Agenda Item 7A

Mid-Cycle Strategy Review

IESBA Strategy and Work Plan 2024-2027(SWP) — Status Report

#	Work Stream	Nature of Commitment	Key Performance Indicators	Status
		Ongoing Projects		
1.	Sustainability [Started: Q4 2022]	Develop sustainability-related standards in response to a sharp rise in market demand for sustainability information, as well as call from IOSCO and expectations from other stakeholders and PIOB for profession-agnostic ethics (including independence) standards for sustainability assurance as part of the regulatory infrastructure that supports transparent, relevant and trustworthy sustainability reporting.	Develop profession-agnostic ethics (including independence) standards for use by all sustainability assurance practitioners regardless of their backgrounds. Develop fit-for-purpose, globally applicable ethics standards to support transparent, relevant and trustworthy sustainability reporting	On track • Final pronouncement expected to be approved in December 2024
2.	Use of External Experts [Started: Q4 2022]	To address ethics issues relating to the use of experts in audit, sustainability and other assurance engagements, as well as the use of experts in the preparation and presentation of financial and non-financial information and in other professional activities or services.	Develop standards to address ethics considerations with respect to the use of external experts in audit, sustainability and other assurance engagements as well as in other professional activities or services.	On track • Final pronouncement expected to be approved in December 2024
3.	Collective Investment Vehicles (CIVs), Pension Funds and Investment Company Complexes [Started: Q4 2023]	Review CIVs and pension fund arrangements and their relationships with trustees, managers and advisors to ensure that the independence provisions and the application of the "related entity" definition in the Code remain fit for	Deliver fact finding report and recommendations to IESBA.	On track • Consultation paper to be issued in 2025 • Report expected to be finalized in Q4 2025

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		purpose with respect to these arrangements. Investment company complexes will also be reviewed with a view to considering whether the Code should be enhanced to address these structures, such as establishing new terms and definitions, and clarifying which entities or arrangements within such a complex should be considered as related entities of an audit client.		
4.	Firm Culture and Governance (FCG) [Started: Q1 2024]	In response to persistent significant cases of unethical behavior in firms, gather an understanding of culture and governance and their impact on ethical behavior in firms, and undertake a review of the provisions in the extant Code to determine if the Code should be further strengthened in that regard.	Deliver fact finding report and recommendations to IESBA.	On track • Final report and recommendations from FCGWG expected to be accepted, and project proposal approved by IESBA, in December 2024.
5.	Rollout of Tax Planning and Related Services Pronouncement [Started: Q1 2024]	Raise awareness and promote final Tax Planning and Related Services pronouncement.	Create launch day materials, host global webinars, and release a staff FAQ. Promote the new standards to stakeholders during outreach activities.	Achieved • Tax Planning and Related Services Focus Page includes links to all published documents • Staff FAQ in progress; expected to be released Q1 2025
New Work Streams				
6.	Role of CFO and Other Senior PAIB	To gather information on the evolving roles of CFOs, including those in equivalent positions within the public	Deliver fact finding report and recommendations	Initiative to be started

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	[Fact finding to commence Q3 2025]	sector, and other senior PAIBs to identify and understand the ethics issues and challenges faced by these PAIBs. Consider whether Parts 1 and 2 of the Code need further enhancement to support PAIBs in addressing these ethics issues, taking into account the revisions already made under recent projects, such as the Role and Mindset and Technology projects, as well as issues that are being addressed under the Sustainability and Use of Experts projects.		
7.	Exploring Extending the Impact of the Code to All Preparers of Sustainability Information [Fact finding commencing 2026]	A phased approach, focusing initially on exploring developing ethics standards for sustainability reporting, regardless of the preparers' backgrounds. Take into account relevant information gathered from targeted outreach as well as from the ongoing Sustainability project and the new work stream on the role of CFOs and other senior PAIBs. Based on the above, and taking into account the work on developing profession-agnostic independence standards for sustainability assurance engagements not within the scope of the IIS in Part 5, explore how to extend the Code's impact more broadly, including expanding the scope and applicability of the Code to all preparers of financial and non-financial information.	Deliver fact finding report and recommendations for consideration	Initiative to be started

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8.	Development of Profession-Agnostic Independence Standards for Sustainability Assurance not Within the Scope of the IIS in Part 5 [Fact finding commencing Q3 2025]	Consider how the Code should be enhanced, whether through revision of extant Part4B or the development of a Part-4B equivalent in the new Part 5, to ensure that all independence standards for sustainability assurance engagements are addressed in the Code in a profession-agnostic manner.	Deliver profession-agnostic Part 4B.	Initiative to be started
9.	Business Relationships [Fact finding to commence 2026]	Review the different types of relationships that firms, network firms and audit team members might have with audit clients and their management and consider whether Section 520 sufficiently addresses the independence issues that may arise from these relationships. In undertaking this review, the IESBA will take into account the revisions already made under the Technology Project. As part of this work stream, the IESBA may also consider whether materiality and significance should be retained as criteria for exceptions to certain business relationships as well as loans and guarantee arrangements under Section 511 of the Code. Consider whether the provisions in Parts 1 and 3 of the Code remain relevant in addressing the ethics implications of business relationships.	Deliver fact finding report and recommendations for consideration.	Initiative to be started

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10.	Audit Firm – Audit Client Relationships [Fact finding to commence 2027]	Consider whether it continues to remain appropriate to use the term "audit client" in the International Independence Standards (IIS) as opposed to other terms such as "audited entity" or the "entity subject to audit." This recognizes that the ultimate beneficiary client is not the entity itself or its management but the entity's owners or shareholders.	Deliver fact finding report and recommendations for consideration	Initiative to be started
11.	PIR – Engagement Team and Group Audits [Fact finding to commence 2027]	Undertake a post-implementation review to assess the status of adoption and implementation of the ET-GA provisions across jurisdictions, any key issues relating to the understandability and application of the provisions, and whether the implementation is meeting the project objectives.	Deliver fact finding report and recommendations for consideration.	Initiative to be started
		Pre-committed Work Streams		
12.	PIR – Non-Compliance with Laws and Regulations [Fact finding to commence Q3 2025]	Undertake a post-implementation review to assess the status of adoption and implementation of the NOCLAR provisions across jurisdictions, any key issues relating to the understandability and application of the provisions, and whether the implementation is meeting the project objectives.	Deliver fact finding report and recommendations for consideration.	Initiative to be started
13.	PIR – Long Association Phase 2	Phase 2 post-implementation review will assess the status of adoption and implementation of the Long Association provisions across jurisdictions, any key	Deliver fact finding report and recommendations for consideration.	Initiative to be started

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	[Fact finding to commence 2026]	issues relating to the understandability and application of the provisions, and whether the implementation is meeting the project objectives. Review legislative or regulatory developments relating to other regimes around the world intended to address long association, such as mandatory firm rotation and mandatory retendering, and determine if further action is warranted from a Code perspective.		
14.	PIR – Restructured Code [Fact finding to commence 2026]	Undertake a post-implementation review of the restructured Code with a view to assessing whether its implementation around the world is effectively meeting the objectives of the restructuring project	Deliver fact finding report and recommendations for consideration.	Initiative to be started
15.	PIR – Non-Assurance Services and Fees [Fact finding to commence 2027]	Undertake a post-implementation review with a view of assessing the status of adoption and implementation of the revised NAS and Fees provisions across jurisdictions, any key issues relating to the understandability and application of the provisions, and whether the implementation is meeting the projects' objectives.	Deliver fact finding report and recommendations for consideration.	Initiative to be started
16.	PIR – Public Interest Entities (PIEs) [Fact finding to commence 2027]	Undertake a post-implementation review with a view of assessing the status of adoption and implementation of the revised PIE provisions across jurisdictions, any key issues relating to the understandability and application of the provisions, and whether the	Deliver fact finding report and recommendations for consideration.	Initiative to be started

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		implementation is meeting the projects' objectives.		
		Other Activities		
17.	Adoption and Implementation Working Gorup (A&I WG)[1]	To promote adoption and implementation of all IESBA standards, with an initial focus on the IESBA's Sustainability and Experts Standards, and monitor adoption and implementation of IESBA's standards	Phase 1: Joint launch with IAASB, implementation materials (published progressively during 2025) and broad stakeholder engagement to promote the IAASB's and IESBA's Sustainability Standards, including the IESBA's Using the Work of an External Expert Standard.	• Working Group established • Terms of reference and work plan expected to be approved in December 2024
18.	Emerging Issues and Oversight Committee (EIOC)	Consider emerging issues brought forward by the EIOC and determine appropriate actions	• Regular briefings to IESBA on external developments of relevance to IESBA's remit • Specific actions identified as a result of EIOC's work	On track with half-yearly briefings to IESBA
19.	Technology Working Group (TWG)	Monitor the changing technology landscape and its ethics impact on the financial and non-financial information reporting ecosystems, and determine the need for further information gathering or other action.	• Regular briefings to IESBA on external developments of relevance to IESBA's remit • Specific actions identified as a result of TWG's work	On track with half-yearly briefings to IESBA
20.	IAASB-IESBA Coordination	Engage in close coordination with the IAASB on topics or areas that overlap the remits of the two boards	• Coordination workstreams identified and pursued with IAASB	On track • Several coordination workstreams with IAASB completed or in progress, including PIE,

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[1] This work stream was added to the IESBA Work Plan 2024 but was not included in the SWP. New commitment to commence in 2025

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				Sustainability, Using the Work of an External Expert, and Technology.
21.	Outreach	Pursue a proactive stakeholder outreach agenda and seek to extend and deepen engagement and cooperation with stakeholders, including investors, those charged with governance, national-standard setters (NSS), regulators and audit oversight bodies, professional accountancy bodies and firms.	• Extensive outreach agenda pursued across stakeholder community, including regulators and audit oversight bodies, NSS, firms, PAOs, PAIBs and others • Targeted project-specific outreach undertaken	On track
22.	Non-Authoritative Material (NAM)	Commission Staff publications and other implementation resources that address technical matters or explain new or revised standards, such as Bases for Conclusions, Q&As, staff alerts, fact sheets and global webinars.	Staff publications published to respond to identified issues	On track • Project-specific, e.g., Tax Planning, Sustainability, Use of Experts