



Who Audits Emerging Growth Companies?

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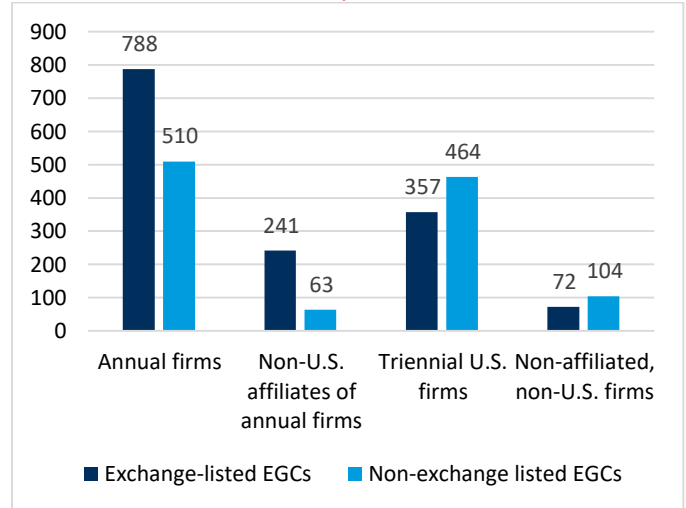
Many Emerging Growth Companies (EGCs) are audited by larger audit firms, particularly EGCs that are listed on a U.S. national securities exchange.

Findings

The figure to the right examines the types of firms that audit EGCs. Analysis of financial statements filed with the U.S. Securities and Exchange Commission (SEC) between May 16, 2022, and November 15, 2023, shows that the majority of EGC audits are performed by larger firms or their non-U.S. affiliates, where “larger firms” means annually inspected firms—that is, firms that have issued audit reports for more than 100 issuer audit clients in a given year. Patterns differ depending on whether the EGC has at least one class of common equity securities listed on a U.S. national securities exchange (“exchange-listed” EGCs).

- *Exchange-listed EGCs:* Of a total of 1,458 exchange-listed EGCs, more than 1,000 are audited by annually inspected firms or their non-U.S. affiliates.
- *Non-exchange listed EGCs:* There are 1,141 EGCs that are not listed on an exchange and thus may trade only in over-the-counter (OTC) markets. About half are audited by annually inspected firms or their non-U.S. affiliates. This is a smaller fraction than for exchange-listed EGCs, though still substantial.

Number of EGCs Audited, by Audit Firm Classification



Source: PCAOB, Audit Analytics, S&P Global Market Intelligence

Data

The findings are based on a review of financial statements filed with the SEC between May 16, 2022, and November 15, 2023 by 2,599 registrants that self-identified as EGCs. These financial statements included audit opinions by 260 registered firms. Counts reflect the signing firm as named in the audit report filed with the SEC. More details of EGC audits are discussed in [PCAEOB, Characteristics of Emerging Growth Companies and Their Audit Firms at November 15, 2023](#).

About Data Points

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