

Trends and Risks Committee – Update

June 2026 IESBA Meeting

Agenda Item 5A



Recap – Key Objective of TRC

TRC'S TERMS AND REFERENCES WERE ADOPTED IN MARCH 2026

The TRC's responsibilities are to:

- (a) Identify policy, accounting profession, industry, economic and financial trends and developments that might impact the IESBA's activities and mandate;
- (b) Develop an annual survey of strategic risks and opportunities relevant to the IESBA's strategy and work plan;
- (c) Review trends and other risks screened by IESBA staff and agree on items that would merit consideration by the IESBA and the Stakeholder Advisory Council (SAC); and
- (d) Report the selected matters to the IESBA and, as appropriate, seek the views and advice of the SAC thereon.

Objectives

1. The objectives of the Trends and Risks Committee (TRC) are to:
 - (a) Oversee the implementation of the IESBA's Statement of Working Processes – Trends and Risks; and
 - (b) Report to or advise, as appropriate, the IESBA in relation to the topics of trends and risks.

Responsibilities

2. The TRC's responsibilities are to:
 - (a) Identify policy, accounting profession, industry, economic and financial trends and developments that might impact the IESBA's activities and mandate;
 - (b) Develop an annual survey of strategic risks and opportunities relevant to the IESBA's strategy and work plan;
 - (c) Review trends and other risks screened by IESBA staff and agree on items that would merit consideration by the IESBA and the [Stakeholder Advisory Council \(SAC\)](#); and
 - (d) Report the selected matters to the IESBA and, as appropriate, seek the views and advice of the SAC thereon.

Working Procedures

3. The TRC chair and IESBA Staff supporting the committee will meet at least every quarter.
4. The TRC will ordinarily convene via videoconference at least twice annually or more often, if necessary. The accompanying **Appendix** sets out plans for carrying out the Committee's activities through the IESBA's Statement of Working Processes – Trends and Risks.

Deliverables

5. The TRC will:
 - (a) Present a yearly strategic risks and opportunities survey and assessment to the IESBA; and
 - (b) Present its report on trends and other risks to the IESBA and, as appropriate, the SAC at least every six months;

Composition

6. The TRC will be chaired by an IESBA member and comprise 3-4 other IESBA members. The "IESBA Staff Insights Group" will provide support to the TRC.

TRC Workplan

TRC Workplan

- 2 or 3 TRC meetings each year (1.5 – 2 hrs)
- Regular contact between Staff and TRC Chair
- Two TRC reports on *current* trends and risks each year
 - For the June and December IESBA meetings
- Yearly risk and opportunities survey

Workplan in 2026

- Development of the TRC informational infrastructure and the Trends and Risks Report
- Present first TRC Report in December 2026
- Prepare the 2027 Risks and Opportunities Survey

Note: The first Trend and Risks Report will be presented at the same meeting that will decide on the draft SWP for exposure, potentially contributing for the proposals and discussion.

Structure of TRC Reports

SEE AGENDA ITEM 5B

1. Executive Summary
2. Key Updates (only if relevant to IESBA)
 - (a) Financial and Economic Context
 - (b) Industry and Institutional Developments
 - (c) Enforcement and Sanctions
 - (d) Regulatory and Policy Developments
3. Trends and Risks
 - (a) For IESBA's Consideration
 - (b) For Noting
4. In Focus



TRC discussed
whether the report
should also capture
internal risks

TRC Database

SEE AGENDA ITEM 5C

Database on risk and trends that will inform and can be easily converted into TRC reports

- Staff Insights Group will monitor the sources of information identified in the TRC Terms of Reference
- Regular information from IESBA Members and Staff from outreach and other activities
 - Template for entry of information – accessible via shared platform
- Input from other sources on an occasional basis, for example, former IESBA members

Staff Insights Group
(reports, media, etc.)

Input from IESBA Staff from
Outreach

Input from IESBA Members

Input from Other Sources

Template for TRC Database

ACCESSIBLE VIA A SHARED PLATFORM FOR ALL IESBA MEMBERS AND STAFF



A. Source

B. Signal Identified

- Brief description

C. Type of Signal

- Tagged responses

D. Relevance to IESBA

- Tagged response

E. Recommended Action

- (a) For IESBA's Consideration
- (b) For Noting

F. Proposed Follow-up


- Tagged response

Next Steps

2026 December
TRC Report

2027 March
Results of Risk and
Opportunities Survey

2027 June
TRC Report

The background of the slide is a collage of paper cutouts. On the left, there are faint, light-colored silhouettes of human heads. On the right, there are more prominent, layered cutouts of heads in profile, some of which contain a question mark or a lightbulb icon. The overall color palette is warm, with shades of beige, cream, and light brown.

IESBA members' comments are sought regarding:

- The TRC's workplan
- The Structure of TRC reports
- The TRC database and template to capture information by IESBA members and Staff

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