



2026 CPIA Audit Trust Index

Supporting quality and trust in audit,
to build confidence in capital markets



Foreword

“ The Audit Trust Index (ATI) is a unique insight into stakeholders’ views on UK audit and the audit profession. For the third year in a row, the index shows that overall audit satisfaction is high – Audit Committee Chairs, Finance Directors and investors are satisfied with the service auditors are providing. After several years of investment in audit quality by the UK’s audit firms, the results can be seen in the Financial Reporting Council’s own audit quality reviews and here in the ATI.

It’s important to recognise the valuable contribution auditors make to the UK economy and capital markets. Indeed, a key message from this year’s ATI is that many stakeholders want more from their auditors. They value their insights, judgement and assurance skills, and want these to be applied in more places across the corporate reporting landscape. We’re publishing this year’s ATI during a government consultation on modernising corporate reporting. One key message for policymakers is that many of the corporate reporting

elements that stakeholders value most are also those elements where they want to see auditors provide assurance over the information provided.

And demand for auditors’ skills remains robust, even amid an increasing role for AI in audit. While stakeholders have increasing confidence in the benefits of deploying AI in the process aspects of audit, there remains a strong preference for auditors to lead on matters involving more professional judgement.

The ATI still reveals some important challenges for the profession to work on. In some aspects, levels of satisfaction are uneven between different stakeholder groups, and there’s a need for the profession to help stakeholders navigate some of the significant changes occurring within audit. But, ultimately, these are nuances to the bigger picture: trust in UK audit quality and its value is high – and that is a strong foundation for UK businesses, and the wider economy, as they pursue sustainable growth. ”



Dean Beale
Executive Director
of the CPIA

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Introduction

The CPIA's Audit Trust Index (ATI) is our annual barometer of the level of trust and confidence key stakeholders have in the UK's public interest entity (PIE) audit framework. The ATI tracks the views of those who have close contact with their external auditors: the Audit Committee Chairs (ACCs) and Finance Directors (FDs) at some of the UK's largest companies. And it tracks the views of those who rely on audit reports as one of the pieces of public-facing information they can use to make decisions about how they engage with a company: investors.

This annual survey tells us what key stakeholders think about UK audit quality and value, emerging issues in the profession and market, and where the audit profession can improve.

In the 2026 report, we look at:

- overall trust and confidence in the quality and value of UK PIE audit;
- audit users' views on the use of AI in audit;
- what audit users most value in corporate and audit reports – and whether there is demand for auditors to provide additional assurance outside companies' financial statements; and
- audit users' views on topical issues in the audit sector.



Images: Getty

Key findings

1. Stakeholders continue to be satisfied with UK audit quality and value

Overall stakeholder satisfaction with the quality of audit processes remains very high: 96% of respondents are ‘very’ or ‘somewhat’ satisfied with the quality of audit processes – close to the 100% satisfaction recorded last year and up from the 81% recorded in 2024. Key drivers of satisfaction include auditors’ industry knowledge and competency, auditors’ communication and responsiveness, the usefulness of audit findings, and auditors’ independence.

Satisfaction with audit value remains high, too. In a change for this year’s survey, we’ve broken ‘value’ down into three distinct aspects: the ‘intrinsic’ value of audit in terms of the assurance it provides that a company’s financial statements are true and fair; the additional insights it might provide into an audited company; and its value for money. High levels of satisfaction were recorded across all three metrics: 91% of respondents were

satisfied with audit’s intrinsic value, 86% were satisfied with the value of audit insights, and 80% were satisfied with audit’s value for money.

Satisfaction with quality and value were balanced across all three respondent groups: ACCs, FDs and investors. Generally, ACCs’ satisfaction levels tended to be higher and stronger than for other stakeholders, though this was relative: dissatisfaction among any respondent group was rare. Lower satisfaction levels were often recorded for FDs, but the proportion of satisfied FDs didn’t fall below 81% for any of the specific quality metrics we track.

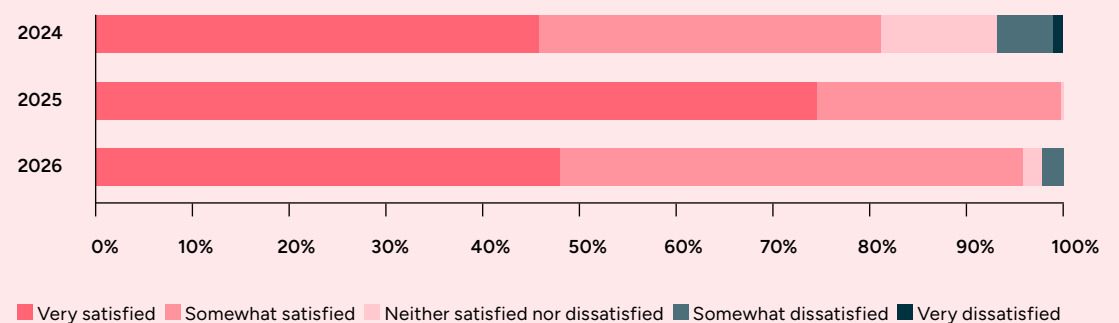
Elsewhere, there was broad satisfaction with various other aspects of audit. Respondents were happy with auditors’ professionalism and expertise (91% were ‘somewhat’ or ‘very’ satisfied), their level of management challenge (86%), the communication of their work and findings (86%), and their timeliness and efficiency (85%). Over four in five respondents agreed that UK auditors

have the skillsets needed to do their work over the next five years (83%) and that their skills, capabilities and technology are a positive for the UK economy (81%).

There were lower satisfaction levels with market choice and competition (70%), and audit fees (65%). Audit fee concerns were notable among ACCs. Their very high levels of satisfaction with audit

didn’t extend to audit’s value for money: the 72% of ACCs satisfied here was the lowest score for any group on any quality or value metric. Across our value and quality questions, there are things to keep an eye on. Levels of ‘strong’ satisfaction aren’t as high as they were last year, for example, but it’s unclear whether this is a genuine shift or noise in the data owing to sample composition changes. Overall, there is plenty to be positive about.

Figure 1: Overall audit quality satisfaction, 2024–26



2. There's still space for auditors in a world of AI audits

AI has the potential to transform the delivery of audits, with advancements in capability each year. Seventy-nine per cent of stakeholders are 'somewhat' or 'very' satisfied with how auditors are deploying technology and AI, down from 87% last year.

The survey also picks up some stakeholder uncertainty regarding how AI is being used in audits: 23% of ACCs said they had limited trust and confidence in how AI is used in their company's audit, as did 15% of FDs. Meanwhile, 11% of investors said they had limited trust and confidence in the use of AI in audits – and 4% said they had no trust or confidence.

But as AI technology has improved and embedded itself into audits and day-to-day working life, some of last year's key AI risks have receded: the proportions of respondents concerned about AI hallucinations and auditors' AI skills gaps

– both top-three issues last year – have dropped by 11 percentage points (ppts) and 24ppts respectively. Auditors' over-reliance on AI and reduced professional scepticism are now the top AI risk for audit stakeholders.

Indeed, the survey results underlined stakeholders' support for the importance of auditors' human judgement (see

Figure 2: Stakeholder confidence in human auditors and AI tools

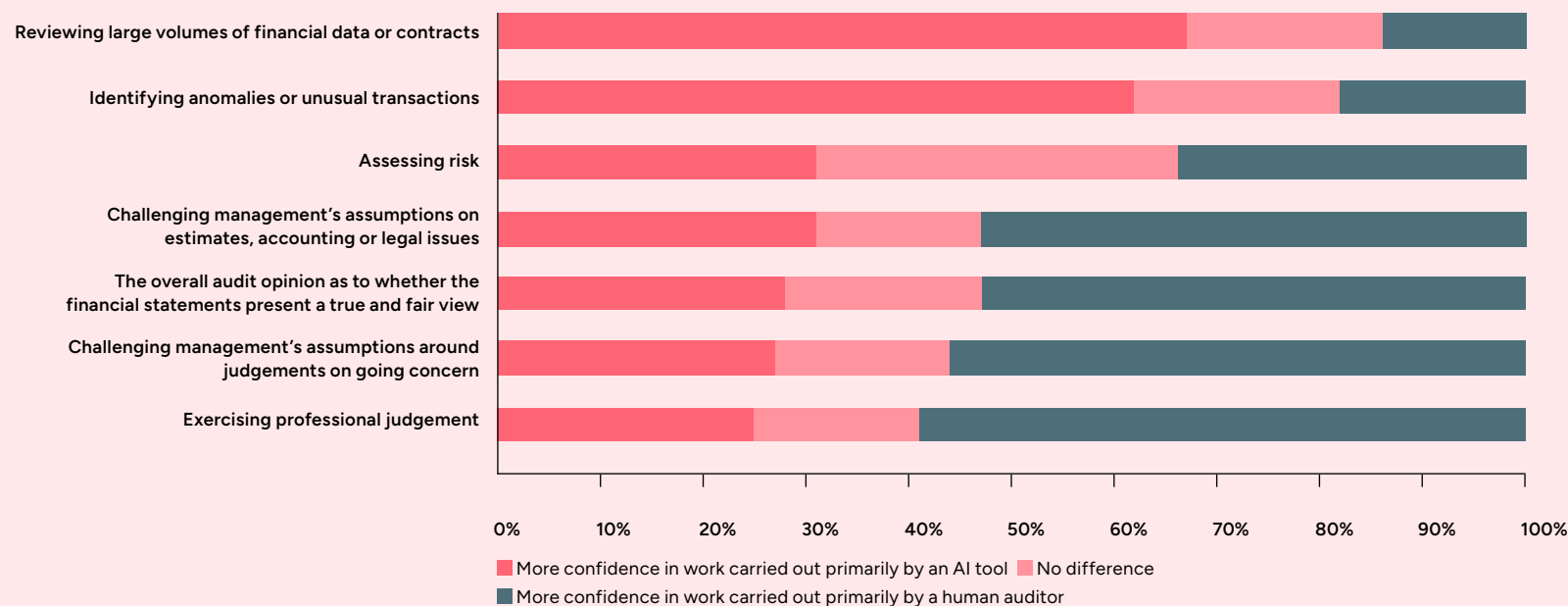


figure 2). When asked if they had more confidence in work carried out primarily by an AI tool or a human auditor, respondents were generally more likely to favour the human auditor on matters of professional judgement. AI was preferred for audit process work, such as reviewing large volumes of financial data – though investors were much more likely than other stakeholders

to have more confidence in AI's role in audit judgements.

Stakeholders felt the key opportunities for AI in audit include an improved ability to identify control failures and misstatements (cited by 53% of respondents), an improved ability to process more relevant financial information (33%) and, ultimately, better-quality audits (28%).

For a full breakdown of this data, please see the full report on [page 18](#)

3. Different stakeholders want different things from corporate reports – but everyone wants more assurance

Earlier this year, the government shelved plans for comprehensive audit and corporate governance reform, promising to instead consult on the modernisation of UK corporate reporting. This consultation opened in September 2026, and this year's survey explores what stakeholders actually want from corporate and audit reporting.

ACCs and FDs on the one hand, and investors on the other, are split in terms of what they value most in corporate and audit reports. The former feel the most valuable parts of the corporate report, by far, are those that relate to risks and controls; investor preferences were more evenly spread and generally focused on a company's impact on the world around it.

Within audit reports, FDs and ACCs are most likely to value the overall audit opinion, the Key Audit Matters and

reporting on the control environment. Investors value auditors' commentary on wider issues, such as the other parts of the annual report the auditors have tested for consistency with the financial statements, or reporting on legal or regulatory matters.

But where all stakeholders were united was their desire for auditors to have a wider role in corporate reports, providing assurance over more than just the financial

statements (see figure 3). ACCs and FDs want auditor assurance over controls reporting, or on regulatory disclosures. Investors want auditor assurance across multiple parts of the corporate report, particularly any sustainability disclosures, key performance indicators and leadership statements. In a separate part of the survey, over four in five (84%) respondents agreed that auditors should have a role to play in assuring the new declaration as to the effectiveness of

Figure 3: The parts of an annual report, apart from the financial statements, considered most important by stakeholders



a company's material controls that directors will have to make as part of the updated Provision 29 in the UK Corporate Governance Code.

The survey also identified some uncertainty, particularly among investors, as to which parts of the annual report are checked as part of the audit. Over a quarter (26%) of investors were uncertain as to which specific parts of the annual report were covered by the auditor.

For a full breakdown of this data, please see the full report on [page 23](#)

Key lessons

1. Stakeholders are happy with UK audit quality and value

The ATI shows consistently high levels of overall satisfaction with UK audit quality and value. Stakeholders – inside and outside the auditor–audited entity relationship – are satisfied that audit continues to have value, and that audit is being done well. This chimes with Financial Reporting Council (FRC) data showing steady improvements in UK audit quality. UK audit is not perfect, and there is no room for complacency. But key audit users are clear that they are happy with what is on offer and have been consistently happy over the past couple of years. It's important to recognise the current strength of UK audit and its value to the economy.

2. Audit users want more assurance from auditors

Stakeholders have confidence in auditors' ability to exercise professional judgement. They also want auditors to exercise that judgement more widely by providing assurance across more than just companies' financial statements. This pushes against recent regulatory and legislative trends that have increasingly restricted what additional assurance auditors can provide to companies they audit. And the September 2026 consultation on the modernisation of corporate reporting focuses on cutting back reporting requirements, rather than on opportunities to add value for reporting entities and their stakeholders.

Notably, the parts of the corporate report outside the financial statements most valued by particular stakeholder groups are the parts of the corporate report where these stakeholders most want auditor involvement. There is a clear opportunity for auditors to do more to support the UK's capital markets by deploying their experience and expertise more widely.

And within audit itself, stakeholders' trust in auditors' uniquely human skillsets and their ability to exercise professional judgement is clear, particularly when AI is so prominent within professional services. As AI reshapes audit, auditors still have a key role to play.

3. Auditors need to bring stakeholders with them through change

The lowest levels of stakeholder confidence in the ATI relate to 'change'. A small minority lack confidence in the deployment of AI in audit. Clear majorities of stakeholders agreed that private equity investment – something that is increasingly important for a number of firms – could be positive for audit quality and competition, but levels of agreement on this issue were lower than the ATI found on other topics. And, after significant increases in recent years, stakeholders had lower levels of satisfaction with audit fees.

There are many parts of the audit profession where the traditional way of doing things is being, or has been, changed. Where the profession is pushing ahead with innovative approaches, it's vital that firms consider how these are communicated to audit users and that the value of change is clear. Auditors have built a strong platform of stakeholder trust from which to deliver change; the challenge is to maintain that trust and take stakeholders through change with them.

Full analysis

Stakeholders' views on UK audit and the audit profession

Part 1: Audit quality

Consistently high satisfaction but some issues to keep an eye on

Overall, stakeholders are satisfied with the quality of UK audit processes: 96% of those surveyed were 'somewhat' or 'very' satisfied, in line with the 100% satisfaction rate seen in 2025.

When prompted on the key drivers for their satisfaction, the top three factors were auditors' industry knowledge and competency (cited by 27% of respondents), their communication and responsiveness (19%) and, equally, the usefulness of their findings (15%) and their independence and objectivity (15%).

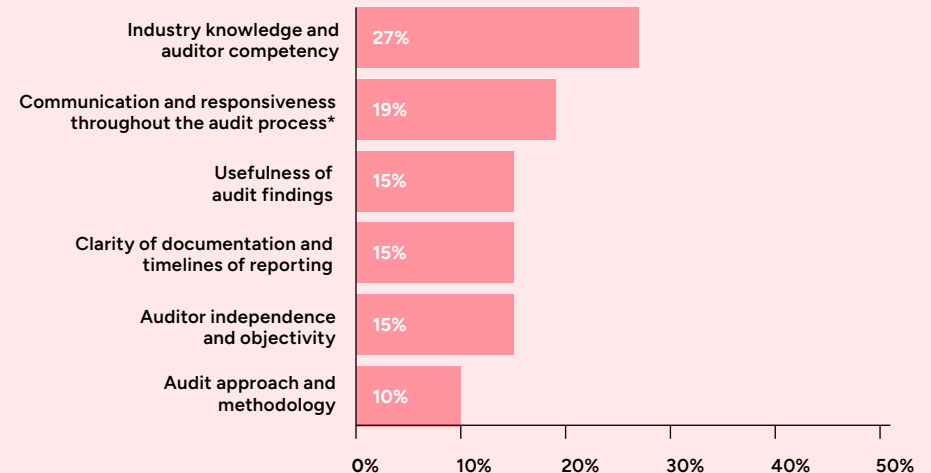
Across the six quality factors tracked by the ATI, overall satisfaction rates were all at high levels, with a high of 90% satisfaction recorded for industry knowledge and competency, and a low of 83% for auditors' communication and responsiveness. Beyond the specific quality factors, respondents were also very likely to say that they were satisfied that auditors provide a sufficient level of management challenge (86%).

Where can auditors improve on quality?

Although headline satisfaction remains strong, there are elements of the quality scores to look at more closely. For instance, there are potential mixed messages regarding the strength of satisfaction. Over two thirds (69%) of this year's respondents say they are more satisfied with audit quality (including 24% who are much more satisfied) compared with last year. However, the share of respondents who are 'very' satisfied with overall audit quality has dropped from last year's ATI, from 74% to 48% (almost back to the 46% recorded in 2024).

Similarly, across the five specific quality categories used this year and last year, two saw a decline in the proportion of respondents who were 'very' satisfied: audit approach and methodology fell from 65% to 40%, and clear documentation and timeliness fell from 48% to 35%.

Figure 4: Key drivers of satisfaction with overall audit quality



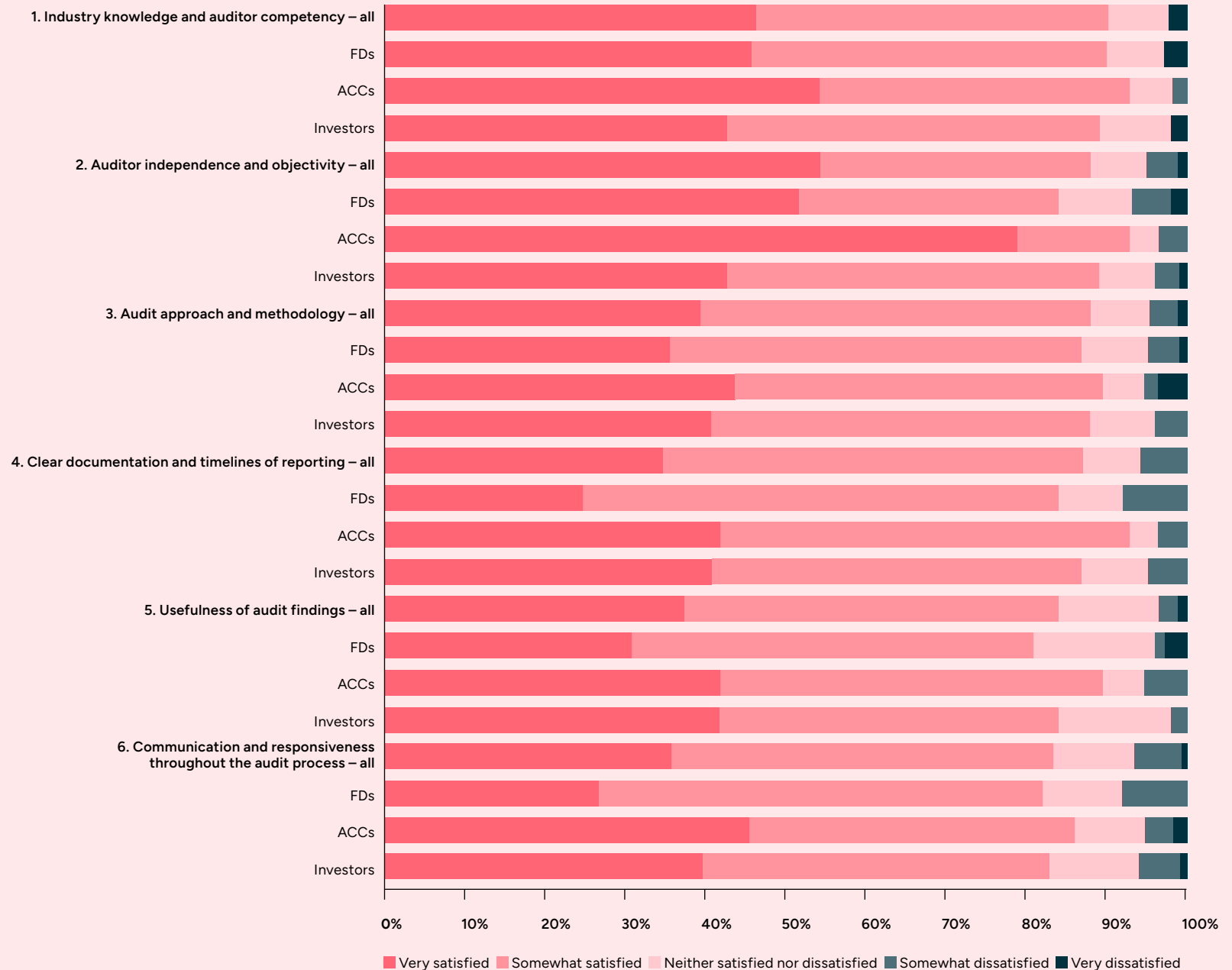
*This is a new category for 2026

It's worth noting that the three other factors each saw growth in the proportion of respondents saying they were 'very' satisfied, and overall satisfaction (combining 'somewhat' and 'very' satisfied responses) across all five repeated categories is broadly level with 2025, ranging from 8ppts growth for 'industry knowledge and competency' to an 8ppts fall for 'audit approach and methodology'.

What's driving changes in the data?

It's unclear at this point how meaningful the switches from 'very' to 'somewhat' satisfied are. They could be noise in the data that will bounce around from year to year as the individual respondents in the samples change, or there could be an element of revealed preference: stakeholders say they feel more satisfied than last year, but the samples' responses on specific issues might tell a more accurate story of how the quality of audit work is perceived.

Figure 5: Satisfaction with audit quality indicators



For instance, anecdotal feedback to the CPIA from some smaller audit firms has indicated that pressure for compliance with the FRC's quality framework can risk some aspects of audits coming across as driven by the regulatory framework rather than the audited entity's particular circumstances. The picture will become clearer across future ATIs.

Still, the overall findings are positive and, whether tracked through the ATI or the FRC's audit quality reviews, UK audit quality has made significant progress in recent years – it's important that auditors keep delivering high-quality audits on a consistent basis.

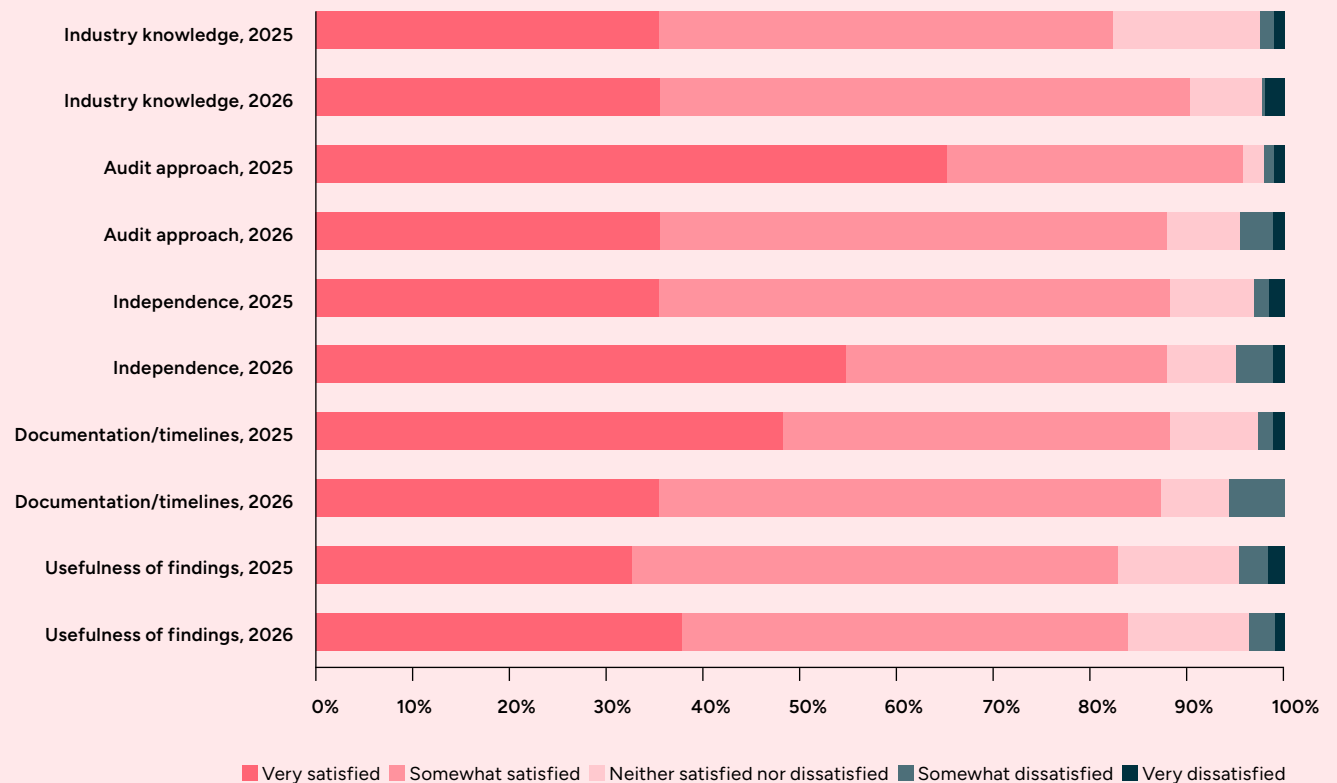
Auditors need to keep an eye on FD satisfaction

The variation in the strength of feeling about audit quality among different stakeholder groups is also worth exploring. Overall, FDs (98%) tend to be more satisfied with overall quality, while ACCs (93%) recorded the lowest overall

satisfaction rates (though these were still very high).

But dig a little deeper, and the picture changes. ACCs are also the most likely to be 'very' satisfied with overall audit quality (49%), and for five of the six specific audit quality categories, FDs register the lowest

Figure 6: Satisfaction with audit quality indicators, 2025–26



levels of overall satisfaction: 81% of FDs are satisfied with the usefulness of audit findings, for example, compared with 84% of investors and 89% of ACCs. For each of the six audit quality categories, ACCs recorded the highest levels of overall satisfaction and were also most likely to be 'very' satisfied.

There's a similar story on other metrics. FDs, for instance, are least likely to be satisfied with whether auditors are providing a sufficient level of management challenge (83%), while ACCs have the highest levels of satisfaction (89%).

Although they are broadly happy with quality, auditors should pay attention to FDs' satisfaction scores: while they are only slightly lower than for other stakeholders, they are also consistently lower. As the stakeholders most closely engaged with the auditor's work on a day-to-day basis, FDs are particularly well placed to assess how effectively an audit is being delivered in practice – though an element of friction between

management and their auditor might not be wholly unexpected.

There is by no means a significant issue between FDs and auditors. At a minimum, four in five FDs are happy with particular aspects of audit quality, while an impressive nine in 10 are satisfied overall. But there is still work for auditors to do to ensure satisfaction among FDs catches up to the slightly higher levels seen among the stakeholders that are more removed from the detailed audit process.

What to watch

- The proportion of stakeholders who were 'very' satisfied with audit quality has fallen from 12 months ago – but could bounce back again next year.
- FDs are satisfied with audit quality, but satisfaction levels are lower than for ACCs and investors.

Part 2: Audit value

Stakeholders are very satisfied with the value of audit

This year's ATI has adopted a new approach to measuring audit value, with the survey now exploring stakeholders' views across a range of 'value' measures: the value of assurance that audit provides that a company's financial statements are true and fair; the value of the insights audit provides that might otherwise have been unavailable to a company's external or internal stakeholders; and audit's value for money.

As with audit quality, the headlines are positive ones: 91% are satisfied with audit's assurance that company financial statements are true and fair, 86% are satisfied with the value of its additional insights, and 80% are satisfied with audit's value for money. There is clear faith in the value of audit and the purpose it serves for UK companies, their stakeholders and the wider capital markets.

Stakeholders also say their satisfaction with the different measures of audit's

value has increased since last year – potentially a consequence of the improvements in audit quality measures or the deployment of new technology and analytics across the sector in recent years. Seventy-two per cent of respondents say they are more satisfied with audit's insights compared with last year, while 57% say they are more satisfied with audit's value from an assurance perspective and with audit's value for money.

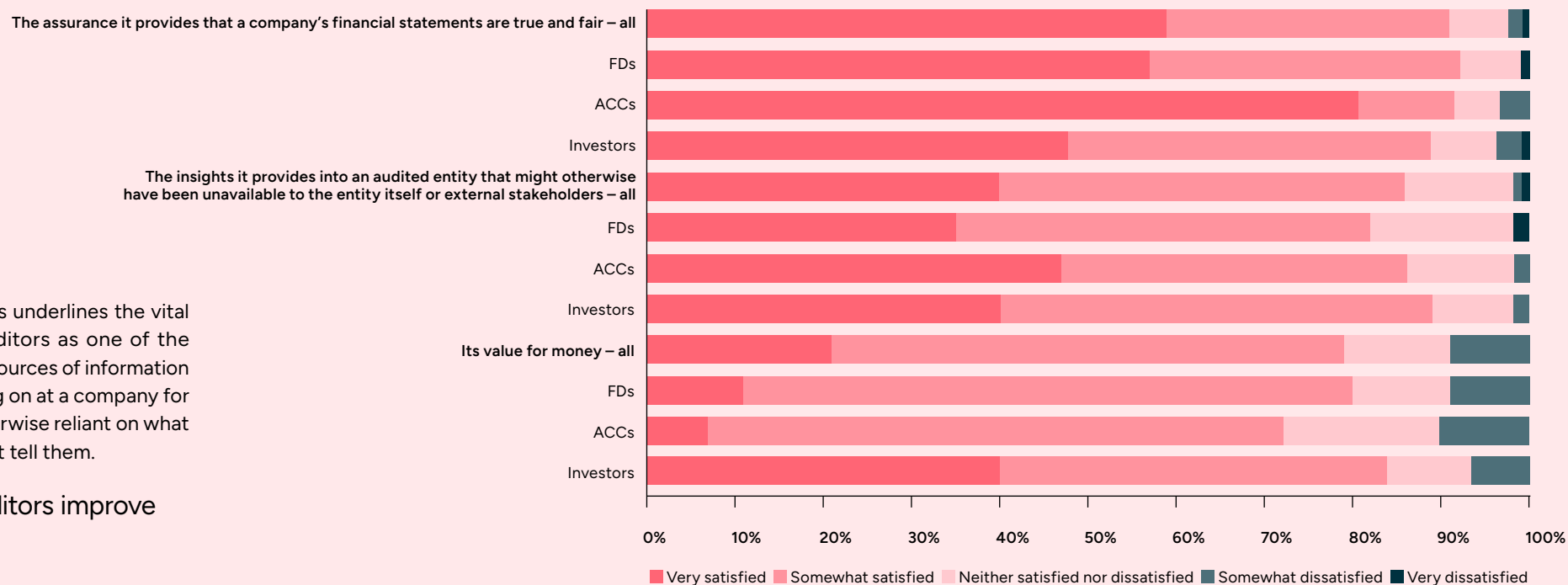
There aren't necessarily any alarm bells deeper in the data, either. As with the audit quality metrics, there is some variation in terms of the strength of feeling, and there are some slight variations between stakeholder groups. Both FDs and ACCs are particularly happy with the value of audit from an assurance perspective: of the three value measures, FDs were most satisfied overall on the assurance metric (92%), while the 91% of satisfied ACCs on this measure included an

astonishing 81% of respondents saying they are 'very' satisfied.

ACCs and investors were also notably more likely to say they were satisfied with audit's value as a source of additional insights about a company. Eighty-nine per cent of investors said they were satisfied on this measure (including 40% who are 'very' satisfied), as did 86% of ACCs (including 47% who are 'very' satisfied).

Meanwhile, satisfaction with the value of audit's insights is 82% for FDs, with 35% saying they are 'very' satisfied. FDs' slightly lower satisfaction here is to be expected – they are likely to already know their own company very well, after all – and, though lower than for other stakeholders, there is still a very high proportion of FDs who do value the additional insights that auditors provide.

The particularly high level of satisfaction with auditors' additional insights among

Figure 7: Satisfaction with audit value

investors and ACCs underlines the vital importance of auditors as one of the only independent sources of information about what is going on at a company for those who are otherwise reliant on what management might tell them.

Where can auditors improve on value?

There is some scope across all three 'value' metrics to improve on the proportion of stakeholders who feel 'very' satisfied, but the most obvious area for improvement is on value for money. Audit fees are, if not a sore point (65% of stakeholders are satisfied), certainly not a key driver

of stakeholder happiness. Satisfaction with audit fees is also down 16ppts from last year. As might be expected, given they're the ones actually negotiating and paying the bills, ACCs' (56%) and FDs' (61%) overall satisfaction on audit fees is much lower than it is for investors (73%).

These lower levels of satisfaction with fees unsurprisingly feed into lower levels of satisfaction with value for money. Eighty per cent of FDs were satisfied with audit's value for money, as were 72% of ACCs (with just 7% 'very' satisfied). Overall, just 21% of all stakeholders were 'very' satisfied with audit's value for money, and in one of the rare instances of express dissatisfaction in the whole ATI, 7% of investors, 9% of FDs, and 11% of ACCs said they were dissatisfied.

Although UK PIE audit fee increases have plateaued recently, they are higher than they were just a few years ago. Higher fees have followed the sector's significant investment in the systems, expertise and infrastructure needed to deliver high-quality audits on a consistent

basis. The impact of COVID-19 also put upwards pressure on fees at the start of this decade.

Increased regulatory pressure also means there has been more extensive work on individual PIE audits, while the impact of operational separation at the largest firms should not be overlooked. Implemented by late 2024, operational separation required the largest audit practices to operate on a standalone basis, without cross-subsidisation or profit-sharing with the wider firm.

More than ever before, audit fees are reflective of the cost of high-quality audit. It's not necessarily surprising that the upwards pressure on fees, compressed into a relatively short space of time, has had an impact on value for money satisfaction.

Auditor communication on value is key

It's important that auditors communicate clearly with stakeholders about what is

driving fees – and what stakeholders are getting in return. Auditors can't expect stakeholders to take the value of audit for granted, and must make a consistent case for the value of their work.

It will be interesting to see how recent indications that audit fee growth is beginning to slow – or is heading into reverse – feed into future years' ATIs.

What to watch

- Audit's value goes beyond assurance to the additional insights auditors can provide.
- As audit firms invest further in technology, data and analytics, the opportunity is to turn those capabilities into more useful insight for companies and their stakeholders – and to communicate that value clearly.
- The challenge for auditors is therefore not simply to deliver a high-quality audit, but to make the wider value of their work increasingly visible.

Part 3: AI in audit

AI is here to stay, but human skills are more important than ever

Over the past 12 months, it has been almost impossible to have a conversation with an audit stakeholder without the impact of AI on audit coming up.

While auditors and others acknowledge that the profession has adapted to, and deployed, new technologies and automation in the past, there is also recognition that AI has the potential to be transformative in terms of what an audit can achieve and what the role of an auditor themselves might be in the future. As noted in the introduction to this report, stakeholders recognise – for now, at least – a key role for ‘human’ auditors to play in a world of AI-backed audit.

Broadly, many stakeholders are on board with AI’s growing role in audit. Almost four in five (79%) of all respondents said they are satisfied with how auditors are deploying technology and AI, and there were reasonably high levels of trust and confidence in how AI was being used:

a combined 82% of FDs and ACCs said they had trust and confidence in how AI was being used in their company’s audit; 84% of investors said the same about the use of AI in company audits in general.

There was also optimism about the impact AI could have on audit: 53% of respondents felt AI would lead to an increased ability to identify control failures and misstatements; 33% said it will improve auditors’ ability to process more relevant financial information; and 28% said it will lead to better-quality audits overall.

Meanwhile, as AI capabilities improve and its use becomes embedded, it’s notable that the key risks identified by stakeholders are shifting. Last year’s top three concerns were AI hallucinations (cited by 45% of respondents in 2025), an over-reliance on AI and reduced professional scepticism (45%), and AI skills gaps among auditors (41%).

This year, concerns about auditors’ AI skills gaps have halved to 17% – perhaps as a result of stakeholders gaining more first-hand experience of how auditors can put AI to good use in audits. And as AI models have developed and become more reliable, concerns about AI hallucinations have fallen to 34% – still a top-three risk, but no longer the leading worry. Instead, stakeholders’ top concern is that auditors will over-rely on AI and that their professional scepticism will be affected (up to 46%); data privacy and security risks are the second most common concern (up to 42% from 40%).

The concern among stakeholders that AI might lead auditors to lose their professional scepticism reflects an ongoing faith in the value of an auditor’s judgement. And elsewhere in the survey, evidence suggests that stakeholders don’t feel AI is quite ready to replace human auditors on matters of judgement in audit just yet.

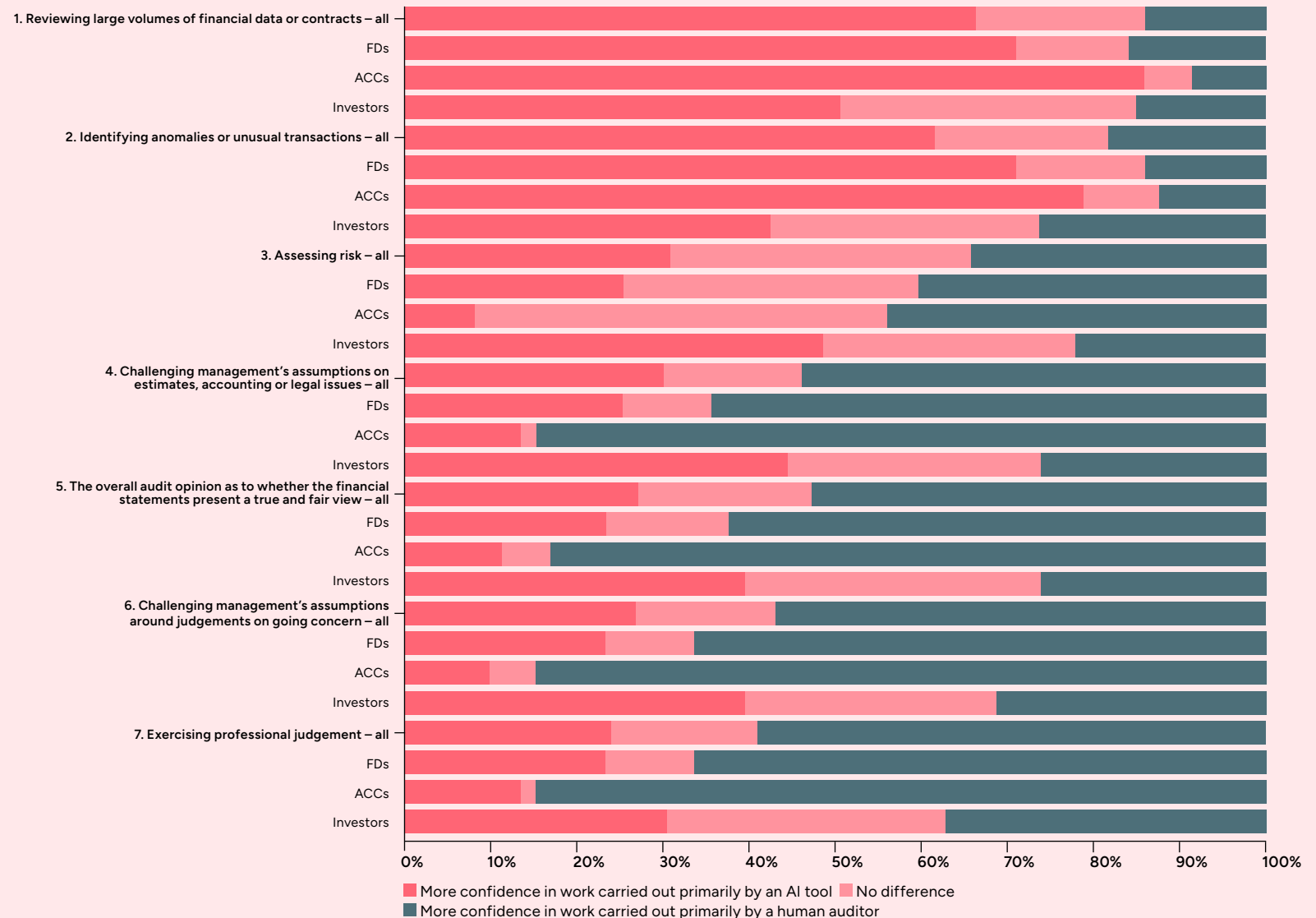
Across seven different types of audit activity or output, we asked stakeholders whether they would have more confidence in work carried out primarily by a human auditor or by an AI tool. Broadly, there were four examples of judgement-type work (exercising professional judgement, challenging management’s going concern assumptions, challenging management assumptions on estimates, accounting and legal issues, and the overall audit opinion), risk assessment, and two examples of more process-led work (reviewing large volumes of data, and identifying unusual transactions).

Overall, the survey results were fairly stark: for all four judgement examples, respondents said they had more confidence in a human auditor; risk assessment was split almost equally (31% favoured AI; 34% favoured the auditor); and stakeholders had a preference for AI for the two process examples.

The caveat to this preference for auditors to play a role in judgement-related work concerns investors: this group was much more bullish about the role AI can play, perhaps reflecting this group's familiarity with AI as a tool in their own work. The only category where investors had more confidence in human auditors over AI tools was on the exercise of professional judgement – and even here, auditors only had a slight edge (37% to 31%).

By contrast, ACCs – many of whom are likely to be former auditors themselves – were the biggest cheerleaders for the role of human auditors. The proportion of ACCs with a preference for AI-led work on the judgement activities never exceeded 14%.

Figure 8: Stakeholder confidence in human auditors and AI tools



Where can auditors improve on AI?

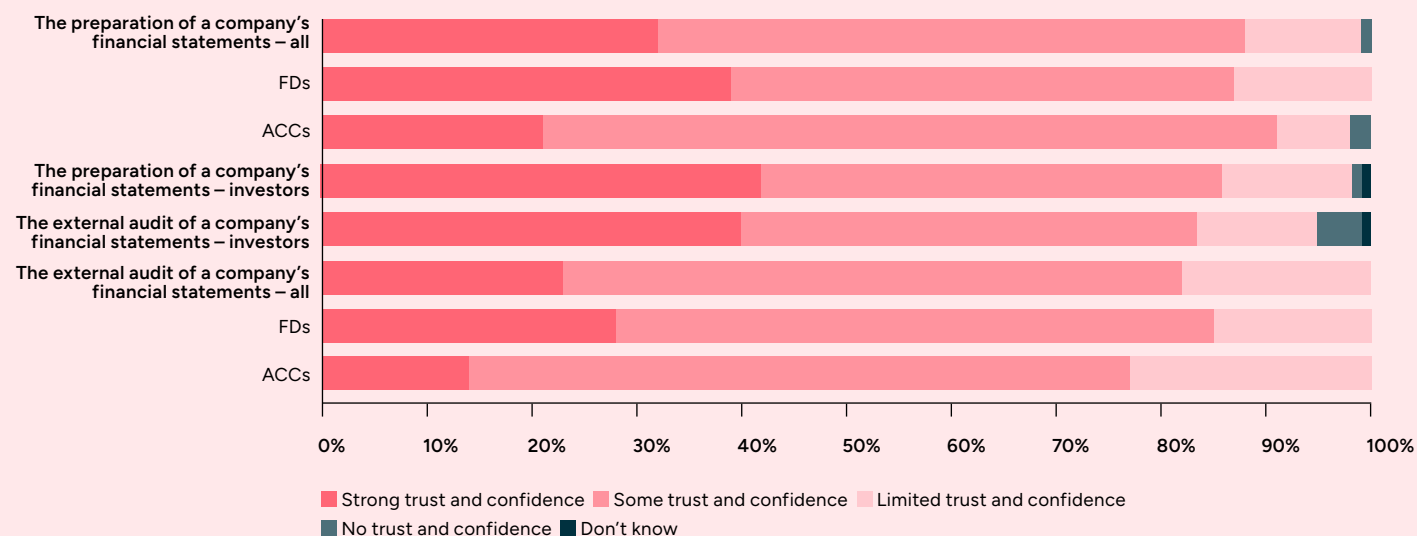
Interestingly, both ACCs and investors appear to harbour some doubts about how AI is currently being used in audit.

Earlier in this section, we noted that 79% of respondents are happy with how technology and AI are being deployed by auditors – this is actually down slightly from 2025 (87%), with a big part of this fall driven by lower satisfaction among investors (down 15ppts). Strikingly, the proportion of ACCs ‘very’ satisfied with auditors’ deployment of AI and technology has fallen from 48% in 2025 to 14% in 2026. Meanwhile, 15% of investors say they have ‘limited’ or ‘no’ trust and confidence in how AI is used in audit, and 23% of ACCs say they have ‘limited’ confidence in how AI is used in their company’s audit (for FDs, it’s 15% – no FD or ACC said they had ‘no’ confidence in how AI was being deployed).

For investors, at least, the lack of confidence among some respondents

was balanced by plenty of confidence among others: 40% of respondents also said they were ‘very’ confident in how AI was being used in audit. So while, in general, investors are upbeat about the prospects of AI in audit and the role it

Figure 9: Trust and confidence in AI’s use in audit and financial statements, by respondent group



could play, there appears to be a small minority with concerns about how auditors are deploying AI tools.

And for ACCs, it appears that even as the use of AI is on the rise in the audits of their companies, they don't always like what they are seeing.

Auditors can do more to ensure AI use is understood by stakeholders

In the case of investor doubts, these might arise if it's not clear to those outside the audit exactly what tools are being used, how they're being used, and what impact they have. As well as bringing ACCs and FDs on board with how they're incorporating AI into their audits, auditors must think about how changing approaches are being communicated more widely to other audit users. Using audit reports to demonstrate the impact of AI on audit quality might be one option. And in the case of ACCs, it's clear that auditors have more persuading and reassuring to do to convince a key

stakeholder group of the potential for AI to reshape audit. It's not enough to simply deploy new technologies; auditors must ensure the value of these new technologies is well understood by their stakeholders. In particular, auditors should clearly communicate with stakeholders regarding how they ensure AI-driven work is appropriately challenged and governed.

What to watch

- Stakeholders are broadly positive about AI's growing role in audit and can see clear benefits from its use, particularly in analysing larger volumes of data and identifying unusual transactions.
- As adoption increases, auditors should focus on demonstrating how AI strengthens audit quality while keeping professional judgement and scepticism at the heart of the process.
- Clear communication about where AI is being used, how its outputs are governed and challenged, and where human judgement remains essential will be important in maintaining stakeholder confidence.

Part 4: Value in corporate and audit reports

Clear need for more assurance in corporate reporting – counter to recent policy trends

As part of its announcement that wide-ranging audit and corporate governance reforms were being shelved, the government promised to move forward with two particular parts of the reform programme: giving the FRC a statutory footing, and consulting on the modernisation of corporate reporting. This consultation opened in early September 2026.

Corporate reporting plays an integral role in the UK's capital markets. Corporate reports are an opportunity for companies to tell their own story, and to make their case to investors, key stakeholders and the public at large. And, in the other direction, reports are an opportunity – indeed, often one of the only opportunities – for the public at large, key stakeholders and investors to get a clear idea of what is happening at a company.

The trade-offs with corporate reporting are familiar: transparency is positive,

but efforts to boost it can often lead to reports that are overlong, rely on boilerplate language and end up not being read. Producing the information required to be included in a corporate report can be a significant undertaking for a company – disproportionately so for smaller entities.

And in today's modern information environment, corporate reports can be old-fashioned, with information often provided as a static PDF. XBRL tagging to support machine reading is inconsistent thanks to a patchwork of statutory requirements, and companies' track records on the accuracy of their tagging suggests making reports digitally useful is not always a priority.

Modern corporate reporting should focus on producing information that report users actually value and, importantly, is decision-useful. Where the same information is provided year after year,

there's a question as to whether it needs to take up space in an annual report; company websites might be a better place. Reporting requirements should be proportionate to a company's size and resources. And modern corporate reporting should be just that: modern. Corporate reports need to enter the digital age.

This year's ATI explores what parts of corporate and audit reports stakeholders actually find valuable – and which parts they don't. It also explores stakeholder views on the independent assurance of the information in corporate reports.

What do stakeholders value in corporate reports?

What's particularly notable about stakeholder views on corporate reporting is just how different stakeholders' priorities are. When asked to identify the most valuable parts of a typical corporate report (apart from the financial statements), ACCs and FDs' responses clustered around disclosures related to risk and controls; investors, by contrast, focused on disclosures related to the company's impact on the world around it.

Each stakeholder group had a different top three for the most valuable parts of a corporate report (see figure 10).

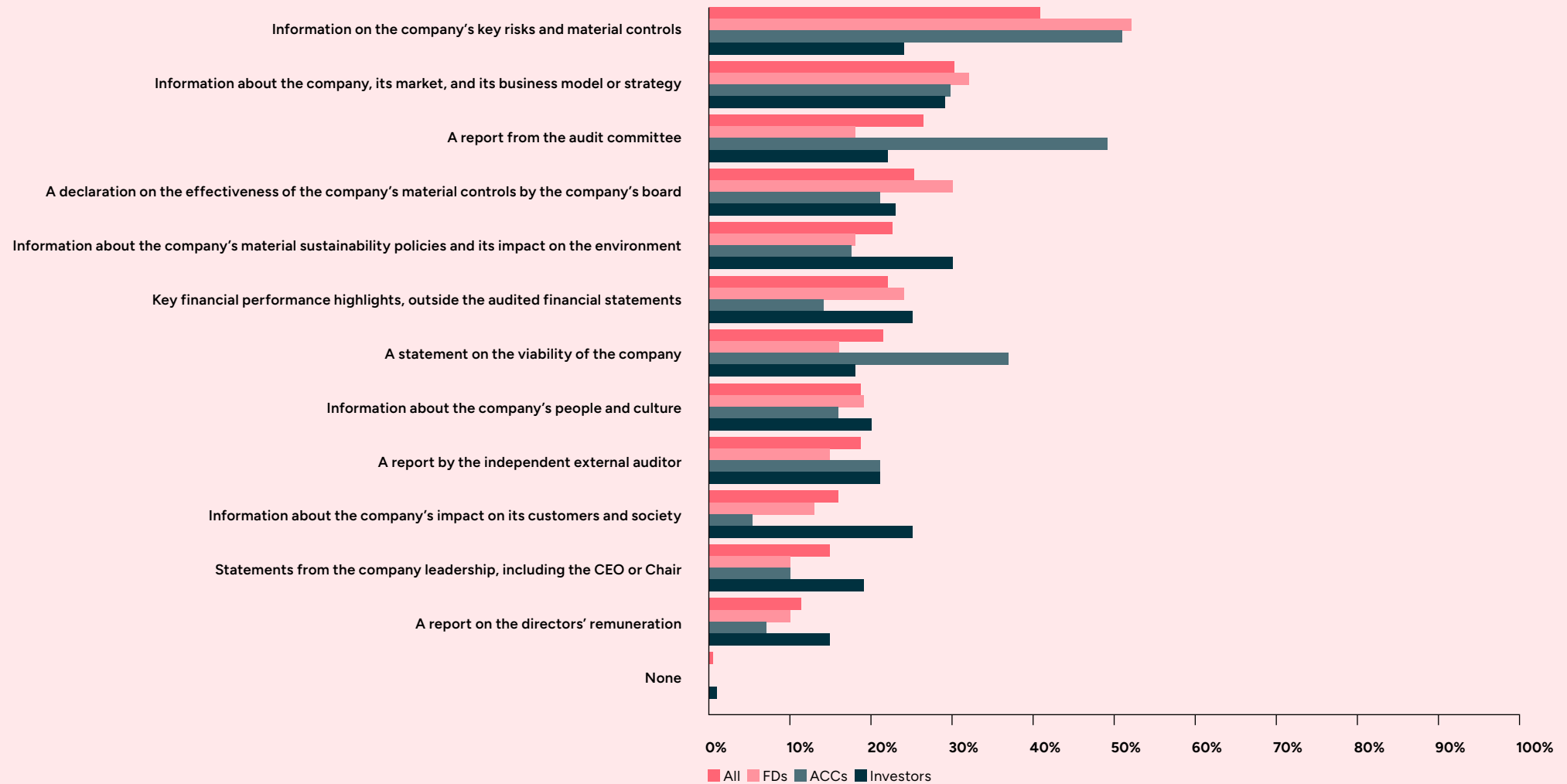
At the other end of the scale, the overall three least popular parts of a corporate report were the report on the directors' remuneration (just 11% included it in their three most valuable sections); statements from company leadership (15%); and information about the company's impact on its customers and society (16%). Again, stakeholder views weren't homogenous,

and investors rated the importance of these sections far higher than ACCs and FDs. As noted above, 'information about the company's impact on its customers and society' was a top-three section for investors (though the other two sections were also part of investors' bottom three; the viability statement rounded out this group for investors).

Figure 10: What different stakeholder groups value in corporate reports



Figure 11: The parts of an annual report, apart from the financial statements, considered most important by stakeholders

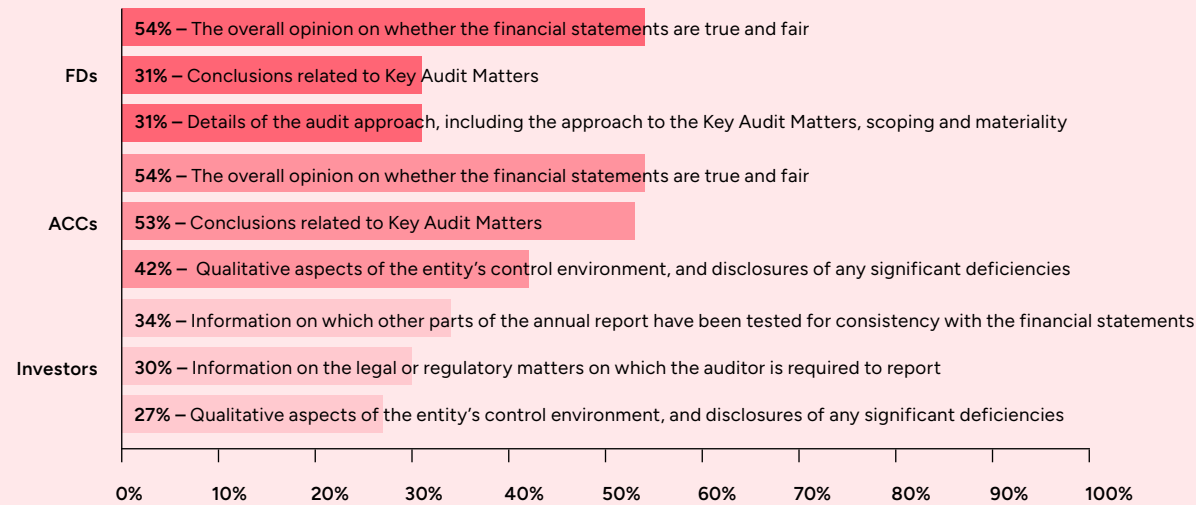


What do stakeholders value in audit reports?

This pattern repeated itself for the audit report: FDs and ACCs tended to value similar elements; investors tended to value others (see figure 12).

Overall, the least valued parts of the audit report were the climate-related matters considered during the audit (11%), the explanation of the responsibilities of directors in preparing the financial statements (11%), and information on the auditors' independence and tenure (15%, although this was 22% for investors and not in their bottom three).

Figure 12: What different stakeholder groups value in audit reports



Stakeholders want more assurance, not less

A notable feature of investor preferences regarding the audit report is the extent to which this group values information from the auditor about matters elsewhere in the wider corporate report. This speaks to a desire from investors for far more extensive auditor-delivered assurance across corporate reports – a desire shared by ACCs and FDs. Across all respondents, 98% identified a part of the corporate report outside of the financial statements where they would like to see independent assurance from an auditor.

Again, there were differences between respondent groups in terms of what they would most like to see assured, with responses typically linked to the parts of the report that a particular group finds most valuable (see figure 13).

Finally, it's worth noting that there is a significant level of uncertainty about what is, and what is not, subject to assurance within corporate reports, particularly

for external stakeholders like investors. While 78% of all respondents said they were either 'very' or 'somewhat' certain as to which parts of a corporate report are assured by the external auditor, the proportion of stakeholders who are 'very' certain is lower than it could be: only 29% of investors, 31% of FDs and just over half (51%) of ACCs. There's a risk that report users assume the information they're being presented with is independently assured by the auditor.

Figure 13: What different stakeholder groups want to see assured in corporate reports

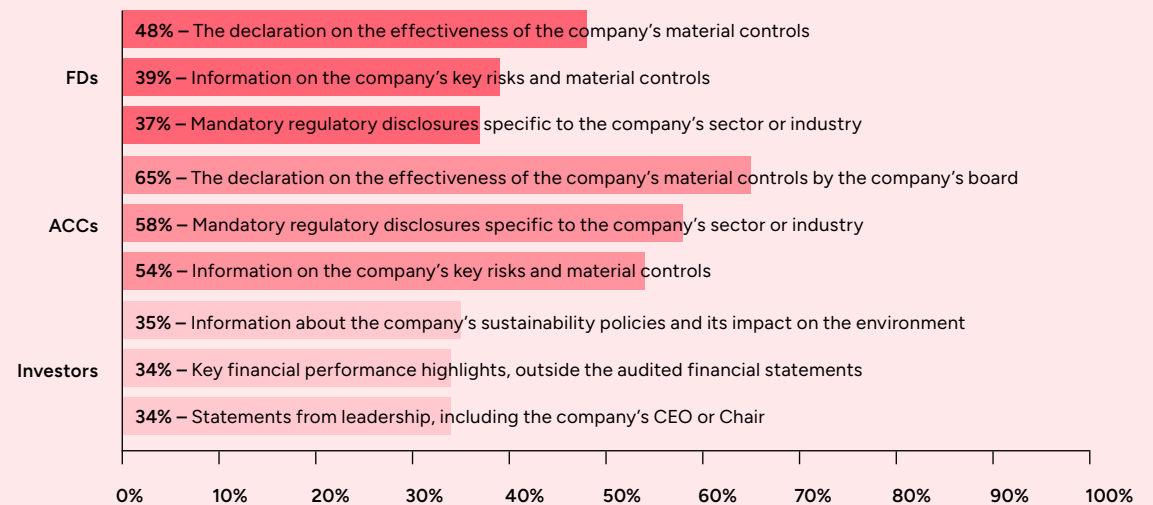
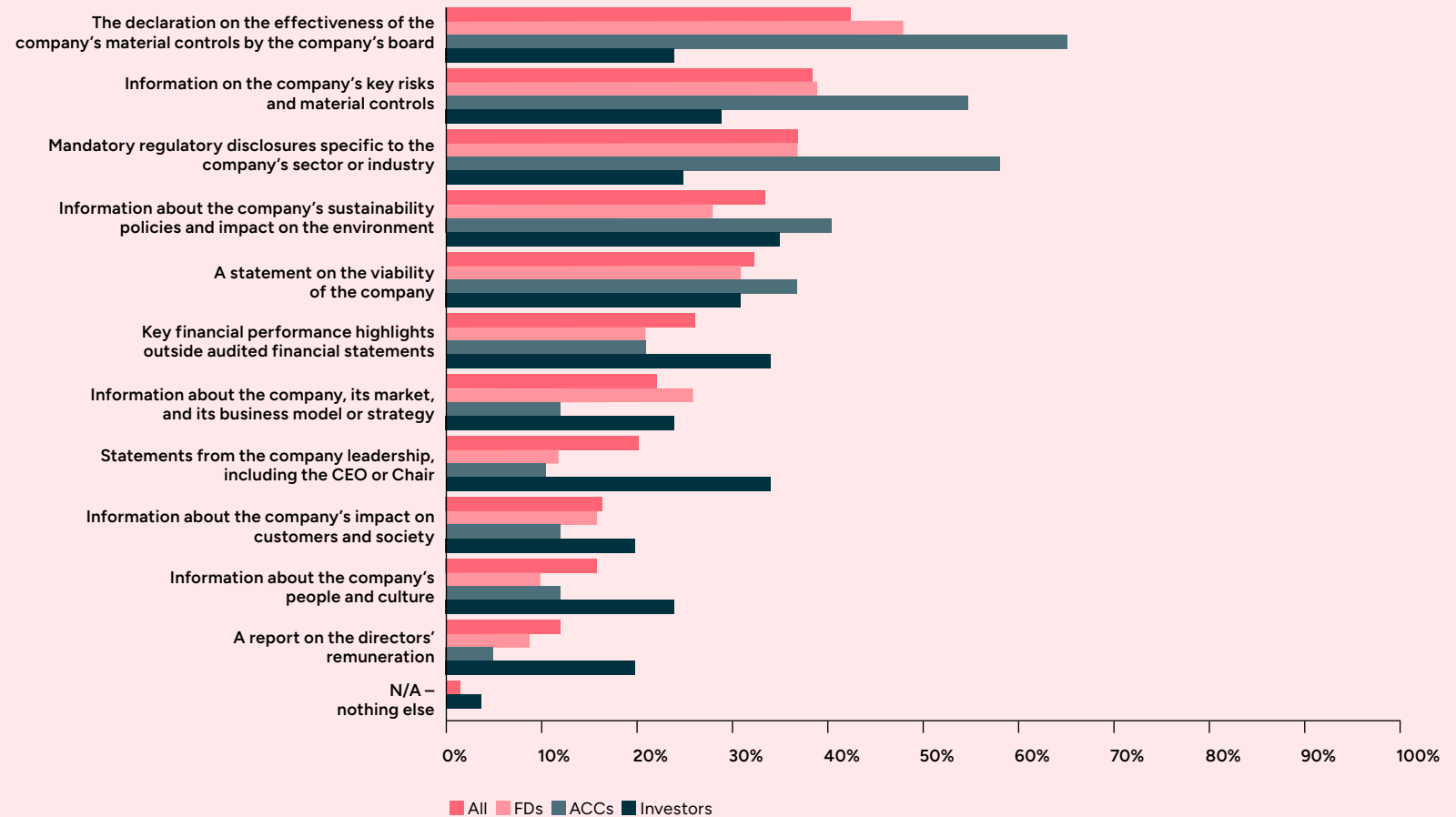


Figure 14: The parts of a company's annual report, other than the financial statements, that stakeholders feel should be subject to assurance by an independent external auditor



Where can corporate and audit reports be improved?

What shines through from this year's ATI is the value that stakeholders place on assurance: the information they value most in a corporate report is also what they most want to be subject to independent assurance.

The desire for additional assurance from auditors is at odds with the direction of travel in the UK's audit and corporate governance framework. Several years' worth of reforms have seen auditors restricted from providing the entities they audit with wider assurance services, and the government's September 2026 modernisation of corporate reporting consultation proposes removing assurance requirements for some companies.

Some elements of the government's plans for reforming corporate reporting are heading in the right direction. The 2026 proposals envisage a more proportionate approach to reporting, as well as forcing

reporting formats into the 21st century. Recent FRC changes to audit standards should also move audit reports away from boilerplate language – and we will track the extent to which this is recognised by stakeholders through future ATIs. For now, while 94% of respondents say it is clear how auditors reach their Key Audit Matter findings, only 39% of respondents say it is 'very' clear.

But despite these positive moves, it's important that policymakers recognise the value of assurance, and the role that auditors can play in delivering it. Stakeholders want more assurance, not less. Assurance isn't red tape – it's a vital part of building report users' trust and confidence in the information provided to them.

Notably, for example, investors are particularly keen on auditors assuring the key performance indicators that appear outside the financial statements. As auditors have pointed out to us, the use of these alternative performance measures (APMs) has grown over time,

and the information provided can be unaudited variations on the information contained within the audited financial statements. Bringing these data points back into auditors' oversight is an investor priority. Changes to IFRS 18, which take effect from January 2027, will pull some APMs back into the financial statements – though the current consultation on modernising corporate reporting envisages companies providing fewer key performance indicators in the front half of their reports, let alone audited versions in the financial statements.

What to watch

- Stakeholders are clear that they want assurance to extend beyond the financial statements, particularly over the parts of corporate reports they value most.
- At the same time, greater clarity over what is and is not assured will be important in helping report users understand how much reliance they can place on different information.

Part 5: Change in the audit sector

Stakeholder views on key trends shaping the audit profession

In the final section of this year's ATI, we asked ACCs, FDs and investors for their views on topical discussion points within the audit sector: auditors' skillsets, changes in the UK's corporate governance framework and trends within the audit market itself.

Respondents were asked to agree or disagree with a range of statements, so a degree of 'agreement' bias is to be expected. Still, it's useful to understand which statements generated more agreement than others.

Audit skills

Broadly, stakeholders have faith in auditors' skills: 83% of all respondents agree that auditors have the skillsets needed to do their work over the next five years, and 81% believe the skills, capabilities and technology deployed by UK auditors are a positive for the UK economy.

Across both questions, there were marked differences between respondent groups.

The highest agreement on near-term skills came from ACCs (91% agreed), while investors were least likely to agree (77%). Interestingly, the positions were reversed on the strength of feeling: just 14% of ACCs strongly agreed that auditors have the right skills for the near-term, a figure that rose to 35% of investors.

Meanwhile, a high of 91% of ACCs felt auditors' skills, capabilities and technologies were a benefit for the UK economy (with 54% strongly agreeing), compared with a low of 75% of investors (with 32% strongly agreeing).

Depth of feeling aside, responses on these questions chime with what we've heard across the rest of the ATI: stakeholders place a high level of value on auditors and their work.

Changes in the UK's corporate governance framework

In keeping with respondents' support for a wider level of assurance across corporate reports, the statement with the most positive response across the nine put to the survey panel asked whether it's important that auditors should play a role in assuring the new director declaration on the effectiveness of their company's material controls: 84% of respondents agreed, with 51% strongly agreeing.

ACCs, investors and FDs were largely aligned in their thinking, too: the highest level of agreement for any one respondent group (89% of ACCs) wasn't far above the lowest (81% of investors).

The new declaration has been introduced through an updated Provision 29 of the Corporate Governance Code – though the Code was updated in 2024, the amount of work required in preparation

for compliance has meant that Provision 29 has only applied to corporate reporting from this year onwards. Positively, support for the updated Provision is widespread, even among the FDs and ACCs who have spent the last couple of years wrestling with its implementation. And 82% of all respondents agreed that the declaration would increase trust and confidence in the UK economy.

Support was actually at its highest among FDs and ACCs (84% of both groups agreed with the statement), though investors were most likely to strongly agree (30%). When introducing Provision 29, the FRC opted against requiring external assurance of the new declaration.

More widely, there was support for the idea that the UK audit regulatory framework is a positive for UK capital markets: 82% agreed, with 35% strongly agreeing.

The future of the audit firm

Recent years have seen UK audit firms reconsider traditional aspects of their governance and structure. The largest firms have introduced the operational separation of their audit and advisory practices; some have looked at the full structural separation of these practices and establishment of standalone audit-only firms. Some firms have looked beyond the partnership model to embrace private equity as a source of new funds for the investment they believe is required to scale up, deliver consistent high-quality audits and compete for a bigger share of the PIE audit market.

Although large proportions of respondents agreed that these developments could be positive for competition, trust or audit quality, agreement levels on these questions are worth exploring. Eighty-one per cent of respondents agreed that auditors working in multi-disciplinary firms, rather than working in standalone audit firms, is positive for UK audit quality; 75% agreed that this was

positive for trust and confidence in UK audit. Meanwhile, 77% agreed that private equity investment in the audit market will help improve capability and competition in the audit market, and 58% agreed that it would help improve audit quality.

The underlying numbers are noteworthy. Firstly, while there was general agreement that multi-disciplinary firms are a positive, there were very low levels of strong agreement. Just 21% strongly agreed that multi-disciplinary firms are good for audit quality, falling to 14% and 16% for FDs and ACCs respectively, and rising to 32% among investors. And just 25% strongly agreed that multi-disciplinary firms were positive for trust and confidence in UK audit, falling to 23% for FDs and 18% for ACCs, and rising to 32% again for investors. While they're supportive of the current multi-disciplinary approach, stakeholders may not be wedded to the idea either.

And on private equity investment, within the wider support for the role it could play in improving competition and quality

was some disagreement, particularly from ACCs. Fourteen per cent of ACCs disagreed that private equity investment would improve capability and competition in the UK audit market, and 18% disagreed that it would improve UK audit quality. Perhaps predictably, investors were much more positive: 37% strongly agreed private equity investment would boost audit market competition and capability, and 32% strongly agreed it would boost audit quality.

Stakeholders are likely to be open to ideas that boost competition in the audit market. While 70% of all respondents *are* satisfied with audit market competition (2025: 81%), much of this support is driven by investor satisfaction (86%). Among those actually choosing audit services, satisfaction is lower: only 49% of ACCs are satisfied with market choice (including just 7% who are 'very' satisfied), as are 65% of FDs (including 18% who are 'very' satisfied). Outright dissatisfaction is rare (6% overall, 5% for FDs, 5% for investors, and 11% for ACCs), but there is room for improvement.

What to watch

- Stakeholders are confident that auditors have the skills and capabilities needed for the years ahead, and see those capabilities as a positive for the UK economy.
- Maintaining that confidence will mean continuing to invest in the skills, technology and expertise needed as audit evolves – and demonstrating clearly how those capabilities support high-quality audit.
- As the market evolves, firms will need to demonstrate that innovation ultimately supports high-quality audit.

Lessons for the CPIA

How we're responding to what the data tells us

The ATI tells us where stakeholders want more from auditors and audit, or more support when it comes to engaging with the UK's audit framework.

A clear message from this year's report is on the need for more assurance from auditors: the CPIA will be exploring this further in workstreams over the next 12 months, including in our response to the government's consultation on modernising corporate reporting. Per the feedback in the ATI, what matters is not simply what is reported by companies, but the level of trust report users can place on the information provided. We are also assessing the barriers that might prevent auditors providing further assurance in a forthcoming report on non-audit services – which will also look at the importance of protecting audit independence.

Information on what stakeholders value in corporate and audit reports will also feed into the CPIA's response to the

government's modernising corporate reporting consultation, while the ATI's findings spotlight a need for engagement between auditors and audit stakeholders on the use of AI in audit. To support these efforts, the CPIA will shortly be publishing guidance on AI in audit and the preparation of financial statements for ACCs and FDs.

Methodology

How we collected the data

The research was conducted by Censuswide among a sample of 257 senior finance professionals in the UK comprising 100 CFOs/Finance Directors working at FTSE 350 companies, 57 Audit Committee Chairs (including seven respondents recruited via a private client link), and 100 professional UK-based Equity Investors.

For full sample demographics, please contact the CPIA at info@cpiia.org.uk

The research was conducted online between 3 August and 25 August 2026. Respondents recruited through research panels were sourced via established online B2B research panels and were screened against the specific professional criteria required for the study. Panel members are recruited on a double opt-in basis and provide detailed professional profiling information, allowing respondents to be targeted according to characteristics such as their role and organisation.

Profiling information is regularly reviewed and updated to help ensure it remains accurate. For further information, please contact the CPIA.

A range of quality-control measures are used to help ensure the validity and integrity of responses. These include respondent verification and profiling checks, IP and geographic checks, duplicate-response prevention, completion-speed monitoring, checks for contradictory responses and straight-lining, and review of response quality. Responses identified as fraudulent, inconsistent or otherwise failing quality-control standards are removed from the final dataset.

Censuswide is a member of the Market Research Society (MRS) and the British Polling Council (BPC) and is a signatory to the Global Data Quality Pledge. Censuswide adheres to the MRS Code of Conduct and ESOMAR principles.



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