Selected,
and Inspection Results

PCAOB Release No. 2026-004

June 11, 2026

CONTENTS

Introduction	3
Firms and Engagements Selected	4
Since Inception of the Interim Inspection Program	4
Since PCAOB Standards Became Applicable	5
Inspection Results Since PCAOB Standards Became Applicable	6
Summary of Deficiencies by Audit Area	6
Summary of Deficiencies by Engagement Type	9
Audit and Attestation Deficiencies by Firm Characteristics	9
Audit and Attestation Deficiencies by Inspection Frequency	15
Audit and Attestation Deficiencies by Broker-Dealer Characteristics	16

INTRODUCTION

This document supplements the information about our 2025 inspections included in the *Annual Report on the Interim Inspection Program Related to Audits of Brokers and Dealers* (“Annual Report”), issued June 11, 2026.¹ It provides information about firms selected for inspection, as well as audit and attestation engagements for broker-dealers selected for review under the interim inspection program.² This document also provides supplementary information about the inspection results stratified by firm, inspection, and broker-dealer characteristics.

Information about selected firms and engagements is provided for the period since the inception of the interim inspection program in 2011, as well as for the period that broker-dealer audits have been required to be performed in accordance with PCAOB standards. PCAOB standards became applicable for audits of broker-dealer annual reports for fiscal years ended on or after June 1, 2014. The related requirement that broker-dealers file compliance or exemption reports, as applicable, also became applicable for broker-dealers at the same time. We began conducting inspections that covered those audits in 2014. The 2015 inspection year was the first in which all inspected broker-dealer audits and related attestation engagements were required to be performed in accordance with PCAOB standards.

Broker-dealer audit and attestation engagements can involve professional judgments in a complex regulatory environment, and inspection results may vary from year to year based on the firms inspected, the engagements selected for review, and the specific areas of inspection focus. In addition, firms vary in terms of the types of broker-dealer engagements performed, the number of broker-dealer audits per firm, and the frequency with which firms have been inspected under the interim inspection program.

Information about the inspection results stratified by firm, inspection, or broker-dealer characteristics is provided for the three most recent inspection years. Information about the inspection results under the interim inspection program prior to this period is not repeated here but is available in previous [annual reports](#).

¹ For information about the establishment of the interim inspection program, refer to [PCAOB Release No. 2011-001](#) (June 14, 2011).

² The use of the term “broker-dealer” in this document refers to entities that are registered with the U.S. Securities and Exchange Commission (SEC) as both a “broker” and a “dealer” and to entities that are registered as only one or the other.

FIRMS AND ENGAGEMENTS SELECTED

Since Inception of the Interim Inspection Program

Since the inception of the interim inspection program in 2011, the PCAOB has performed 888 inspections of 445 registered firms that conducted audits of broker-dealers. These inspections covered portions of 1,438 audits of broker-dealers with financial statement periods that ended December 31, 2010, through March 31, 2025. Of these, 1,159 audits were required to be performed in accordance with PCAOB standards, for audits of broker-dealers with fiscal years ended on or after June 1, 2014. The remaining 279 audits were required to be performed in accordance with generally accepted auditing standards, for audits of broker-dealers with fiscal years ended before June 1, 2014.

The two tables below present information about our selection of firms for inspection and engagements for review since the inception of the interim inspection program, stratified by the characteristic of either the number of broker-dealer audits per firm or whether the firm also audited issuers. Firms that have been inspected more than once during that period are categorized based on their characteristics as of their most recent inspection, even though their category may have changed over time. Engagements are categorized based on the characteristics of the firm performing the engagement at the time of each inspection and, accordingly, engagements performed by the same firm may appear in more than one stratum to the extent the firm characteristics have changed over time.

The following table presents the number of firms inspected since inception of the interim inspection program in 2011, the total number of audits reviewed during the inspections, and the total number of attestation engagements covered by inspections since June 1, 2014, stratified by the number of broker-dealer audits per firm.

Number of broker-dealer audits per firm	Number of firms inspected	Total number of audits reviewed	Total number of examinations engagements covered	Total number of review engagements covered
1	96	115	11	72
2 to 20	285	505	63	324
21 to 50	37	224	36	123
51 to 100	19	142	23	96
More than 100	8	452	168	198
Total	445	1,438	301	813

Of the eight firms that audited more than 100 broker-dealers, four also audited more than 100 issuers (the "largest audit firms"). Inspections of those four firms since inception of the interim inspection program included review of 417 audits, 166 examination engagements, and 182 review engagements.

The following table presents the number of firms inspected since inception of the interim inspection program in 2011, the number of audits reviewed during the inspections, and the number of attestation engagements covered by the inspections, stratified by whether the firms also audited issuers.

Firms	Number of firms inspected	Total number of audits reviewed	Total number of examination engagements covered	Total number of review engagements covered
Also audited issuers	185	956	267	498
Did not audit issuers	260	482	34	315
Total	445	1,438	301	813

Since PCAOB Standards Became Applicable

Since PCAOB standards became applicable for broker-dealer audits, the PCAOB has performed 709 inspections of 370 registered firms that conducted audits of broker-dealers. These inspections covered portions of 1,159 audits and 1,114 attestation engagements that were also required to be performed in accordance with PCAOB standards. These audits and related attestation engagements covered financial statement periods that ended June 30, 2014, through March 31, 2025.

The two tables below present information about our selection of firms for inspection and engagements for review during the period that the engagements were required to be performed in accordance with PCAOB standards, stratified by a firm or broker-dealer characteristic. Firms that have been inspected more than once during that period are categorized based on their characteristics as of their most recent inspection, even though their category may have changed over time. Engagements are categorized based on the characteristics of the firm performing the engagement at the time of each inspection and, accordingly, may appear in more than one stratum to the extent the firm's characteristics have changed over time.

The following table presents the number of firms inspected since PCAOB standards became applicable for the engagements reviewed during inspections, the number of audits reviewed, the number of examination engagements covered, and the number of review engagements covered, stratified by whether the firms audited broker-dealers that filed compliance reports or audited broker-dealers that filed only exemption reports.

In addition to the 368 firm inspections and 1,157 audits included in this table, we inspected two firms and reviewed one audit of each firm's only broker-dealer client where those broker-dealers did not file a compliance or exemption report.

Firms	Number of firms inspected	Total number of audits reviewed	Total number of examination engagements covered	Total number of review engagements covered
Audited broker-dealers that filed compliance reports	67	634	301	313
Audited broker-dealers that filed only exemption reports	301	523	N/A	500
Total	368	1,157	301	813

INSPECTION RESULTS SINCE PCAOB STANDARDS BECAME APPLICABLE

Summary of Deficiencies by Audit Area

References to deficiencies throughout this document refer to those identified through the PCAOB inspection process and may not represent all such instances that exist in the engagements reviewed.

The following terms are used throughout this section to differentiate between areas of audit deficiencies (collectively, “audit areas”):

- Financial statement areas – Deficiencies in these areas involve noncompliance with PCAOB standards that relate to the sufficiency or appropriateness of evidence firms obtained to support their opinions on broker-dealer financial statements. Examples include revenue and related party relationships and transactions.
- Regulatory areas – Deficiencies in these areas involve noncompliance with PCAOB standards that relate to the sufficiency or appropriateness of evidence firms obtained to support their opinions on supplemental information accompanying broker-dealer financial statements as required by Rule 17a-5 of the Securities Exchange Act of 1934 (“Exchange Act”). There are two areas - Net Capital Rule and Customer Protection Rule. The term “Net Capital Rule” refers to Exchange Act Rule 15c3-1, *Net Capital Requirements for Brokers or Dealers*, and the term “Customer Protection Rule” refers to Exchange Act Rule 15c3-3, *Customer Protection – Reserves and Custody of Securities*.
- Other audit areas – Deficiencies in these areas involve noncompliance with PCAOB standards that do not relate directly to the sufficiency or appropriateness of evidence firms obtained to support their audit opinions. Examples include auditor communications and audit documentation.

Our review of a financial statement audit typically includes selected areas from each of the above categories. The following table summarizes the frequency with which we identified a deficiency by area category.

All inspected firms				
Inspection year	Percentage of financial statements areas with deficiencies	Percentage of regulatory areas with deficiencies with deficiencies	Combined percentage of financial statement and regulatory areas with deficiencies	Percentage of other audit areas with deficiencies
2025	20%	25%	20%	7%
2024	22%	31%	23%	9%
2023	19%	31%	20%	8%

The following table summarizes the corresponding inspection results for the largest audit firms.

Largest audit firms				
Inspection year	Percentage of financial statements areas with deficiencies	Percentage of regulatory areas with deficiencies with deficiencies	Combined percentage of financial statement and regulatory areas with deficiencies	Percentage of other audit areas with deficiencies
2025	8%	14%	9%	4%
2024	8%	17%	9%	2%
2023	11%	8%	11%	8%

The deficiency percentages for the largest firms were lower than, or consistent with, the corresponding percentages presented in the previous table for all inspected firms combined and for all periods presented.

The following table summarizes deficiencies by audit area for each of the last three inspection years.

Audit area	Percentage of audits with deficiencies		
	2025	2024	2023
Financial statement area			
Revenue	37%	48%	48%
Evaluating audit results	26%	16%	17%
Journal entries	15%	18%	8%
Related party relationships and transactions	17%	36%	28%
Consideration of an entity's ability to continue as a going concern ("going concern")	43%	40%	33%
Expenses and related accruals	38%	53%	19%
Securities owned and securities sold, not yet purchased	33%	21%	10%
Receivables and payables	5%	17%	36%
Regulatory area			
Net Capital Rule	22%	25%	32%
Customer Protection Rule	33%	41%	30%
Combined financial statement and regulatory areas	20%	23%	20%
Other audit areas			
Auditor independence ³	10%	7%	13%
Identifying and assessing risks of material misstatement	12%	19%	1%
Consideration of fraud in a financial statement audit ("consideration of fraud")	1%	5%	2%
Auditor communications	18%	21%	13%
Audit documentation	8%	11%	16%
Engagement quality review of an audit engagement	3%	4%	0%
Auditors' reports on financial statements and supplemental information ("auditors' reports")	8%	10%	13%
Audit findings	0%	0%	4%
Combined other audit areas	7%	9%	8%

³ This area includes deficiencies related to required independence procedures (e.g., PCAOB Rule 3526 communications). We identified no instances of potential noncompliance with SEC rules or instances of noncompliance with PCAOB rules related to maintaining independence in 2025 or 2024.

Summary of Deficiencies by Engagement Type

The following table summarizes the percentage of engagements with at least one identified deficiency, by engagement type, for all inspected firms for each of the last three inspection years. For audits, these percentages take into account deficiencies from each of the area categories described in the previous section.

All inspected firms			
Inspection year	Percentage of audits with deficiencies	Percentage of examination engagements with deficiencies	Percentage of review engagements with deficiencies
2025	66%	40%	41%
2024	76%	59%	42%
2023	70%	66%	40%

The following table summarizes the percentage of engagements with at least one identified deficiency, by engagement type, for the largest audit firms for each of the last three inspection years.

Largest audit firms			
Inspection year	Percentage of audits with deficiencies	Percentage of examination engagements with deficiencies	Percentage of review engagements with deficiencies
2025	35%	13%	7%
2024	52%	40%	13%
2023	59%	47%	13%

The deficiency percentages for the largest audit firms were significantly lower than the corresponding percentages presented in the previous table for all inspected firms for all engagement types and for all periods presented.

Audit and Attestation Deficiencies by Firm Characteristics

This section provides inspection results stratified by firm characteristics, as determined at the time of inspection.

Types of Engagements Performed

The following table summarizes deficiencies in audits and audit areas for each of the last three inspection years, stratified both (1) by whether the firm performing the audits also audited issuers and whether the broker-dealer whose audits were reviewed filed a compliance or exemption report and (2) by whether the firm audited broker-dealers that filed compliance reports or audited broker-dealers that filed only exemption reports.

Firms that audited broker-dealers that filed compliance reports generally also audited broker-dealers that filed exemption reports and are also more likely to have audited issuers.

Firms	Percentage of audits reviewed with deficiencies			Percentage of audit areas reviewed with deficiencies					
				Financial statement and regulatory areas			Other audit areas		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Firms that also audited issuers:	52%	68%	66%	13%	19%	17%	5%	6%	8%
Broker-dealers that filed a compliance report	50%	62%	62%	11%	13%	17%	7%	4%	7%
Broker-dealers that filed an exemption report	53%	71%	68%	14%	22%	17%	4%	8%	8%
Firms that did not audit issuers:	94%	94%	79%	36%	32%	26%	13%	15%	7%
Broker-dealers that filed a compliance report	100%	100%	20%	40%	39%	8%	50%	13%	0%
Broker-dealers that filed an exemption report	94%	93%	89%	35%	31%	30%	12%	16%	9%
All inspected firms	66%	76%	70%	20%	23%	20%	7%	9%	8%

Firms that audited broker-dealers that filed compliance reports	51%	65%	59%	15%	18%	14%	7%	6%	6%
Firms that audited broker-dealers that filed only exemption reports	81%	91%	84%	25%	31%	28%	8%	14%	9%
All inspected firms	66%	76%	70%	20%	23%	20%	7%	9%	8%

The percentage of audits reviewed with deficiencies for firms that also audited issuers was significantly lower each year compared to firms that did not audit issuers. Similarly, the percentage of audits reviewed with deficiencies for firms that audited broker-dealers that filed compliance reports was significantly lower each year compared to firms that audited broker-dealers that filed only exemption reports.

The deficiency percentages from reviews of audits of broker-dealers that filed a compliance report by firms that did not audit issuers varied significantly from 2023 to 2024 and 2025 due in part to the small number of audits reviewed each year. We reviewed one audit of a compliance report filer performed by a firm that did not audit issuers in 2025, four in 2024, and five in 2023.

Of the audits performed by firms that also audited issuers, the percentage of audit and financial statement and regulatory audit areas with deficiencies continued to be lower for audits of broker-dealers that filed a compliance report compared to broker-dealers that filed an exemption report.

The following table summarizes deficiencies in examination engagements and review engagements for each of the last three inspection years, stratified by whether the firm performing the attestation (1) also audited issuers and (2) audited broker-dealers that filed compliance reports or audited broker-dealers that filed only exemption reports.

Firms	Percentage of examination engagements with deficiencies			Percentage of review engagements with deficiencies		
	2025	2024	2023	2025	2024	2023
Firms that also audited issuers	38%	52%	63%	26%	35%	30%
Firms that did not audit issuers	100%	100%	80%	63%	52%	56%
All inspected firms	40%	59%	66%	41%	42%	40%
Firms that audited broker-dealers that filed compliance reports	40%	59%	66%	26%	24%	19%
Firms that audited broker-dealers that filed only exemption reports	N/A	N/A	N/A	49%	54%	54%
All inspected firms	40%	59%	66%	41%	42%	40%

The percentage of examination and review engagements with deficiencies in 2025 was significantly lower for firms that also audited issuers when compared to firms that did not audit issuers. One of the examination engagements reviewed in 2025 was performed by a firm that did not audit issuers, compared to 24 performed by firms that also audited issuers.

The percentage of review engagements with deficiencies for firms that also audited broker-dealers that filed compliance reports was significantly lower than the percentage of deficiencies at firms that audited broker-dealers that filed only exemption reports for all years presented.

Number of Broker-Dealer Audits Per Firm

The following tables summarize inspection results, stratified by the number of broker-dealer audits performed by the firm, including the largest audit firms, for each of the last three inspection years.

2025 inspections									
Firms	Number of firms	Number of audits	Percentage of audits with deficiencies	Percentage of financial statement and regulatory areas with deficiencies	Percentage of other audit areas with deficiencies	Number of examination engagements	Percentage of examination engagements with deficiencies	Number of review engagements	Percentage of review engagements with deficiencies
Firms that audited 1 broker-dealer	6	6	83%	33%	10%	1	0%	4	75%
Firms that audited 2 to 20 broker-dealers	32	33	85%	26%	9%	5	100%	23	52%
Firms that audited 21 to 50 broker-dealers	10	13	69%	19%	12%	2	100%	11	45%
Firms that audited 51 to 100 broker-dealers	7	13	62%	18%	5%	2	50%	8	0%
Firms that audited more than 100 broker-dealers	6	38	47%	14%	5%	15	13%	20	35%
All inspected firms	61	103	66%	20%	7%	25	40%	66	41%

Largest audit firms	4	31	35%	9%	4%	15	13%	14	7%
All other firms	57	72	79%	25%	9%	10	80%	52	50%
All inspected firms	61	103	66%	20%	7%	25	40%	66	41%

The percentage of audits and audit areas with deficiencies in 2025 generally had an inverse relationship with the number of broker-dealer audits performed by the firm. The percentage of examination and review engagements with deficiencies varied across categories, in part due to the small number of engagements reviewed that were performed by firms in certain categories.

The deficiency percentages for the largest audit firms were each significantly lower than the percentages for all other firms combined.

The 2025 results are generally consistent with 2024 and 2023 as presented below.

2024 inspections									
Firms	Number of firms	Number of audits	Percentage of audits with deficiencies	Percentage of financial statement and regulatory areas with deficiencies	Percentage of other audit areas with deficiencies	Number of examination engagements	Percentage of examination engagements with deficiencies	Number of review engagements	Percentage of review engagements with deficiencies
Firms that audited 1 broker-dealer	9	9	89%	30%	15%	1	100%	6	83%
Firms that audited 2 to 20 broker-dealers	26	27	89%	38%	13%	4	75%	21	67%
Firms that audited 21 to 50 broker-dealers	11	16	88%	22%	15%	6	83%	9	44%
Firms that audited 51 to 100 broker-dealers	8	15	80%	28%	8%	3	67%	11	18%
Firms that audited more than 100 broker-dealers	6	35	57%	10%	3%	15	40%	17	12%
All inspected firms	60	102	76%	23%	9%	29	59%	64	42%
Largest audit firms	4	31	52%	9%	2%	15	40%	15	13%
All other firms	56	71	87%	30%	13%	14	79%	49	51%
All inspected firms	60	102	76%	23%	9%	29	59%	64	42%

2023 inspections									
Firms	Number of firms	Number of audits	Percentage of audits with deficiencies	Percentage of financial statement and regulatory areas with deficiencies	Percentage of other audit areas with deficiencies	Number of examination engagements	Percentage of examination engagements with deficiencies	Number of review engagements	Percentage of review engagements with deficiencies
Firms that audited 1 broker-dealer	9	9	89%	30%	7%	2	100%	7	86%
Firms that audited 2 to 20 broker-dealers	24	25	80%	28%	8%	5	100%	19	42%
Firms that audited 21 to 50 broker-dealers	16	21	76%	22%	7%	4	50%	14	50%
Firms that audited 51 to 100 broker-dealers	6	12	50%	16%	5%	3	100%	9	44%
Firms that audited more than 100 broker-dealers	5	36	61%	13%	9%	15	47%	18	11%
All inspected firms	60	103	70%	20%	8%	29	66%	67	40%
Largest audit firms	4	34	59%	11%	8%	15	47%	16	13%
All other firms	56	69	75%	25%	8%	14	86%	51	49%
All inspected firms	60	103	70%	20%	8%	29	66%	67	40%

Audit and Attestation Deficiencies by Inspection Frequency

This section provides the 2025 inspection results stratified between firms inspected for the first time under the interim inspection program in 2025 and firms inspected previously during the period since PCAOB standards became applicable for audits of broker-dealers. For previously inspected firms, the results are further stratified into two groups: the largest audit firms (which have each been inspected each year) and all other firms.

2025 inspections									
Inspection Frequency	Number of firms	Number of audits	Percentage of audits with deficiencies	Percentage of financial statement and regulatory areas with deficiencies	Percentage of other audit areas with deficiencies	Number of examination engagements	Percentage of examination engagements with deficiencies	Number of review engagements	Percentage of review engagements with deficiencies
Firms inspected for the first time in 2025	12	12	75%	31%	8%	2	100%	9	67%
Previously inspected firms other than the largest audit firms	45	60	80%	24%	9%	8	75%	43	47%
Largest audit firms (inspected each year)	4	31	35%	9%	4%	15	13%	14	7%
All inspected firms	61	103	66%	20%	7%	25	40%	66	41%

Inspections of firms inspected for the first time comprised 20% of firm inspections in 2025 and resulted in the highest financial statement and regulatory areas deficiency percentages and the highest percentage of review engagements with deficiencies amongst these three categories of firms.

Audit and Attestation Deficiencies by Broker-Dealer Characteristics

This section provides inspection results stratified by whether the broker-dealers whose audits were reviewed filed a compliance report or an exemption report, for each of the last three inspection years.

Broker-Dealers That Filed Compliance Reports

The following table summarizes deficiencies by audit area from reviews of audit engagements for broker-dealers that filed compliance reports.

Audit areas	2025			2024	2023
	Number of audits	Number of audits with deficiencies	Percentage of audits with deficiencies	Percentage of audits with deficiencies	Percentage of audits with deficiencies
Financial statement areas					
Revenue	25	1	4%	26%	35%
Evaluating audit results	25	5	20%	7%	6%
Journal entries	25	1	4%	13%	8%
Related party relationships and transactions	9	2	22%	29%	22%
Consideration of an entity's ability to continue as a going concern	0	0	N/A	0%	N/A
Expenses and related accruals	3	0	0%	80%	25%
Securities owned and securities sold, not yet purchased	3	0	0%	0%	0%
Receivables and payables	10	1	10%	13%	43%
Regulatory areas					
Net Capital Rule	8	2	25%	8%	0%
Customer Protection Rule	18	6	33%	41%	33%
Other audit areas					
Auditor independence	25	4	16%	7%	13%
Identifying and assessing risks of material misstatement	25	1	4%	7%	0%
Consideration of fraud in a financial statement audit	25	0	0%	0%	0%
Auditor communications	25	5	20%	0%	6%
Audit documentation	25	3	12%	17%	16%
Engagement quality review of an audit engagement	25	1	4%	0%	0%
Auditors' reports on financial statements and supplemental information	25	3	12%	13%	6%
Audit findings	25	0	0%	0%	6%

Broker-Dealers That Filed Exemption Reports

The following table summarizes deficiencies by audit area from reviews of audit engagements for broker-dealers that filed exemption reports.

Audit areas	2025			2024	2023
	Number of audits	Number of audits with deficiencies	Percentage of audits with deficiencies	Percentage of audits with deficiencies	Percentage of audits with deficiencies
Financial statement areas					
Revenue	77	37	48%	57%	54%
Evaluating audit results	78	22	28%	19%	22%
Journal entries	78	14	18%	19%	8%
Related party relationships and transactions	21	3	14%	38%	30%
Consideration of an entity's ability to continue as a going concern	7	3	43%	67%	33%
Expenses and related accruals	5	3	60%	42%	17%
Securities owned and securities sold, not yet purchased	6	3	50%	33%	14%
Receivables and payables	12	0	0%	20%	29%
Regulatory areas					
Net Capital Rule	37	8	22%	32%	45%
Customer Protection Rule	0	0	N/A	N/A	0
Other audit areas					
Auditor independence	78	6	8%	7%	13%
Identifying and assessing risks of material misstatement	78	11	14%	24%	1%
Consideration of fraud in a financial statement audit	78	1	1%	7%	3%
Auditor communications	78	14	18%	29%	15%
Audit documentation	78	5	6%	8%	15%
Engagement quality review of an audit engagement	78	2	3%	6%	0%
Auditors' reports on financial statements and supplemental information	78	5	6%	8%	15%
Audit findings	78	0	0%	0%	3%