

Firm Culture and Governance

Plan for Targeted Outreach and Additional Materials or Initiatives in Q1-Q2 2026

Introduction

1. In June 2025, the IESBA agreed to resequence the two workstreams of the Firm Culture and Governance (FCG) project. Under this revised approach, the IESBA has been developing a series of viewpoints on eight FCG elements (IESBA viewpoints) with a view to agreeing them in December 2025.
2. Afterwards, during Q1-Q2 2026, the Project Team (PT) will continue to raise awareness of the FCG project and dialogue with stakeholders about the IESBA viewpoints through:
 - Engagement with targeted stakeholders using the IESBA viewpoints as a tool for these outreach activities; and
 - The development of additional materials or initiatives.
3. This plan for targeted outreach and additional materials or initiatives covers the period January-June 2026, at which time the IESBA anticipates deliberating on how best to approach the development of the FCG framework. A new plan will be developed following this decision by IESBA.

Targeted Outreach

Purposes of Outreach

4. The purposes of the targeted outreach for Q1-Q2 2026 are to obtain feedback from stakeholders on:
 - The usefulness, clarity, implementability and proportionality of the IESBA viewpoints;
 - Which of the viewpoints could evolve into key principles or guidance forming part of the FCG framework; and
 - Options for the content, presentation, authority and location of the FCG framework.
5. The feedback obtained will help inform the IESBA's consideration of how best to approach the development of the FCG framework at its June 2026 meeting.
6. This targeted outreach does not constitute a formal public consultation on the IESBA viewpoints, but a practical approach to involving stakeholders in reaching a decision which calibrates practicality and public interest considerations. Depending on the feedback received, the IESBA may determine to pursue such a public consultation in developing the FCG framework in accordance with its due process.

Categories of Stakeholders

7. In Q1-Q2, 2026, the PT plans to discuss the IESBA viewpoints and the approach to the FCG framework at regularly scheduled stakeholder meetings, including:
 - IESBA – Jurisdictional Standard Setters
 - Stakeholder Advisory Council

- Forum of Firms
 - IFAC Small and Medium Practices Advisory Group
8. In addition:
- The IESBA representatives plan to meet with firms (including the Global Public Policy Committee (GPPC) leadership), regulators and professional accountancy organizations (PAOs). These meetings may be one-off or on a recurring basis.
 - As part of a broader in-person Asian outreach in January 2026, the PT will discuss this project with local representatives from regulators, firms and PAOs in Singapore, Malaysia and Hong Kong SAR.
 - The PT anticipates that some of the meetings will be multi-stakeholder meetings where, for instance, IESBA representatives will have the opportunity to engage with firm and regulator representatives together. The PT will also consider the use of working groups.
 - The PT plans to seek input from investor groups, potentially as part of the public consultation, once the IESBA has determined the best approach to the development of the FCG framework in June 2026.

Materials for Outreach

9. The PT will prepare a briefing note for the stakeholder discussions. This will include a list of questions based on the purposes set out in paragraph 4 above and the materials that have been tabled for the IESBA's agreement at its December 2025 meeting (i.e., the contextual and overarching pieces, IESBA viewpoints, and the paper explaining the high-level linkages between the IESBA viewpoints and ISQM 1¹).

Output of Outreach

10. The PT will develop an outreach report to be tabled for the June 2026 IESBA meeting. This report will include a summary of feedback on the questions posed to stakeholders and a proposal on how best to approach the development of the FCG framework for the IESBA's consideration.

Additional Materials or Initiatives

11. In developing the following proposals for the development of additional materials or initiatives, the PT took into consideration the need to focus on stakeholder engagement in Q1-Q2 2026 to gather views about the IESBA viewpoints and the approach to the FCG framework ahead of the IESBA's deliberation on how best to approach the development of the FCG framework in June 2026.

Interview Series

12. For Q1-Q2 2026, the PT proposes to undertake a series of external interviews aimed at obtaining stakeholder input on approaches that have helped enhance ethical culture.
13. In this regard, the PT plans to conduct three external interviews with firms or PAOs on the following FCG elements:

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

- Ethical leadership
- Education and training
- Incentives and disincentives

Liaising with Firms to Obtain Practical Input on the IESBA Viewpoints

14. At its September 2025 meeting and October 2025 virtual call, the IESBA agreed not to conduct any field testing of the IESBA viewpoints at this moment, as they are not yet part of the FCG framework.
15. However, the PT will explore the possibility of collaborating with one or more firms and/or other stakeholders with a view to obtaining operational and practical feedback on the viewpoints if they were to be implemented. Such feedback could help inform the IESBA's approach to the development of the FCG framework.

Linkages with ISQM 1

16. The PT proposes that further comparison work with ISQM 1 resumes after a draft FCG framework is developed. This proposal is based on the following reasons:
 - **Agenda Item 3-D** sufficiently addresses stakeholder queries on how the IESBA viewpoints and ISQM 1 interact and differ from each other. **Agenda Item 3-D** includes a comparison between the draft viewpoints on two FCG elements and ISQM 1 (i.e., the tables in the appendix of **Agenda Item 3-D**) and this was done for illustrative purposes.
 - Extending the comparison to the IESBA viewpoints on the remaining six FCG elements after December 2025 would not add substantial value to stakeholders because the viewpoints are tools for stakeholder engagement; they are not the FCG framework. Therefore, firms do not need to examine what they would need to implement in addition to ISQM 1 to comply with the viewpoints.
 - If undertaken, such additional comparison work would only be valid for a period of 5-6 months, until the IESBA deliberates on how best to approach the development of an FCG framework.

Matters for IESBA Consideration

IESBA members are asked to share views on the following:

- (a) The plan for targeted outreach on the IESBA viewpoints in Q1-Q2 2026;
- (b) The general approach to the development of additional materials or initiatives, including:
 - (i) The proposed interview series for Q1-Q2 2026;
 - (ii) Matters that should be considered in exploring the possibility of collaborating with one or more firms and/or other stakeholders to seek operational and practical feedback on the IESBA viewpoints; and
 - (iii) Whether there are other initiatives that should be prioritized.