

IESBA Strategy and Work Plan 2028-2031
Environmental Trends and Possible Strategic Objectives
Discussion Paper

A. Purpose of this Paper

1. The purpose of this paper is to obtain the Board's input on key trends, an analysis of those key trends, and possible strategic objectives for the IESBA's Strategy and Work Plan 2028-2031 (SWP).
2. **The matters set out in this discussion paper have been developed by the IESBA leadership team, in consultation with the Planning Committee, to stimulate Board discussion and should not yet be treated as draft components of the SWP. The IESBA leadership team has taken an inclusive approach for this exercise – meaning all relevant potential Strategic Objectives identified have been included (see Section D). In addition, to allow for the broadest considerations by the Board, a number of possible outcomes have been listed under “What we should have achieved by the end of 2031” for each possible strategic objective, setting aside capacity or resources constraints.**
3. The Board's feedback on these matters will help inform the development of the draft Consultation Paper on the SWP, which will be presented for discussion at the December 2026 IESBA meeting.

B. Introduction

Global Trends At a Glance

4. The environment in which the IESBA will operate over 2028-2031 will be shaped by four interlocking forces:
 - (a) Accelerating technological change;
 - (b) Increasing fragmentation in the regulatory and market landscape;
 - (c) Significant changes in accounting firm practice structures; and
 - (d) A deepening need to restore public trust in the profession and institutions more broadly.
5. Emerging technologies, especially artificial intelligence (AI), are transforming how auditors, other professional accountants in public practice (PAPPs) and professional accountants in business (PAIBs) perform their work, raising new ethical challenges, while the institutionalization of digital assets is expanding the range and type of transactions PAs must understand. Close connections between audit and non-audit service lines within firms, with the latter continuing to expand at pace, and increasingly complex relationships between firms and technology providers, are raising new independence questions and challenges.
6. Separately, the potential for technology-enabled financial crime is rapidly growing in scale and sophistication, creating new ethical challenges for auditors and other PAs. At the same time, this trend provides the opportunity for the profession to leverage its strong ethical foundation to play an increased role as gatekeeper of integrity in this new environment.
7. At another level, jurisdictions are pursuing regulatory change at different speeds and in different directions – some tightening oversight, others deregulating and some keeping the same direction –

creating real fragmentation across the markets the IESBA's standards are meant to unify. This divergence is unfolding against a backdrop of eroding institutional trust globally, amplified by geopolitical fragmentation and misinformation, undermining confidence in both private organizations and multilateral institutions.

8. Sustainability reporting and assurance remain in high demand even as the regulatory and geopolitical context around them shifts. In addition, evolving ownership structures of firms and the growing relevance of non-PA professionals in services provided by firms raise fresh questions about independence, competence, and public-interest safeguards.
9. Running through all of these trends is a single connecting theme: the need to rebuild and reinforce trust in a fragmented and increasingly skeptical world, where a fresh approach to standard-setting, namely through simplification, modernization and agility initiatives, may serve not as a retreat from rigor but as a deliberate path to clarity, usability and relevance – and therefore, to confidence.

Summary of Stakeholder Feedback on the Joint Survey

10. In response to the Joint IAASB-IESBA Survey, stakeholders have generally shared the view that the increasing use of AI and other emerging technologies, the rise of technology-enabled financial crime, deepening regulatory fragmentation, and the greater occurrence of alternative firm ownership structures are the key trends that will shape the IESBA's work for next strategy period of 2028-2031.
11. Stakeholders also urged the IESBA and the International Auditing and Assurance Standards Board (IAASB) (or the standard-setting boards (SSBs)) to focus on:
 - Prioritizing adoption and implementation support, and post-implementation reviews (PIRs) over undertaking significant new standard-setting activities;
 - Keeping standards principles-based, proportionate, and scalable; and
 - Maintaining agility through horizon-scanning, evidence-based prioritization and timely responses, particularly in light of the increasing impact of emerging technologies, without sacrificing due-process rigor and transparency.
- 12.
13. Stakeholders have also called for earlier and deeper IAASB–IESBA coordination, especially on technology, sustainability assurance, firm culture and governance as well as a number of PIRs including the Public Interest Entity (PIE) definition, NOCLAR¹ /ISA 250 (Revised)² and Using the Work of an External Experts. They further pointed out that instead of launching a wave of new joint standard-setting projects, the primary value of the SSBs' coordinated action lies in implementation support and ensuring the interoperability of their standards.
14. The information on global trends and stakeholder feedback has been further absorbed and embedded in the sections below on main trends, analysis of the trends, and possible strategic objectives.

¹ Non-Compliance with Laws and Regulations

² ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*

C. Main Trends and Analysis

15. The analysis of main trends set out in this section is based on respondents' feedback to the Joint IAASB-IESBA Survey as well as the IESBA's own information gathering (including monitoring of external developments), feedback from ongoing workstreams and outreach, as well as IESBA Board members' and staff's own reflections.
16. These trends are reshaping the environment in which the IESBA sets its standards and carries out related activities. They create either opportunities or risks that affect the IESBA's ability to achieve its vision over the strategy period. The identification of these trends may assist the IESBA in agreeing on the strategic drivers that shape the strategic objectives it determines for its 2028–2031 strategy period.

I. More Fragmented World Amid Deregulation

17. Geopolitical and regulatory fragmentation is challenging global convergence and increasing the complexity of the international standard-setting environment. The world has moved from an era defined by cooperation toward what has now been described by the World Economic Forum in its Global Risks Report 2026 as an "age of competition," in which multipolarity and geoeconomic confrontation are displacing collaborative approaches to shared challenges. Diverging regulatory priorities and growing jurisdictional variations are weakening the ability of international standards to serve as common global benchmarks. Such global baselines are important to investors and other users operating across markets. The absence of these global baselines may pose a material risk to trust, comparability and confidence in financial and non-financial reporting.
18. This divergence is especially visible in sustainability reporting, where a genuine three-speed split has emerged: some jurisdictions have finalized standards aligned with the standards issued by the International Sustainability Standards Board (ISSB) and are on the way with adopting and implementing the IAASB's and IESBA's sustainability-related standards, others have scaled back earlier sustainability reporting ambitions, and yet others have retreated from Environmental, Social and Governance (ESG) disclosures altogether. Further, headline adoption figures for the standards are not always translating into consistent application of the standards in practice. Standards and regulatory approaches are also diverging in direction, not just in pace: some jurisdictions are tightening oversight while others are actively pursuing deregulation and simplification agendas, often driven by both deregulation and competitiveness objectives rather than public-interest considerations.
19. Fragmentation is not necessarily always negative – for a principles-based framework such as the Code, a degree of jurisdictional variation can reflect the intended ductility of the framework, particularly where ethics intersects with cultural³ and national legal and regulatory framework⁴ differences. Therefore, the IESBA's strategic challenge is to keep the Code within the bounds of its principles-based design while reinforcing the Code's common-global-benchmark function as a counterforce to regulatory fragmentation. This environment is also placing new pressure on the legitimacy of international standard setters themselves, including the IESBA, as competitiveness concerns, geopolitical polarization, and declining institutional trust increase scrutiny of their independence and public-interest relevance. The strategic response includes a simplification objective – spanning potential targeted Code interventions, the development of non-authoritative material and other

³ For example, China adopts a more expansive definition of "close family" than the IESBA Code's definition. The Chinese definition includes a grandparent or grandchild, reflecting, among others, the tight-knit family relationships in Chinese culture.

⁴ For example, as reflected in the conceptual design of the IESBA Code's definition of a public interest entity (PIE)

implementation support materials, as well as improvements to the IESBA's own working models – designed to keep the Code genuinely usable, coherent and globally relevant.

II. Erosion of Institutional Trust and a New Architecture of Accountability

20. Trust in institutions – public and private, political and professional – is under sustained pressure globally. Misinformation, inequality, and societal polarization now appear together across every risk-time horizon in leading global risk assessments,⁵ suggesting a consistent condition rather than isolated phenomena. For independent standard setters, this raises a pointed question: do bodies like the IESBA retain perceived legitimacy in a more polarized, distrustful world?
21. This erosion is compounded by increasing economic fragility. Global public debt is approaching 94% of GDP as of 2025 and is projected to reach 100% by 2029 – a year earlier than previously forecast⁶ – while record sovereign bond issuance and falling demand for long-dated debt are producing steeper yield curves and refinancing risk. Market valuations, meanwhile, rest partly on an unproven bet on AI-driven productivity gains, a reassessment of which is flagged by economic forecasters as a risk capable of triggering a major market correction, with significant adverse economic consequences. Against this backdrop, perceived conflicts of interest within organizations, such as public interest entities and accounting firms, continue to challenge public confidence.
22. This trust erosion is unfolding alongside fundamental changes in how accounting and audit firms are owned, structured, and run. The traditional partnership model is evolving as many firms adopt alternative ownership structures as a result of attracting private equity and other types of external investment, and develop increasingly multidisciplinary, technology-enabled business models. These shifts help firms by expanding access to capital, technology, management expertise, innovation and growth. However, they may also alter governance arrangements and incentives, increase market concentration, and blur the Code's traditional boundaries, raising real questions about who is subject to ethical and independence requirements, how to balance the financial return expectations of external investors who have invested in firms and the firms' public interest responsibilities, and how ethical culture can be built and maintained across increasingly complex organizations.
23. The regulatory and standard setting response involves a discernible shift from individual-level to entity-level accountability, particularly in audit oversight: just as an example, regulatory reform discussions in major jurisdictions such as the US increasingly expect audit oversight to focus on the effectiveness of a firm's system of quality management for audit engagements rather than solely on engagement-level outcomes. At the same time, many regulators across the globe are looking into the evolution of firms' alternative structures and starting to take action. This regulatory approach is often linked to an increasing recognition of the importance of firms' culture and governance in preventing unethical behavior, which some recent events in a number of jurisdictions have just underlined.
24. Financial crime is a driver of trust erosion. –High-profile failures to prevent or detect money laundering, fraud, and sanctions evasion have highlighted public perceptions or concerns that a small minority of PAs (as well as other professional service providers) have facilitated money-laundering and other financial crimes. At the same time, these events have fostered a global public policy debate about the role the profession and other professional service providers can play as an essential part of the

⁵ See, for example: https://reports.weforum.org/docs/WEF_Global_Risks_Report_2025.pdf?hss_channel=lcp-97434033;
<https://www.edelman.com/trust/2025/trust-barometer>

⁶ <https://www.imf.org/en/publications/fm/issues/2026/04/15/fiscal-monitor-april-2026>

solution by acting as trusted defenders of transparency and accountability.⁷ For the IESBA, the implication is twofold: it must continue working on accounting firm culture and governance – strengthening firms’ resilience against unethical behavior by firm personnel and, therefore, the profession’s role as an enabler and guardian of trust and market integrity – and keeping pace with technology; and it must apply the same scrutiny to itself, since sustaining trust in the Code depends on sustaining trust in the standard setter.

III. Key Pressures and New Frontiers: Accelerating Technology and AI-Native Risk, Digital Assets and Sustainability Information and Other Emerging Reporting

25. AI and automated tools are reshaping how professional services are conceived and delivered and judgment exercised, raising new questions on important topics such as professional competence, bias, confidentiality, and independence. At the same time, they are also increasing the sophistication of technology-enabled financial crime. In addition, they are driving fee compression and outcome-based pricing that are disrupting traditional billing models. Further, deepening ties between audit firms and major AI labs and other technology providers are creating new dependencies and potential increased independence risks.
26. Meanwhile, stakeholder demand for credible sustainability information keeps intensifying at least in some parts of the world, especially in Asia, Africa, and Latin America, even as regulatory responses lag and fragment across jurisdictions, widening the gap between market expectations and regulation.
27. Beyond sustainability, digital assets, AI as a subject of assurance (not just a tool), and AI-enabled fraud are all testing the boundaries of the Code’s traditional subject matter, raising new questions about the professional judgment that underlies audit evidence – for example, how auditors should evaluate outputs from AI models that may be inaccurate or embed bias, or may be difficult to explain – and PAs’ response to NOCLAR.

⁷ See, for example:

- [Professional Service Providers](#) (UNODC)
- [The Sevilla Initiative for Accountable Service Providers](#) (UNODC, Transparency International et al, 2026). The Sevilla Initiative notes in particular: “While the vast majority of ... professionals are honest and play a vital role in upholding the integrity of the financial system, a small minority may knowingly facilitate corruption and money-laundering, facilitating a wide range of proceeds generating crime.”
- [Ending the Shell Game: Cracking Down on the Professionals Who Enable Tax and White Collar Crimes](#) (OECD, 2021). Among numerous references to professional enablers, the document notes in particular on page 7: “Governments have therefore recognized the need to target the professional enablers who actively pursue opportunities for, and conceal the commission of, tax crimes and other financial crimes.”
- [Horizontal Review of Gatekeepers’ Technical Compliance Related to Corruption](#) (FATF report, July 2024). Page 6 in particular notes: “... there are, undeniably, professional enablers who service corrupt officials, helping them commit and cover-up acts of corruption and enjoy the fruits of their crooked schemes.”

IV. The Profession Beyond Audit: A Growing Ecosystem of PAIBs and Non-PA Professionals in Firms

28. National data suggest that PAs working in audit represent a minority of the profession, with auditors typically comprising 15–25% of professional body membership across jurisdictions⁸ – yet the Code and the public conversation about ethics remain disproportionately focused on external audit and assurance. PAIBs work inside companies, governments, and other organizations as CFOs, controllers, tax advisers, and investigators, often serving as the first line of defense against misleading reporting, fraud, and greenwashing. They face distinct ethical pressures – employer loyalty, aggressive business or financial targets, and NOCLAR exposure – that differ materially from, and are no less significant for the public interest than, threats to auditor independence. In addition, PAIBs are becoming increasingly central to organizations' sustainability journeys and technology-related transformations, not just in their role facilitating external assurance.
29. With respect to non-PA professionals in firms, their role is expanding as firms diversify into multidisciplinary services, significantly outgrowing the firms' audit and assurance practices. Growing scrutiny of tax structuring, valuation (especially in private credit markets), and advisory work also shows that risks to the profession's reputation and the broader public interest are no longer confined to the audit relationship.
30. Further, the impact of rapid growth in emerging technologies, the growing sophistication of technology-enabled financial crimes, and the increasing complexity and pace of regulatory change do not stop with the audit profession. PAIBs, other PAPPs and non-PA professionals in firms face comparable pressures in their own work.
31. As this dominant proportion of the profession grows relative to auditors, the Code's credibility, relevance, and adoption increasingly depend on addressing their ethical realities directly, not only those of statutory auditors, and provide an equivalent level of support to this group in the profession. This connects closely to the broader trust and accountability shift described in Trend 2: an entity-level, systems-oriented view of accountability is incomplete if it stops at the audit engagement, when most of the profession – and much of the first-line exposure to misconduct – sits elsewhere in the ecosystem of private and public or non-profit organizations.

⁸ No global statistics exist on the number of PAIBs and non-audit professional accountants. However, the following are a number of illustrative national figures:

- **Canada** — 19% of CPA Canada members report public practice as their industry (<https://www.cpaalberta.ca/-/media/Files/Members/Advisories/25-2554-cpa-compensation-study-2025-national.pdf?la=en&hash=02432CD30E8FD677E4F43C00E48436143D223806>)
- **Germany** — auditors represent ~14% of the combined auditor/tax advisor population (<https://www.bstbk.de/downloads/bstbk/ebooks/Berufsstatistik-2025.pdf>; https://www.wpk.de/fileadmin/documents/Ueber_uns/Organisation/WPK-Statistiken_Juli_2025.pdf);
- **India** — 38% of ICAI members are in practice (<https://taxconcept.net/icai/statistics-of-icai-members-students-firms-till-28th-february-2025/>). The "In practice" figure includes non-audit services (tax, advisory) and is therefore an upper-bound proxy for auditors specifically.

Matters for IESBA Consideration

1. The Board is asked to share views on the main trends and analysis described above. In particular:
 - (a) Does the analysis adequately capture the opportunities and risks impacting the IESBA's ability to achieve its vision; and does it assist in shaping the strategic objectives the IESBA should determine for the 2028–2031 strategy period?
 - (b) Is the analysis appropriately balanced to be reflective of the broad needs of stakeholders and the public interest?
 - (c) Are there any other key trends and related strategic implications that should be considered?

D. Possible Strategic Objectives

32. This Section sets out for discussion a set of possible IESBA Strategic Objectives for 2028-31, which the IESBA leadership team views as flowing intuitively from the trends and related analysis, while not precluding other Board insights and suggestions in that regard.
33. For each possible Strategic Objective, IESBA leadership has also articulated an indicative set of outcomes that the IESBA might broadly want to achieve under the identified Strategic Objective. These have been developed to help establish a common understanding of the intent and vision behind each objective, without regard at this stage to capacity or resources constraints. Similar to the possible Strategic Objectives, these outcomes may be refined, merged, removed, or supplemented by additional outcomes following the Board discussion.
34. The aim of the discussion on this section is to hear Board perspectives and reactions on the different possible strategic objectives, including which objectives (all, a subset, or others) in the Board's judgment would most effectively respond to the opportunities and risks identified, given the Board's mandate, capacity, and the public interest it serves.

I. A Simplification Program 2028–31: Clearing a Path to Trust and Public Value (Trends 1 and 2)

35. A more fragmented and deregulating global environment demands a Code that is not only rigorous but genuinely usable – coherent enough to serve as a real global benchmark, and accessible enough that adoption and implementation follow naturally from good design. This objective is about working on a simpler, globally coherent Code: reducing unnecessary complexity, removing any possible inconsistency, also with interoperable standards such as the IAASB, IASB⁹ and ISSB standards, clarifying what the key principles and essential application material are, supporting usability in practice, modernizing where and when necessary, and actively promoting adoption and implementation.
36. On reducing complexity, this means pursuing a targeted simplification program, embedding proportionality more clearly and transparently, and ensuring principles-based provisions are workable for small and medium practices (SMPs) and emerging markets, not just the largest multinational networks. On global convergence to the IESBA Code, it means reframing adoption and implementation support as a strategic priority, closing feedback loops with jurisdictions early,

⁹ International Accounting Standards Board

preventing local interpretations outside of the Code's design from taking root, and defending the Code's role as a trusted global ethics benchmark.

What we should have achieved by the end of 2031

- A targeted simplification review of the Code delivered, with implementability, proportionality, and enforcement barriers identified and addressed based on evidenced usability issues rather than another restructuring of the Code project.
- Proportionality mechanisms for SMPs more clearly embedded structurally in the Code's architecture, not only through non-authoritative guidance.
- Practical non-authoritative materials and other resources for emerging-market practitioners.
- A diagnosis of the root causes of lagging or partial Code adoption completed, with targeted efforts to assist the highest-priority jurisdictions in catching up with the latest IESBA Code.
- Enhanced transparency about the public interest rationale and due-process steps for every major project, as standard practice.
- To the extent within its control, measurable improvement in adoption metrics relative to the 2027 baseline.
- A revised digital Code with user-friendly navigational tools tested and launched.

II. Reinforcing the IESBA's Identity, Embedding Collaboration, Communication and Engagement (Cross-cutting)

37. The IESBA's influence depends not only on the quality of its standards but also on the strength and breadth of its relationships with the ecosystem of regulators, standard setters, and market participants whose decisions shape whether those standards are actually used. The IESBA's influence also depends on how effectively that work is communicated and understood. This objective is to strengthen three things together: a clearer, more confidently asserted institutional identity; deeper, genuinely reciprocal collaboration; and strong and deliberate communications and stakeholder engagement functions that connect the other two functions to real-world impact.
38. Communication and stakeholder engagement are not support activities bolted onto the end of standard-setting – they are critical to achieving most of what stakeholders have asked for and to the effectiveness of the IESBA's work more broadly. An accessible, useful, and effective Board only delivers public value if it proactively engages with stakeholders and its standards are understood and used: by the largest networks and by SMPs, by auditors and by the much larger population of PAIBs, other PAPPs and non-PA professionals in firms, by regulators and by the users of financial and non-financial information who rarely engage with standard setters directly. Global reach and impact, in this sense, are not simply a communications output – they are a precondition to adoption and implementation, to establishing the IESBA as a recognized global ethics standard-setter with an influential voice, and to enabling ethics standards to be genuinely internalized rather than treated as a mere compliance exercise.
39. This means continuing to reinforce strategic communications and enlarging the IESBA's stakeholder base beyond its traditional constituency – building closer relationships with, for example, banks, prudential regulators, and public and private markets participants – and raising broader awareness of why ethics and independence matter as a foundation of trustworthy business and reliable reporting, not a compliance formality.

40. It also means pursuing closer and more effective collaboration with the IAASB and other standard-setting and regulatory bodies as an essential input into better standard setting, better standards and more coherent implementation. As firms are increasingly scrutinized for whether their commercial interests align with those they serve, the IESBA faces an analogous legitimacy question, and must be visibly engaged with other standard setters, investors and other users of financial and non-financial information, not only the preparers and those who provide assurance on that information.
41. Delivering on this requires treating communications and stakeholder engagement as a standing, resourced capability rather than a series of one-off launches: translating technical Code content into plain-language, practically oriented materials for different audiences and jurisdictions; using digital and multi-channel outreach to extend reach into the marketplace, including emerging markets and underserved segments of the profession; and strengthening the feedback loop so that stakeholder input visibly shapes the IESBA's decisions rather than simply being logged. Done well, this is what turns a well-drafted Code into one that is actually known, understood, and internalized around the world.

What we should have achieved by the end of 2031

- Formal, ongoing engagement channels established with new stakeholder categories – prudential regulators, banking supervisors, sustainability providers, financial-crime gatekeepers, and private markets participants.
- Early-stage coordination with the IAASB and, where appropriate, IASB and ISSB operating more visibly and effectively, with cross-Board implications flagged before a project begins.
- A full program of partnerships effectively multiplying the IESBA's outreach capacity and impact.
- Coordinated post-implementation reviews identified as shared priorities with the IAASB (PIE definition, NOCLAR/ISA 250 (Revised), using the work of external experts) completed.
- A transparent, published mechanism showing how stakeholder input shaped specific IESBA decisions.
- A dedicated communications and stakeholder engagement strategy adopted and resourced as a core Board function, with defined global reach across regions, languages, and audiences.
- Plain-language, practically oriented explanatory materials and digital resources published alongside every major Code revision, closing the gap between publication and everyday application.
- External perception and awareness data showing measurable improvement in how the IESBA and the Code are known, and the Code understood and used globally, and in how the IESBA is seen as representative of user and public interests, not only the interests of the profession for which it develops the Code.

III. Beyond Individual Conduct: Strengthening the Foundations of Trust in Firms (Trends 2 and 3)

42. The market infrastructure surrounding professional services is changing rapidly – who performs the work, how firms are owned and governed, and whether independence still holds in practice. This objective builds on the Code's traditionally individual-behavior-centric approach to also capture the firm as the unit of analysis: its culture, governance arrangements, ownership, technological profile and business models. Accountability and culture now operate substantially at the level of the firm and the service, not only the individual practitioner, and the Code's response needs to evolve accordingly.

43. Firm culture and governance sit at the center of this shift. Where a firm's tone at the top, incentive structures, and internal accountability mechanisms are weak, individual-level ethical requirements have limited power to prevent failures – regulatory reform discussions increasingly expect oversight to focus on the effectiveness of a firm's governance across all service lines as well as its system of quality management especially for audit engagements, not solely on engagement-level outcomes. The reinforcement of firms' ethical culture and governance, and thereby their resilience, will directly translate into fewer ethical issues, stronger reputation and increased trust in firms. Stating clearly what firm-level ethical leadership and governance entail, and how those essential constructs sit alongside, rather than substituting for, the responsibilities of individual PAs, are key to that evolution.
44. The ownership and structure of firms are changing just as fast. The growth of private equity investment in accounting and audit firms, and the spread of alternative practice structures that split audit and advisory activities across separate legal entities, raise incentive and control questions the Code was not originally built to anticipate: who ultimately controls a firm's decisions, how profit motives at the investor level flow through to engagement-level judgments, and whether existing independence provisions meaningfully reach these new ownership layers.
45. At the same time, firms' business models are evolving – expanding multidisciplinary service offerings, strategic alliances and business relationships with technology and other third-party providers, and deepening commercial ties between firms and technology vendors. These evolving business models are increasing the complexity in the alignment of the firm's commercial interests and the interests of those it serves. In addition, market concentration is becoming an independence-adjacent constraint that reduces real alternatives for audit firm rotation and choice.
46. Data governance is an increasingly important, and still underdeveloped, part of this picture. Firms are relying more heavily on shared data platforms, AI tools, and third-party data services across audit and non-audit lines. The quality and reliability of such sources and data are, however, fragile. As a result, questions of who controls, accesses, and profits from client and engagement data are becoming inseparable from questions of independence and confidentiality. Weak data governance can quietly recreate the same self-interest and familiarity threats the Code's independence provisions were designed to guard against, even where no individual rule has technically been broken.
47. Taken together, these developments – firm culture and governance, private equity and alternative ownership structures, evolving business models and business relationships, and data governance – are precisely why firm independence and the fitness of the Code's ethics provisions need to be tested. This is fundamentally a trust objective: as firms change shape, the Code needs to support, and in places restore, trust in firms themselves, not only in individual practitioners. The principal areas of work are Firm Culture and Governance (FCG), private equity investment in firms (PEI), data governance, and firms' independence more broadly.

What we should have achieved by the end of 2031

- The Code's provisions on Firm Culture and Governance (FCG) moved from active development to adopted and effective provisions, with clear articulation of firm-level responsibility for ethical culture and governance.
- Revisions to the Code's ethics and independence provisions with respect to PEI and other external investment in firms, if determined necessary, adopted and in force.

- A completed review of firm independence requirements against evolving governance and business-model structures – including multidisciplinary models, and business relationships with technology and other third-party providers – with any resulting Code amendments in force.
- A defined approach to data governance from an ethical lens embedded in the Code's provisions, addressing accountability for the data underpinning professional judgment, quality management, and client and engagement relationships, and its implications for independence and confidentiality.
- The Code demonstrably addressing entity- and firm-level as well as individual-level accountability, with firm-level responsibility for ethical culture and governance clearly articulated, and evidence that these changes are helping reinforce and restore public trust in firms.

IV. The New Frontier Risks: AI, Sustainability Assurance and Financial Crime – Moving at Pace with a Fast-Evolving Risk Landscape (Trends 2, 3 and 4)

48. Technological transformation is actively reshaping how professional services are created, delivered, priced, and overseen. The Code must evolve at a pace that reflects this reality rather than trailing behind it. This objective extends beyond the firm-level independence questions addressed under Objective III to the broader implications of AI and digital transformation for the profession as a whole – including AI as a subject of assurance in its own right, the ethical dimensions of AI-enabled fraud, and the wider disruption of traditional service and business models. Objective IV also brings together, under a single technology-and-frontier-risk umbrella, the profession's response to sustainability assurance developments and to technology-enabled financial crime – both validated by stakeholders as trends most likely to shape the 2028–31 period.
49. At the same time, the pervasive alliances between audit firms and AI service providers, and the growing number of entities with which those providers work and form business relationships, are narrowing the range of auditors free from independence conflicts and limiting the choice of audit providers for some of those entities. These new market dynamics may raise questions as to whether there is a need to revisit the independence provisions in the Code from a public interest perspective.
50. Technology-enabled financial crime is a cross-cutting risk that runs through this objective rather than a separate topic. It is a driver of the independence and assurance of AI questions above. It is also where IESBA has the clearest opportunity to establish itself as a recognized, credible partner in the global effort against financial crime. This means completing the post-implementation review of the NOCLAR standards; undertaking a holistic review of the ethical implications of financial crime; considering targeted guidance where the conceptual framework requirement for PAs to have an inquiring mind is tested by AI-generated fraud; and building formal relationships with anti-money-laundering bodies, financial intelligence units, and law-enforcement-adjacent standard setters – not only the accounting and audit profession – so that the IESBA's standards are recognized as a meaningful line of defense before crises occur.
51. Being future-ready on all three fronts – technology and AI, sustainability assurance, and financial crime – means treating each as a standing strategic priority rather than a series of one-off responses, so the Code remains a credible framework for a profession being reshaped by risks and tools its foundational principles did not originally contemplate.

What we should have achieved by the end of 2031

- The post-implementation review of the Code's technology-related revisions completed, with findings translated into confirmed adequacy or targeted amendments.
- A review of the independence standards against the characteristics of business relationships between audit firms and AI labs and other technology providers completed, with the public interest implications of the narrowing of auditor choice for clients explicitly considered.
- Authoritative or non-authoritative guidance issued addressing AI as a subject of assurance – bias, explainability, AI model risk – distinct from AI as a tool used within firms and other organizations.
- Preliminary research completed on digital assets' ethical risks.
- To the extent within its control, a high level of adoption of the IESSA by jurisdictions using ISSA 5000, with independence and market-concentration tensions arising from regulatory competition-easing measures explicitly considered and addressed in IESBA's public positioning.
- Any resulting recommendations from the NOCLAR post-implementation review completed.
- Code provisions updated as determined appropriate to reflect technology-enabled, including AI-assisted, fraud typologies, and clear, practical guidance issued on reporting obligations specific to AI-generated or AI-assisted fraud scenarios.
- The IESBA recognized as a partner in financial-crime prevention through formal relationships, memoranda of understanding, or standing engagement with at least one major international body in the financial-crime prevention ecosystem outside the accounting and auditing profession, with external stakeholders referencing the IESBA as a credible, engaged actor evidenced through citations, forum invitations, or joint initiatives.
- The Code demonstrably keeping pace with at least one major technological shift that emerged after 2028 and was not anticipated at the start of the period.
- A visible public narrative positioning the IESBA's ethical framework as a genuine line of defense against financial crime, contributing measurably to the broader institutional-trust objective.

V. Increasing the Code's Impact Beyond Audit: A Spotlight on PAIBs and Non-PA Practitioners (Trend 4 / cross-cutting)

52. With PAIBs, PAPPs other than auditors, and non-PA practitioners in firms representing roughly 75-85% of the profession,¹⁰ the Code's credibility depends on speaking as directly to them as it does to auditors. This objective is about ensuring that the Code provides clear, practical, and enforceable provisions for PAIBs, PAPPs other than auditors, and non-PA professionals in firms working in tax, forensic accounting, insolvency, and consulting – recognizing the distinct pressures they face, from employer loyalty and circumstances involving intimidation to advising on aggressive tax positions or strengthening internal controls. It also means the IESBA actively engaging with this segment, its employers, and its regulators, rather than treating it as a secondary audience to auditors. Strengthening ethical expectations here serves the public interest directly, since these professionals are often positioned earliest to detect and prevent misconduct inside organizations. It also reinforces the Code's overall legitimacy: a Code seen as relevant mainly to auditors risks losing meaning and value with the majority of the professionals it is meant to govern.

¹⁰ See paragraph 24 and fn. 7

What we should have achieved by the end of 2031

- A dedicated review of Code provisions applicable to PAIBs, PAPPs other than auditors, and other non-PA professionals in firms completed, namely through PIRs.
- Clear guidance issued on NOCLAR for PAs employed within organizations.
- Ethics guidance addressing tax practice, forensic accounting, and consulting-specific conflicts of interest developed and adopted.
- Formal engagement channels established with PAIB networks, employers, and relevant regulators (e.g., national PAIB committees, IFAC's PAIB Advisory Group).
- Perceived improvement in PAIB and non-PA practitioner awareness and application of the Code.

VI. Strengthening Institutional Capacity, Agility and Preparedness
 (Trends 1, 2 and 3)

53. The trends shaping this Strategy and Work Plan are moving at a pace that a traditional standard-setting set-up was not designed to match. This objective turns the lens inward, onto the IESBA's own operating model – its due process, capacity, and prioritization – to ensure that the institution itself is equipped to respond to a genuinely faster rate of change.
54. This requires three things in particular:
- (a) A faster and more sharply prioritized due process, so that the IESBA can identify and act on emerging issues within a timeframe that keeps pace with the change velocity now characteristic of technology, and market structure and regulatory developments;
 - (b) Deliberate investment in staff capacity building, including upskilling in AI and emerging technologies, so that the IESBA has the internal knowledge necessary to understand and credibly respond to the developments it is being asked to address; and
 - (c) The development of instruments to successfully pursue the IESBA's strategy, in areas such as AI, risk analysis, statistics and communications.

Building this internal capability is a precondition for the successful delivery of every other objective in this plan, not a separate or lower-priority undertaking.

What we should have achieved by the end of 2031

- A faster, tiered due-process model in place and in active use, with defined criteria for when the development of non-authoritative guidance, rapid responses, or full standard-setting apply, and used at least once to respond to an emerging issue within a materially shorter timeframe – potentially as a joint IAASB-IESBA project.
- Horizon-scanning and evidence-based prioritization institutionalized as a standing function, with a documented pipeline of monitored emerging issues reviewed on a regular cycle.
- IESBA staff fluency in AI and emerging technology, evidenced through hiring criteria, training programs, or structured secondments.
- Use of AI tools by IESBA staff established as a standard approach for research, information gathering and analysis.

- Due-process rigor maintained throughout, with no material stakeholder criticism suggesting agility gains came at the cost of transparency or consultation quality.
- Maturing of the secondment model to leverage the permanent staff capacity

Matters for IESBA Consideration

2. The Board is asked to share views on the following:
 - (a) The merit of each possible strategic objective, including its potential impact on the IESBA and the Code's relevance and on contributing to a more robust ethical environment?
 - (b) Which opportunities and risks does the Board see arising from the identified trends that are not otherwise reflected in the analysis?
 - (c) For each possible strategic objective and with respect to the suggested outcomes listed under "What we should have achieved by the end of 2031:"
 - (i) Are these outcomes that the Board would envision to be meaningful to success?
 - (ii) Are there outcomes that should receive greater or the greatest priority?
 - (d) Are there any additional views on strategy that should be considered?