



Shape the future
with confidence

Our commitment to audit quality

Information for audit committees,
investors and other stakeholders

Ernst & Young LLP

September 2026



The better the question. The better the answer. The better the world works.

A message from



Dante D'Egidio

EY Americas CEO and
US Managing Partner



Joe Link

EY US Vice Chair -
Assurance

At Ernst & Young LLP (EY US or the Firm) we continue to bring our bold vision of the future of audit to life, promoting trust and confidence in the capital markets in a rapidly evolving landscape. Anchored by our ongoing commitment to quality, independence, objectivity, integrity and professional skepticism, we continue to invest in our technology, audit approach and people to sustain high audit quality.

We are proud of the progress our people have made in advancing audit quality and are energized by the opportunities ahead. In our 2025 PCAOB inspection report, our findings rate was 5%, with findings identified in only three audits.¹ These are the best results we have ever had. And while our 2026 inspection report has not yet been released, we are pleased to share that we expect to sustain these outstanding results.

While inspection results are only one measure of audit quality, our 2025 PCAOB inspection results reflect the ongoing success of our transformation journey that we set in motion a few years ago. We are sustaining high audit quality through our substantial investments in technology, our people and processes, combined with a streamlined methodology, a continuous improvement mindset and standardization. Importantly, we are focusing on what matters most, streamlining our approach to audit proportionate to risks, and using tools and technology in our work. We perform more work earlier in the audit cycle, which reduces year-end workload and provides both our clients and our people with a smoother experience while driving audit quality.

Through our strategic alliances with leading technology partners, we have expanded our use of technology, including artificial intelligence (AI). This is helping our teams address risks, perform procedures more dynamically, streamline the experience and reduce effort for our clients. By combining technology and AI with human judgment and expertise, our professionals deliver high-quality audits that promote investor confidence.

Our people are our greatest strength, and we continue to invest in the experiences, training and tools they need to thrive. We are equipping professionals at every level with AI training, sharpening their focus on risk and governance while building the capabilities they need. Additionally, our recently announced early career pathway reflects our commitment to reimagining the audit career path by assessing and developing critical skills earlier and broadening early-career experiences.

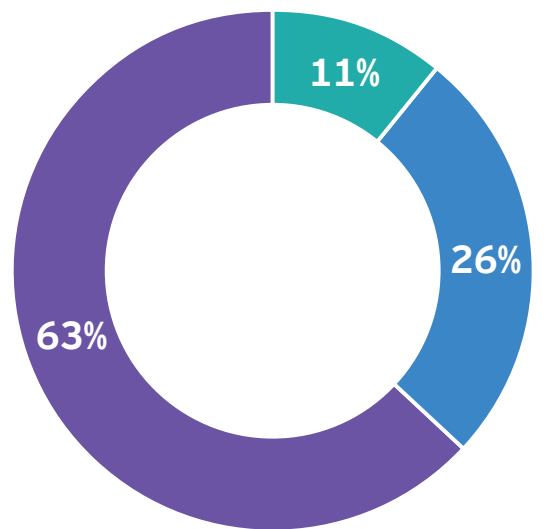
For our clients, these investments support a more connected, insight-rich audit experience. As the risk and governance landscape grows more complex, our auditors meet clients where they are and bring a disciplined point of view to discussions about emerging risks.

We are proud of our accomplishments and view them as a foundation for what comes next. The strength of our brand is built on the quality of our work and the value we bring to our clients. As we look ahead, we are excited about the future we are building and remain committed to challenging ourselves to innovate and lead, while upholding our responsibility to deliver high-quality audits that promote trust in the capital markets.

Key metrics

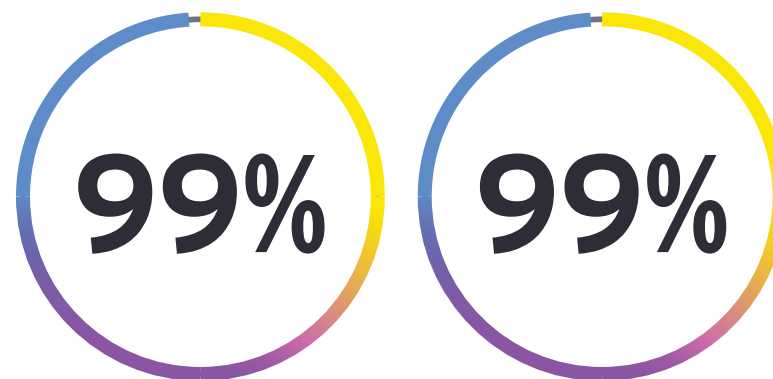
13,350

US audit and technology risk professionals by rank



■ Partners and managing directors ■ Senior managers and managers ■ Seniors and analysts

In a recent survey of our people,



believe they have a personal responsibility for delivering quality on their audits

say they understand that consistently performing quality audits serves the public interest

100%

of EY US audit and technology risk professionals have access to agentic AI capabilities

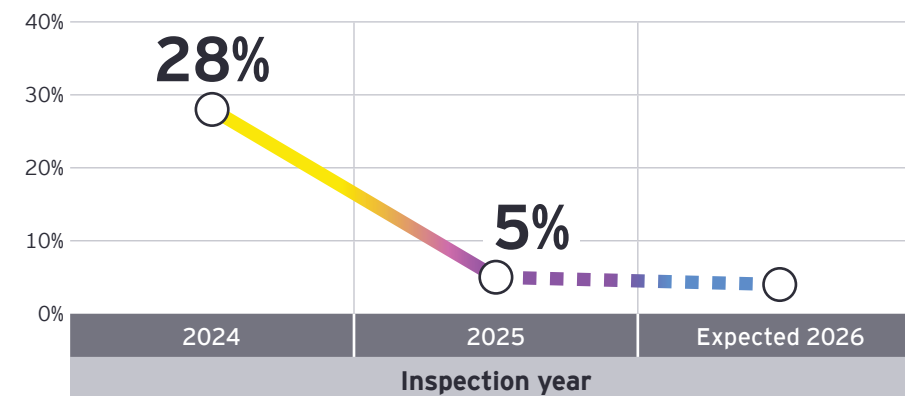
~69%

of public company audit hours were incurred before our clients' balance sheet date

<1%

of issuers we audit restated their financial statements over our last three fiscal years

We expect to sustain high audit quality and low PCAOB findings



Leading in the market

#1 auditor

of companies on the
Fortune 1000 list

of the top 500 companies on
the Russell 3000 index

among the Big Four of
companies that went public
over a period of 11 years

Leading the way in responsible, scalable AI for assurance

EY is the only Big Four firm and one of
14 founding members of the Microsoft
Frontier Firm Initiative, alongside
Microsoft and The Harvard Business
School AI Institute

Responsible AI governance

Implementing IBM watsonx
to support governance
of agent releases and
post-deployment monitoring



We define audit quality as:

- **Being independent and objective**, and acting with integrity and professional skepticism
- **Complying with professional standards**, including exercising due professional care
- **Deploying multidisciplinary teams**, with appropriate skills and experience
- **Identifying risks** at the companies we audit and designing appropriate audit responses
- **Leveraging a continuous improvement mindset**, coupled with effective supervision and review, to pace our work and address issues early
- **Using innovative technology responsibly, including AI and data analytics**, to deepen our understanding of a business and obtain better-quality audit evidence
- **Having honest, robust and timely communications** with the audit committee and management

The result: independent audit opinions that promote trust and confidence in the capital markets

Our commitment to audit quality

We are focused on sustaining audit quality while leveraging cutting-edge technology and enhancing the experience for our clients and our people. This report discusses our progress and offers a look at what's ahead.

Click the ▶ icons to explore more.

Distinctive client experience ▶

Providing value through data-driven insights and perspectives

Modern approach ▶

Delivering a clear methodology through an integrated workflow

AI-powered platform ▶

Using cutting-edge technologies to identify trends and sharpen our risk-based approach

Thriving professionals ▶

Developing forward-thinking business professionals who deliver exceptional client service

Our foundation ▶

Focusing on our system of quality management and supporting our teams

Meet our leaders



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We are building the professional services firm of the future by combining our exceptional people and our leading-class technologies to bring the whole of the EY organization to our clients and stakeholders.

Dante D'Egidio

EY Americas CEO and US Managing Partner

Dante D'Egidio leads the EY US firm and serves as the Americas CEO and US Managing Partner, guiding the organization as AI reshapes industries and creates new opportunities to help clients transform and grow.

Mr. D'Egidio previously served as EY US Vice Chair - Assurance, where he led large-scale transformation, spearheaded the Firm's \$1 billion investment¹¹ in technology and people, and inspired a relentless focus on delivering high-quality services to our clients. During his more than 30-year EY career, he has built inclusive, high-performing teams, advised some of the Firm's largest and most complex clients and boards, and helped organizations navigate significant change.



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Audit quality drives how we operate and where we are going. Through innovation and empowering our people, we are consistently streamlining the experiences of our clients and our professionals, and delivering high-quality audits in a rapidly changing environment.

Joe Link

EY US Vice Chair - Assurance

Joe Link leads our audit innovation agenda, including the integration of AI and emerging technologies, helping position EY at the forefront of the profession while enhancing quality, insights, and the experience of our clients and people.

Mr. Link, who was previously the EY US Financial Services Assurance Managing Partner, has spent nearly 30 years serving complex, global public companies across our Assurance practice. He leads the practice at a time when the profession is being redefined by technology and evolving regulation. He brings a deep commitment to audit quality and talent development, leveraging technology and AI to empower our professionals while keeping human judgment, skepticism and expertise at the center of the audit process.



Distinctive client experience

EY is redefining the way clients experience the audit by combining the deep knowledge and sound professional judgment of our people with advanced technology to deliver a more seamless, connected audit experience.

EY is the
#1 or #2
auditor

in **13** of the
18 sectors
represented on
the US Fortune
1000¹²

As our clients' operating environments become more complex, we continue to evolve our audit approach. We are aligning our work more closely with our clients' risk profiles, focusing on higher-risk areas while continuously improving how we work. Our teams perform work proportionate to identified risks, reducing their and our clients' workload by having structured, timely and focused interactions.

Clients are advancing their AI adoption journeys in different ways and at different paces. We are significantly investing in learning, so our professionals have the skills and confidence they need to effectively audit organizations across the full spectrum of AI maturity.

As part of our ongoing transformation journey, we have embedded AI agent capabilities directly into EY Canvas, our single, global, cloud-based audit platform. EYQ Assurance Assistant,

our multi-agent framework, is now available for use on all US audits. These capabilities help our professionals surface insights more quickly as they continue to focus on what they do best: applying professional judgment, interpreting complexity, and evaluating and responding to risk in an increasingly dynamic client environment.

We are investing in data connectivity capabilities that support a more continuous flow of data from clients, as well as enhance visibility across the audit process through EY Canvas. In addition, EY Helix analytics, including sector-specific analyzers such as lending, valuation and health revenue, help our professionals deliver insights our clients can use to inform decision-making.

Trust is at the heart of everything we do. That is why safeguarding the confidentiality of the information we receive from the companies we audit is critical. We have policies and processes designed to protect client information and support its appropriate use.

Our teams bring clients a broad lens on the issues shaping their industries, including regulatory shifts, geopolitical developments, and market and macroeconomic trends such as capital formation and inflation. We also provide informed perspectives on the audit implications of our clients' own technology evolution. Our audit teams draw on resources from the EY Center for Board Matters to support dialogue on governance, oversight and the topics most relevant to today's boards.

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Our vision is to be the world's most trusted assurance provider. As a Frontier Firm, we are adopting AI across our organization responsibly and applying this experience to our audits, delivering greater value and deeper insights to our clients.

Dave Sewell
EY US Deputy Vice Chair - Assurance

Engaging stakeholders across the profession

The financial reporting landscape is evolving as regulatory priorities shift and AI becomes more integrated into the audit and at the companies we audit. We are helping define how the profession shapes and responds to these forces by:

- **Engaging with regulators and standard setters**, including the Securities and Exchange Commission (SEC), the Public Company Accounting Oversight Board (PCAOB), the American Institute of Certified Public Accountants (AICPA) and the Financial Accounting Standards Board, by providing input on matters central to audit quality and financial reporting, such as the responsible integration of AI and emerging technology into the audit
- **Issuing thought leadership and hosting webcasts**, helping management, board members, investors and other stakeholders understand complex accounting and financial reporting issues
- **Convening chief financial officers and audit committee members** to discuss evolving oversight priorities and topics that may influence financial reporting, such as AI governance
- **Helping board members and audit committees** navigate increasing complexity and engaging investors through insights and data from the EY Center for Board Matters
- **Advancing awareness of the auditors' role in promoting trust in the capital markets**, in collaboration with the Center for Audit Quality
- **Providing leading-edge resources to prepare students for the fast-changing, global marketplace** through the EY Academic Resource Center and investing in faculty development
- **Delivering sector, geopolitical and macroeconomic insights** to help the companies we audit with external perspectives that they can reference to inform their operations

Modern approach

Our modern approach is brought to life through greater integration of technology, a streamlined methodology and a continuous improvement mindset.



of public company audit hours were incurred before our clients' balance sheet date¹³

Powered by profession-leading technology, our audits bring together a streamlined methodology and a risk-based approach. Our single, global, cloud-based audit platform, EY Canvas, has been used by our audit teams for over a decade. This spring, we delivered some of the most substantial advancements to our platform, including more intuitive guided workflows and further integration of advanced data analytics, which help support a more connected audit experience. Alongside these enhancements, we have also introduced agentic AI capabilities following extensive testing and piloting. We expect these capabilities to support end-to-end audit activities by 2028.

Our intuitive guided workflows standardize and streamline audit procedures, support a connected flow of information throughout the audit and promote consistent execution. They help teams perform robust risk assessments, focus audit effort where it matters most and align procedures

with identified risks. Combined with professional judgment, these capabilities enable auditors to rapidly identify and respond to emerging risks, including evolving market conditions and advances in technology.

These capabilities reflect a disciplined focus on continuous improvement, which we call The EY Way, in how we execute every audit. We identify and address key audit focus areas proactively and promptly, streamlining the experience for our clients and our people. Looking ahead, we will continue to invest in technologies that enhance the productivity of our professionals, enable innovative approaches to addressing risk and delivering insights, and create scalable capabilities that drive quality and consistency across our practice.

Our transformation journey

Our transformation journey continues as we leverage AI, data and other advanced technologies to enhance audit quality and the experience of our clients and our people. At the same time, we are reinforcing the cornerstones of our culture – being independent and objective, acting with integrity, exercising professional skepticism, and being accountable for the quality of our work.

Key elements of our transformation include:

Tech-driven insights

Leveraging AI, data and other technology to generate distinctive insights

Risk-focused execution

Aligning audit effort to the risks that matter most

Continuous improvement mindset

Fostering a continuous improvement mindset

Connected and consistent workflows

Executing standardized, connected and consistent workflows

Future-forward talent model

Building strong skill sets through a differentiated EY experience

Through The EY Way, our auditors apply a continuous improvement mindset by:

- Establishing clear expectations, responsibilities and timelines from the outset
- Using our risk assessments to advance work earlier in the defined phases of the audit cycle
- Coordinating work across teams to support consistent execution
- Monitoring progress against established milestones throughout the audit
- Completing work in focused intervals to support steady progression

As technology becomes increasingly embedded in financial reporting, our audit teams continue to include technology risk professionals based on the complexity of the client's IT environment. These professionals are integrated within our audit teams and bring specialized skills in the underlying technology of the systems, processes and controls that support financial reporting, helping to identify and evaluate technology-related risks that may impact the audit. Their insights enable a more comprehensive risk assessment and help audit teams focus on areas of heightened risk.

The level of integration between our audit teams and technology risk professionals reflects our expectation that our audit professionals continually develop the IT competencies needed to operate in an increasingly AI-enabled financial reporting landscape. As our clients' technology environments become more complex, we are equipping our professionals with a strong understanding of how evolving systems, data flows, governance models and AI-enabled processes shape each company's risk profile.

Our audit teams are supported by centralized teams that advance the execution of audit work across key phases of the audit cycle, such as performing routine quarterly and annual independence procedures, helping our teams effectively capture and analyze data from the companies we audit, and executing key procedures related to complex matters such as business combinations. Professionals who support the EY global organization also work with our teams. In fiscal 2026, these professionals accounted for 27% of US audit hours.¹⁴

We also may involve other EY US professionals with specialized experience in areas such as cybersecurity, actuarial science, statistics, forensic accounting, tax and valuation. These professionals work with our audit teams to address evolving business models, regulatory developments and broader market dynamics.



AI-powered platform

Using the right combination of human expertise, AI agents and tools, we deliver an innovative, high-quality audit.

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EY's pioneering use of Microsoft's cloud and AI solutions shows what is possible when advanced technology is deployed at enterprise scale. As a recognized Frontier Firm, EY is leading the way in responsible, scalable AI for assurance — accelerating innovation while helping organizations realize real business value.

Judson Althoff

Microsoft CEO, Commercial Business

We are delivering a technology-driven audit with human judgment at the center that helps our teams focus on the areas that matter most, improves how our clients interact with the audit process and enhances the experience for our professionals.

EYQ Assurance Assistant, our multi-agent framework, embeds agentic AI capabilities directly into the EY Canvas platform, enabling teams to address risks more dynamically. These capabilities help teams access continuously updated auditing and accounting guidance at unprecedented scale and speed. They also help teams use agents to orchestrate and automate audit tasks, drive consistency and clarity in documentation, and search and summarize content in EY Canvas. We expect to roll out additional capabilities soon that will assist teams in reconciling and analyzing data.

These capabilities streamline audit procedures and help teams identify relevant insights more quickly. Human judgment remains at the center of our work; our auditors review and challenge

the outputs of all AI capabilities, applying professional judgment and skepticism. EY Canvas also supports more direct, real-time interaction with clients so they are informed of the status of the audit and provide data directly to our teams, strengthening coordination with our clients across each stage of the audit.

As a leader in the use of data analytics in the audit, EY US continues to transform how data is leveraged to support high-quality execution. EY Helix analyzers are foundational to how we analyze data. They help our teams identify risks and anomalies, generate insights at scale, and enhance the audit experience for our clients. By using full data sets and our advanced tools, audit teams ask better questions and more precisely target and address the areas of higher risk. Our team of approximately 500 professionals¹⁵ has a hybrid skill set that spans data science, AI engineering, data engineering, audit, accounting and finance. These professionals work with our audit teams to tailor these capabilities to each client's business and risk profile.

Our people are also using Microsoft 365 Copilot, serving as their own AI assistant, to enhance productivity, collaboration and innovation.

We are committed to making sure our teams use AI capabilities appropriately and in accordance with the [EY responsible AI principles](#). Our federated development approach combines centrally developed AI capabilities with ideas from across the audit practice, helping us scale new capabilities while maintaining consistent governance, quality and oversight. Many of our capabilities originate from ideas or proofs of concept created by engagement teams that are inspired to address audit risks through the innovative use of technology. Before release, every centrally deployed capability undergoes formal design review, multi-layer testing and certification, and where appropriate, ongoing monitoring after deployment, based on the functionality of the technology. We verify that the capability was appropriately tested and that relevant legal and regulatory requirements, including data confidentiality and privacy, have been met.

Using emerging technologies effectively, with human judgment at the center, is critical to delivering high-quality audits. We train our people to use AI responsibly, harnessing the opportunities it presents while addressing the associated risks. We are embedding AI training throughout our curriculum, including a comprehensive AI learning program for partners and managing directors, as well as role-specific learning for professionals at all levels.

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Our agentic AI capabilities are shaping how data is analyzed and allowing our teams to better target the areas of highest risk. These capabilities help our teams stay ahead as clients' businesses and the use of AI continue to evolve.

Richard Jackson

EY US Assurance Chief Technology Officer

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Professional Practice is helping our people stay ahead of change. As technology, regulation and stakeholder expectations continue to evolve, we are focused on equipping our auditors with the insights, capabilities and support they need to deliver quality audits with confidence.

Katrina Kimpel

EY US Vice Chair - Professional Practice

A more connected, AI-powered audit experience

Alongside the professional judgment of our teams, we embedded agentic AI into our audit platform, building on the analytics and automation our teams already leverage every day.

- **More targeted risk identification:** Agentic AI in EY Canvas, through the EYQ Assurance Assistant, orchestrates and automates certain tasks, so our teams can focus on responding to the areas of greater risk.
- **Data analysis at scale:** EY Helix analyzers help teams identify risks and anomalies and generate insights at scale across full data sets.
- **Streamlined client experience:** EY Canvas supports real-time interaction so clients stay informed of the audit status and share data directly with our teams.
- **Innovative ways of working:** Microsoft 365 Copilot serves as each professional's own AI assistant to enhance productivity, collaboration and innovation.

Shaping the future of audit in an AI-enabled world

Every company is on a unique AI journey. As organizations explore and expand their use of AI across their operations, they encounter different considerations depending on their sector, approach and stage of implementation. We are shaping the future of audit and combining technology, data, AI and professional judgment to address the growing complexity, interconnected risks and accelerating pace of change in today's business environment. Wherever clients are on their AI journey, we are positioned to meet their evolving needs and provide leading perspectives and practical insights on the associated opportunities and risks.

The power of AI can transform organizations by helping people do what was not previously possible, enhancing human capabilities and unlocking new sources of value. We became "client zero" by integrating AI at scale to transform our own operations, accelerate innovation and amplify human capacity. This AI transformation is enabled by our focus on the foundational concepts of standardizing processes and aligning access to relevant data. In addition, all EY US audit and technology risk professionals now have access to Microsoft 365 Copilot, embedding generative and agentic AI capabilities to drive business impact. These efforts give us the confidence that we are able to sustain high-quality audits with human judgment at the center.

As AI adoption accelerates

AI governance and accountability

As AI becomes more embedded in operations and financial reporting, organizations need confidence in how AI is governed, controlled and used.

More technology-driven processes

Clients are increasing their use of AI, including agents throughout various aspects of their business.

Increasingly complex operations

While AI can streamline routine activities, it also introduces greater complexity to business processes and financial reporting environments.

EY is staying ahead

Promoting confidence in AI-enabled financial reporting

We have dedicated guidance and a framework to assess companies' use of AI within the audit. We are also supported by broad technology risk and AI assurance capabilities, and deep sector knowledge that help our teams deliver informed, data-driven perspectives to clients.

Shaping the future of audit

We are applying AI, including agentic capabilities, and automation directly in our audit platform and continually enhancing our technology-driven audit, while maintaining human judgment at the center.

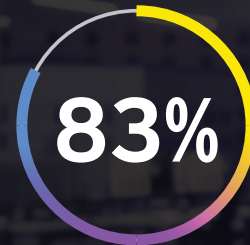
Redirecting efforts to emerging areas of risk

As AI enhances efficiency in some audit activities, our professionals can focus more deeply on understanding AI-enabled processes, evaluating governance and controls, assessing technology risks, and applying professional judgment in areas that matter most to audit quality.

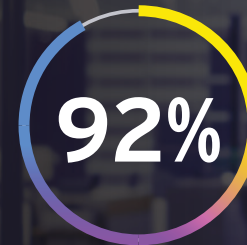
Thriving professionals

Delivering high-quality audits in an evolving AI-enabled environment requires exceptional talent. We invest in our people to help them build the skills and confidence to succeed throughout their careers.

In a recent survey of our people,¹⁶



say that overall their EY experience is exceptional, indicating a high level of satisfaction



say the work they do allows them to continuously learn and develop new skills

The auditor of the future combines financial acumen, technological proficiency and business insight to understand the financial outputs and the systems and decisions behind them. Through continuous learning, leading-edge technology and real-world experience, we are preparing our people for the evolving demands of audit.

We believe the future of the profession will be shaped by professionals who understand themselves, exercise sound judgment and see how businesses create value. Our early career pathway is designed to build those capabilities intentionally. The journey starts with Skills Arcade, an immersive learning experience for early career professionals that uses interactive workplace scenarios to help participants better understand how they learn, collaborate, adapt and approach decisions.

It continues with the EY Career Residency, built around the belief that judgment develops through practice. Through client work, simulation, coaching and reflection, participants strengthen their ability to assess information, navigate ambiguity and develop a point of view.

Through EY 360 Careers, professionals gain experiences that help them understand how business decisions influence risk, performance and financial outcomes. By seeing organizations from multiple vantage points, they develop a deeper understanding of the forces shaping the companies they audit.

These experiences are intentionally designed to develop the capabilities that increasingly distinguish exceptional auditors: self-awareness, sound judgment and business insight.

Attracting top talent

High-quality audits require teams with exceptional talent. Our early career pathway is reshaping how we identify, develop and attract professionals capable of operating in increasingly complex environments.

Number of US audit and technology risk professionals (on a full-time equivalent or FTE basis)¹⁷

	Fiscal 2026	Fiscal 2025	Fiscal 2024
Partners and managing directors	1,440	1,440	1,370
Senior managers and managers	3,470	3,350	3,220
Seniors and analysts	8,440	9,000	8,930
Total	13,350	13,790	13,520

“ My rotation with the audit team broadened my perspective on our clients’ businesses and how technology risk and audit professionals work together. As clients adopt increasingly complex systems and AI-enabled processes, understanding the factors that shape risk is more important than ever. The experience helped me build new skills, expand my network and see firsthand how collaboration across teams supports high-quality audits.

Austin Price
EY US Technology Risk analyst

Recognition we have received
for being a top employer

Only Big Four firm included on Fortune magazine’s 100 Best Companies to Work For list for 28 consecutive years

Recognized as a top accounting firm by Vault Accounting 25

Named among the best workplaces to grow a career, ranking on the LinkedIn Top Companies in the US list for the eighth year in a row

Recruiting at a glance

2,250¹⁸

US audit and technology risk professionals hired from college and university campuses in fiscal 2026

1,970¹⁹

summer and winter audit interns in fiscal 2026

980²⁰

interns for fiscal 2027 attended our Future Leaders Summit to learn about our culture and the work we do

Retaining our people

Every audit, client conversation and decision adds to a professional's experience. Retaining exceptional talent allows that knowledge, perspective and judgment to compound, promoting audit quality and creating deeper opportunities for coaching and development.

Many of our most experienced leaders have spent decades building that expertise at the Firm. Our partners and managing directors average 19 and 18 years of service,²¹ respectively, reflecting the depth of experience that supports our teams and clients.

	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Top-rated	Overall	Top-rated	Overall	Top-rated	Overall
All ranks below partner	86%	84%	86%	85%	85%	81%

“ Businesses run on decisions, and those decisions depend on trust. Trust is one of the world’s most valuable assets. The future of our profession belongs to those who can navigate complexity, exercise judgment and ask better questions.

Diana Kutz
EY US Assurance Talent Leader

Programs like Bank Your Bonus encourage long-term investment in careers at the Firm. In fiscal 2026, 51% of our audit and technology risk professionals who were recently promoted to senior elected to defer their promotion bonuses in exchange for a larger payout after three years.²³

Developing our people

The pace of change in the profession demands a learning model that evolves with it. We are investing in both what our people learn and how they learn, creating a training experience that is more applied, consistent and aligned with the technologies our teams use every day. Our approach is designed to prepare professionals to meet the demands of today’s audits and lead the audits of tomorrow.

Coaching continues to play a critical role in that development. By working alongside experienced professionals, our people receive real-time feedback, practical guidance and exposure to the judgment that comes from years of experience.

Ratios of audit executives to other audit professionals²⁴

	Fiscal 2026	Fiscal 2025	Fiscal 2024
Partners and managing directors to analysts through senior managers	1 to 8.2	1 to 8.6	1 to 8.8
Senior managers and managers to seniors and analysts	1 to 2.4	1 to 2.7	1 to 2.8

Average learning hours by fiscal year²⁵

As business models, risks and technologies evolve, continuous learning helps our professionals deepen their technical expertise and stay ahead of change. Average learning hours will vary based on the skills our professionals need to develop to anticipate and respond to the evolving business environment.

2026	2025	2024
75	80	100

Our average learning hours in 2024 reflect additional learning related to our transformation.

Investing in wellbeing

Sustaining the focus, resilience and energy required to navigate complexity, exercise judgment and continue learning throughout a career requires an intentional investment in wellbeing. Supporting wellbeing helps professionals sustain the performance, growth and resilience that long-term success demands. Through resources such as flexible vacation, mental health support and an annual wellbeing reimbursement, we help our professionals thrive both personally and professionally.

Equipping our people
to thrive in an AI-enabled environment

We are making significant investments in preparing our audit and technology risk professionals at every level to use AI confidently and responsibly. Our 2026 learning program includes AI-specific activities for all ranks, such as:

- **In-person leadership training** for all audit and technology risk partners and managing directors
- **Activation events** that give professionals at every level dedicated time to build skills through hands-on tool use and team-based activities
- **Embedding training modules** within instructor-led forums for analysts through executives
- **Webcasts** reaching all audit and technology risk professionals

These offerings are grounded in a strategic framework built around five pillars: foundational AI fluency, AI-enabled audit execution and human oversight, AI trust and responsible use, leadership and client readiness, and auditing our clients' use of AI.



Audit quality and integrity are our foundation

As the pace of change accelerates, we remain guided by the principles that define a high-quality audit: independence, objectivity, integrity, professional skepticism and accountability.

Our global organization and US governance

EY US is a member firm of the EY global organization, Ernst & Young Global Limited. Being part of a global organization allows us to draw on resources, shared capabilities, leading practices and investments at scale, including AI-powered tools, methodology and training. Approximately 100,000 auditors²⁶ around the world use the same global audit platform (i.e., EY Canvas) to audit companies of all sizes, including multinationals. More than 420,000 people²⁷ at EY clients can use Canvas to communicate with their EY audit teams.

In the US, an 11-member²⁸ Governing Board plays an important role in promoting trust and transparency by providing oversight and accountability of the management of the Firm in areas

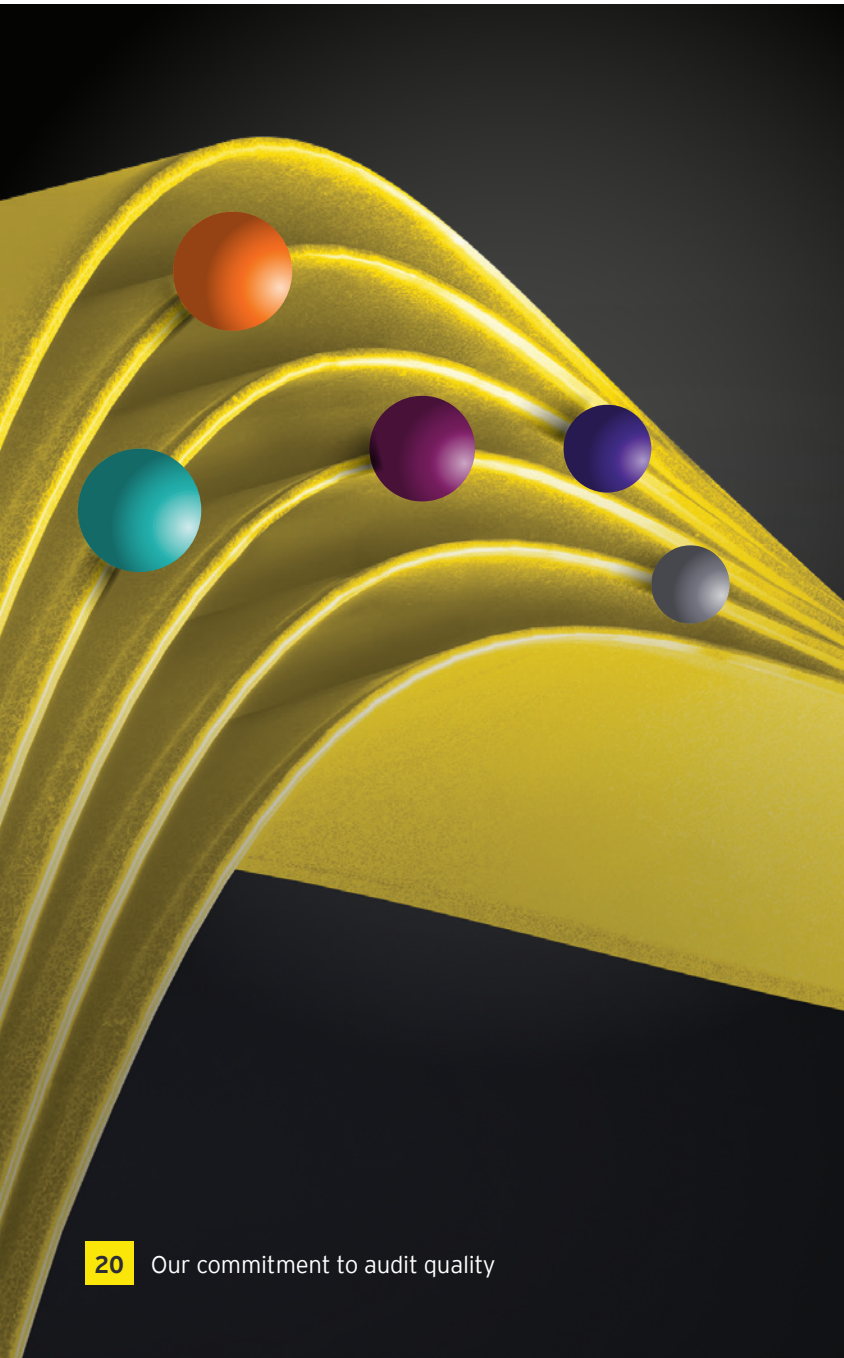
such as strategy, risk management, regulatory compliance, financial performance and capital allocation. Ten elected partners and principals from across our business, along with the US Managing Partner, serve on the Governing Board.

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The Governing Board plays a critical role in EY’s governance to provide oversight of management’s long-term strategic priorities, quality control, and compliance with regulatory and ethical responsibilities. This oversight strengthens trust, transparency and accountability across EY.

Joe McGrath

EY US Assurance Partner and Lead Governing Board Member



Our culture

Our strong culture is anchored in our values, including integrity and the courage to lead. The EY global organization reinforces these values through its “All in” strategy, supporting our vision to continually enhance the audit. Our Global Code of Conduct is a clear set of standards that provides the ethical and behavioral framework on which we base our decisions. Each year, all of our people reaffirm their commitment to upholding these values by signing the Code of Conduct.

Our system of quality management

Delivering high-quality audits remains essential amid increasing global complexity, the rapid movement of capital, the accelerating pace of technological change and evolving business risks. Designing, implementing and operating an effective system of quality management (SQM) is fundamental to sustain high-quality audits.

We continue to invest in our SQM to promote objectivity, independence and professional skepticism as foundational elements of high-quality audit execution while also taking a proactive and risk-based approach. Our proactive approach to the SQM risk assessment process incorporates input and feedback from across our multidisciplinary firm to inform our objectives, risks and responses. We focus on mitigating risks

that could affect audit quality. The SQM is supported by strong governance from EY US leadership, further emphasizing the important role a strong SQM plays in maintaining audit quality.

We monitor the SQM to identify deficiencies, perform root cause analyses and implement remedial actions. The results of our monitoring activities form the basis for annually evaluating the overall effectiveness of the SQM.

We performed our evaluation in accordance with applicable professional standards²⁹ and concluded that as of our annual evaluation date of 30 June 2026, our SQM provided us with reasonable assurance that the system’s objectives were achieved.

We are updating our SQM to comply with the PCAOB’s new quality control standard (QC 1000), which is effective as of 15 December 2026.

Supporting our teams

As AI and other technologies and regulatory developments continue to reshape the financial reporting landscape, our Professional Practice group helps our teams stay ahead of change by providing timely technical and sector insights, guidance and support in areas of increasing complexity.

Through working closely with our audit teams and Quality Network professionals, as well as engaging with regulators and standard setters, Professional Practice helps translate emerging developments and insights from standard-setting, regulatory and monitoring activities into practical guidance, training and enablement that promote high-quality financial reporting. The group also advises audit teams and clients on complex accounting, auditing and financial reporting matters.

As we continue to invest in AI in the audit, Professional Practice plays a critical role in helping the Firm innovate responsibly. By establishing governance, evaluating risks and developing guidance for the use of new capabilities, the group helps drive sustained quality across our audits while supporting our ongoing efforts to transform how we audit through the use of profession-leading technology.

A critical part of our audit quality effort is generating the insights that drive ongoing enhancement of our audit approach and SQM. The Professional Practice group leads the evaluation of the Firm's SQM, including inspections of completed audits and reviews of in-progress audits, and also performs key risk management activities.

Our Quality Network supports our teams as they implement new guidance and enablement. Quality Network professionals also perform workpaper reviews, advise our teams on audit matters, provide training and coaching, and execute various risk management and quality control procedures. They also provide feedback to Professional Practice on the development of audit guidance and enablement based on interactions with audit teams.

Our ratio of Quality Network and Professional Practice partners and managing directors to all audit and technology risk partners and managing directors is 1 to 5.³⁰



Independence and objectivity

Maintaining our independence is critical to our ability to perform audits in accordance with the standards that govern our profession. As auditors, we are required to be independent, in fact and appearance, from the companies we audit, in accordance with the rules issued by the SEC and the PCAOB, and the standards of the AICPA. Where applicable, we also comply with international independence standards, including the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants.

We have strong policies in place to avoid potential conflicts of interest and maintain our independence from the companies we audit. We also have tools to help us evaluate the independence of our Firm and our people. For example, our policies require managers through partners to report securities they and their immediate family members hold, as well as their other financial relationships, in the EY Global Monitoring System, which initially assesses and then monitors the permissibility of the investments and arrangements. All client-serving EY US professionals, including partners, are required to confirm compliance with our independence policies and procedures at least annually.

We monitor our compliance with professional standards relating to the Firm's independence from audit clients, as well as the compliance of individuals with regulatory standards and our policies that

relate to personal independence. In fiscal 2026, we monitored approximately 46,000 individuals³¹ across the Firm.

We proactively support our professionals, including by embedding comprehensive lists of reportable items in our tool and providing year-round trainings with examples of situations they may encounter to help them understand their reporting requirements. Our professionals can also contact members of our independence group by live chat and use an EY app to check whether investments are permissible before investing.

In accordance with PCAOB rules and our policies, our audit teams also affirm the Firm's independence at least annually in meetings with audit committees and discuss matters that may bear on independence.

Independent advice on audit quality

We have a four-member Independent Audit Quality Committee (IAQC), all of whom have extensive experience in the financial reporting ecosystem. Leaders of the Firm and members of our Governing Board meet with the IAQC to provide updates and seek its advice about aspects of our business, operations, culture, talent strategy, governance and risk management that affect audit quality.



External inspections

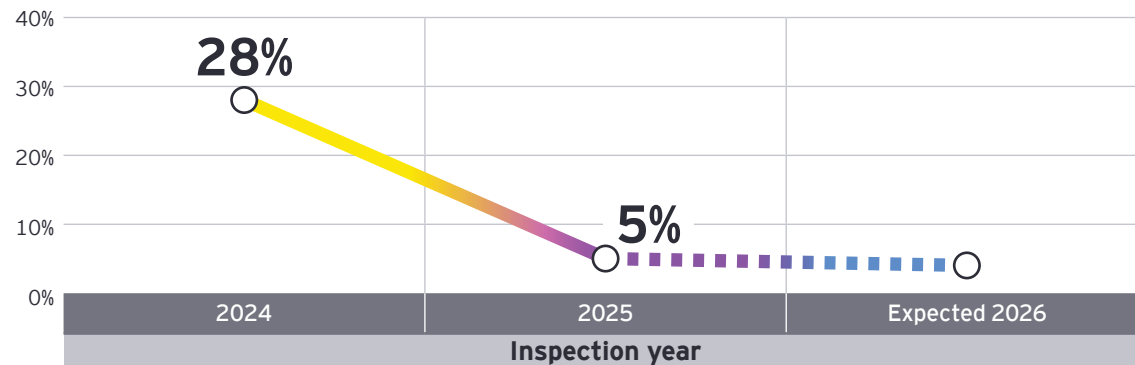
The PCAOB conducts annual inspections of certain of our completed audits and issues reports on its observations regarding findings it identifies in those engagements. The PCAOB bases its selections largely on risk, and the inspections are designed to identify deficiencies in audit work to help firms improve audit quality.

Our unwavering focus and disciplined execution of our transformative actions have enabled us to sustain high audit quality, which is reflected in our PCAOB inspection results. Our 2025 PCAOB inspection report included a findings rate of 5%, with findings identified in only three inspected audits. These are the best results we have ever had, exemplifying our commitment to quality and integrity. While our 2026 inspection report has not yet been released, we are pleased to share that we expect to sustain these outstanding results.³²

We are sustaining high audit quality by focusing on what matters most and tailoring our work proportionately to identified risks. We focus on doing more work earlier in the audit cycle, reducing year-end workload and providing a smoother experience for both our clients and our people.

The graphic below reflects the Part I.A findings rate of our PCAOB inspections in the last three inspection cycles.

We expect to sustain high audit quality and low PCAOB findings



Part I.A of the PCAOB's inspection report, which is released publicly, discusses matters that, in the PCAOB's review, relate to the sufficiency or appropriateness of evidence we obtained to support our audit opinion(s) on the issuer's financial statements and/or internal control over financial reporting.

Part I.B of the PCAOB's inspection report, which is also released to the public, discusses matters related to PCAOB standards or rules other than those included in Part I.A and Part I.C. Examples of the Part I.B matters in our 2025 inspection report related to retention of audit documentation, audit committee communications and Form AP.

Part I.C provides information on matters related to SEC and PCAOB independence rules that the PCAOB identified or that the firm identified and reported.

Part I.C cited instances of apparent noncompliance that we identified through our independence monitoring activities in a 12-month period in approximately 4%³³ of our issuer audits where we or our personnel may have impaired our independence. The most common instances of apparent noncompliance related to financial relationships, employment relationships, non-audit services, and tax services for persons in a financial reporting oversight role. In each of these instances, we concluded that our objectivity and impartiality were not impaired. The PCAOB did not identify any additional instances of apparent noncompliance.

Part II of the PCAOB report addresses the PCAOB's observations about a firm's system of quality control, based on both the results of its review of the firm's quality control policies and inferences that the PCAOB drew from what were, in its view, deficiencies in the performance of individual audits. These observations are only released publicly if the PCAOB determines that a firm has not addressed the criticisms to its satisfaction during the remediation period.

Peer review

We participate in the AICPA peer review program that requires a robust review every three years of a firm's system of quality control for its engagements that are not subject to the PCAOB's permanent inspection program, including private company audits.

Grant Thornton LLP performed our peer review in 2025, primarily of audits for the year ended 31 December 2024, and EY US received a rating of pass. In that report, Grant Thornton said that our system of quality control for these engagements was suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail.

Endnotes

1. The 5% findings rate represents Part I.A findings in three of the 64 audits inspected, as reported in our 2025 PCAOB inspection report. Our expectation that we will sustain a low findings rate for 2026 is based on feedback from the PCAOB inspection staff about completed inspections.
2. The number of US audit and technology risk professionals and the percentages of professionals at each rank are calculated on a full-time equivalent (FTE) basis for fiscal 2026, which ended on 3 July 2026. An FTE represents 2,080 hours of work in a year, except that professionals who work more than 2,080 hours in a year are each counted as a single FTE. The number of US audit and technology risk professionals is rounded down to the nearest ten.
3. The percentages of US audit and technology risk professionals who said they believe that they have a personal responsibility for delivering quality on their audits and that they understand that consistently performing quality audits serves the public interest are based on responses to the April 2026 EY Global Audit Quality Survey.
4. The percentage of public company audit hours incurred before our clients' balance sheet date is calculated by dividing the number of hours incurred by US professionals before our US audit clients' balance sheet date by the total number of hours incurred on our audits. This metric is based on our audits of issuers, excluding investment companies and employee benefit plans, with fiscal years ended 1 July 2025 through 31 March 2026. The inclusion of hours incurred by professionals that support the EY global organization would not materially affect the calculation.
5. The percentage of restatements reflects restatements that SEC registrants we audit, including registered investment companies, reported in SEC filings in each of our last three fiscal years to correct material errors in previously issued annual financial statements. The percentage is calculated by dividing the number of these restatements by the total number of issuers we audited in each year. In fiscal 2026, three (0.1%) of the SEC registrants we audited restated their financial statements, compared with seven (0.2%) and 15 (0.5%) in fiscal 2025 and 2024, respectively.
6. The percentage of US audit and technology risk professionals who have access to agentic AI is based on the availability of agentic AI capabilities within EY Canvas. All EY auditors use EY Canvas.
7. See endnote 1.
8. We determined that EY is the No. 1 auditor of companies on Fortune's list of the 1000 largest US companies as of 5 June 2026 and the No. 1 auditor of the 500 largest companies on the 2025 Russell 3000 index based on market capitalization as of 28 June 2025 by identifying the auditor for each company on the Fortune 1000 list and of the 500 largest companies on the 2025 Russell 3000 index, based on SEC filings through June 2026.
9. Our ranking as the No. 1 auditor of companies that went public over a period of 11 years is based on data compiled by Dealogic on US initial public offerings that were effective in 2015 through June 2026. Based on companies that completed an initial public offering over the period of the last 11 years, EY US audited more of those companies than any other Big Four audit firm.
10. Our statement about EY being the only Big Four firm and one of 14 founding members of the Microsoft Frontier Firm Initiative, alongside Microsoft and The Harvard Business School AI Institute, is based on the 18 November 2025 press release issued by Microsoft.
11. Our \$1 billion investment in technology and talent reflects our spending plans related to our transformation.
12. To determine our ranking as the No. 1 or No. 2 auditor in 13 of the 18 sectors represented in the US Fortune 1000, we sorted the data we compiled to determine our market share of audits of Fortune 1000 companies (see endnote 8) by sector for each of the 18 sectors represented in the list.
13. See endnote 4.
14. The percentage of US audit hours incurred by professionals who support the EY global organization to perform certain audit procedures in fiscal 2026 is calculated by dividing the hours they charged to US audits (both public and private company audits) by total audit hours charged for US public and private company audits in fiscal 2026.
15. The number of professionals who work with our audit teams to tailor technology-enabled capabilities to each client's business and risk profile reflects the headcount of the professionals from that group who supported US audits for fiscal 2026.
16. The percentages of US audit and technology risk professionals who said their EY experience is exceptional and the work they do allows them to continuously learn and develop new skills are based on responses to the April 2026 EY People Pulse survey.

Endnotes

17. The numbers of US audit and technology risk professionals are calculated on an FTE basis. The numbers do not include professionals who support the EY global organization and worked on US public and private company audits in each of the three years. If their hours were converted into FTEs, their work was the equivalent of having approximately 3,600, 3,500 and 3,300 full-time auditors in fiscal years 2026, 2025 and 2024, rounded to the nearest hundred. The number of US audit and technology risk professionals are rounded down to the nearest ten.
18. The number of US audit and technology risk professionals we hired from college and university campuses reflects the headcount of these people who joined our audit practice in fiscal 2026, rounded to the nearest fifty.
19. The number of summer and winter interns in fiscal 2026 reflects the headcount of our audit and technology risk interns, rounded to the nearest ten.
20. The number of students who attended our spring 2026 Future Leaders Summit to learn about our culture and the work we do reflects the headcount of attendees, rounded to the nearest ten.
21. The average years of service of our audit and technology risk partners and managing directors reflect their tenure at EY US through the end of fiscal 2026.
22. Our retention metrics reflect US audit and technology risk professionals of all ranks below partner who were continuously employed in our audit practice in each fiscal year. This metric is calculated by taking the headcount of such professionals we had at the beginning of a fiscal year and deducting professionals who left the Firm voluntarily or transferred out of the audit practice during the year, then dividing this sum by the number of professionals we had at the beginning of the year, excluding those that left the Firm involuntarily. Promotions are treated as if the individuals were in their new ranks for the entire year. Our metrics on retention of top-rated professionals refer to individuals with the highest performance rating at the beginning of each fiscal year. The calculation of this metric was adjusted to exclude involuntary separations, and percentages previously reported for fiscal years 2025 and 2024 were recalculated accordingly.
23. The percentage of US audit and technology risk seniors who were recently promoted and who elected to bank their promotion bonuses under the Bank Your Bonus program in 2026 is calculated by dividing the number of recently promoted US audit and technology risk seniors who elected to participate in the program by the total number of recently promoted US audit and technology risk seniors.
24. The ratio of partners and managing directors to analysts through senior managers is calculated by dividing the total number of US audit and technology risk analysts, seniors, managers and senior managers on an FTE basis by the total number of US audit and technology risk partners and managing directors on an FTE basis. The ratio of senior managers and managers to seniors and analysts is calculated by dividing the total number of US audit and technology risk analysts and seniors on an FTE basis by the total number of US audit and technology risk senior managers and managers on an FTE basis.
25. The average number of hours of learning our audit and technology risk professionals completed in fiscal 2026, 2025 and 2024 is calculated by dividing the total number of learning hours completed by average headcount for each year. The number of hours are rounded down to the nearest five.
26. The number of auditors at EY member firms around the world who use the EY Canvas platform is based on the global organization's headcount as of 31 July 2026.
27. The number of people at clients of the EY global organization who use the EY Canvas platform to communicate with EY teams is based on the number of people who were enrolled to use the EY Canvas client portal on 31 July 2026.
28. The number of partners and principals on our Governing Board reflects the current composition of the Board.
29. We performed our SQM evaluation in accordance with the Statement on Quality Management Standards No. 1, *A Firm's System of Quality Management*, issued by the AICPA's Auditing Standards Board, and the International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the International Auditing and Assurance Standards Board.
30. The ratio of our Quality Network and Professional Practice partners and managing directors to all US audit and technology risk partners and managing directors is calculated on an FTE basis for fiscal 2026.
31. The number of individuals we monitored for compliance with professional independence standards, regulatory standards and our policies related to personal independence reflects all professionals subject to independence requirements across EY US.
32. See endnote 1.
33. The percentage of issuer audits cited in Part I.C of our 2025 PCAOB inspection report reflects instances of apparent noncompliance with SEC or PCAOB rules that we identified in a 12-month period.

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