

Firm Culture and Governance (FCG)

Preliminary Plan for Other Supporting Materials and Initiatives

Introduction

1. At its June 2025 meeting, the IESBA agreed to develop a series of nine IESBA viewpoints (“Viewpoints”) on the subject of FCG. These Viewpoints include one overarching Viewpoint and one for each of the eight FCG elements identified in the IESBA FCG Working Group Final Report.¹ The IESBA also agreed to consider a preliminary plan for other supporting materials and initiatives at its September 2025 meeting.
2. This preliminary plan includes the FCG Project Team’s (PT) initial proposal for the other supporting materials and initiatives, covering the period through Q2 2026, at which time the IESBA anticipates deliberating the way forward on the FCG framework. The PT will update this plan, taking into account the Board discussions at both the September and December 2025 IESBA meetings.

Objectives

3. The key objectives of the other supporting materials and initiatives are to:
 - Provide an avenue for the IESBA to take a proactive role on the topic of FCG from a global perspective.
 - Develop practical guidance to help firms understand how the principles in the Viewpoints can be applicable in their firms.
 - Provide means to continue the conversation on the topic of FCG with stakeholders and to keep the topic top-of-mind for stakeholders.
 - Increase stakeholder engagement and collaboration around the FCG project.
 - Help inform the IESBA’s deliberation in June 2026 about the approach to developing an FCG framework that supports an ethical culture.

Proposed Other Supporting Materials and Initiatives

Testing of Viewpoints

4. This initiative, which might, among others, include a pilot project with selected stakeholders, aims to socialize the Viewpoints and test their understandability, usefulness and actionability with targeted stakeholders, such as firms and regulators.
5. Questions to ask targeted stakeholders may include:
 - Usefulness and value of the Viewpoints and how their content aligns with firms’ efforts on promoting an ethical culture.
 - Are they actionable, operable, scalable and proportionate.
 - Potential hurdles to understandability and applicability.
6. Anticipated output: Analysis of test results and recommendations.

¹ See **Agenda Item 2-A** for the eight draft Viewpoints on the FCG elements

7. Indicative timeline: To commence in Q4 2025 (with identification of targeted stakeholders) and conclude by Q2 2026.

Practical Guidance for Viewpoints

8. This supporting material aims to provide additional guidance on some or all of the Viewpoints, such as examples of firm practices and success stories.
9. The PT plans to collaborate with stakeholders in developing this supporting material. In this regard, the PT will be working with one local network firm to develop examples of firm practices.
10. Anticipated output: The format of the materials may include interviews, webcasts, “fireside chats,” scenarios, and case studies.
11. Indicative timeline: The PT will present a more detailed plan for the IESBA’s consideration at its December 2025 meeting.

Release of Recording of Panel Discussion on Ethical Culture at the September 2025 IESBA Conference

12. The [2025 IESBA Conference](#) in Lisbon, Portugal, will have a panel on Ethical Culture and Governance. This panel will explore how firms can embed ethics at their core through leadership, incentives, oversight, and accountability.
13. Anticipated output: The panel discussion on Ethical Culture and Governance to be released online.
14. Indicative timeline: Q4 2025.

Supporting Material on Relevant FCG Provisions in the Extant Code

15. This supporting material aims to highlight how the provisions in the extant Code address the principles set in the Viewpoints.
16. Anticipated output: The format of the materials may include interviews with an IESBA Staff and/or FCG Board Advisor as well as written material.
17. Indicative timeline: Q1 2026.

Supporting Material on Linkages Between the Viewpoints and ISQM 1

18. This supporting material aims to identify the linkages between the Viewpoints and the relevant provisions in International Standard on Quality Management (ISQM) ^{1 2} as it relates to the quality management practices of firms that perform in particular audit and other assurance engagements.
19. Anticipated output: The supporting material will be developed in coordination with the IAASB liaison team for the FGC project, following finalization of the Viewpoints.
20. Indicative timeline: Q2 2026.

² ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

Other Supporting Materials Considered

21. The PT also considered the following potential supporting materials, but proposes not to proceed with them at this time for the reasons listed below.

Supporting Material on the Impact of Private Equity Investments (PEI) on Firm Culture

22. In July 2025, the IESBA issued a [Staff Alert](#) highlighting the key ethical matters that accounting firms should pay particular attention to when considering or accepting investment from PE organizations. This publication, among other matters, provided some preliminary considerations on the potential impact of PEI on the ethical culture of a firm.
23. The PT is of the view that it is premature to develop any further supporting material on the topic of PEI given its evolving nature. The PT also believes that it is too early to assess the longer-term impact of PEI on firms. It will, instead, highlight in the overarching Viewpoint the importance of ethical culture regardless of ownership structure.
24. The PT will coordinate with the Emerging Issues and Outreach Committee (EIOC), which will continue to monitor developments regarding PEI, and determine whether any further actions should be undertaken under the FCG work stream.

Survey of Firms

25. The FCG considered the possibility of conducting a survey of firms to further explore ethical culture issues impacting firms and/or their existing practices on one or more of the FCG elements.
26. The PT recognizes that survey results provide additional information and could support the development of the FCG project. However, the PT also acknowledges that a survey may not generate the amount or type of feedback that would be useful (because of e.g. small sample sizes, insufficient or incomplete information) and that the PT already intends to engage with firms and other stakeholders when developing best practices and case studies (see paragraphs 8 to 11 above). For these reasons, the PT proposes to defer carrying out a survey for the moment.

Matter for IESBA Consideration

Do IESBA members support the PT's preliminary plan for other supporting materials and initiatives?